Dear Members,

On behalf of the Board of Directors it is my privilege to present the 41st Annual Report on the performance of your Corporation during the Financial year ended on 31st March 2017 along with the audited Statement of Accounts, Auditors Report and Review of the Accounts by the Comptroller & Auditor General India for the period.

FINANCIAL PERFORMANCE

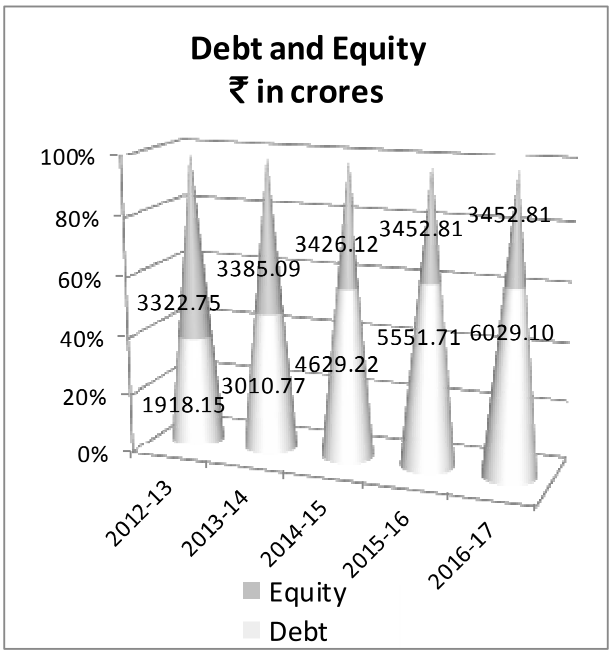
The performance of the Corporation for the financial year ended 31st March 2017 and 31st March 2016 are summarized below:

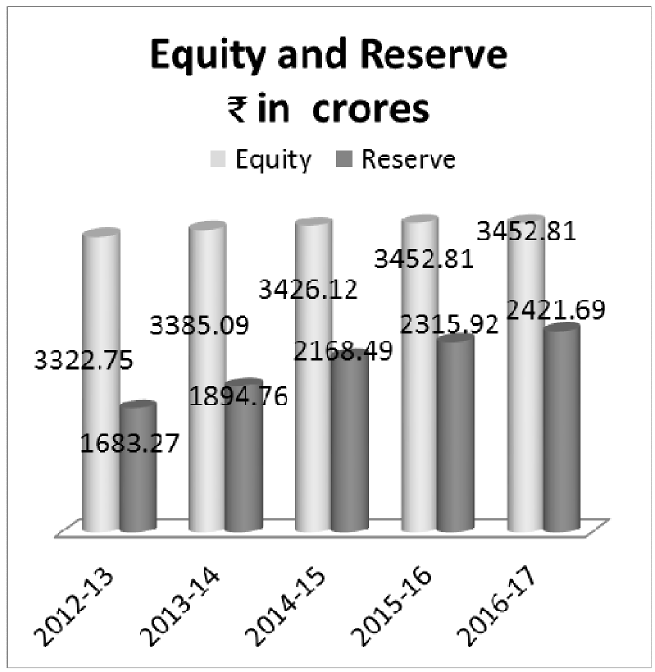
PERFORMANCE AT A GLANCE

(₹ In Crore)

Sl. No.	Items	2016-17	2015-16
A	Revenue from Operation	1404.47	1605.88
B	Other Income	31.05	135.25
C	Total Revenue	1435.52	1741.13
D	Profit before depreciation, interest and tax	565.03	572.00
E	Depreciation	160.39	119.39
F	Profit after depreciation but before interest and tax	404.64	452.61
G	Interest and finance charges	29.91	17.23
H	Profit before tax	374.73	435.38
I	Current Tax	134.27	127.18
J	Profit after Tax	240.46	308.20
K	Other Comprehensive Income	(2.14)	6.31
L	Total Comprehensive Income	238.32	314.51
M	Interim Dividend	21.00	22.59
N	Proposed final dividend	51.14	89.17
O	Dividend Tax	4.27	22.75
P	Dividend Tax payable on Proposed Dividend	10.41	-
Q	Transfer to Bond Redemption Reserve	149.80	124.80
R	Share Capital	3452.81	3452.81
S	Reserve & Surplus	2421.69	2315.92
T	Net Worth (R + S)	5874.50	5768.73
U	Gross Block	6675.13	6112.72
V	Capital Employed	3452.27	4130.01
W	Number of Employees	2308	2421

X	Financial Ratios ::		
Gross Operating Margin		533.98	436.75
Net Profit to Net Worth (%)		4.09	5.34
PAT /Total Employment (₹ in lakhs)		10.42	12.73
Debt Equity Ratio		1.65	1.61
Liquidity (ratio)		0.81	1.99
Current Ratio		0.93	2.16
Sales Turnover/ Net Block (%)		39.72	50.89
Debtor Turnover Ratio (days)		194	204
Earnings per Share (₹)		0.70	0.90

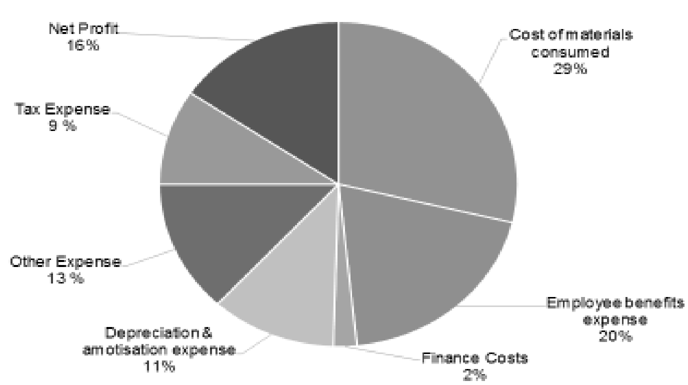




Revenue

The Gross Revenue of the Corporation for the year 2016-17 is ₹ 1435.52 Crore (previous year ₹ 1741.13 Crore).

Analysis of Revenue



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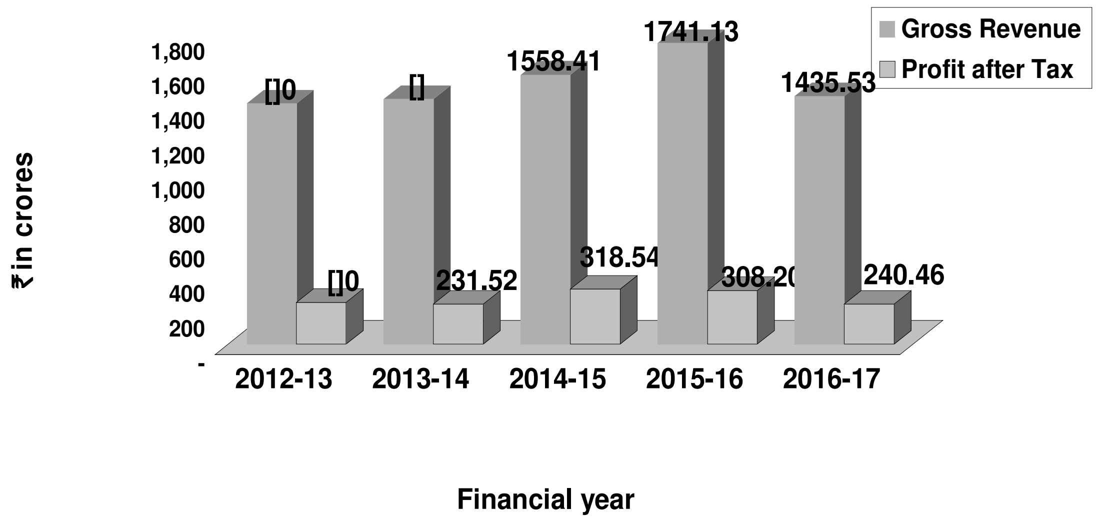
Profit Before and After Tax

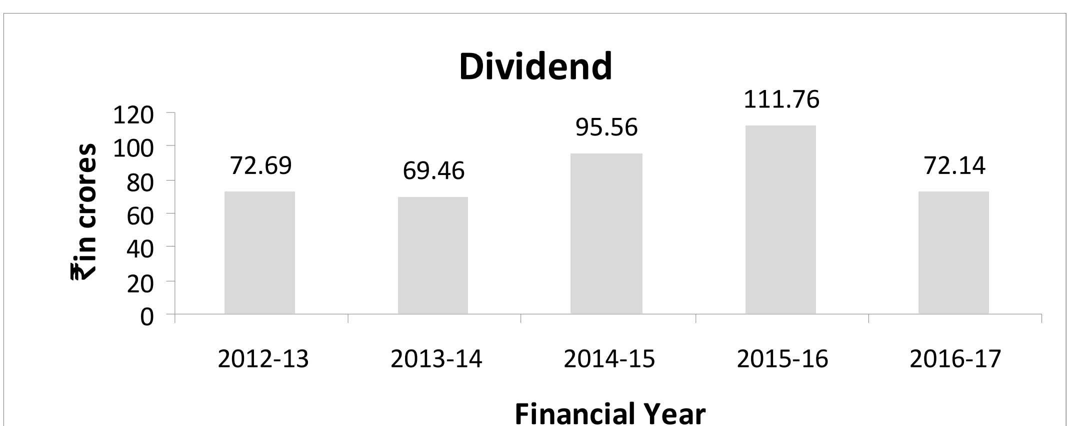
The Corporation earned a profit before tax of ₹ 374.73 Crore as against of ₹ 435.38 Crore of previous year and the profit after tax amounts to ₹ 240.46 Crore against previous year figure of ₹ 308.20 Crore.



DIVIDEND

The Corporation has paid an interim dividend of ₹ 21.00 crores in February' 2017. Your Directors have recommended a final dividend of ₹ 51.14 crore for the year 2016-17. The total dividend payout for the year amounts to ₹ 72.14 Crores i.e. ₹ 0.21 per equity share. The dividend pay-out represents 30% of Profit after Tax (PAT) as per the guidelines of the Ministry of Power, Government of India. The final dividend shall be paid subject to your approval in the Annual General Meeting. The total dividend payout including dividend tax paid & payable accounts for 36.11 % of Profit after Tax of the Company.

The Capital Restructuring Guidelines issued by the Department of Investment and Public Asset Management (DIPAM) on 27th May 2016 stipulates that dividend payout amount would be higher of 5% of the Net Worth or 30% of the PAT. 5% of the Net Worth is ₹ 293.70 Crs. However, the cash position of your Corporation is not adequate to pay such sum as dividend in view of the considerable temporary diversion of funds from Internal Resources to compensate the non receipt of Equity contribution from the Government of India as the Revised Cost Estimates in respect of Kameng HEP, Pare HEP and Tuirial HEP have not yet been approved. Moreover, the equity component of upcoming projects like the Mawphu HEP (85MW) and Odisha Solar Project (200MW) are to be funded from the Internal Resources. Hence your Corporation has applied for exemption under Clause 9.3 of the extant guidelines for permission from DIPAM to pay dividend @30% of PAT for the Financial Year 2016-17.



FINANCIAL REVIEW:

CAPITAL STRUCTURE

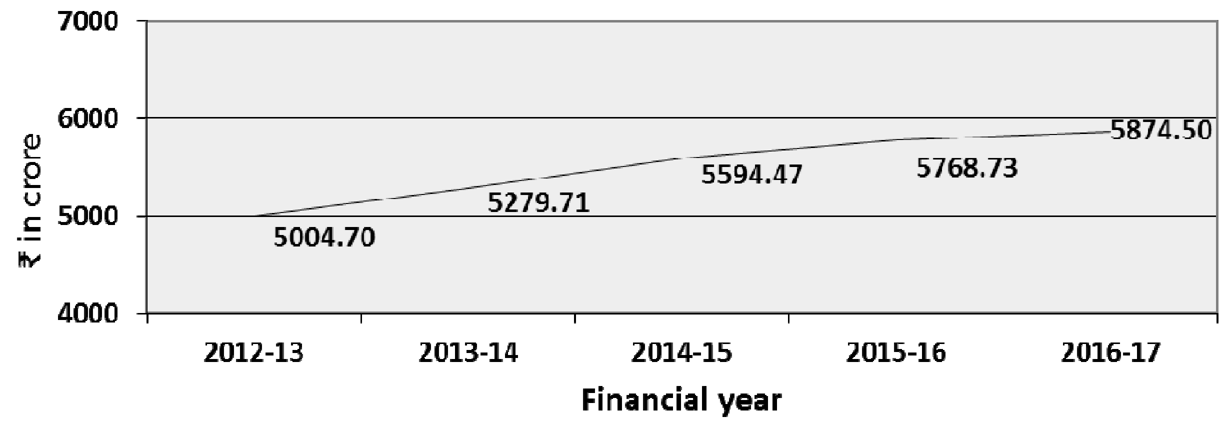
The Authorised Share Capital of the Corporation as on 31.03.2017 stood at ₹ 5000.00 Crore and the Paid up Capital was ₹ 3452.81 Crore (Previous year ₹ 3452.81 Crore).

BORROWINGS

The Corporation mobilised a loan of ₹ 733.00 Crore from various domestic and international lending agencies during the year 2016-17.

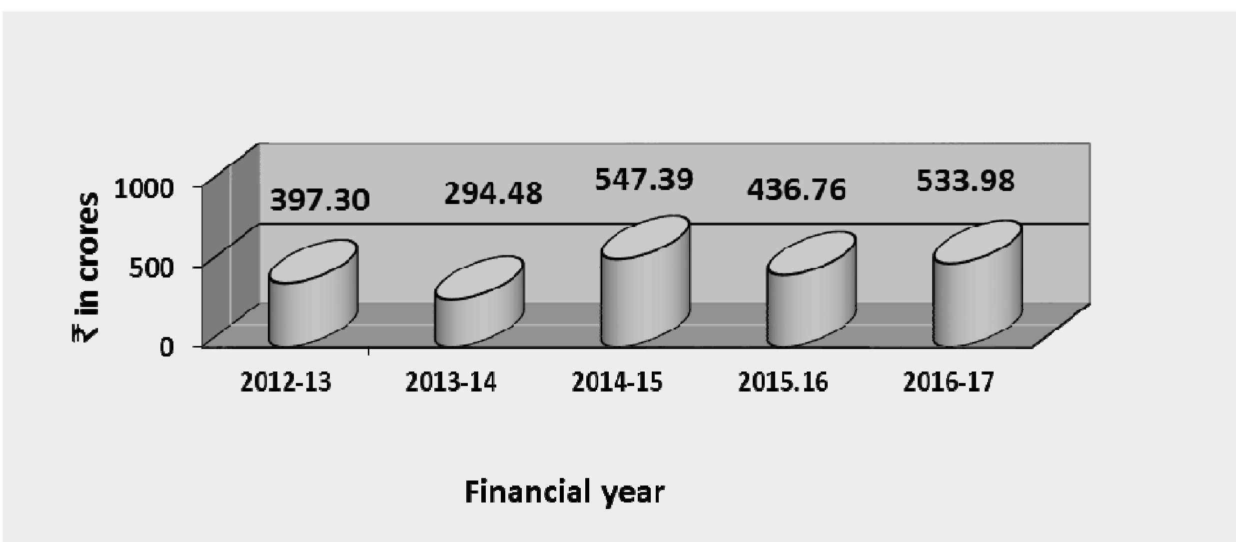
NET WORTH

The Net Worth of the Corporation excluding capital reserve as on 31st March, 2017 was ₹ 5874.50 Crore against ₹ 5768.73 Crore as on 31st March, 2016 representing a growth of 1.83 %.



GROSS OPERATING MARGIN

The Gross Operating Margin of the Corporation as on 31st March, 2017 was ₹ 533.98 Crore against ₹ 436.76 Crore as on 31st March, 2016.



STATUTORY AUDITOR

M/s S P A N & Associates, Guwahati was appointed as the Statutory Auditor of the Company, by the Comptroller & Auditor General of India for the financial year 2016-17. The Statutory Auditor of the company has submitted the report on the Financial Statements of the Company for the financial year 2016-17. The reports of the Statutory Auditor are given in **ANNEXURE 6A & 6B**

MANAGEMENT COMMENTS ON STATUTORY AUDITOR'S REPORT

The Management's reply to the report on Internal Financial Controls under section 143(1) of the Companies Act, 2013 are enclosed as **ANNEXURE – 6C**

REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

Comptroller & Auditor General of India has reviewed the financial statements of the Company for the 2016-17. Copy of the report is enclosed as **ANNEXURE-7**

COST AUDITOR

The Central Government u/s 148 of the Companies Act, 2013 has approved the appointment of cost audit firm, M/S Sanjib Das & Associates, Guwahati as Cost Auditor of the Corporation for the financial year 2016-17.The Cost Accounting Records are being maintained by all the power stations as prescribed under the Cost Accounting Records (Electricity Industry) Rules, 2011. The Cost Audit for the year 2016-17 has been completed and the Cost Auditor has submitted the report. The due date for filing Cost Audit Reports for the financial year 2016-17 is September 27, 2017 and the same shall be filed with the Cost Audit Branch within the stipulated time.

SECRETARIAL AUDITOR

M/s. Biman Debnath & Associates, Practicing Company Secretaries, Guwahati, was appointed as the Secretarial Auditor of the Company for conducting the secretarial audit for the year 2016-17. The Secretarial Audit Report in Form No.MR-3 for the financial year ended 31st March 2017 as audited by M/s. Biman Debnath & Associates, Practicing Company Secretaries is enclosed as **ANNEXURE -8A** Management's reply to the Secretarial Auditors' observations raised in the Secretarial Audit Report for the year 2016-17 is enclosed as **ANNEXURE – 8B**

PLANTS UNDER OPERATION:

POWER GENERATION

Power Generation during the year 2016-17 is 5290 MU against "Very Good" MoU Target of 5250 MU. There was no Generation target against TGBPP due to uncertainty of Gas supply by ONGC. The achievement is inclusive of generation target against Pare during the year and exclusive of the achievement of 182 MU from TGBPP. Power generation from AGBP, Assam, was affected due to less supply of gas by M/S OIL and under requisition by the beneficiaries. Power generation from Ranganadi HEP, Arunachal Pradesh was affected due to less rainfall in the catchment area.

Production Efficiency is a standard parameter to measure the efficiency of the operational power plants of the Corporation and in the MOU for the year 2016-17 also, 3 (three) such parameters have been incorporated as under:

1. Increase in PAF of the Hydro & Thermal Plants (weighted average) excluding Kopili HEP over previous year (2015-16). The achievement of the Corporation in respect of the weighted average of Plant Availability Factor (PAF) during the year 2016-17 was 80.12% against the

previous year(2015-16)'s achievement of 76.12%. Thus, increase in PAF was 5.25% which corresponds to a 'Good' MOU rating in respect of the parameter.

2. Reduction in auxiliary power consumption in all Hydro & Thermal Plants (weighted average) over previous year and reduction in forced outages in all Hydro & Thermal Plants (weighted average) over previous year. The achievement of the Corporation during the year 2016-17 was 1.43% (weighted average) against the previous year (2015-16)'s achievement of 1.69%. Thus, reduction in consumption of auxiliary power stood at 15.38% which corresponds to an 'Excellent' MOU rating in respect of the parameter.
3. Reduction in Forced Outages in all Hydro & Thermal Plants (weighted average) over previous year (2015-16). The achievement of the Corporation during the year 2016-17 in respect of this parameter was 4.67% (weighted average) against the previous year (2015-16)'s achievement of 9.79%. Thus, achieving a reduction of 52.30% which corresponds to an 'Excellent' MOU rating in respect of the parameter.

<table>
<tr><th>Power Station</th><th>Generation Target (MU) 2016-17 for "V-Good" MOU rating</th><th>Actual Generation (MU) 2016-17</th><th>Achievement in % age</th><th rowspan="2">P.A.F. Target (%) 2016-17 for "Very Good" MOU rating</th><th rowspan="2">Actual Plant Availability Factor (%) 2016-17</th></tr>
<tr><th colspan="4">Hydro</th></tr>
<tr><td>Kopili H E Plant (275 MW)</td><td>1085</td><td>1287</td><td>118.62</td><td rowspan="10">80.69</td><td rowspan="10">80.12</td></tr>
<tr><td>Doyang H E Plant (75 MW)</td><td>218</td><td>259</td><td>118.81</td></tr>
<tr><td>Ranganadi H E Plant (405 MW)</td><td>1250</td><td>1249</td><td>99.92</td></tr>
<tr><td>Pare HE Project (110 MW)</td><td>100</td><td>0</td><td>0</td></tr>
<tr><td colspan="4">Thermal</td></tr>
<tr><td>AGBP (291 MW)</td><td>1730</td><td>1573</td><td>90.92</td></tr>
<tr><td>AGTCCP (135 MW)</td><td>860</td><td>915</td><td>106.40</td></tr>
<tr><td colspan="4">Renewable</td></tr>
<tr><td>Solar Monarchak (5 MW)</td><td>7</td><td>7</td><td>100</td></tr>
<tr><td>NEEPCO</td><td>5250</td><td>5290</td><td></td></tr>
<tr><td>TGBPP (101 MW)</td><td>0</td><td>182</td><td></td><td></td><td></td></tr>
</table>

Note: " Very Good" MoU Target for APAF (in %) for the year 2016-17 was fixed at 6% higher than the APAF of all the Hydro and Thermal Plants (Weighted Average) excluding Kopili HEP over previous year 2015-16 (i.e. 76.12%).

HYDRO ELECTRIC PLANTS

A) 275 MW Kopili Hydro Electric Plant, Assam:

The Plant consists of three power stations namely, Kopili Power Station (4 X 50 MW), Khandong Power Station (2 X 25 MW) and Kopili Stage-II Power Station (1 X 25 MW). During the year 2016-17, total energy generated from the Plant is 1287 MU against "Very Good" MoU Target of 1085 MU and Design Energy of 1550.09 MU even though power generation from Kopili power station was affected due to shutdown of the water conductor system for its rectification due to excessive leakage. Repairing of the concrete liner was carried out in the eroded portion with rich concrete, cement grouting both contact and consolidation grouting was done in the distressed portion. The severely damaged portions of the steel liner at the invert portion was cladded with 3mm thick Stainless Steel plates of suitable grade which is expected to sustain in acidic water.

B) 75 MW Doyang Hydro Electric Plant, Nagaland:

The Plant with Design Energy of 227.24 MU, could generate 259 MU during the year 2016-17. The Plant Availability Factor achieved is 75.22 % against the Normative Annual Plant Availability Factor of 73 %.

C) 405 MW Ranganadi Hydro Electric Plant, Arunachal Pradesh:

The Plant with Design Energy of 1509.66 MU, could generate 1249 MU during the year 2016-17 against "Very Good" MoU target of 1250 MU. The Plant Availability Factor during 2016-17 is 93.02 % against the Normative Plant Availability Factor of 85%. Power Generation was affected due to less rainfall in the catchment area.

THERMAL PLANTS

D) 291 MW Assam Gas Based Combined Cycle Power Plant, Assam:

During 2016-17, Power Generation from the Plant is 1573 MU against "Very Good" MoU target of 1730 MU, with Plant Load Factor of 61.69% and Plant Availability Factor of 62.07% against the Normative Plant Availability Factor of 72%.

The generation target was fixed based on possible generation as per contracted quantity of gas. However, the contracted quantity could not be made available by M/s OIL, which resulted in low Generation & PAF during 2016-17. M/S OIL restricted gas supply to the plant from the contracted quantity of 1.4 MMSCUMD to around 1.1~1.2 MMSCUMD w.e.f. 15.07.2016 due to reduction of gas production, one of the reason being water logging of the high producing wells. Gas supply was further reduced to around 0.7 - 0.8 MMSCUMD w.e.f. 28.08.16 to facilitate more gas supply to M/S Brahmaputra Valley Fertilizer Corporation Ltd. (BVFCL) in pursuant to MOP&NG's instruction to ensure 1.65 MMSCUMD gas supply to M/s BVFCL as priority sector by applying pro-rata cut on all non-priority customers till normalization of gas production. Gas supply to the plant is intermittently increased whenever the unit of M/s BVFCL is not in operation/ tripping during (Oct – Nov' 2016).

For achieving 80 % availability, the matter to increase the gas linkage from existing 1.4 MMSCUMD to 1.65 MMSCUMD was taken up with M/s OIL on several occasions and with the MOP&NG through the MoP for enhancement of gas linkage. M/S OIL, has however informed that they are not in a position to consider commitment of additional gas to any existing or new customer on FIRM basis. Further, they have also intimated that based on future discovery of any new Gas reserve, possibility of additional Gas supply will be relooked depending on priority given by the Government of India to different sectors.

E) 135 MW Agartala Gas Based Combined Cycle Power Plant, Tripura:

The Plant has achieved generation of 915 MU during 2016-17 against "Very Good" MoU target of 860 MU with Plant Load Factor of 77.41 % and Plant Availability Factor of 83.05 %.

F) 101 MW Tripura Gas Based Combined Cycle Power Plant, Tripura:

The power generation from the project during 2016-17 is 182 MU with Plant Availability Factor of 30.34 %. There was no MoU Target against TGBP for the year 2016-17 due to uncertainty of Gas supply by M/S ONGC. The reason for less generation as well as PAF is due to non-supply of gas to the plant by M/S ONGC w.e.f. 1st March to 19th April 2016, 5th May to 24th November 2016. The Commercial Operation of the 101 MW Tripura Gas Based Combined Cycle Power Plant has been declared w.e.f. 00:00 hours of 31.03.2017 on completion of full load operation for a continuous period of 72 hours as per CERC stipulations.

RENEWABLE ENERGY PLANTS

G) 5 MW_p Grid Interactive Solar PV Power Plant at TGBP Site, Tripura:

The energy generated from the plant during 2016-17 is 7 MU with Capacity Utilization Factor (CUF) of 16.18 % against "Very Good" MoU target of 7 MU.

H) 50 MW Solar PV Power Plant, Madhya Pradesh (Joint Venture):

Power generation during the year 2016-17 from the 50 MW Solar PV Power Plant of M/S WAANEEP (a JV between M/s Waaree Energies Ltd. and NEEPCO), located at Ichhawar, Madhya Pradesh is 98.342474 MU, with a CUF of 22.49%.

I) 25 MW Solar PV Power Plant, Gurramkonda, Andhra Pradesh (Joint Venture).

The Plant was declared for commercial operation w.e.f. 29.09.16. Generation during the year 2016-17 from the 25 MW Solar PV Power Plant of M/s WAANEEP (a JV between M/s Waaree Energies Ltd. and NEEPCO), located at Gurramkonda, Andhra Pradesh is 24.3724 MU, with a CUF of 18.72%.

ONGOING PROJECTS (Ownership Basis):

A) 600 MW Kameng H.E. Project, Arunachal Pradesh:

92 % concreting works in Bichom Dam and 97% in Tenga Dam has been achieved till March 2017. Erection of Yoke Girder and pier anchorage completed in overflow blocks of Bichom Dam. Erection of pier anchorage completed in both the blocks of Tenga Dam and erection of Yoke Girder is in progress at Block-3. Fabrication of Bichom Thrash Rack and erection of Thrash Rack in Tenga Dam are completed. In the HRT of 14.5 km length, 97% of Overt and 59% in Invert lining has been achieved. 97% erection of Steel Liner in penstock has been completed. Erection of Butterfly Valve at penstock -I along with outlet pipe is in progress, while Butterfly Valve in Penstock-II along with all accessories is completed. Power House concreting including that in Tail Race Channel is almost completed except for minor finishing works.

Guide Vane servomotor doweling is completed and Boxing up of Unit-I is in progress along with final fixing of DT Cone. Boxing up of Unit - II generator is in progress. Assembly work of Unit- III Stator is in progress, Rotor of Unit- III was lowered on 28.02.17. Assembly works of Stator and Rotor of Unit- IV are in progress. Erection of Primary and Secondary cooling water system is in progress. Hydro test of Primary cooling water pipelines for Unit - I and II are completed. Erection of CW system for Unit-III & IV are in progress. Erection of UATs for Unit-I & II are completed. Governing System (P.P set) & Control Panels Installations are in progress for Unit- I & II. Erection of Bus-duct, fixing of CTs in Generator Neutral and line side in Unit - I are completed. Bus-duct cleaning & Enclosure fixing (welding) is in progress in Unit-II. Bus-duct Erection of Generator Line side in Unit - III is in progress. Erection of cable tray structures are completed for Units-I & II. Cable laying and dressing in Unit – I & II are in progress. Erection of drainage & dewatering system is in progress.

Erection of Equipments & Structures in 400 kV & 132 kV Switchyard are completed. 13 nos. 63 MVA single phase GTs and 4 nos. 40 MVA, single phase Auto transformers are placed on foundation. Erection of 4 nos. 3.15 MVA SSTs are in progress.

The commissioning of the Project, as scheduled by 31st December'16 (As per MOU 2016-17) could not be materialized mainly due to inadequate mobilization by the civil contractor due to cash flow constraints.

The RCE of the Project at March 2015 price level (PL) stands at Rs.6179.96 Crore with a Hard Cost of Rs.4,724.67 Crore and IDC&FC amounting to Rs.1,455.29 Crore. The cumulative expenditure incurred in the project up to 31st March 2017 was Rs.5553.65 Crore, out of which an amount of Rs.970.74 crore was spent during 2016-17.

Physical progress as on 31.08.2017:

- *97% concreting works has been completed in Bichom and Tenga Dam*
- *Trunnion assembly and sill beam erection at Block No. 5, 6,7,8,9 & 10 of Bichom Dam are completed. Erection of components of the radial gates in Bichom dam is in progress.*

- *99% lining (Overt) of Head Race Tunnel (HRT) and 90% in Invert lining has been completed*
- *99% concreting works completed in Power House, while 100% concreting works completed in Tail Race Channel*
- *99.98% erection of steel liner in Penstock has been completed.*
- *Electro –Mechanical Works:*
  - *Power House – Boxing up for unit-I & II completed.*
    - *Unit-III: Stator & Rotor Lowered*
    - *Unit-IV: Assembly of Stator & Rotor is in progress*
    - *Erection works of unit Auxiliaries are nearing completion.*
  - *400 & 132 kV Switchyard – Erection of equipments and Structures are completed.*
  - *Transformers - 13 nos. 63 MVA, 1-phase, 13.8/420 kV GTs, 4 nos. 40 MVA, 1-phase, 400/132/33 kV Auto transformers are placed on foundation, and erection works are in progress. Erection of 4 nos. 3.15 MVA, 1-phase, 132 / 33 kV SSTs are nearing completion*

B) 110 MW Pare H.E. Project, Arunachal Pradesh:

86% of Dam concreting is achieved till Mar'17. Lining of Head Race Tunnel is almost completed and contact grouting is in progress (97%). Steel Liner Erection is almost completed (99%), except for a 2.0 M cut piece between Face-III & Face-IV which will be done after completion of grouting works. Power House concreting has been completed.

Boxing up of Unit – I is completed. Installation of cooling water pumps, erection of OPU, Pressure Oil System and piping of MIV, NGT, Excitation System, and Generator Instrumentation works are completed in Unit-I. Control, Monitoring and Protection System (95%) are also completed for Unit-1. Erection works of Unit – II Turbine is completed, along with lowering of Stator & Rotor. Boxing up of the Unit is almost completed. Installation of cooling water pumps, erection of Excitation Transformer/panel, Control & Monitoring panels, Protection System panels, OPU and Pressure Oil System and piping of MIV of Unit-II are completed. 70% Generator Instrumentation works are completed. Erection of Mechanical Balance of Plant and Electrical Balance of Plant are in progress. LP Compressor Unit and Piping works completed for both the Units. Cable laying and termination works are in progress for both the units. Installation of battery bank and termination are also completed. Switchyard erection works are also completed.

The commissioning of the Project, as scheduled by 31st December'16 (As per MOU 2016-17) could not be materialized due to the adverse effect of the devastating flood during June'16, July'16 & Oct'16 mainly in the Dam Site. Other reasons attributable for delay are the initial delay in award of EPC contract packages through re-tendering leading to reduction of package costs, the project suffered delay due to the construction of Trans-Arunachal Highway, poor geology of the area and frequent overtopping of the coffer dam.

The RCE of the Project at January, 2016 price level (PL) stands at Rs.1337.76 Cr. (Including IDC &FC), having a hard cost of Rs.1192.00 Cr. and IDC & FC amounting to Rs.145.76 Cr. The cumulative expenditure incurred in the project up to 31st March 2017 is Rs.1373.83 Crore, out of which an amount of Rs.197.29 crore was spent during 2016-17.

Physical progress as on 31.08.2017:

- *92% concreting works has been completed in Pare Dam*
- *Lining of Head Race Tunnel is almost completed while 100% contact grouting is completed.*
- *99% Steel Liner Erection is completed, except for a 2.0 M cut piece between Face –III & Face – IV which will be done after completion of grouting works.*
- *Power House concreting has been completed.*
- *Electro –Mechanical Works:*
  - *Power House – Boxing up of Unit-I & II completed.*
    - *Erection of Mechanical Balance of Plants are nearing completion. Testing and commissioning of Electrical Power Systems are completed.*

- Erection of other Auxiliaries are in final stage of completion.

- *132 kV Switchyard – Erection of all towers, structures and equipments are completed.*
- *Transformers – Erection of two nos. 68 MVA Generator Transformers are in progress. Erection of two nos. 1.25 MVA Station Auxiliary Transformers and one no. 7.5 MVA Station Service Transformer are completed.*

C) 60 MW Tuirial H.E. Project, Mizoram:

In regards to the project, boring of Power Water Way is completed and 96% concreting work is achieved till March'17. 99% filling of Main Dam and 99% concreting of Spillway are completed and reservoir impounding has commenced. Also, 97% works related to erection of Spillway radial gates has been completed. In Power House, 85% concreting works has been achieved. 83% Erection of Penstock Steel Liner has been achieved.

Boxing up of Unit –I was completed on 27.03.17 against the 'Poor' target date of 31st March'17 under the MOU for the year 2016-17, thus achieved a' Poor' rating w.r.t. the MOU 2016-17. MIV for unit -1 has been lowered and erection completed. Erection of cooling water pipes, oil pipe line for HMC, laying of Power & Control Cables and erection of Bus Ducts are in progress. Assembly & testing of Unit-II Stator in service bay, HV test & painting are in progress. Erection of foundation plates for MIV Unit-II is also completed. Erection of Cable Trays in El 29.00m, EL 33.5m, EL 38m & EL 43.5m are in progress (85% completed). Erection of Control Panels at El 29.00, 33.50m, 38.00m and 43.50m floors are also in progress. 95% of concreting works in the Switchyard is also completed. Erection of Towers & Structures in switchyard is in progress. Six nos. of 12.5 MVA, single phase GTs and one 5 MVA SST placed on foundation, erection works of which are in progress.

Deplorable condition of the approach road leading to the project site has always been a hindrance in transportation of materials from time to time. Besides, due to a series of massive slope failures at Power House site starting from Dec'12 to May'13, delay in award by BHEL of sub-packages contract to its vendors and lack of deployment of sufficiently skilled manpower, the project was rescheduled for completion in September 2017.

The RCE of the Project at Dec, 2015 PL stands at Rs.1329.43 Cr. (Including IDC &FC), having a hard cost of Rs.1263.33 Cr. and IDC & FC amounting to Rs.66.10 Cr. The cumulative expenditure incurred in the project up to 31st March 2017 is Rs.1183.44 Crore, out of which an amount of Rs.180.97 Crore was spent during 2016–17.

Physical progress as on 31.08.2017:

- *The Dam, water conductor system and all gates have been completed and the water is spilling through the spillway since 16.06.2017.*
- *Unit-I was synchronised on **14.08.2017** and full load test was carried out on 25.08.17.*
- *Assembly & testing of Unit-II Stator and Rotor in service bay, HV test & painting are in progress.*
- *Commissioning works of three nos. of 12.5 MVA, single phase GTs and one 5 MVA SST are completed, while three GTs for Unit-II are under erection.*

D) 101 MW Tripura Gas Based Combined Cycle Power Project, Monarchak, Tripura:

The Gas Turbine Unit was declared for Commercial Operation with effect from w.e.f. 00:00 hours of 24.12.2015.

Gas supply to the project was disrupted by M/S ONGC from 29th February 2016. Gas supply was briefly resumed to the project from 17.04.2016 on fall back basis. Gas supply was once again withdrawn by M/S ONGC from 04.05.16, which was again restored from 24.11.16. Due to this erratic gas supply, TGBPP was not able to generate power on a sustainable basis. Besides, the scheduled trial operation for 72 hours (as per CERC norms) for the STG unit and its consequent declaration of Commercial Operation Date (COD) had to be deferred time and again.

The contractual trial operation of the Steam Turbine Unit finally could commence from 21.03.2017, which included 72 hours mandatory full load operation for declaration of Commercial Operation. The full load operation started from 27.03.17 and ended on 30.03.17. Subsequently, the Steam Turbine Unit was declared for Commercial Operation (COD) w.e.f. 00:00 hours of 31.03.2017 upon receipt of clearance from TSECL.

The RCE of the Project at Mar'15 price level stands at Rs.1007.68 Cr including IDC&FC. The cumulative expenditure incurred in the project up to 31st March 2017 was Rs.994.24 Crore, out of which an amount of Rs.31.01 Crore was spent during 2016–17.

ONGOING PROJECTS (Joint Venture Basis):

E) 25 MW Solar PV Power Project, Nagari, Andhra Pradesh, by M/s WAANEEP (a JV between WAAREE Energies Ltd. and NEEPCO) :

The project is being set up by M/s WAANEEP as a Joint Venture between WAAREE Energies Ltd. and NEEPCO at Nagari in the State of Andhra Pradesh. The Project is under construction.

CAPEX Expenditure against the ongoing Projects: For execution of the ongoing Kameng, Pare and Tuirial HEPs, an amount of Rs 1195 Crs was earmarked for the year 2016-17, which was also incorporated as 'Excellent' target in the MOU 2016-17. Against this target, the Corporation spent an aggregate amount of Rs 1349.47 Crs corresponding to an 'Excellent' rating. However, as the Department of Public Enterprises subsequently revised the CAPEX target to Rs. 1895 Crs (Excellent) against all the Projects of the Corporation and the actual expenditure incurred against all the Projects during the year 2016-17 was Rs 1396.02 Crs, the MOU target could not be achieved.

The revised cost estimates (RCE) of the KamengHEP, PareHEP, Tuirial HEP and Tripura GBPP are presently in the advanced stage of approval. However, as these RCEs did not get approval during the year 2016-17, the 'monitoring parameter' in the MOU 2016-17 that reads as, ' percentage of value of CAPEX Contracts / project running / completed during the year without time / cost overrun to total value of CAPEX contracts running / completed during the year' could not be achieved.

The quantum of claims against NEEPCO, not acknowledged as debt as on 31/03/2017 stood at Rs. 2.09 crores from CPSEs and Rs. 1526.23 crores from others (including the new claims registered during the year 2016-17) as against Rs. 2.09 crores from CPSEs and Rs. 1497.02 crores from others as on 31/03/2016. It may be mentioned that the provisional accumulated claims as on 31.3.16 was considered as Rs 858.88 Crs during finalisation of MOU 2016-17 which has been reconciled to Rs 1497.02 Crs after audit. During the year 2016-17, a total of 6 (six) arbitration cases were settled and an aggregate amount of Rs 57.17 Crs was awarded by the Arbitral Tribunal against an aggregate claim amount of Rs 166.71 Crs, thus reduction in claims worked out to Rs 109.54 Crs which is 7.31 % of the previous year (2015-16)'s claim of Rs 1497.02 Crs. This reduction in claims corresponds to a 'Very Good' rating w.r.t. the target of the relevant parameter in MOU 2016-17.

OTHER PROJECTS:

F) Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY):

NEEPCO is implementing the Rural Electricity Infrastructure including Household electrification scheme under 12th Plan of Deen Dayal Upadhyaya Gram Jyoti Yojana (earstwhile RGGVY) in two Districts of the State of Tripura, viz. South Tripura and Sepahijala. The project costs are Rs.46.87 Crore and Rs.40.84 Crore respectively. Against the scheme, in both the Districts, free electricity connections shall be provided to 10220 and 7462 BPL households. Works are still in progress and shall be completed by July 2017.

UPCOMING PROJECTS:

Under S&I SCHEME: (Ownership Basis)

S.N.	Project	Status
		HYDRO
1.	Mawphu H.E. Project, Stage-II (85 MW), Meghalaya	▪ Proposal for approval of pre-investment activities expenditure of Mawphu HEP St-II was submitted to the MoP on 27.06.16 and then revised on 07.10.16 as per the CEA's comments. Subsequently the proposal was re-submitted as per SFC/EFC format on 31.03.17. The Pre-investment proposal is in the final stage of approval by the Ministry of Power. ▪ Implementation Agreement for the project was submitted to the Government of Meghalaya on 14.03.17 along with the comments / modifications for acceptance. ▪ All clearances / conditional clearances from the concerned apprising Statutory Authorities except International clearance for submission of DPR has been obtained.
2.	Tuivai HEP (210 MW), Mizoram.	▪ NEEPCO signed the MoA with the State Government of Mizoram on 10.02.15 for execution of the project. ▪ Different project development alternatives were explored with updated hydrology, the project cost and tariff were found to be on higher side. A grant of about Rs.1800 crore is required to contain the tariff below Rs.6.00 per unit. ▪ Findings on the project was intimated to Government of Mizoram 20.04.17. Response from the Government of Mizoram is awaited.
		THERMAL
3.	Garo Hills Thermal Power Project (500 MW), Meghalaya	▪ The MoA with the Government of Meghalaya was signed on 17th March 2011. ▪ Coal linkage is yet to be established.
		RENEWABLE ENERGY PROJECTS
4.	200 MW Solar PV Power Project, Odisha	▪ GRIDCO on 17.03.2017 conveyed that they have in-principle agreed to procure the total power from NEEPCO's proposed 200 MW Solar Power Project to be implemented in Odisha. ▪ LoI was issued to M/s PwC on 28.03.17 for Consultancy Services for selection of site and preparation of DPR for the project. Report is awaited. ▪ Implementation of the Project to be undertaken only after assessing its viability as per the DPR.

JOINT VENTURES:

With a view to enhance generation capacity, NEEPCO has formed / is in the process of forming Joint Ventures with other CPSUs, State Utilities and Private Developers to undertake various projects. The projects taken up/ to be taken up through the JV route and their status are given below :

S.N.	Project	Status
		HYDRO
1.	Dibbin HEP (120 MW), Arunachal Pradesh.	**KSK Dibbin Hydro Power Private Limited** (JV between KSK Energy Ventures and NEEPCO). Consideration of e-flow as per the Bichom Basin Study Report brings down the design energy from 371 MU (as per TEC) to 291 MU thereby making the project unviable. Following efforts are being made to make the project viable: ▪ Viability study with alternative modules and financial re-engineering was carried out. Letter on the same was furnished to the MoP on 21.02.17. ▪ NEEPCO vide letter dated 23.02.17 requested the Ministry of DoNER to provide a Grant of Rs.250 Crore in a phased manner during the construction period of 4 (four) years.

		▪ KSK in its letter dated 6th March'17 also requested the Hon'ble Chief Minister, Arunachal Pradesh, to extend a financial grant through the Ministry of DoNER.
2.	Siang Upper Stage-I HE Project (6000 MW) And Siang Upper Stage-II HE Project (3750 MW), Arunachal Pradesh.	▪ As per the GoI decision, both these projects were to be developed in Joint Venture mode between NEEPCO and NHPC. ▪ The Siang Upper (Stage-II) HEP was under survey & investigation by NEEPCO (MOA signed with State Govt. on 28.05.13) which was stopped due to vehement local protest. ▪ Subsequently, the project works were put on hold as per the communication of the MoP, GoI vide letters dated 18th Nov' 2015 and 2nd Feb' 2016, till a final decision is taken regarding development of the projects in single stage or two stages. ▪ The MoP vide letter dated 24.01.17 conveyed the MoWR's decision to carry out investigation works for preparation of DPR of Siang Upper HE Project as a single multipurpose scheme. However, it was advised therein not to implement the work on the project until final orders of the Government are issued. ▪ Based on the response of NEEPCO vide letter dated 09.02.17, the MoP vide letter dated 30.03.2017 conveyed MoWR that S&I works cannot be carried out by the PSUs unless approval of the competent authority on the cost of pre-investment activities for the combined project and declaring the project as a National Project with suitable assistance for the power component are suitably addressed.
3.	Kurung HEP (330 MW), Arunachal Pradesh	▪ The MoA was signed with the Government of Arunachal Pradesh on 27th Jan' 2015 for development of the Project in joint venture with the State Government. ▪ The PFR was prepared in Oct'15. ▪ Proposal for approval of pre-investment activities expenditure of Kurung HEP was first submitted on 28.06.16 to the MoP and then revised on 13.10.16 as per the CEA's comments. Subsequently, the proposal was re-submitted as per the SFC/EFC format on 18.05.17. ▪ Approval of the proposal is in process in the MoP. ▪ DPR preparation shall commence on receipt of the pre-investment approval. ▪ Hydrology was cleared by the CWC on 02.12.16.
THERMAL		
4.	Margherita Coal Based Thermal Project (1320 MW)	▪ The Draft MoU to be signed between NEEPCO and APGCL with 51% and 49% share of equity respectively was approved by the BoDs' and sent to MoP, GoI in Oct'14 for in principle approval, which is awaited.
OTHERS		
5.	JV between NEEPCO and Govt. of Tripura.	▪ The MoU was signed between Government of Tripura and NEEPCO on 12.12.2014 for formation of a Power Generation Company (GENCO) in JV between Government of Tripura and NEEPCO. ▪ Draft SHA for the GENCO with NEEPCO's equity at 10% is under finalization jointly with Government of Tripura. ▪ Preparation of DPRs for conversion of Rokhia & Baramura Thermal Projects to Combined Cycle projects are completed. ▪ DPR for R & M of Gumti HEP completed.

***"Production Efficiency"*- Status on achievement of MOU Target 2016-17:**

S.L.	Parameter	Status
1.	Increase in PAF of all the Hydro and Thermal Plants (Weighted Average) excluding Kopili HEP over previous year.	The increase in PAF of all the Hydro and Thermal Plants (Weighted Average) excluding Kopili HEP over previous year was 5.25%.
2	Reduction in Auxiliary Power consumption in all hydro and thermal plants (weighted average) over previous year.	The reduction in Auxiliary Power consumption in all hydro and thermal plants (weighted average) over previous year was 15.38%.
3	Reduction in Forced Outages in all hydro and thermal plants (weighted average) over previous year.	The reduction in Forced Outages in all hydro and thermal plants (weighted average) over previous year was 52.30%.

"Technology Up-gradation"- Status on achievement of MOU Target 2016-17:		
S.L.	**Parameter**	**Status**
1	Setting up of one Pilot Project of "Tracking Solar Panel" in kilowatt range.	A 2 Kw pilot Solar PV Sun Tracking Plant with Horizontal Single Axis Tracker was commissioned at Kopili HEP, Assam on 14th October 2016 thereby achieving ***"Excellent rating".***

Sector / CPSE specific targets of MOU 2016-17:		
S.L.	**Parameter**	**Status**
1	Commissioning of 50 MW Solar PV in JV-WAANEEP & award of contract for KSK Dibbin JV and Closure of JV- MDGEPL Wind Power.	▪ 25 MW Solar PV Project in JV by M/s WAANEEP (a JV between M/s Waaree Energies Ltd. and NEEPCO) was declared for commercial operation (COD) with effect from 29.09.16 at Gurramkonda, Andhra Pradesh. ▪ Another 25 MW in JV by M/s WAANEEP (a JV between M/s Waaree Energies Ltd. and NEEPCO) at Nagari in Andhra Pradesh is under construction. ▪ Award of contract for KSK Dibbin is yet to be concluded. ▪ The Termination Agreement for the Wind Power Project by M/s MDGEPL was executed on 21st July 2016.
2	Commissioning of Kameng HEP	▪ This target could not be achieved.
3	COD of Pare HEP	▪ This target could not be achieved.
4	Commissioning of Unit-I of Tuirial HEP (Box-up)	▪ The Boxing up of Unit –I of Tuirial HEP was achieved on 27th March 2017.
5	Pre-investment approval from Ministry of Power, GoI for the projects wherever required	NEEPCO applied for approval of expenditures to be incurred on pre-investment activities in respect of two projects namely, Mawphu HEP St-II (85 MW), Meghalaya and Kurung HEP (330 MW), Arunachal Pradesh. Details are as under: **Mawphu HEP St-II (85 MW):** ▪ Application for approval of expenditure (Rs. 69.80 Crore) for pre-investment activities was submitted to the MOP on 27.06.2016. Observations of the CEA was received vide letter dated 11.08.2016 which was clarified on 23.08.2016 with item-wise break-up of the estimated proposal, copies of relevant work orders, status of clearances, modified bar chart. ▪ Further observations from the CEA was received vide letter dated 26.09.2016 which was again clarified on 07.10.2016 as per which the proposal cost was revised to Rs.67.95 Crore. ▪ The CEA examined the proposal and furnished its comments on 02.11.2016. ▪ The MoP vide letter dated 10.11.2016 requested for comments on the above letter of the CEA. Reply was furnished on 11.11.2016 wherein acceptance / consent of NEEPCO on the comments of the CEA was conveyed point wise. ▪ The MoP vide letter dated 22.02.2017 forwarded the latest Office Memorandum issued by the DoE, MoF and later confirmed for submission of

		the proposal in the SFC/EFC format enclosed therein. ▪ The proposal along with queries of the MoP in the aforesaid SFC/EFC format was submitted on 31.03.2017. Pre-investment approval from the MoP is awaited. **Kurung HEP (330 MW):** ▪ Application for approval of expenditure (Rs.249.05 Crore) for pre-investment activities was submitted to the MoP on 28.06.2016. Observations of the CEA received from the MoP vide letter dated 19.08.2016 was clarified on 30.08.2016 with item-wise breakup of the estimated proposal and other necessary documents/inputs. ▪ Further observations from the CEA was received vide letter dated 28.09.2016 which was again clarified on 13.10.2016 and the proposal cost was revised to Rs.171.74 Crore. ▪ The CEA examined the proposal and furnished its comments on 02.11.2016. ▪ The MoP vide letter dated 10.11.2016 requested for comments on the above letter of the CEA. Reply was furnished on 11.11.2016 wherein acceptance / consent of NEEPCO on the comments of CEA was conveyed point wise. ▪ The MoP vide letter dated 22.02.2017 forwarded the latest Office memorandum issued by the DoE, MoF and later confirmed for submission of the proposal in the SFC/EFC format enclosed therein. ▪ The Proposal along with queries of the MoP in the aforesaid SFC/EFC format was again submitted on 25.04.2017. Subsequently, the MoP vide e-mail dated 03.05.2017 desired for submission of the proposal as per format Annexure IVB which was submitted on 18.05.2017.

INFORMATION TECHNOLOGY:

There has been a constant strive to maintain state of the art IT infrastructure and a total networked Corporation.

Following salient activities were initiated for the year 2016-17:

1. Based on the limited e-tender floated, the consultancy services for providing end to end consultancy for ERP implementation in NEEPCO was awarded to M/s Pricewaterhouse Coopers. NTPC has been engaged as the review/advisory consultant.

2. Online Annual Performance Appraisal Report (APAR) application was developed during 2016-17 and is under implementation.

3. Redesigning of the new Corporate website is under process and will be completed in 2017 – 18.

4. The process of installing Structured LAN at Kimi, KaHEP and Turial H.E.P have been completed.

5. Internet leased line has been installed at Kopili & Khandong Power House, TGBPP, and AGBP. Data leased line installed at Guwahati, Delhi, Kopili and Khandong Power House, and AGTP. The Internet band width at DHEP has been increased from 16 Kbps to 512 Kbps.

6. New servers has been installed for MATFIN application at New-Delhi, Tuirial and Kimi and KaHEP.

RESEARCH & DEVELOPMENT:

R&D initiatives were taken by the Corporation to strengthen the country's technological capabilities and ensure growth. The R&D Projects undertaken during the year 2016-17 are:

1. "Assessment of corrosion of the steel liner of the water conductor system of Kopili H.E Plant and suggestion for selection of corrosion resistance system for the steel liner including a model study" - Work is in Progress.
2. "Study on Flora & Fauna and their Survival in Acidic water of Kopili Reservoir of Kopili H.E Plant, Umrongso, Dima Hasao District, Assam with emphasis on identification of endangered species and a practical solution to their preservation" - Work is in Progress.

Total expenditure against R & D during the year 2016-17 is Rs.57.37 Lakh.

RULES AND POLICIES:

Public Procurement Policy for Micro & Small Enterprises (MSEs).

The total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs) during the 2016-17 was Rs.9.42 Crore. Of this, total value of goods and services procured from MSEs owned by SC/ST entrepreneurs during the year was for an amount of Rs.0.16 Cr. The percentage of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of the total procurement is 7.87%. The percentage of procurement from MSEs owned by SC/ST entrepreneurs out of the total procurement is 0.13%. During the year, six numbers of Vendor Development programme for MSEs were organized. The Annual procurement plan for purchases from MSEs are uploaded in the official website.

RISK MANAGEMENT POLICY:

The evolving and fast changing environment demands a dynamic Risk Management Policy. The Risk Management Policy thoroughly reviewed and prepared afresh to cope with the present market scenario has already been implemented. A Risk Management Committee has been formed with the Heads of all Departments and Projects to identify the key risks, suggest mitigation measures and ensure effective implementation of the Risk Management Policy along with reporting to the Risk Review Committee. The Chief Risk Officer is designated to coordinate with all the departments / project sites / power station heads in establishing and implementing the risk management processes effectively in their area of responsibilities, to communicate with the Risk Review Committee and convene its meeting. The Risk Review Committee comprises of the three Functional Directors for aligning the strategic objectives with the organization's operations in order to achieve intended outcomes and report to Audit Committee for further review and evaluation.

The Chief Risk Officer has held meetings with the heads of various establishments and also visited different projects sites to discuss potential risks and the preventive measures thereof. A report on all the assessments carried out along with the status of implementation was prepared defining the responsible heads and was submitted to all the members of the Risk Review Committee for their appraisal along with copies to all the members of the Risk Management Committee.

Automation of the Risk Management Policy is also in process of implementation to facilitate and expedite the related activities e.g. communicating the identified risks, adoption of mitigation measures in a time bound manner with alert system, preparation and generation of reports in flexible formats or durations. The IT department of NEEPCO has developed the software to suit the Corporation needs.

Human Resource Development (HRD) Interventions

The HRD department, NEEPCO understands that training and development activities plays a vital role in bettering employees' performance and in organisational growth. Training & development interventions allow employees to acquire new skills, sharpen existing ones, perform better and increase productivity. As such HRD department has been working towards offering the best of training and development opportunities to our employees so that they can undertake their responsibilities in a more effective manner.

The training & development activities has been undertaken in accordance with the Annual Competency Development Plan (ACDP) 2016-17. The ACDP had been prepared after incorporation of the training inputs received through the analysis of the training needs forms, training requirements forwarded by various departments from time to time, past participant feedback, training calendars of external training agencies, etc. Apart from budget allocated for training programmes, budget is also allocated for training infrastructure development and organising Motivational Talk & Experience Sharing sessions by eminent personalities.

HRD HIGHLIGHTS:

Employees trained during the year

Category	In-house	External	Overseas training & visit	Total
Executives	711	156	15	882
Supervisor	225	11	0	236
Workman	338	10	0	348
TOTAL	**1274**	**177**	**15**	**1466**
Employees of ST category	309	34	04	347
Employees of SC category	94	24	0	118
Employees of OBC category	221	15	02	238
Women employees	184	24	01	209

- Total Training man-days = 10,647
- Budget allocated for Training activities, Motivational Talk & Experience sharing sessions and training infrastructure development during the year 2016-17 = Rs.5,27,20,180/-

- Average Training man-days per employee : 4.45
- Numbers of Officials who have attended external training (within India) for the first time during this year since the year 2012-13: 59 numbers of employees.

MANPOWER REPORT AS ON 31.03.2017 (Regular)

Level	No. of Employees
Board Level	4
Executive	946
Supervisor	336
Workmen	1022
TOTAL	**2308**

Gender	No. of Employees
Male	1957 (*This includes Board of Directors & CVO)*
Female	351
TOTAL	**2308**

Category	No. of Employees
General	982
SC	174
ST	729
OBC	367
PwD	51
ExSM	5
TOTAL	**2308**

CORPORATE COMMUNICATION

NEEPCO has also made its foray into social media and CC Section handles all official handles in Facebook, Twitter, YouTube and Instagram as the Corporate Communication (CC) Section of NEEPCO seeks to make the Corporation's mission and vision better known and appreciated. The Section continued to publish the Corporation's quarterly and monthly in-house journal "NEEPCO NEWS" and "News Flash", respectively and other publications as required from time to time. It also worked to effectively project the image of the Corporation through print and electronic media. CC Section is also executing other campaigns of the Government of India, including Swachh Bharat, BEE Painting Competition on Energy Conservation and other specific campaigns.

INDUSTRIAL RELATIONS:

Throughout the year, industrial relations remained cordial. Meeting and discussions between Unions /Associations and Management and meetings of NEEPCO National Bipartite Committee (NNBC) & NEEPCO Project Bipartite Committee (NPBC) were carried out on various issues concerning improvement of work-life of employees, progress on works of the organisations. Suggestions generated out of the discussions were carried out in a practical manner. There were zero man-days losses during the year 2016-17. The schedule of NNBC Meeting held during the year 2016-17 are here as under:

Sl no.	NNBC	Date
1	6th NNBC Meeting	30.08.2016
2	7th NNBC Meeting	02.12.2016
3	Special NNBC Meeting	17.01.2017

WELFARE ACTIVITIES

The Corporation has well equipped hospital / dispensaries in its plants and also in its Construction Projects manned by qualified doctors and paramedical staff who provide medical treatment not only to the employees but also provide free consultation to people of the neighboring villages as a social service measure.

In addition to the Corporation's hospital /dispensaries, several reputed hospitals are empanelled all over the country for the treatment of the employees and their dependent family members. For the benefit of employees, cashless facility has been introduced for treatment of employees and their dependents in several empanelled hospitals of the Corporation.

EDUCATION

The Corporation continued to provide schooling facilities at Project sites as a welfare measure for wards of the employees, where no schooling facilities are available in the neighborhood. In addition to the wards of the NEEPCO employees, a good number of children from neighboring villages / localities are also admitted in these schools.

NEEPCO had been sponsoring 5(five) Vivekananda Kendra Vidyalaya (VKV) Schools in four of its O&M plants and 1(one) construction project. The Vivekananda Kendra Siksha Vibhag is the nodal agency for managing the Corporation's schools. These are English medium schools of good academic standards affiliated to the Central Board of Secondary Education.

In order to encourage the wards of NEEPCO employees under the NEEPCO Meritorious Scholarship scheme, Scholarships amounting to Rs.30,24,000/- were released for the year of 2016-17

RAJBHASHA:

The Corporation is making all out efforts to implement effectively the Official Language Policy of the Government of India at its Corporate Office as well as Projects and other offices. Efforts were made to issue papers referred to in Section 3 (3) of the Official Language Act in bilingual. Employees posted at different offices/Projects were nominated for Hindi Prabodh, Praveen & Pragya training courses. The contact programmes were organized under Hindi Teaching Scheme at different project offices to provide guidance to the employees attending Hindi Training. Cash Awards were given to the employees for passing Hindi examinations as per eligibility. To facilitate the employees for doing their official work in Hindi, 25(Twenty five) Hindi workshops were organized and 446 officers & employees were trained in the workshops. Training materials were provided to the employees during the Workshop. In the House Journal - 'NEEPCO NEWS' valuable information relating to use of Hindi were provided. A monthly newsletter "NEEPCO NEWS FLASH" is published regularly in bilingual i.e. in Hindi & English. NEEPCO website is also available in Hindi. Key words in Hindi with English equivalent were displayed everyday on the black board under the programme "Aaj Ka Shabd" (Today's Word) in order to enrich the Hindi vocabulary of the employees.

Rajbhasha (Hindi) Pakhwara was observed and "Hindi Divas" was celebrated at the Corporate office as well as in the projects and other offices of the Corporation to create awareness and to encourage the employees for doing their official works in Hindi. Various competitions were conducted in Hindi and attractive prizes were awarded to the participants. Hindi patrika "NEEPCO JYOTI", "Panyor Pravah" & "Ratandeep" were published respectively from Corporate HQ, RHEP & Co-ordination office New Delhi. An exhibition was also organized at the Corporate office where the achievements made in the use of Official Language Hindi in the Corporation were displayed. Under Incentive Scheme, number of officers / employees were awarded Cash Award for writing noting / drafting in Hindi.

Rajbhasha–cum-Kavi Sammelan was organized at Corporate Office, Shillong during the year. All representatives of Shillong TOLIC, office members were invited in the Sammelan.

NEEPCO OLIC meetings are held every quarter under the chairmanship of Executive Director (HR). In the meeting, review was made on the Implementation work of Rajbahasha and valuable suggestions were provided for its effective implementation.

Our Co-ordination office at New Delhi was awarded 2nd prize for excellent works done in Northern Region-1 of Region A for Implementing Official Language Policy in best manner. Hon'ble State Home Minister Sri Kiran Rijiju awarded the shield and appreciation letter.

The Corporate Office, Shillong was awarded Third Prize by Town Official Language Implementation Committee (TOLIC), Shillong for commendable works done in the Implementation of official Language Policy. The Corporation was also awarded the Vishwamukti Rajbhasha Shield by Vishwamukti Sanstha at Rajbhasha Sammelan held in Puri during 5-7 July 2016.

Rajbhasha (Hindi) Pustakalaya is functioning at Corporate Office, Shillong which was further enriched with valuable books. Dictionaries, Glossaries and other reference books are also available for the use of the employees. Hindi Newspapers and periodicals are available in the Pustakalaya. In sub-ordinate offices also reference books in Hindi were made available for the use of the employees.

SPORTS ACTIVITIES:

Reports on Sports Activities during 1st April, 2016 to 31st March, 2017

1. NEEPCO Carrom Team (both Men and Women) participated in the Inter CPSU Carrom Tournament organised by THDCIL from 13th to 16th October, 2016 at Rishikesh. NEEPCO Men's team emerged as 1st Runners Up in the Team Event. Smti Esther Khawzawl and Smti Lamangaihzuali were the Winners in the women doubles event while Shri Elmino Shilla and Shri Dipankar Saikia were the 2nd runners up in men's doubles. Shri Elmino Shilla emerged as Winner in the Men's singles open event while Smti Lalmangaihzuali emerged as 2nd Runners Up in the Women's singles.

2. NEEPCO Cricket Team participated in the Inter CPSU T20 Cricket Tournament organized by PFC from 5th to 10th December, 2016 at New Delhi.

3. NEEPCO Table Tennis team participated in the Inter CPSU Table Tennis Tournament organized by NHPC from 12th to 15th February, 2017 at Khairi, Himachal Pradesh.

4. NEEPCO hosted the Inter CPSU Chess Tournament at Corporate H.Q. Shillong from 14th to 17th February, 2017. Altogether 9 (nine) teams participated in the tournament. NEEPCO emerged as the Winners in the Team event and Shri Biswajit Phukan emerged as the Winner in the Open Singles event.

5. NEEPCO Badminton Team participated in the Inter CPSU Badminton Tournament organized by Powergrid from 27th February to 1st March, 2017 at Lucknow. NEEPCO team emerged as Winners in the Team event and Shri Bishan Thapa emerged as the Winner in the Open Singles event.

6. NEEPCO Bridge Team participated in the Inter CPSU Bridge Tournament organized by SJVNL from 27th to 29th March, 2017 at Dehradun.

PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE.

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, a Committee was constituted for prevention and redressal of Sexual Harassment of Women at Workplace. The said Committee in its report noted that no complaints were received regarding any Sexual Harassment of Women at Workplace during the year 2016-17.

TERMINAL BENEFIT SETTLEMENT CELL

Terminal Benefit Settlement Cell under Human Resource Department of this Corporation has been playing its role to contribute accomplishment of organisational goals as per time schedule of quality objective to achieve target value of the HRM. The key objective of this Cell is to settle the terminal benefits of all separated employee in time as per rules of the Corporation as well as directives/guidelines of the Govt. of India.

During above financial year 2016-17, numbers of Gratuity cases settled in respect of retired/resigned/expired employees and expenditure on gratuity/PRMB/leave encashment and financial benefit under "NEEPCO Employees Family Benefit Scheme" /Memento (Gold Coin)/ Certificate of Appreciation are detailed below:

Post –Retirement Medical Benefits	₹ 1,51,17,261/-
FINANCIAL BENEFIT under "NEEPCO Employees Family Benefit Scheme"	₹ 49,00,000/-
Memento (05 grams Gold Coin)	₹ 46,64,652/-

NUMBER OF GRATUITY CASES SETTLED				
	Retirement	**Resignation**	**Death**	**Amount (Rs)**
Executive	63	01	03	6,60,52,742/-
Supervisor	10	--	--	1,00,00,000/-
Workmen	55	--	04	5,5692,423/-
Grand Total				**13,17,45,165/-**

*** In addition to the above, the employees were presented with certificate of appreciation on the day of their retirement as a token of recognition of their valuable services to the Corporation*

NEEPCO VIGILANCE ACTIVITIES:-

During the period from 01/04/2016 to 31/03/2017, NEEPCO Vigilance Department dealt with various aspects of Vigilance Mechanism under the directives and guidelines issued from the Central Vigilance Commission (CVC) from time to time. For exclusive and independent functioning of Vigilance Department, NEEPCO ensured transparency, objectivity and quality in vigilance functioning. Complaints received from various sources other than anonymous / pseudonymous were taken up for prompt investigation and the same have been disposed off in accordance with the time frame prescribed by the CVC. As on 1st April, 2016, 5 (Five) complaints were pending. During this period, 4 (Four) new complaint has been received.

Apart from investigation of complaints received from various sources, the Vigilance Department has investigated various issues in a pro-active manner. Emphasis was given to the aspect of preventive vigilance to streamline and simplify the rules and procedures and making all efforts to arrest the loopholes detected during investigation of various cases. Vigilance Wing gave several advices by way of preventive vigilance. These have also led to systemic improvements in Technical as well as Personnel wings. In Kameng Hydro Electric Project, a major systemic improvement in sourcing river bed materials has been effected. Notable process issues have also been pointed out to the management in the areas of awarding of contracts, signing of MoUs, Joint Ventures, and in transfers / promotions of employees as well as resource usage.

During this period, 47 (Forty Seven) numbers of routine inspections have been conducted by site vigilance officials besides conducting CTE type inspections in the project sites. Regarding improving of vigilance administration by leveraging technology, the e-procurement, e-payment, registering online vigilance complaints and uploading of Annual Immovable Property Returns (AIPRs) of Executives in the NEEPCO's web site have been implemented.

All the important CVC circulars and OMs issued during this period have also been circulated to all concerned authorities for follow up action as required.

1736 numbers of Annual Property Returns (APRs) of the employees have been scrutinized during the period from 01/04/2016 to 31/03/2017. Vigilance clearances in respect of officials required for various purposes like DPC, NOC for obtaining of Passport, promotion regularization, private foreign visit, out-side employment, retirement, resignation, release of terminal benefit etc. were given as and when sought for by the concerned department of the Corporation.

The CVO has also attended various meetings during the said period as convened by the Central Vigilance Commission (CVC) and the Ministry of Power (MoP), Govt. of India on the agenda framed by them and subsequently follow-up action has been taken based on the Minutes of the meetings.

The "Vigilance Awareness Week" was observed in the Corporation w.e.f. 31.10.2016 to 05.11.2016.

VIGIL MECHANISM

The Corporation has a policy titled "NEEPCO Fraud and Whistle Blower Policy" which is displayed in the Corporation's website. The policy ensures that a genuine Whistle Blower is granted due protection from any victimization.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return is enclosed as **ANNEXURE – 1.**

BOARD MEETING

A total of 8 Board Meeting of the Board of Directors were held during the year 2016-17.

INDEPENDENT DIRECTORS

All the Independent Directors have furnished a declaration at the time of their appointment and also annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Act. The declarations are placed before the Board. No Separate Meeting of the Independent Directors was held during the year 2016-17.

CORPORATE SOCIAL RESPONSIBILITY

The detailed disclosure on Corporate Social Responsibility is enclosed as **ANNEXURE–10.**

FORMAL ANNUAL EVALUATION

NEEPCO being a Government Company the provisions of section 134(3)(p) of the Companies Act, 2013 shall not apply in view of the Gazette notification dated 5th June, 2015 as issued by the Ministry of Corporate Affairs, Government of India.

KEY MANAGERIAL PERSONNEL (KMP)

The following are the Key Managerial Personnel (KMP) during the year 2016-17:

1. Shri Prem Chand Pankaj, Chairman and Managing Director (For part of the year)
2. Shri Gurdeep Singh, Chairman & Managing Director (For part of the year)
3. Shri A. G. West Kharkongor, Chairman & Managing and Director (Finance)
3. Shri Chiranjeeb Sharma, Company Secretary

SIGNIFICANT AND MATERIALS ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There were no significant and materials orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY WITH REFERENCE TO THE FINANCIAL STATEMENTS

NEEPCO has a well-defined internal control system encompassing all its areas of operation whereby transactions and decisions are processed as per the Delegation of Power, documented policies, guidelines, manuals and circulars as well as various laws and regulations pertinent to such operations.

The effectiveness of the control system is monitored by a Board-level Audit Committee and an Independent Internal Audit Department. A summary of Audit Observations and Action Taken Notes (ATNs) are placed before the Audit Committee at regular intervals and accordingly its recommendations and directions are implemented.

THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in terms of DPE OM No. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26th November, 2008 and the terms of reference is as per section 178 of the Companies Act, 2013, read with the notification dated 5th June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated 26th November, 2008. The Nomination & Remuneration Committee as on 1st August, 2017 are as follows:

Name	Chairman/ Member	Independent/ Executive
Shri Vijay Kumar Gupta	Chairman	Independent
Dr. Amitabha De	Member	Independent
Shri Gopal Krishan Agarwal,	Member	Independent
Shri Satyabrata Borgohain	Member	Director (Personnel)
Shri Vinod Kumar Singh	Member	Director (Technical)

The payments of remuneration to the employees of the Corporation are guided by the relevant Guidelines as issued by the Department of Public Enterprises.

STATEMENT CONTAINING SALIENT FEATURES OF THE FINANCIAL STATEMENT OF SUBSIDIARIES/ ASSOCIATE COMPANIES/ JOINT VENTURES

The Statement containing salient features of the financial statement of subsidiaries/ associate companies/ joint ventures in the Format as per Form AOC-1 is enclosed as **ANNEXURE – 2.**

MATERIAL CONTRACTS / RELATED PARTY TRANSACTION

The Company has not entered into any material contracts/ arrangements with the related parties. Therefore, Form AOC-2 is not applicable. The Company has obtained declarations from all concerned in this regard. **Note no.42** of the Consolidated Financial Statements & **Note no.42** of the Standalone Financial Statements may be referred.

STATEMENT PURSUANT TO SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

NEEPCO being a Government Company the provisions of section 197 are not applicable.

CORPORATE GOVERNANCE

The Corporation firmly believes in the importance of good Corporate Governance in the conduct of its affairs. It stresses in increasing efficiency along with adequate control systems in its operations. An Audit Committee regularly reviews all financial statements before placing to the Board. The Annual Report along with various other communications is hosted on the website for information of the public at large. A separate statement on Corporate Governance is produced as a part of this Report as **ANNEXURE - 3** and the Management Discussion and Analysis Report as **ANNEXURE – 4** of this Report. Certificate on Corporate Governance from the Practicing Company Secretary is enclosed as **ANNEXURE – 5.**

AUDIT COMMITTEE

The Audit Committee regularly reviews all financial statements before placing the Board of Directors. Meetings with the Statutory Auditors and Internal Auditors are regularly held to ensure adequacy of audit and internal control systems. Details regarding the Audit Committee form part of the Report of Corporate Governance annexed to this Report.

COMPOSITION OF THE AUDIT COMMITTEE

The Board has accepted the recommendations of the Audit Committee. The composition of the Audit Committee as on 1st August, 2017 are as follows:

Sl. No.	Name of the Director & Category	Chairman / Member
1	Shri Gopal Krishan Agarwal, Independent Director	Chairman
2	Dr. Amitabha De, Independent Director	Member
3	Shri Vijay Kumar Gupta, Independent Director	Member
4	Shri Vinod Kumar Singh, Director (Technical), NEEPCO	Member

DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(3) (c) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

(a) In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;

(*b*) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at 31st March, 2017 and of the profit of the company for the period ended on that date;

(*c*) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

(*d*) the directors have prepared the annual accounts of the Company on a going concern basis;

(*e*) the directors, have laid down internal financial controls which are being followed by the company and that such internal financial controls are adequate and are operating effectively; and

(*f*) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS

Since the last report, the following Directors were appointed on the Board of NEEPCO:

1. Shri Gurdeep Singh, Chairman & Managing Director
2. Shri Vineet Joshi, Official Part-time Director
3. Shri Dhirendra Veer Singh, Chairman & Managing Director

Since the last report, the following Directors ceased to be Director from the Board of NEEPCO:

1. Shri Gurdeep Singh, Chairman & Managing Director
2. Shri Siddhartha Bhattacharya, Independent Director
3. Shri Uttam K. Sangma, Independent Director
4. Shri K. V. Eapen, Non-Official Part Time Director

The Board of Directors places on record its deep appreciation for the valuable services rendered by the Directors.

PARTICULARS OF EMPLOYEES

During the year 2016-17 there was no employee who was in receipt of remuneration for that year which, in the aggregate, was not less than Rs.60 lakh or if employed for a part of financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs.5 lakh per month; or if employed throughout the financial year or part thereof, was in receipt of remuneration during the year, which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director and holds by himself or along with his spouse and dependent and children not less than 2% of the equity shares of the company.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 (m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 the information on conservation of energy, technology absorption, foreign exchange earnings and outgo during the year 2016-17 is annexed as **ANNEXURE – 9.**

ACKNOWLEDGEMENT

The Directors are grateful to the various Ministries and Departments of the Government of India particularly the Ministry of Power, Ministry of Home Affairs, Ministry of Finance, Ministry of Environment and Forest, NITI Aayog, Department of Public Enterprises, North Eastern Council, Central Electricity Authority, Central Water Commission, Central Electricity Regulatory Commission,

Central Soil and Material Research Station, Geological Survey of India, Survey of India and North Eastern Regional Electricity Board for their continued cooperation and assistance.

The Directors express their sincere gratitude to the State Government of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura for the co-operation and help extended by them. The Directors further express their appreciation to the State Governments who had made all payment against their current dues during the period 2016-17.

The Directors are also grateful to the Bankers, the Statutory Auditors, the Cost Auditors, Secretarial Auditors, the Commercial Audit Wing of the Comptroller and Auditor General of India and the Registrar of Companies.

Last but not least, the Directors wish to place on record their appreciation of the dedicated efforts made by all section of employees of the Corporation to achieve the goal of the Corporation.

For and on behalf of the Board of Directors

(D. V. Singh)
Chairman & Managing Director
DIN: 03107819

Dated: 22-09-2017
Place: New Delhi

ANNEXURE -1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31-03-2016

Pursuant to section 92(3) of the Companies act, 2013 and rule 12(1) of the Companies (Management and administration) Rules, 2014

I. REGISTRATION AND OTHER DETAILS

i)	CIN	U40101ML1976GOI001658
ii)	Registration Date	02-04-1976
iii)	Name of the Company	NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED
iv)	Category / Sub-Category	Government Company
v)	Address of the Registered office and contact details	Brookland Compound, Lower New Colony, Shillong – 793 003, Meghalaya
vi)	Whether listed company Yes / No	Equity Shares not listed. PSU Bonds are listed in Bombay Stock Exchange
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Equity – Not applicable. Bonds – Karvy Computershare Pvt. Ltd., Karvy Selenium Tower B, Plot number 31 & 32, Financial District Gachibowli Hyderabad 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated :

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Generation of Power	351	97.83%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Waaneep Solar Pvt. Ltd.	U40300MH2014PTC254136	Associate	40	2(6)
2	KSK Dibbin Hydro Power Private Limited	U40108TG2007PTC053501	Associate	30	2(6)

IV. SHARE HOLDING PATTERN (Equity Share capital Breakup as percentage of Total Equity)

i) **Category-wise Share Holding**

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF									
b) Central Govt.		3452810400	3452810400	100%		3452810400	3452810400	100%	
c) State Govt.									
d) Bodies Corp									
e) Banks / FI									
f) Any other									
Sub-total (A) (1)		3452810400	3452810400	100%		3452810400	3452810400	100%	
(2) Foreign									
a) NRIs – Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other									
Sub-total (A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh									
iii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
Sub-total (B)(2)									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		**3452810400**	**3452810400**	**100%**		**3452810400**	**3452810400**	**100%**	

(ii) **Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% changes in shareholding during the year
1	The President of India	3452809800	100%		3452809800	100%		

(iii) Change in Promoters' Shareholding (please specify, if there is not change)

Sl. No.			Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		Date	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	01.04.2016	3452810400	100%	3452810400	100%
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)					
	At the End of the year	31.03.2017	3452810400	100%	3452810400	100%

(iv) Shareholding Pattern of top ten Shareholder (other than Directors, Promoters and Holders of GDRs and ADRS):

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Top 10 Shareholders	No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Nil	Nil	Nil	Nil
	Date wise Increase/ decrease in Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/transfer/bonus/sweat equity etc).	Nil	Nil	Nil	Nil
	At the End of the year (or on the date of separation, if separated during the year).	Nil	Nil	Nil	Nil

(V) Shareholding of Directors and Key Managerial Personnel.

	Shareholding of Directors & Key Managerial Personnel	Shareholding at the beginning of the year		Transaction during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase / Decrease In share-holding	Reason	No. of shares	% of total shares of the company
1	Shri A. G. West Kharkongor	100	0.00	01-04-2016	-		100	0.00
				31-03-2017	-		100	0.00
2	Shri Satyabrata Borgohain	100	0.00	01-04-2016	-		100	0.00
				31-03-2017	-		100	0.00
3	Shri V. K. Singh	0	0.00	01-04-2016	-		0	0.00
				26-04-2016	100	Transfer	100	0.00
				31-03-2017	-		100	0.00
4	Shri Raj Pal	100	0.00	01-04-2016	-		100	0.00
				31-03-2017	-		100	0.00
5	Shri P. C. Pankaj *	100	0.00	01-04-2016	-		100	0.00
				31-03-2017	-		100	0.00
6	Shri Utpal Moral $	100	0.00	01-04-2016	-		100	0.00
				26-04-2016	(100)	Transfer	0	0.00
				31-03-2017			0	0.00
7	Shri Chiranjeeb Sharma, Company Secretary	0	0.00	01-04-2016	-		0	0.00
				31-03-2017	-		0	0.00

#Held on behalf of the President of India.

* Retired from the post of CMD

$ Retired from the post of Director (Technical)

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Rs. in Lakhs

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	4,75,908.57	79,262.59		5,55,171.16
ii) Interest due but not paid				
iii) Interest accrued but not due	2959.28	405.40		3364.67
Total (i+ii+iii)	**4,78,867.85**	**79,667.99**		**5,58,535.83**
Change in Indebtedness during the financial year				
Addition (principal + accrued int.)	76,514.63	367.41		76,882.04
Reduction (principal + accrued int)	20,849.77	8,076.15		28,925.93
Net Change	**55,664.86**	**(7,708.74)**		**47,956.11**
Indebtedness at the end of the financial year				
i) Principal Amount	5,31,318.08	71,591.83		6,02,909.91
ii) Interest due but not paid				
iii) Interest accrued but not due	3,214.63	367.41		3,582.04
Total (i+ii+iii)	**5,34,532.71**	**71,959.24**		**6,06,491.95**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors.

Sl. No.	Particulars of Remuneration	Name of MD/ WTD					Total Amount
		Shri P. C. Pankaj *	Shri A. G. West Kharkongor	Shri Utpal Moral **	Shri Satyabrata Borgohain	Shri V. K. Singh	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act,1961 (b) Value of perquisites u/s 17(2) Income tax Act,1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act,1961	27,71,347	47,30,733	7,59,122	40,23,569	33,84,688	**1,56,69,459**
2.	Stock Option						
3.	Sweat Equity						
4.	Commission						
	- as % of profit						
	- Others specify						
5	Others please specify						
	Total(A)	**27,71,347**	**47,30,733**	**7,59,122**	**40,23,569**	**33,84,688**	**1,56,69,459**
	Ceiling as per the Act						

* Ceased during the year 2016-17

** Ceased in February, 2016

B. Remuneration to other directors:

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Dr. Amitabha De	Shri Gopal Krishan Agarwal	Shri Siddhartha Bhattacharya *	Shri Vijay Kunmar Gupta	Shri Uttam K. Sangma*	
1	**Independent Directors**						
	- fee for attending board/ committee meetings	3,67,800	3,21,700		2,29,700		9,19,200
	• Commission						
	• Others, please specify						
	Total(1)	3,67,800	3,21,700		2,29,700		9,19,200
2	**Other Non-executive Directors**						
	• Fee for attending board / committee meetings						
	• Commission						
	• Others, please specify						
	Total (2)						
	Total (B) = (1+2)						
	Total Managerial Remuneration						
	Overall ceiling as per the act						

* Ceased from the post of Independent Director

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL; OTHER THAN MD/ WTD

Sl. No.	Particulars of remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
			Shri Chiranjeeb Sharma		
1.	**Gross salary**				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act,1961		28,17,011		
	(b) Value of perquisites u/s 17(2) Income tax Act,1961				
	(c) Profits in lieu of salary under section 17(3) Income tax Act,1961				
2	Stock Option		--		
3.	Sweat equity				
4.	Commission - as % of profit - others, specify				
5.	Others, please specify				
	Total		**28,17,011**		

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD / NCLT/ Court)	Appeal made, if any (give Details)
A. Company					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. Directors					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. Other Officers in default					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE – 2

Form AOC - I

Part "B":

Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures

NAME OF JOINT VENTURES	WAANEEP SOLAR PRIVATE LTD.	KSK DIBBIN HYDRO POWER PVT. LTD.
1. Latest audited Balance Sheet Date	31.03.2017	31.03.2017
2. Shares of Joint Ventures held by the company on the year end		
No.	8,20,00,000	2,79,30,000
Amount of Investment in Joint Venture (In Rs.)	82,00,00,000.00	27,93,00,000.00
Extent of Holding %	40%	30%
3. Description of how there is significant influence	Voting right	Voting right
4. Reason why the joint venture is not consolidated	CFS prepared as per Ind AS-28	
5. Networth attributable to Shareholding as per latest audited Balance Sheet (In Rs.)	180,64,00,000	106,77,12,524
6. Profit / Loss for the year in Rs.		
i. Considered in Consolidation	(5,56,80,000)	25,12,397
i. Not Considered in Consolidation	(8,35,20,000)	58,62,260

1. **Names of associate or joint ventures which are yet to commence operations.**
   KSK DIBBIN HYDRO POWER PRIVATE LIMITED

2. **Names of associates or joint ventures which have been liquidated or sold during the year.**

NEEPCO Ltd exited from the Joint Venture by signing the termination agreement with M/s ECI Engineering & Construction Company Ltd and M/s Metatron Danke Green Energy Pvt. Ltd. on 21.07.2016.

ANNEXURE – 3

REPORT OF CORPORATE GOVERNANCE

Corporate Governance deals with laws, practices and implicit rules that determine a company's ability to take informed managerial decision vis-a-vis its Stakeholders – in particular, its shareholders, creditors, customers, the State and employees. NEEPCO management tries to act in the best interest of all its stakeholders at all times and has adopted good Corporate Governance practices to benefit the greatest number of Stakeholders.

PHILOSOPHY ON CODE OF GOVERNANCE

(i) To have adequate control system in operation and provide information to the Board on a timely basis in a transparent manner so as to enable the Board to monitor the performance and ensure accountability of the Management.

(ii) To increase the efficiency of Business Enterprise for creation of wealth of the Enterprise and Country as a whole.

(iii) To ensure that Employees and Board subscribe to the corporate values and apply them in their conduct.

1. COMPOSITION OF BOARD AND PARTICULARS OF DIRECTORS:

(i) Composition of Board:

As on 31st March, 2017, the Board of Directors of the Company ("the Board") consists of 8 (eight) Directors, including 3 (three) whole-time Directors, 2 (two) Government part-time Directors representing the Government of India and North Eastern States and 3(three) Independent Directors.

The Composition of the Board and the number of other Directorship and Committee positions held by the Directors during the year ended as on 31st March, 2017 is as under:

FUNCTIONAL DIRECTORS / WHOLE TIME DIRECTORS

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held *		No. of other committee membership held **	
		Public	Private	Public	Private
Shri A. G. West Kharkongor DIN NO: 03264625	Chairman & Managing Director and Director (Finance)	Nil	1	Nil	Nil
Shri Satyabrata Borgohain DIN NO: 06801073	Director (Personnel)	Nil	Nil	Nil	Nil
Shri Vinod Kumar Singh DIN NO: 07471291	Director (Technical)	Nil	1	Nil	Nil

DIRECTOR FROM THE MINISTRY OF POWER, GOVT. OF INDIA

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of other committee membership held**	
		Public	Private	Chairman	Member
Shri Raj Pal DIN NO: 02491831	Part-time Director from MOP	1	Nil	Nil	Nil

DIRECTOR REPRESENTING FROM NORTH EASTERN STATES

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of other committee membership held**	
		Public	Private	Chairman	Member
Shri Vineet Joshi DIN No:07078936	Part-time Director	3	Nil	Nil	Nil

INDEPENDENT DIRECTORS

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of other committee membership held**	
		Public	Private	Chairman	Member
Dr. Amitabha De DIN NO: 07466659	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Gopal Krishan Agarwal DIN NO: 00226120	Non-official Part-time Director	1	3	Nil	Nil
Shri Vijay Kumar Gupta DIN NO:07353011	Non-official Part-time Director	Nil	Nil	Nil	Nil

* Excludes Directorships in Foreign Companies, Alternate Directorships and Companies under Section 8 of the Companies Act, 2013.

** Other Committee Memberships include membership of Audit Committee, CSR Committee, Nomination & Remuneration Committee & Stakeholders Relationship Committee of other Companies only.

(ii) Non-Executive Director's Compensation & Disclosures:
The Company has paid sitting fee to Non-Executive Independent Director.

(iii) Board Meetings, Committee Meetings & Procedures:

a. Minimum four Board Meetings are held in each year. Apart from the four scheduled Board Meetings, additional Board Meeting can be convened by giving appropriate notice. In case of business exigencies or urgency of matters, resolution is passed by circulation.

b. The Board of Directors is given presentation covering Project Implementation and operations of the Company at each Board Meeting. The information is being placed before the Board in accordance to DPE guidelines.

c. 8 (eight) meetings of the Board of the Company were held during the year under review. The Company has held at-least one Board Meeting in each quarter. The details of the Board meetings are as under:

Sl. No.	Board Meeting No.	Date	Board Strength	No. of Directors present
1.	221st BM	26.04.2016	11	9
2.	222nd BM	10.05.2016	11	8
3.	223rd BM	27.06.2016	11	7
4.	224th BM	03.08.2016	11	8
5.	225th BM	02.09.2016	10	7
6.	226th BM	10.12.2016	9	6
7.	227th BM	24.01.2017	7	7
8.	228th BM	20.02.2017	8	7

d. Attendance of Directors in the Board Meeting and Annual General Meeting during the year under review is as under:

Name of the Directors	Attendance of Meetings during 2016-17		
	Board Meeting held during tenure	Board Meeting attended	Last AGM
Shri P. C. Pankaj**	3	3	NA
Shri Gurdeep Singh **	1	1	NA
Shri A. G. West Kharkongor	8	8	NA
Shri Satyabrata Borgohain	8	8	Yes
Shri Vinod Kumar Singh	8	8	Yes
Shri Raj Pal	8	8	Yes
Shri K. V. Eapen**	5	2	NA
Shri Vineet joshi*	1	0	NA
Dr. Amitabha De	8	6	Yes
Shri Gopal Krishan Agarwal	8	8	Yes
Shri Siddhartha Bhattacharya**	6	0	NA
Shri Vijay Kumar Gupta	8	7	Yes
Shri Uttam K. Sangma**	6	0	NA

*Appointed during the year.
**Ceased during the year.

e. The Board of Directors reviewed from time to time legal compliance report presented by the Company Secretary.

2. Code of Conduct:
The Company is committed to conducting its business in accordance with the highest standards of business ethics and in compliance with all applicable laws, rules and regulations. It is hereby confirmed that the Code of Business Conduct and Ethics for Directors and Senior Management personnel was circulated among all concerned and complied with during the year under report.

3. Risk Management Policy:
The Company has implemented the Risk Management Policy, as approved by the Board of Director of the Company.

4. Training of Board Members:
The Board members are provided necessary documents / brochures, reports and internal policies to enable them to familiarize with company's procedure and practice. Various Board Members were nominated to attend workshops/training programmes on relevant topics.

5. Audit Committee
The Audit Committee was constituted in the year 2001. The Audit Committee as on 1st August, 2017 were as follows:

Sl. No.	Name of the Director & Category	Chairman / Member
1	Shri Gopal Krishan Agarwal, Independent Director	Chairman
2	Dr. Amitabha De, Independent Director	Member
3	Shri Vijay Kumar Gupta, Independent Director	Member
4	Shri Vinod Kumar Singh (Technical), NEEPCO	Member

The Committee met 4(four) times during the year. The meetings were also attended by Director (Finance), Head of the Internal Audit and Statutory Auditors as Special Invitees. The Company Secretary acts as the Secretary to the Committee.

Sl. No	Date	Committee Strength	No. of Members Present
1.	10.05.2016	4	3
2.	03.08.2016	4	4
3.	02.09.2016	4	4
4.	09.12.2016	4	3

The Minutes of the Audit Committee were placed before the Board for information. The terms of reference of the Committee as under:

TERMS AND CONDITIONS OF THE AUDIT COMMITTEE (PURSUANT TO COMPANIES ACT, 2013)

A. COMPOSITION

- The Audit Committee shall consist of a minimum of three directors with independent directors forming a majority:
- The Chairman of the Committee shall be an Independent Director.
- Majority of members of Audit Committee including its Chairperson shall be persons with ability to read and understand financial statements.
- The Company Secretary shall be the Convenor of the Meeting of the Audit Committee.
- The statutory Auditor, Head of Internal Audit and Director (Finance) shall also attend the meetings of the Audit Committee, but shall not have the right to vote.

B. MEETINGS OF THE COMMITTEE

- The Committee shall meet atleast three times in a year, and once in six months.
- One meeting of the Committee shall be held before the finalisation of the Annual Accounts of the Company.
- The quorum for the meetings of the Committee shall be of 2(two) members or 1/3rd (one-third) of the members of the Audit Committee, whichever is higher.

C. POWERS OF THE COMMITTEE

The Committee shall have the following powers: -

i) To investigate any activity / matter within its terms of reference or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.

ii) To obtain outside legal or other professional advice.

iii) To seek attendance of any employee or officer or statutory Auditor for obtaining information if it considers necessary.

iv) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

D. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

1) Review of the Corporation's financial reporting process and the disclosures made in its financial reports to ensure that the financial statements are sufficient, correct and credible.
2) Review and examination of the half-yearly and annual financial statements and the auditors'

report thereon; before submission to the Board, focusing primarily on the following:
- Any change in accounting policies and practices
- Major accounting entries based on exercise of judgement by management.
- Qualification in draft audit report.
- Compliance of all legal requirements concerning financial statements.

3) Review of the adequacy of internal control systems and evaluation of internal financial controls.
4) Review the adequacy of internal audit function, including the structure of the internal audit department, staffing of the department, reporting structure, coverage and frequency of internal audit.
5) Recommend fixation of audit fee, terms of appointment of the auditor, approval for rendering other services by the auditor as per section 144 and other applicable provisions, if any, of the Companies Act, 2013.
6) Recommend the appointment and remuneration of cost auditors of the company.
7) Discuss with internal auditors on any significant findings and follow up thereon.
8) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
9) Discuss with external auditor before the audit commences regarding nature and scope of audit and have post-audit discussions to ascertain any area of concern.
10) Review and evaluation of the company's financial and risk management policies and systems.
11) Review and monitor the auditor's independence and performance, and effectiveness of audit process.
12) Approval or any subsequent modification of transactions of the company with related parties.
13) Scrutiny of inter-corporate loans and investments.
14) Valuation of undertakings or assets of the company, wherever it is necessary.
15) Monitoring the end use of funds raised through public offers and related matters.
16) Appointment of the registered valuer and prescribing the terms and conditions as per section 247 of the Companies Act, 2013
17) Advise and evaluate on maintaining a proper system for storage, retrieval, display or printout of the electronic records.
18) Consult with the Internal Auditor for formulation of the scope, functioning, periodicity and methodology for conducting the internal audit.
19) The Audit Committee shall give the auditors of the company and the key managerial personnel a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.
20) The Audit Committee shall oversee the vigil mechanism established for the directors and employees for reporting genuine concerns or grievances and shall provide for adequate safeguards against victimisation of employees and directors who use such mechanism. The Chairperson of the Audit Committee shall be directly accessible in appropriate and exceptional cases. In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand.
21) Review contracts awarded on nomination / offer basis in terms of guidelines issued by the CVC / DPE/ other authorities, from time to time.

6. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in terms of DPE OM No. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26th November, 2008 and the terms of reference is as per section 178 of the Companies Act, 2013, read with the notification dated 5th June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated 26th November, 2008. The Nomination & Remuneration Committee as on 1st August, 2017 are as follows:

Name	Chairman/ Member	Independent/ Executive
Shri Vijay Kumar Gupta	Chairman	Independent
Dr. Amitabha De	Member	Independent
Shri Gopal Krishan Agarwal	Member	Independent
Shri Satyabrata Borgohain	Member	Director(Personnel)
Shri Vinod Kumar Singh	Member	Director (Technical)

The payments of remuneration to the employees of the Corporation are guided by the relevant Guidelines as issued by the Department of Public Enterprises.

7. DIRECTORS REMUNERATION

Our company being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. Hence, the Board does not decide remuneration of the Directors. Independent Directors are paid only sitting fees at rate fixed by the Board for attending the Board Meetings as well as Committee Meetings.

Details of remuneration of Functional Directors of the Company during the year 2016-17 are given below:

Director's Remuneration for the FY 2016-17

No.	Name	Designation	Salary & Allowances	Cont. to PF & Other Funds	Other Benefits	Total
1	Shri A. G. West Kharkongor	CMD & Director (Finance)	32,00,801	3,92,395	11,37,537	47,30,733
2	Shri P. C. Pankaj*	CMD	8,08,080	98,533	18,64,734	27,71,347
3	Shri Satyabrata Borgohain	Director (Personnel)	26,99,903	3,54,511	9,69,155	40,23,569
4	Shri V. K. Singh	Director (Technical)	28,80,801	3,51,594	1,52,293	33,84,688
5	Shri Utpal Moral	Retired from the post of Director (Technical) in February, 2016	---	---	7,59,122	7,59,122
Total			**95,89,585**	**11,97,033**	**48,82,841**	**1,56,69,459**

* Ceased during the year

8. DISCLOSURES:

There were no transactions of material nature with the Directors or the Management etc., which have potential conflict with the interest of the Company at large. The details of the Related Party Disclosure are included in notes forming part of the Accounts. The Company has been particular in adhering to the provisions of the laws and guidelines of regulatory authorities.

9. GENERAL BODY MEETING

The date, time and location where the last three Annual General Meeting were held are as under:

Financial Year	Date	Time	Location
2013-14	17.09.2014	12:30 PM	New Delhi
2014-15	30.09.2015	04:30 PM	Shillong
2015-16	02.09.2016	05.30 PM	New Delhi

The details of the Special Resolution passed by the Company at its last three Annual General Meetings (AGM) are as under:

Date of AGM	Special Resolution passed
17.09.2014	1. To ratify the remuneration of the Cost Auditors for the financial year 2014-15. 2. Mobilization of Rs.2500.00 crore in the form of Redeemable Non-Convertible Taxable Debentures (NEEPCO PSU Bonds XIVth series) for funding the capital expenditure of the Corporation. 3. Creation of Security for borrowings within the borrowing powers of the Board. 4. Enhancement of borrowing powers of the Board.
30.09.2015	1. To Mobilize Rs.2000 Crore Long Term Borrowing for Funding the Capital Expenditure of the Corporation and creation of security by way of Mortgage and/ or Hypothecation of the Assets of the Corporation against these Borrowings
02.09.2016	Nil

10. SHAREHOLDERS INFORMATION:

NEEPCO is a Wholly Owned Government of India Enterprise and the President of India and its nominees hold 100% (Hundred Percent) equity shares of the Company. Therefore, no pattern of distribution of shareholdings is given.

11. NAME OF DEBENTURE TRUSTEES WITH CONTACT DETAILS

Axis Trustee Services Ltd. 2nd Floor, Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg Worli, Mumbai 400 025 Tele No: 022-24252525 / 43252525 Email : mcskol@rediffmail.com	SBICAP Trustee Company Ltd. 202, Maker Tower 'E' Cuffe Parade Mumbai 400 005 Tele No:022-4302 5555 Fax No:022-4302 5500 Email: helpdesk@sbicaptrustee.com

For and on behalf of the Board of Directors

(D. V. Singh)
Chairman & Managing Director
DIN: 03107819

Dated: 22-09-2017
Place: New Delhi

ANNEXURE - 4

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the fourth largest consumer of energy in the world after USA, China and Russia but it is endowed with limited resources required for the country's economic development and to support the aspirations of 1.2 billion people. In order to meet its economic development the country need to use all its available resources of coal, uranium, oil, hydro, and other renewable resources, and supplement its domestic production by imports. Meeting the energy needs for achieving 8-9 percent economic growth at affordable prices therefore presents a major challenge. It, therefore, calls for a sustained effort at increasing energy efficiency to contain the growth in demand for energy while increasing domestic production as much as possible to keep import dependence at a reasonable level.

As on 31st March 2017, the total installed capacity in India stood at 3,26,848.53 MW. Capacity added during the 12th Five Year Plan (till 31-03-2017) is 99,209.47 MW which is 112.05% of the capacity addition target of 88,537 MW. Capacity addition from conventional source was 97209 MW during the plan, with the highest figure recorded in 2015-16. Capacity addition from conventional source was 14209.8 MW during the year 2016-17. In capacity addition, it is seen that growth was fuelled mainly due to capacity addition in the Thermal Sector. However, in Nuclear Energy, the overall achievement is only 2000 MW against the target of 7500 MW in the 12th Plan.

The power generation in the country in 2016-17 went up from 1107.822 BU in 2015-16 to 1159.835 BU registering a growth of 4.7%. In terms of Power Supply Position (Demand/Availability) in the country, the deficit was 0.7% during 2016-17, while the shortfall in the NE Region was 2.8% during the same period. **This 0.7% deficit in the Country during 2016-17 is the lowest ever deficit.** In terms of Peak Demand/Peak Met, the deficit in the country in 2016-17 was 1.6%, while that in the NE Region was 0.5%.

Electricity consumption in India is expected to rise to around 2280 BKWh by 2021-22 and around 4500 BKWh by 2031-32. The Government of India has undertaken a robust approach to cater to the energy demand of its citizens and to fuel the economic growth of the country while ensuring minimum increase in CO_2 emissions, so that the global emissions do not lead to an irreversible damage to the earth system.

NEEPCO on its part made a modest beginning with the 50 MW Khandong Power Station which was commissioned in 1984 as a part of the 275 MW integrated Kopili H.E Plant. Today, NEEPCO operates three Hydro, three Thermal and one Solar Power Plants spread over the North Eastern Region of India with a total installed capacity of 1287 MW, out of which 755 MW in Hydro, 527 MW in Thermal and 5 MW_p in Solar sector. Another 770 MW is likely to be added during the 2017-18, thereby raising the total installed capacity to 2057 MW.

OPPORTUNITIES AND STRENGTH

India is endowed with significant hydroelectric potential and ranks fifth in the world in terms of exploitable hydro-potential on global scenario. Out of around 1, 45,320 MW hydropower potential, slightly more than 30% has been developed so far. From a regional perspective, the Brahmaputra Basin holds 45% of the total hydroelectric potential of the country. However, over 93% of the total potential in the North Eastern Region is yet to be tapped, primarily in parts of the Brahmaputra river basin. The scenario is in sharp contrast to the Southern and the Western Regions where more than 65% of the potential has already been harnessed. With such a small scale utilization of the hydro power capacity in the NE Region, NEEPCO has a huge role to play in the economic development of the Region. In addition to large Hydro, Pumped Storage Plants (PSP) accompanied with short term storage can also be used for the generation of electricity. This can be of value in balancing the intermittency that would be introduced by increased penetration of other RE sources such as Wind and Solar in the electricity mix. Similarly, Pumped Hydro Storage schemes utilize off-peak electricity from intermittent sources to pump water from a river or a lower reservoir, to a higher reservoir to allow its usage during peak times. As far as the potential of pumped storage hydro schemes are concerned, 96500 MW is estimated to be potentially available across 56 sites with the individual capacities varying from 600 MW to 2800 MW. Most of the potential (about 41%) is concentrated in the Western region, mainly due to topological features with steep river gradients in the Western Ghats region. However, Integration of PSP into the system will require further site-specific evaluation to estimate the extent to which they can contribute to future installed capacity. The CPSUs which have trained manpower, equity and technical capability to develop hydropower projects – from concept to commissioning are in an advantageous situation to exploit this area. The Ministry of Power has also entrusted NEEPCO with the responsibility of exploring the possibilities for the development of PSPs in the Eastern & North Eastern regions of the country. However the full development of India's hydro-electric potential, while technically feasible, faces issues of water rights, resettlement of project affected people and environmental concerns among others. Also, issues like sharing costs / benefits of hydropower generation, navigation & flood moderation, development of roads and other infrastructure, inter-state issues including Land Acquisition, downstream issues /development of the people and ensuring law & order needs to be addressed for rapid development of the Hydro Sector.

The growth of Thermal Power Projects is necessary for rapid capacity addition. The Geological Survey of India (as on April' 16) estimated the reserves of coal and lignite in India at around 308.802 and 44.59 billion tones respectively, whereas the estimated capacity of natural gas reserves were estimated to be approximately 1488.49 billion cubic meters (BCM). As per a report published by the MOSPI in March 2016, the NE region alone has vast quantities of Natural Gas particularly in the states of Assam (Estimated quantity of 151.40 BCM) and huge reserves of Coal particularly in the state of Meghalaya (0.58 Billion Tonnes). Given the abundance of Fossil Fuel in the region, there is also ample scope for the development of the Thermal Power in the region. The projected energy requirement of the NE Region by the year 2021-22 stands at 22421 MU with the peak demand touching 3905 MW.

Keeping in mind the National energy security and mitigation of Climate Change issues, the Government has emphasized on the increased use of Renewable Energy Sources. One of India's major advantages is that its renewable energy (RE) potential is vast and largely untapped. Recent estimates show that India's solar potential is greater than 750 GW and its announced wind potential is 302 GW. The potential of biomass and small hydro is also significant. Thus, renewable energy has the potential to anchor the development of India's electricity sector. The second major benefit of a rapid transition to RE will be the positive effect on India's macroeconomic outflows for expensive fuels. From a pure macroeconomic perspective, promoting RE could dramatically reduce the coal import bills of the country. Then, there are environmental benefits (less pollution), social benefits (local employment opportunities) and investment inflows. But, to capture the benefits of RE, India would need to make available the necessary capital, and manage the variability of RE generation in conjunction with the existing and fossil fuel based and large power plants. In the area of mitigating climate change issues, it is pertinent to note that Fossil fuels are the largest source of Green House Gas (GHG) emissions. India is the 4th largest emitter of GHG (though the per capita GHG emission is still quite low). Utilization of RE can significantly contribute to reducing India's carbon emissions.

Considering the relevance of Renewable Energy, the Indian Government is striving to increase overall renewable capacity by more than five times from 32 GW in 2014 to 175 GW by 2022 with a target of 100 GW from solar and 60 GW through wind. (Rest 15 GW target is to be achieved from 10 GW of biomass energy and 5 GW power from small hydro projects). In the global context, currently India ranks 4th in terms of Wind Power Installed Capacity while it ranks 7th in total Solar PV Installed Capacity.

With about 300 clear and sunny days, India is endowed with vast solar energy potential. About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per sq.

m per day. Hence, both technology routes for conversion of solar radiation into heat and electricity, namely, solar thermal and solar photovoltaic, can effectively be harnessed providing huge scalability for solar in India. In order to boost capacity addition in these areas, the Government has announced several schemes. Among them are schemes for Development of Solar Parks and Ultra Mega Solar Power Projects, project for development of Grid Connected Solar PV Power Plants on Canal Banks and Canal Tops and Solar Pumping Programme for Irrigation and Drinking Water. The Government plans to rope in the unemployed youth, MSME, Gram panchayats in this process and also plans to boost Solar Power generation through grid connected Rooftop Solar Projects. As per the above stated schemes, the Indian Government aims to meet a target of achieving 100 GW of solar capacity (including 40 GW from rooftop solar). India quadrupled its solar-generation capacity from 2,650 MW on 26 May 2014 to 12,289 MW on 10 March 2017. The country added 3.01 GW of solar capacity in 2015-2016 and 5.525 GW in 2016-2017, the highest of any year. In addition to the discussed initiatives, the Government of India along with like-minded partner countries have conceived the International Solar Alliance as a coalition of 121 solar resource rich countries lying within the Tropics of Cancer and Capricorn with the objective of harnessing solar energy that these countries are endowed with.
Also, the installable wind power potential assuming 9 MW per square kilometer area in the country at 50 m level is estimated at 49 GW, while, the estimated installable potential at 80 m level is found to be around 103 GW. Wind power generation capacity in India has significantly increased in recent years. As of the end of March 2017, the total installed wind power capacity was 32.17 GW, mainly spread across the South, West and North regions. There is also high potential for generation of renewable energy from various other sources such as biomass, small hydro and cogeneration bagasse.

Presence of ample potential and opportunity at hand, NEEPCO can emerge as the leading power producer in the Region. However, emphasis must be laid on support by States for land acquisition, and right of way for setting up power projects. In line with the thrust of the Government of India on the Renewable sector, NEEPCO has already made inroads in the Renewable Energy Sector.

WEAKNESS AND THREATS

Primary constraints in development of Power Sector in the NE Region have been due to geographical isolation, difficult terrain, adverse Law and Order situation, poor surface communication infrastructure, communication bottlenecks. The young Himalayan Geology also makes development of Hydro Projects a daunting task. Also, the working season actually available in the NE Region is on the average of 6-7 months in a year due to prolonged Monsoons.

Other bottlenecks include Land Acquisition problems, Resettlement & Rehabilitation, Environment & Forest clearance issues, longer gestation period, Inter-state aspects, Natural Calamities, Lack of experienced Contractors, Contractual Disputes. Shortage of talent and trained technical manpower is another area that is likely to continue to push up project costs and risks so far as NEEPCO is concerned. Despite the adversities, NEEPCO has set up projects in some of the remotest and most difficult areas in the Region.

RISKS AND CONCERNS

Some of the major Risks and Concerns faced by NEEPCO are:

- Land acquisition is a persistent issue involved in the implementation of hydro projects.
- There is severe impact on the commercial viability of hydro power projects with the prevailing norms regarding release of environmental flow (e-flow) and payment of Net Present Value (NPV) towards diversion of forest land. Payment of NPV is in addition to the Compensatory Afforestation to be grown normally over double the forest land under diversion.
- Subterranean geological surprises leading to time and cost overrun in hydro project implementation.
- Law and Order issues along with lack of infrastructure at sites leading to project time and cost overruns.

- Acidic water in the reservoir of Kopili HE Plant due to Acid Mine Drainage at the catchment of the Plant is major threat, which is not only causing frequent shutdown of plant, but also huge expenditures has to be incurred for rectification/renovation works.
- Non-clearing of dues by the beneficiaries against sale of power is another major concern which is affecting the cash flow of the Corporation.

OUTLOOK FOR THE FUTURE

NEEPCO has drawn out plans for capacity addition which has been already highlighted. NEEPCO is poised to add another 770 MW to the National Grid in 2017-18 which are in various stages of development. Apart from capacity addition through projects on ownership basis comprising the sectors of Hydro, Thermal and Renewable Energy, NEEPCO is also looking forward to accelerate development of projects through the Joint Venture route in all the three sectors. In this regard, already three JVs have been formed, while other proposals are in the pipeline.

With the Government laying emphasis on the development of Renewable Energy Sources, a road map has been prepared for capacity addition through Renewable sources.

ENVIRONMENTAL CONSERVATION, RENEWABLE ENERGY USE AND R&D DEVELOPMENTS

The Power Sector is endeavoring to meet the challenge of providing adequate power needed to fuel the growing economy of the country. However, this growth of the Power Sector has to be within the realms of the principles of sustainable development. A Low carbon growth strategy has been adopted in planning process and highest priority is accorded to development of generation based on renewable energy sources. Thrust is also accorded to maximizing efficiency in the entire electricity chain, which has the dual advantage of conserving scarce resources and minimizing the effect on the environment.

NEEPCO takes cognizance of the possible impact on environment and ecology and adopts suitable measures to negate any adverse effect on environment and ecology during the execution and operation & maintenance of its projects. Every care is taken to implement and abide by the laws of the land in respect of environment and ecological safeguards.

Being a Central Public Sector Enterprise under the Ministry of Power, Govt. of India, NEEPCO strictly follows and adheres to all policies and guidelines of Ministry of Environment, Forests & Climate Change (MoEF & CC), Govt. of India (GoI) with regards to identification and mitigation of Environmental impacts of power projects. In order to achieve the objective of sustainable development, studies like Environmental Impact Assessment (EIA), Environment Management Plan (EMP), Dam Break Analysis, Reservoir Induced Seismicity (RIS) which are a part of the Comprehensive Environmental Study, are carried out through highly reputed organizations/consultants and the recommendations like Catchment Area Treatment (CAT), Flood moderation & protection measures are earnestly implemented. All environmental impacts are looked into and suitably addressed in the EIA/EMP reports which are appraised by the MoEF & CC, GoI while according Environment Clearance to a project.

The Corporation spent Rs.57.37 lakh under Research and Development in 2016-17. The DPE guidelines state that 0.5% of Profit after Tax (PAT) of the previous year is to be spent on R&D. The PAT for the year 2015-16 was Rs.372.55 crores.

YEARLY GENERATION POWER STATION WISE

<table>
<tr><th>Power Station</th><th>Generation Target (MU) 2016-17 for "Very Good" MOU rating</th><th>Actual Generation (MU) 2016-17</th><th>Actual Generation (MU) 2015-16</th><th>Actual Plant Availability Factor 2015-16 (%)</th><th>APAF Target (%) 2016-17 for "Very Good" MOU rating</th><th>Actual APAF (%) achieved during 2016-17</th></tr>
<tr><td colspan="5">THERMAL</td><td rowspan="13">80.69</td><td rowspan="13">80.12</td></tr>
<tr><td>AGBP (291 MW)</td><td>1730</td><td>1573</td><td>1759</td><td>70.16</td></tr>
<tr><td>AGTCCP (135 MW)</td><td>860</td><td>915</td><td>871</td><td>81.40</td></tr>
<tr><td>Thermal Total</td><td>2590</td><td>2488</td><td>2630</td><td></td></tr>
<tr><td colspan="5">HYDRO</td></tr>
<tr><td>Kopili H E Plant (275 MW)</td><td>1085</td><td>1287</td><td>957</td><td>62.19</td></tr>
<tr><td>Doyang H E Plant (75 MW)</td><td>218</td><td>259</td><td>163</td><td>62.18</td></tr>
<tr><td>Ranganadi H E Plant (405 MW)</td><td>1250</td><td>1249</td><td>1337</td><td>96.34</td></tr>
<tr><td>Pare H E Project (110 MW)</td><td>100</td><td>0</td><td>-</td><td>-</td></tr>
<tr><td>Hydro Total</td><td>2653</td><td>2795</td><td>2457</td><td></td></tr>
<tr><td colspan="5">RENEWABLE</td></tr>
<tr><td>Solar Monarchak (5 MW)</td><td>7</td><td>7</td><td>6</td><td></td></tr>
<tr><td>NEEPCO</td><td>5250</td><td>5290</td><td>5093</td><td></td></tr>
<tr><td>TGBPP (101 MW)</td><td>0</td><td>182</td><td>127</td><td></td><td></td><td></td></tr>
<tr><td>Total including TGBPP</td><td>-</td><td>5472</td><td>5220</td><td></td><td></td><td></td></tr>
</table>

Note: *"Very Good" MOU Target for APAF (in %) for the year 2016-17 was fixed at 6% higher than the APAF of all Hydro and Thermal Plants (Weighted Average) excluding Kopili HEP over previous year 2015-16 (i.e. 76.12%).*

ANALYSIS OF GENERATION

Generation achieved during the year 2016-17 was 5472 MU (including 182 MU generation from TGBP) against generation of 5220 MU achieved during 2015-16. The increase in generation with respect to the previous year is around 4.83 % against increase of installed capacity by 2.85 % w.r.t. installed capacity of previous years.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

NEEPCO has a well defined internal control system encompassing all its areas of operation whereby transactions and decisions are processed as per the Delegation of Power, documented policies, guidelines, manuals and circulars as well as various laws and regulations pertinent to such operations.

The effectiveness of the control system is monitored by a Board-level Audit Committee and an Independent Internal Audit Department. A summary of Audit Observations and Action Taken Notes (ATNs) are placed before the Audit Committee at regular intervals and accordingly its recommendations and directions are implemented.

FINANCIAL DISCUSSION AND ANALYSIS

A. RESULTS OF OPERATIONS

A detailed financial discussion and analysis is furnished below on the Audited Financial Results of the Corporation for the FY 2016-17 as compared to the FY 2015-16.

Income

Particulars	2016-17	2015-16
Units of electricity sold (in MU)	5135.68	4793.35
Income:		
Revenue from Operation (₹ in Lakh)	140447.01	160587.64
Other Income (₹ in Lakh)	3105.49	13525.47
Total Revenue (₹ in Lakh)	**143552.50**	**174113.11**

NEEPCO's income arises from sale of energy and other income viz. surcharge on delayed payments on energy sales etc. NEEPCO's total income during the FY 2016-17 & FY 2015-16 are ₹ 143552.50 lakh and ₹ 174113.11 lakh respectively.

In exercise of the powers conferred under section 178 of the Electricity Act, 2003, the Central Electricity Regulatory Commission (CERC) have issued Tariff Regulations vide notification no. L-1/144/2013/CERC dated 21.02.2014 for determination of tariff for the period 2014-19. Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.

Tariff of a Power Station consists of two components viz. Capacity Charge and Energy Charge. The recovery of Capacity Charge (i.e. 50% of AFC for hydro and 100% of AFC for gas based power stations) depends on the "Actual Plant Availability Factor achieved during the year (PAFY)" as compared to the "Normative Annual Plant Availability Factor (NAPAF)" allowed by the CERC for each of the power stations.

The AFC of hydro generating stations is recovered on monthly basis through the Capacity Charge component (which includes incentive) and Energy Charge component. The recovery of Energy Charges for hydro power stations (i.e. 50% of AFC) is based on the "Scheduled Energy" of the Plant as a proportion of its Design Energy with adjustment for normative auxiliary consumption and Free Electricity Supply to the Home State.

The AFC of thermal (gas based) generating stations is recovered on a monthly basis through the Capacity Charge component. Incentive in respect of a thermal generating station or unit thereof is payable at a flat rate of 50 paise / kWh for the excess of scheduled generation over the ex-bus energy corresponding to Normative Annual Plant Load Factor (NAPLF) of 85%. The cost of gas is recovered through the Energy Charge component calculated on the landed cost of fuel, gross calorific value of the fuel, normative station heat rate of the respective plant and normative auxiliary consumption.

During FY 2016-17, PAFY for Kopili Stage II, Doyang & Ranganadi Hydro Power station exceeded the respective NAPAF. The PAFY versus NAPAF achieved during FY 2016-17 are as follows:

Name of the Power station	Normative Plant Availability (NAPAF) (in %)	Actual Plant Availability (PAFY) achieved (in %)
Kopili Hydro Power Station (200 MW)	79.00	75.34
Khandong Hydro Power Station (50 MW)	69.00	67.79
Kopili Stage II (25 MW)	69.00	74.07
Ranganadi Hydro Power Station (405 MW)	85.00	93.03
Doyang Hydro Power Station (75 MW)	73.00	75.31
Assam Gas Based Power Plant (291 MW)	72.00	62.07
Agartala Gas Turbine Combined Cycle Power Plant (135 MW)	85.00	83.05
Tripura Gas Based Combined Cycle Power Plant (101 MW)	85.00	30.34
Solar PV Power Project, Monarchak (5 MW)	19.00 (CUF)	14.26 (CUF)

SALE OF ELECTRICITY:

NEEPCO sells electricity to bulk consumers comprising of the state-owned electricity utilities and power departments in the North Eastern Region (excluding Sikkim) under long term Power Purchase Agreements (PPAs) and as per the allocation made by the Ministry of Power for each of the beneficiary States. Total revenue from operations during 2016-17 was ₹ 140447.01 lakh (incl. supply to colony amounting to ₹ 177.75 lakh) which constitutes 97.84% the total revenue for the year.

The Corporation achieved a generation of 5472.24 MU during the year from its total installed capacity of 1287 MW as compared to total generation of 5220.37 MU during the previous year.

Other Income

'Other Income' mainly comprises late payment surcharge, provision written back and miscellaneous income.

Other Income was ₹ 3105.49 lakh in FY 2016-17 as compared to ₹ 13525.47 lakh in FY 2015-16. The decrease in other income is mainly due to decrease in late payment surcharge.

During the 2016-17, the Corporation received an amount of ₹ 2152.91 lakh on account of late payment surcharge as against ₹ 12622.21 lakh during 2015-16 i.e. a decrease of ₹ 10469.30 lakhs. Liability /Provision written back have increased from ₹ 2.37 lakh to ₹ 806.87 lakh.

Expenditure

The total expenditure in FY 2016-17 decreased by 14.06% as compared to the previous year mainly due to decrease in the cost of material consumed, other expenses and increase in Employee benefits expenses, Finance Cost & Depreciation.

(₹ in lakh)

	2016-17	2015-16	Increase/ (Decrease)
Cost of material consumed	40742.17	62955.03	(22212.86)

Employee benefit expenses	27647.65	25855.23	1792.42
Finance costs	2991.39	1723.14	1268.25
Depreciation	16038.68	11939.34	4099.34
Other expenses	18659.39	28101.99	(9442.60)
Total	**106079.28**	**130574.73**	**(24495.45)**

Cost of Material Consumed

Cost of material consumed consists of cost of gas and transportation charges thereon. The gas price is fixed by the Ministry of Petroleum and Natural Gas (MoPNG), Government of India. Domestic Gas Price for the FY 2016-17 are USD 3.06 and USD 2.50 per MMBTU (on GCV basis) for the period of Apr'16 to Sep'16 and Oct'16 to Mar'17 respectively (previous year USD 4.66 & USD 3.82 respectively). Fuel price per mmbtu during the FY 2016-17 decreased by 34.43% against the previous year. During the current year, the expenditure on cost of material consumed was ₹ 40742.17 lakh (consisting of cost of gas ₹ 39630.11 lakh and transportation charges ₹ 1112.06 lakh) as against ₹ 62955.03 lakh (consisting of cost of gas ₹ 61858.71 lakh and transportation charges ₹1096.32 lakh). Expenditure on gas constituted 38.41 % of the total expenditure as against 48.21 % of previous year.

Employees' Remuneration and Benefits

Employees' remuneration and benefits includes salaries and wages, allowances, incentives, contribution to Provident Fund, other welfare expenses and provision for Gratuity, leave encashment and Pension fund. These expenses accounted for approximately 26.06 % of NEEPCO's total expenditure during the year as compared to around 19.80 % in the previous year.

Finance Costs

NEEPCO's finance costs include interest expenses on borrowings as well as other finance charges such as commitment fees, trustee fees, guarantee fees etc. All borrowings including foreign currency borrowings are denominated in Indian Rupees for accounting purposes.

Finance Cost (revenue account) increased by 73.60 % to ₹ 2991.39 lakh from ₹ 1723.14 lakh in the previous year due to charging of interest on borrowings to revenue account on commissioning of the project.

Depreciation

As per NEEPCO's accounting policy, depreciation is charged on the Straight Line Method to the extent of 90% of the cost of assets as per the rates and methodology notified by the CERC vide its notification dated 21st February, 2014, except in case of some items for which depreciation is charged at rates as per NEEPCO's accounting policy. Depreciation cost increased by 15.12 % to ₹ 16038.68 lakh in FY 2016-17 from ₹ 11939.34 lakh in FY 2015-16 is mainly due to full year depreciation charged on the assets of Agartala Thermal Power Plant Extension & Tripura Gas Turbine Project.

Other Expenses

Other expenses (including generation and administration expenses) consists primarily of repair and maintenance of plant and machinery, buildings, etc., share of general establishment expenses, NERLDC fees and charges, Corporate Social Responsibility expenses, security and insurance expenses, transport expenses, etc. These expenses represented approximately 17.59 % of NEEPCO's total expenditure during the year as compared to 21.52 % in FY 2015-16. In absolute terms, these expenses decreased by ₹ 9442.60 lakh (i.e. 33.60 %) from the previous year.

Profit before Tax

The cumulative effect of all the above is a decrease in NEEPCO's profit before tax in FY 2016-17 by 13.93 % to ₹ 37473.22 lakh from ₹ 43538.38 lakh in FY 2015-16.

Provision for Tax

The Corporation provides Current Tax & Deferred Tax as per the Income Tax Act, 1961. Net provision for FY 2016-17 is ₹ 13426.85 lakh in comparison to ₹ 12718.27 lakh in financial year 2015-16 i.e. an increase of ₹ 708.58 lakh due to increase in deferred tax liabilities & decrease in current tax.

Liquidity and Capital Resources

Liquidity

Funds for working capital requirements as well as capital expenditure for construction of projects are mobilized from both internal and external sources. Funds are sourced externally in the form of long term loans either in Indian Rupees or in foreign currency and through privately placed PSU Bonds. As on 31st March, 2017, NEEPCO has Cash and Cash equivalent of ₹ 26928.01 lakh as compared to ₹ 44795.16 lakh as on 31st March, 2016.

Cash Flow

(₹ in lakh)

	2016-17	2015-16
1. Net cash inflow from operating activities	106986.95	47329.95
2. Net cash outflow from investment activities	(120627.83)	(98777.42)
3. Net cash inflow/(outflow) from financing activities	(4226.27)	23531.37

1. Net Cash from Operations

NEEPCO's net cash inflow from operating activities was ₹ 106986.95 lakh in FY 2016-17 after booking a total comprehensive income of ₹ 23832.45 lakh. The net cash from operating activities has been arrived at after adjusting the non-cash items viz. depreciation of ₹ 16038.68 lakh, interest cost of ₹ 2991.39 lakh, foreign exchange gain of ₹ 773.06 lakh and provision of income tax of ₹ 13313.63 lakh. The changes in the current assets and current liabilities impacting the current period cash flow amounted to ₹ 60730.47 lakh (i.e. a decrease in the working capital as the net effect of decrease in receivables, inventories, other assets and increase in trade & other payables, provisions, other liabilities). Income tax payment of ₹ 9151.35 lakh was also made during the year.

2. Net Cash from Investing Activities

NEEPCO's net cash outflow from investing activities was ₹ 120627.83 lakh in FY 2016-17 which includes expenditure on construction projects of ₹ 117818.15 lakh, investment in Joint Ventures amounting to ₹ 698.00 lakh. Interest income on investment of ₹ 656.62 lakhs and repayment by employees & others ₹ 2768.30 lakh.

3. Net Cash from Financing Activities

In FY 2016-17, NEEPCO's net cash outflow from financing activities was ₹ 4226.27 lakh. The Corporation raised funds of ₹ 73300.00 lakh through PSU bonds and short term borrowings and also effected loan repayment and interest payments to the tune of ₹

20793.87 lakh and ₹ 43365.06 lakh respectively. During the year the Corporation paid dividend of ₹ 13259.80 lakh out of which final dividend for 2015-16 was ₹ 8917.00 lakh, interim dividend for 2016-17 was ₹ 2100.00 lakh and dividend tax of ₹ 2242.80 lakh.

Discussion on Balance Sheet Items

Financial Condition

1. **Net Worth**

The net worth of the Corporation as on 31st March, 2017 is ₹ 587450.25 lakh as compared to ₹ 576872.86 lakh as on 31st March, 2016 representing a growth of 1.83 %.

ASSETS

1. **Non- Current Assets**

(a) Property, Plant and Equipment :

NEEPCO's net fixed assets consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets under development and Intangible Assets. The net fixed assets as on 31st March, 2017 stood at ₹ 1162997.20 lakh (comprising of Property, Plant & Equipment after depreciation of ₹ 348907.21 lakh, Capital Work in Progress of ₹ 799325.64 lakh, Intangible Assets under Development ₹ 10082.50 lakhs and Intangible Assets after depreciation of ₹ 4681.85 lakh). The Tangible Assets consist of land, dams, tunnels, buildings including power house buildings, plant and machinery, office equipment, computers and so on while Intangible Assets consist of Land - right to use, Computer Software, etc.

(b) Financial Assets:

Investments (Un-Quoted)

As on 31st March, 2017 the Corporation has invested an amount of ₹ 10993.00 lakh (₹ 10295.00 as on 31st March, 2016) in Joint Venture Companies as fully paid up Equity Share.

(c) Loans

Long Term Loans & Advances to Employees as on 31st March 2017 stood at ₹ 113.96 lakhs against ₹ 127.71 lakhs as on 31st March 2016. Loan & Advances to employees includes Interest bearing Computer Advance and interest free Furniture Advance and Multipurpose Advance.

(d) Other Non-Current Assets

Other Non-Current Assets includes Capital advances which are expected to be realized after a period of 12 months from the Balance Sheet date. It includes advances to contractors for capital expenditure (both secured & Un-secured), advances paid for land and Prepayment of Leasehold Land.

Advances to contractors which are capital in nature (both secured and unsecured, considered good) after adjustment of doubtful debts as on 31st March, 2017 stood at ₹ 19194.31 lakh as compared to the previous year's amount of ₹ 21997.71 lakh. Advance towards land amounts ₹ 21.42 lakhs as on 31st March 2017 as against ₹ 70.54 lakhs as on

31st March 2016. Prepayments of leasehold land has been decreased by ₹ 193.82 lakhs and stood at ₹ 6417.59 lakhs as on 31st March 2017 as against ₹ 6611.41 lakhs as on 31st March 2016.

2. Current Assets

(a) Inventories

Inventories are valued at cost, which is determined on weighted average basis or net realizable value, whichever is lower. Physical verification of inventories is done by the management once a year. Inventories were valued at ₹ 13436.19 lakh and ₹ 14251.07 lakh as on 31st March, 2017 and 31st March, 2016 respectively.

(b) Trade Receivables

Trade receivables are dues in respect of goods sold or services rendered in the normal course of business. The Trade Receivables as on 31st March, 2017 were ₹ 46534.16 lakh as compared to ₹ 102586.97 lakh 31st March, 2016.

(c) Cash and Cash Equivalents

Cash & Cash Equivalents consists of (i) current accounts maintained with the Bank, (ii) cash and stamps in hand and (iii) Short Term Deposits on the Balance Sheet date. As on 31st March, 2017 and 31st March, 2016 the Cash and Cash Equivalents of the Corporation were ₹ 26928.01 lakh and ₹ 44795.16 lakh respectively.

(d) Others

Others consists of Account receivables, Advance to staff, Interest accrued on loans & deposits and Security deposits to be settled within 12 months from the close of the current financial year. As on 31st March, 2017, amount stood at ₹ 6028.43 lakh as against ₹ 3508.77 lakh on 31st March 2016. There was a net increase of 71.81 % in FY 2016-17 mainly due to increase in accounts receivables viz Deferred tax recoverable & revenue on account of difference between effective tax rate & tax rate allowed by the CERC, advance to staff and decrease in interest accrued on STDR.

(e) Current Tax assets

Advance tax paid during the year along with tax deducted source are shown under Current Tax Assets. As on 31st March, 2017 and 31st March, 2016 the current tax assets of the Corporation were ₹ 11824.22 lakh and ₹ 14463.66 lakh respectively.

(f) Other Current Assets

Other Current Assets mainly consist of prepaid expenses, advance to Suppliers & contractor and prepayments of Leasehold Land. NEEPCO's other current assets as on 31st March, 2017 and 31st March, 2016 were ₹ 2039.31 lakh and ₹ 2113.02 lakh respectively.

EQUITY & LIABILITIES

1. Equity

(a) Equity Share Capital

Equity Share Capital of the Corporation as on 31st March 2017 & as on 31st March 2016 amounts to ₹ 345281.01 lakhs & ₹ 345281.01 lakhs respectively.

2. Other Equity

NEEPCO's other equity consists of General reserve, Retained earnings & Bond redemption reserve. The other equity as on 31st March, 2017 was ₹ 242169.21 lakh as compared to ₹ 231591.82 lakh as on 31st March, 2016.

3. Non-Current Liabilities

(a) Borrowings

Long Term Borrowing consists of PSU Bonds raised through private placement, foreign currency loans and subordinate loan from the Government of India. These Loans are to be redeemed beyond 12 months from the date of Balance Sheet. The total liabilities against the Corporation as on 31st March, 2017 are detailed below:

i.	PSU Bonds	₹ 453154.02 lakh
ii.	External Commercial Borrowing from SBI, Singapore	₹ 38239.21 lakh
iii.	Loan from KfW, Germany	₹ 38782.81 lakh
iv.	Loan from Government of India	₹ 29116.74 lakh
	Total	**₹ 559292.78 lakh**

(b) Provisions:

Long Term Provisions of ₹ 12423.54 lakh as on 31st March, 2017 include Provisions for Employee Benefits (Gratuity ₹ 1268.54 lakh, Leave Encashment ₹ 7229.86 lakh, Post-Retirement Medical Benefits ₹ 3799.52 lakh and Award of Gold Coin ₹ 125.62 lakh) which are expected to be settled beyond 12 months from the date of Balance Sheet.

(c) Deferred Tax liabilities/(Asset)

Deferred Tax Liabilities (Net) as on 31st March, 2017 amounts to ₹ 3526.12 lakh as compared to ₹ 1790.13 lakh deferred tax Assets (net) as on 31st March, 2016.

(d) Other Non-Current Liabilities

Deferred revenue arising from Government Grant

As per the Investment Approval sanctioned vide the Ministry of Power's letter no.7/7/2009-H-I dated 14th January'2011, an amount of ₹ 300.00 crores has been sanctioned by the Ministry of Development of North Eastern Region (MDONER) as a part of the approved funding pattern for the Tuirial Hydro Electric Project, Mizoram. The total amount of ₹ 300.00 crores are included in Grant in Aid which will be carried forward till the commissioning of the project.

During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of ₹ 20.31 lakhs (previous year ₹100.93 lakhs) for spares purchased out of Grant-in-aid received from the Central Government. An equivalent amount has been recognized as income in the statement of Profit & Loss.

Deferred foreign currency fluctuation liabilities

Foreign Exchange Rate Variation on account of restatement of foreign currency borrowing recoverable from or payable to the beneficiaries as per CERC Regulation and adjusted to carrying cost of fixed assets are accounted as Deferred Foreign Currency Fluctuation Account with corresponding credit/debit to Deferred Income/Expenditure from Foreign Currency Fluctuation Account.

Deferred income/expenditure from foreign currency fluctuation account is adjusted in the proportion in which depreciation is charged on such Foreign Exchange Rate Variation by corresponding credit/debit to other income/ expenditure in the Statement of Profit and Loss of the relevant year.

Deferred foreign currency fluctuation liability accounted as on 31st March, 2017 was ₹ 165.37 lakh (previous year ₹ 186.11 lakh).

Current Liabilities

(a) Borrowing

During the year 2016-17 the Corporation has availed from bank an amount of ₹ 43300.00 lakh towards Short Term Loan.

(b) Trade Payables

Trade Payables include the amount due on account of goods purchased or services received in the normal course of business. The trade payables as on 31st March, 2017 were ₹ 12361.37 lakh as compared to ₹ 13314.38 lakh as on 31st March, 2016.

(c) Other Financial Liabilities

These include current maturity of long term debt, interest accrued but not due on outstanding loans and bonds and other liabilities like creditors for Capital expenditure, advance received from REC for Deen Dayal Upadhyaya Gram Jyoti Yogana which are to be paid within 12 months from the date of Balance Sheet. Other Financial Liabilities as on 31st March, 2017 amounted to ₹ 32046.54 lakh as compared to ₹ 30503.48 lakh as on 31st March, 2016. The increase in other financial liabilities by 5.05 % is primarily on account of increase in advance received from Rural Electrification Corporation Limited for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yogana and increase in the interest accrued but not due & increase in creditors for capital expenditures.

(d) Other Current Liabilities

These include advance from contractors & others, Direct & Indirect Taxes Payables, deferred foreign currency fluctuation liability and other statutory dues like CPF, LIP etc. which are to be paid within 12 months from the date of Balance Sheet. Other current Liabilities as on 31st March, 2017 amounted to ₹ 14318.83 lakh as compared to ₹ 13920.53 lakh as on 31st March, 2016. The increase in other financial liabilities by 2.86 % is primarily on account of increase in advance from contractors & others and increase in Other Statutory Dues.

(e) Provisions

Short Term Provisions as on 31st March, 2017 was ₹ 15220.49 lakh as compared to ₹ 14749.69 lakh in the previous FY. These include Provision for Employee Benefits (Gratuity ₹ 1420.78 lakh, Leave Encashment ₹ 593.72 lakh, Post-Retirement Medical Benefits ₹ 269.92 lakh and Award of Gold Coin ₹ 18.61 lakh) and other provisions (Provision for write off ₹ 12917.46 lakh) which are expected to be settled within 12 months from the date of Balance Sheet. Increase in Short Term Provisions during FY 2016-17 is mainly due to increase in Provision for write off.

(f) Current Tax Liabilities

Current tax Liabilities has gone down to ₹ 7997.38 lakh in 2016-17 from ₹ 11790.79 lakh in 2015-16 due decrease in Profit during 2016-17.

Off-Balance Sheet Items

Contingent Liabilities::

The components of Contingent Liabilities for the FY 2016-17 and 2015-16 are as follows:

(₹ in lakh)

Claims against the Company not acknowledged as debt in respect of:	2016-17	2015-16
Capital Works	149358.36	146413.64
Disputed Land Compensation cases	3416.74	3416.74
Income Tax and Service Tax	48.15	48.15
Others	8.76	90.40
Total	**152832.01**	**149968.93**

Financial review of Joint Venture Companies

As on 31st March 2017, NEEPCO has two Joint Venture Companies as follows:

- WAANEEP Solar Private Limited, 602, Western Edge-I, Western Express 3 Highway, Brivali (E), Mumbai-400066, India.
- KSK Dibbin Hydro Power Private Limited, 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad – 500 033, India

The above Joint Venture Companies are incorporated in India.

A brief report of financial result on consolidation is given below:

(₹ in lakh)

Particulars	For the year ended 31st March,2017	For the year ended 31st March,2016
Total revenue	143552.50	174113.11
Total expenses	106079.28	130574.73
Profit before tax	37473.22	43538.38
Profit after tax	23509.60	30581.26
Other Comprehensive Income	(213.92)	630.67
Total Comprehensive Income	23295.68	31211.93

HUMAN RESOURCES AND HRD

1. As on 31.03.2017, the organisation has 2308 employees, which includes 4 members in the Board of Directors and CVO. Out these, 946 are Executives, 336 are in Supervisory cadre and 1022 are Workmen cadre employees. The proportion of male to female employees is 5.6 **:** 1(approx.)

2. Analysis of age profile of employees and its findings are as under:

Age Group	Total	Percentage of employees	Male	Female
Upto 30 years	94	4.08	76	18
31 to 40 years	219	9.51	170	49
41 to 50 years	732	31.77	589	143
51 to 55 years	583	25.30	499	84
56 to 60 years	676	29.34	619	57

STATUS	SUPERANNUATION IN NEXT 5 YEARS					
	2017-18	2018-19	2019-20	2020-21	2021-22	Total
Executive	38	50	51	35	49	223
Supervisor	13	20	20	10	13	76
Workmen	74	76	72	59	46	327
Total	**125**	**146**	**143**	**104**	**108**	**626**

The above findings indicate that more than half i.e. 55% approx. of the manpower in the organisation are in the upper age brackets (51 years and above) and about 626 numbers of employees will be attaining superannuation by the year 2021-22. This figure suggests that the attrition rate in the Corporation is very high and needs immediate attention.

3. Total Medical expenditure incurred for the financial year 2016-17 is ₹1776.11 lakhs against ₹1910.71 lakhs of previous year 2015-16 which indicates a decrease of 7%.

4. During the financial year 2016-17, (Forty) 40 numbers in category A and (Two) 2 numbers in Category D employees have been recruited in NEEPCO.

5. Human Resource Development and Talent Management plays a crucial role in developing and sustaining workforce competencies which is the life line for sustenance of the organisation's growth and developing a competitive edge in today's corporate world. It has been our endeavour to develop our employees through various interventions.

   During the year 2016-17, a total 1466 numbers of employees were imparted training and an average training man-days per employee of 4.45 covering 10,647 total training man days was achieved. This was done to enhance competency levels in their job besides enabling them to sharpen their skills and broaden their knowledge in work life sphere through organising various customised in-house training programmes organised at NEEPCO viz. HRD centre & project/plants sites/establishments, nominating to external training programmes (within India) and foreign training programme organised by external training institutes.

   Customised training programmes entitled "Planning for superannuation" were organised in association with reputed training institutes for our retiring employees and their spouses for preparing them for post-retirement life. These programmes had garnered a lot of positive feedback and appreciation from the participants.

   Induction training programmes for new appointees were also conducted with a view of familiarising them with NEEPCO, its operations, projects/plants, rules & policies, creating a sense of organisational belongingness etc.

6. Throughout the year, industrial relations remained cordial. Meeting and discussions between Unions /Associations and Management and meetings of NEEPCO National Bipartite Committee (NNBC) & NEEPCO Project Bipartite Committee (NPBC) were carried out on various issues concerning improvement of work-life of employees, progress on works of the organisations. Suggestions generated out of the discussions were carried out in a practical manner. There were zero man-days losses during the year 2016-17.

For and on behalf of the Board of Directors

(D. V. Singh)
Chairman & Managing Director
DIN: 03107819

Dated: 22-09-2017
Place: New Delhi

BIMAN DEBNATH & ASSOCIATES
Company Secretaries

BIMAN DEBNATH
B. Com.., LLB, DTL., FCS.
Flat No- 402, Block-C, Prasanti Pride,
Prakash Choudhury Housing Complex,
Tarun Nagar, ABC, Guwahati-781005
Assam, India
Tele : 0361-2463370(O),9864028145(M)
Email:csbimandebnath@gmail.com,
csbiman@gmail.com

ANNEXURE - 5

To,
The Members
M/s North Eastern Electric Power Corporation Limited,
Brookland Compound Lower New Colony,
Dist.: East Khasi Hills,
Shillong – 793003

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

We have examined the compliance of conditions of Corporate Governance by **M/s North Eastern Electric Power Corporation Limited** (a Non-Listed PSU) for the year ended **31st March, 2017** as stipulated in the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises (DPE), Government of India, in May, 2010.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and explanations given to us, we certify that the Company has complied with the requirements of Corporate Governance as stipulated in the Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the Affairs of the Company.

For Biman Debnath & Associates
Company Secretaries

BIMAN DEBNATH Digitally signed by BIMAN DEBNATH Date: 2017.08.24 15:45:31 +05'30'

CS Biman Debnath
(Proprietor)
C.P. No.5857/ FCS No. 6717

Place: Guwahati
Date: 24/08/2017

CA

span & associates
Chartered Accountants
(Formerly S. Ganguli & Associates)
since 1979

Independent Auditors' Report

000057
ANNEXURE-6

To the Members of North Eastern Electric Power Corporation Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of North Eastern Electric Power Corporation 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 Flow and the Statement of Changes in Equity for the year then ended, and a summary of 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 financial position, 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) specified under Section 133 of the Act, read with relevant rules issued there under and as per the Electricity Act, 2003 and relevant Central Electricity Regulatory Commission (CERC) regulation in respect of Depreciation and other recognized accounting practices and policies.

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Electricity Act 2003, CERC Regulations and 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 there under.

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 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 the accounting policies used and the reasonableness of the accounting estimates made by the management of the company, 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, the Electricity Act 2003, and CERC Regulations 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 financial position of the Company as at 31st March 2017, its financial performance including other comprehensive income, its cash flows and the 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 Ind AS financial statements:

1. Note No. 48 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.
2. Note No. 39 in respect of the uncertainty related to the outcome of the claims/arbitration proceedings and lawsuit filed by the/against the company on/by contractors and/or others. In some cases, the arbitration award has been decided against the company/lost in lower courts and the company is pursuing the matter in higher courts.
   The management doesn't foresee any possible outflows in respect of decision against the company other than those already provided in the books of account.

Our report 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 Section 143 (11) of the Act, we have given in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure B on the directions and sub-directions issued by the Comptroller and Auditor General of India.

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 including the other comprehensive income, the statement of Cash Flow and the Statement in 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 Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

   e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, 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 Auditors' 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 standalone Ind AS financial statements – *Refer to Note 39 to the* standalone Ind AS *financial statements*;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and

      iii. The Company has no case of transferring any amount to the Investor Education and Protection Fund as per the provisions of the Act.

S P A N &ASSOCIATES
Chartered Accountant

SPAN & ASSOCIATES Kolkata Chartered Accountants

iv. The Company has provided requisite disclosures in Note No. 12 (ii) of its Ind AS financial statements as to the holding as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. However, as stated in aforesaid note, the Company has received Specified Bank Notes amounting to Rs. 5,54,500.00 during the period from transactions at petrol pump located at the project station, refund of unspent employees' advances and transactions at the guest house of the company, which are not permitted. Based on audit procedure and relying on the management representation, we report that the disclosures are in accordance with books of accounts maintained by the Company and as produced to us by the Management.

For SPAN & ASSOCIATES
Chartered Accountants
F.R.N.: 302192E

Place: Delhi
Date: 16th August, 2017

SPAN & ASSOCIATES Kolkata Chartered Accountants

Tapan Kumar Das
T. K. DAS
Partner
Membership No. 053080

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of independent audit report on the standalone financial statements of even date)

We report that:

(i) (a) The Company has generally maintained records showing full particulars including quantitative details and situation of fixed assets.

(b) There is a regular programme of physical verification of all fixed assets on an annual basis. No material discrepancies were noticed on such verification. In our opinion, programme of physical verification as informed is reasonable having regard to the size of the Company and the nature of its assets. Reconciliation of physical records with book records of Fixed Asset has been done barring few cases.

(c) The title deeds of all the immovable properties are held in the name of the Company except in case of one of the project (KHEP) title deed of freehold land measuring 183.19 hectares, valued at Rs. 4.52 crores is pending and as informed to us, the company is taking appropriate steps for completion of legal formalities.

(ii) The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.

(iii) The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013.

In view of the above, the clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.

(iv) The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. In respect of investment in the Joint Venture Companies, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

(v) The Company has not accepted deposits from the public covered by section 73 to 76 of the Companies Act 2013. Therefore clause (v) of the order is not applicable.

(vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (I) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) Undisputed statutory dues including provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2017 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.

(b) The disputed statutory dues aggregating to Rs. 56.91 lakhs that have not been deposited on account of matters pending before appropriate authorities are detailed below:

Name of the statute	Nature of Dues	Amount (Rs. In Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3.92	2001-02	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	44.23	2011-12	Commissioner of Income Tax (Appeal)
Sales Tax Act of various state	Sales Tax	8.76	1995-96	Guwahati High Court
Total		**56.91**		

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.

(ix) The Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.

(x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.

(xi) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.

(xii) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.

(xiii) The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 of the Order are not applicable to the Company.

(xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.

(xvi) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

For SPAN & ASSOCIATES
Chartered Accountants
F.R.N.: 302192E

Tapan Kumar Das

T. K. DAS
Partner
Membership No.:053080

Place: Delhi
Date: 16th August, 2017

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of independent audit report on the standalone financial statements of even date)

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which titles/lease deeds are not available.	The Company has 593.43 hectares of leasehold and 6728.48 hectares of freehold land. In addition to this 6149.50 hectares of forest land has been allotted by the Competent Authorities to the Company for setting up projects. The company has title/lease deed/handover or possession certificate, as applicable, for the above land. Transfer of title deed in respect of 183.19 hectares of land is yet to be executed.	Nil
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.	No amount has been written off during the year.	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. Or other authorities?	The company has maintained proper records for inventories lying with third parties.	Nil

For SPAN & ASSOCIATES
Chartered Accountants
F.R.N.: 302192E

Place: Delhi
Date: 16th August, 2017

T. K. DAS
Partner
Membership No.:053080

Annexure C to the Independent Auditors' Report

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of independent audit report on the standalone financial statements of even date)

Report on the Internal Financial Controls under of Section 143 (3)(i) of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls over financial reporting of North Eastern Electric Power Corporation 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 the 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.

Auditors' 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. 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 were 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 auditors' judgment, 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 are 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 authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2017:

the company has old information technology (IT) application system which is unable to cater the emerging needs and complete information consistent with financial reporting objectives.

This could potentially result into weakness in the internal financial controls over financial reporting of the company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, the company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 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 Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31st March 2017.

S P A N &ASSOCIATES
Chartered Accountant

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2017 standalone Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For SPAN & ASSOCIATES
Chartered Accountants
F.R.N.: 302192E

Place: Delhi
Date: 16th August, 2017

Tapan Kumar Das
T. K. DAS
Partner
Membership No.:053080

NORTH EASTERN ELECTRIC POWER CORPORATION

Balance Sheet as at 31.03.2017

(₹ in lakhs)

Sl No.	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	ASSETS				
1	Non-Current assets				
	(a) Property, Plant and Equipment	2	348907.21	311019.59	213156.40
	(b) Capital work -in- Progress	3	799325.64	695320.94	660942.57
	(c) Intangible assets under Development	4	10082.50	10000.00	10000.00
	(d Intangible assets	4	4681.85	4541.83	1589.52
	(e) Financial Assets				
	(i) Investment	5	10993.00	10295.00	6030.00
	(ii) Loans	6	113.96	127.71	110.50
	(f) Deferred Tax Asset (Net)	7		1790.13	3051.38
	(g) Other Non-current Assets	8	28261.53	32086.46	28915.11
	1. Total Non-Current Assets		1202365.69	1065181.66	923795.48
2	Current assets				
	a) Inventories	9	13436.19	14251.07	20417.43
	b) Financial Assets				
	(I) Investments	10	0.00	0.00	9549.06
	(ii) Trade receivables	11	46534.16	102586.97	76660.95
	(iii) Cash and Cash equivalents	12	26928.01	44,795.16	72711.27
	(iv) Bank balances other than (iii) above				
	(Vi) others	13	6028.43	3,508.77	4926.73
	c) Current Tax Assets	14	11824.22	14463.66	10072.63
	d) Other Current assets	15	2039.31	2113.02	3369.16
	e) Assets Held For Sale	15A	67.69		
	2. Total Current Assets		106858.01	181718.65	197707.23
	Total Assets (1 + 2)		1309223.70	1246900.31	1121502.71
	EQUITY AND LIABILITIES				
1	Equity				
	(a) Equity Share Capital	16	345281.04	345281.04	342611.54
	(b) Other Equity	17	242169.21	231591.82	211227.18
	Total Equity		587450.25	576872.86	553838.72
	Share Application money pending Allotment		-	-	
	Non-Current Liabilities				
	a) Financial Liabilities				
	(i) Borrowings	18	559292.78	544363.97	452541.99
	(ii) Trade payables		-	-	
	(iii) Other financial liabilities		-	-	
	b) Provisions	19	12423.54	10114.49	9582.18
	c) Deferred tax liabilities (Net)	7	3526.12		0.00
	d) Other non-current liabilities	20	31311.40	31270.12	18382.79
2	3. Total Non-Current Liabilities		606553.84	585748.58	480506.96
	Current liabilities				
2	a) Financial liabilities				
	(I) Borrowings	21	33275.00	0.00	16000.00
	(ii) TradePayables	22	12361.37	13314.38	13065.78
	(iii) Other financial liabilities	23	32046.54	30503.48	27488.75
	b) Other current liabilities	24	14318.83	13920.53	18533.79
	c) Provisions	25	15220.49	14749.69	3445.58
	d) Current Tax liabilities	14	7997.38	11790.79	8623.13
	4. Total Current Liabilities		115219.61	84278.87	87157.03
	Total Equity and Liabilities (3 + 4)		1309223.70	1246900.31	1121502.71

Summery of significant accounting policies - Note no.1

The accompanying notes 1 to 51 form an integral part of these financial statements

In terms of our report of even date

For M/S S P A N & Associates

Chartered Accountants

F.R.N.302192E

Tapan Kumar Das

TK Das

Partner

Membership No.053080

Date : 16.8.17

Place : Delhi

C.Sharma

Company Secretary

V K Singh

Director (Technical)

DIN NO: 07471291

A.G.West Kharkongor

Chairman & Managing Director

and Director (Finance)

- cum - Chief Financial Officer

DIN NO: 03264625

PARTII- STATEMENT OF PROFIT AND LOSS
Statement of Profit and Loss Account

(₹ in lakhs)

Sl No.	Particulars	Notes	For the period ended 31st-Mar-17	For the period ended 31st-Mar-16
I	Revenue from Operations	26	140,447.01	160,587.64
II	Other Income	27	3,105.49	13,525.47
III	**Total Income (I + II)**		**143,552.50**	**174,113.11**
IV	**Expenses**			
	(a) Cost of materials consumed	28	40,742.17	62,955.03
	(b) Employee benefit expense	29	27,647.65	25,855.23
	(c) Finance costs	30	2,991.39	1,723.14
	(d) Depreciation and amortization expense	31	16,038.68	11,939.34
	(f) Other expenses	32	18,659.39	28,101.99
	Total expenses (IV)		**106,079.28**	**130,574.73**
	Profit / (loss) before exceptional items and tax (III - IV)		**37,473.22**	**43,538.38**
	Exceptional Items		-	-
	Profit / (loss) after exceptional items and tax		**37,473.22**	**43,538.38**
V	Share of Profit of Associates		-	
VI	Share of Profit of Joint Ventures		-	
VII	**Profit / (loss) before tax (III-IV+V+VI)**		**37,473.22**	**43,538.38**
VIII	Tax Expense:			
	(i) Current tax		7,997.38	12173.36
	Less : MAT Credit			382.57
	Net Current Tax		7,997.38	11790.79
	(ii) Deferred tax		5,429.47	927.48
			13,426.85	12,718.27
IX	**Profit / (loss) for the year from continuing operations (VII - VIII)**		**24,046.37**	**30,820.11**
X	Profit / (loss) from discontinued operations		-	-
XI	**Profit / (loss) for the year/period**		**24,046.37**	**30,820.11**

(Rs. in lakhs)

Sl No.	Particulars	For the period ended 31st-Mar-17	For the period ended 31st-Mar-16
XII	Other comprehensive income		
	A (i) Items that will not be reclassified to profit and loss		
	(a) Remeasurements of the defined benefit plans	(327.14)	964.44
	(b) Others (specify nature)		
		(327.14)	**964.44**
	B (ii) Income tax relating to items that will not be reclassified to profit and loss	(113.22)	333.77
	C (i) Items that will be reclassified to profit and loss		
	(ii) Income tax relating to items that will be reclassified to profit and loss		
XII	**Total other comprehensive income (A+ B)**	**(213.92)**	**630.67**
XV	**Total comprehensive income for the period (XI + XIII)**	**23,832.45**	**31,450.78**

Sl No.	Particulars	For the period ended 31st-Mar-17	For the period ended 31st-Mar-16
	Profit for the year attributable to:		
	- Owners of the Company	24,046.37	30,820.11
	- Non-controlling interests	-	-
		24,046.37	**30,820.11**
	Other Comprehensive income for the year attributable to:		
	- Owners of the Company	(213.92)	630.67
	- Non-controlling interests	-	-
		(213.92)	**630.67**
	Total Comprehensive income for the year attributable to:		
	- Owners of the Company	23,832.45	31,450.78
	- Non-controlling interests	-	-
		23,832.45	**31,450.78**
	Earnings per equity share :		
	(1) Basic (in ₹)	0.70	0.90
	(2) Diluted (in ₹)	0.70	0.90
	The accompanying notes 1 to 51 form an integral part of these financial statements		

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Tapan Kira Das

T K Das
Partner
Membership No.053080

Date : 16.8.17
Place : Delhi

C.Sharma
Company Secretary

V K Singh
Director (Technical)
DIN NO: 07471291

A.G.West Kharkongor
Chairman & Managing Director
and Director (Finance)
- cum - Chief Financial Officer
DIN NO: 03264625

Cash Flow Statement as on March 31, 2017

₹ In lakhs

Particulars	Period ended March 31, 2017	Period ended March 31, 2016
Cash flows from operating activities		
Profit for the year (Net compressive income)	23,832.45	31,450.78
Adjustments for:		
Income tax expense recognised in profit or loss	13,313.63	13,052.04
Finance costs recognised in profit or loss	2,991.39	1,723.14
Investment income recognised in profit or loss	-	(626.72)
Gain on disposal of property, plant and equipment	-	(0.11)
Depreciation and amortisation of non-current assets	16,038.68	11,939.34
Impairment of non-current assets	-	-
Net foreign exchange (gain)/loss	(773.06)	342.97
Fair Value Loss	4.74	4.82
Movements in working capital:		
Increase in trade and other receivables	55,658.58	(25,936.74)
(Increase)/decrease in inventories	814.88	6,166.36
(Increase)/decrease in other assets	199.84	1,449.97
(Decrease)/ Increase in trade and other payables	837.74	667.77
Increase/(decrease) in provisions	2,779.85	11,836.42
(Decrease)/increase in deferred revenue	41.28	12,887.33
(Decrease)/increase in other liabilities	398.30	(4,613.26)
Cash generated from operations	**116,138.30**	**60,344.11**
Income taxes paid	(9,151.35)	(13,014.16)
Net cash (used in)/ generated by operating activities	**106,986.95**	**47,329.95**
Cash flows from investing activities		
Payments for property, plant and equipment	(117,818.15)	(106,099.68)
Payments to acquire financial assets	(698.00)	5,284.06
Interest received	656.62	675.71
Repyament by Employees & Others	(2,768.30)	1,362.48
Net cash (used in)/generated by investing activities	**(120,627.83)**	**(98,777.42)**
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	2,669.50
Payment for debt issue costs		
Proceeds from borrowings	39,917.46	144,607.93
Repayment of borrowings	(20,793.87)	(59,112.05)
Proceeds fromshort term borrowings	33,275.00	(16,000.00)
Dividends paid on redeemable cumulative preference shares		
Dividends paid to owners of the Company	(13,259.80)	(11,090.96)
Interest paid	(43,365.06)	(37,543.05)
Net cash used in financing activities	**(4,226.27)**	**23,531.37**
Net increase in cash and cash equivalents	**(17,867.15)**	**(27,916.11)**
Cash and cash equivalents at the beginning of the year	**44,795.16**	**72,711.27**
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
Cash and cash equivalents at the end of the year	**26,928.01**	**44,795.16**

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Date : 16.8.17
Place : Delhi

C.Sharma
Company Secretary

V K Singh
Director (Technical)
DIN NO: 07471291

A.G.West Kharkongor
Chairman & Managing Director and Director (Finance) - cum - Chief Financial Officer
DIN NO: 03264625

Tapan Kina Das
T K Das
Partner
Membership No.053080

Statement of Change in Equity

₹ in Lakh

Particulars	Equity Shares	Other Equity			Total Other Equity	Total Equity
		Reserve & Surplus				
		Retained Earnings	General Reserve	Bond Redemption Reserve		
As at 01.04.2015	**342611.54**	**12663.90**	**186291.68**	**12271.60**	**211227.18**	**553838.72**
Share Allotted	2669.50	0.00	0.00	0.00	0.00	2669.50
Profit for the year	0.00	30820.11	0.00	0.00	30820.11	30820.11
Other Comprehensive Income	0.00	630.67	0.00	0.00	630.67	630.67
Fair Value Adjustement	0.00	4.82	0.00	0.00	4.82	4.82
Payment of dividend	0.00	(9215.00)	0.00	0.00	(9215.00)	(9215.00)
Payment of dividend distribution tax	0.00	(1875.96)	0.00	0.00	(1875.96)	(1875.96)
Transfer to General Reserve	0.00	(11400.00)	11400.00	0.00	0.00	0.00
Transfer to Bond Redeemption Reserve	0.00	(12480.44)	0.00	12480.44	0.00	0.00
As at 31.03.2016	**345281.04**	**9148.10**	**197691.68**	**24752.04**	**231591.82**	**576872.86**
Share Allotted	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year	0.00	24046.37	0.00	0.00	24046.37	24046.37
Other Comprehensive Income	0.00	(213.92)	0.00	0.00	(213.92)	(213.92)
Fair Value Adjustement	0.00	4.74	0.00	0.00	4.74	4.74
Payment of dividend	0.00	(11017.00)	0.00	0.00	(11017.00)	(11017.00)
Payment of dividend distribution tax	0.00	(2242.80)	0.00	0.00	(2242.80)	(2242.80)
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to Bond Redeemption Reserve	0.00	(14980.44)	0.00	14980.44	0.00	0.00
As at 31.03.2017	**345281.04**	**4745.05**	**197691.68**	**39732.48**	**242169.21**	**587450.25**

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Tapan Kumar Das
T K Das
Partner
Membership No.053080

Date : 16.8.17
Place : Delhi

C.Sharma
Company Secretary

V K Singh
Director (Technical)
DIN NO: 07471291

A.G.West Kharkongor
Chairman & Managing Director
and Director (Finance)
- cum - Chief Financial Officer
DIN NO: 03264625

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Note no. 1: Significant Accounting Policies

1. Notes to Accounts

Corporate information	North Eastern Electric Power Corporation Limited ("NEEPCO" / "the Company") is a leading power utility, primarily operating in the North-Eastern Region of India. NEEPCO Ltd, a Central Public Sector Unit (CPSU) wholly owned by the Govt. of India and it is conferred with the Schedule A- Miniratna Category-I CPSE status by the Government of India. Authorised Capital of the Company is Rs. 5000 crore. With its headquarters located at Shillong, the capital of Meghalaya, projects are located in the various states of North East. NEEPCO operates 5 hydro, 3 thermal and 1 solar power stations with a combined installed capacity of 1287MW. NEEPCO has power projects under construction which include 110 MW Pare HEP, 600 MW Kameng HEP and 60 MW Tuirial HEP. NEEPCO has its debt (Bond Eleventh issue to Seventeeth issue) listed with Bombay Stock Exchange (BSE). NEEPCO also executed Renewable Energy projects through Joint Ventures in Madhya Pradesh and Andhra Pradesh.
Statement of Compliance	In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2016, with a transition date of 1 April 2015. The financial statements of the Company for the year 2016-17are prepared in accordance with Ind ASs. Prior to adoption of Ind AS, the Company had been preparing its financial statements in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India ('together referred to as "Indian GAAP") for all periods up to and including the year ended 31 March 2016. During the first-time adoption, the following optional exemptions are availed by the Company apart from the mandatory exemption: ➢ **Deemed cost for property, plant and equipment and intangible assets** -The Company has opted to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. ➢ **Long-term foreign currency monetary item** - The Company has elected to continue with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the date of transition as per the previous GAAP. ➢ **Investments in joint ventures** - The Company has elected to continue with the carrying of all of its investment in joint venture recognised as of 1 April, 2015 (transition date) measured a the previous GAAP and use that carrying value as its deemed cost as of the transition date. ➢ **Fair value measurement of Financial Assets or Financial Liabilities at initial recognition** – The company has elected to apply the requirements paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the transition date.

2. Significant Accounting Policies

Basis of preparation	The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013 and Indian Accounting Standards (herein after referred to as "Ind-AS") as notified by the Ministry of Corporate Affairs pursuant to the section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules2015 and Companies (Indian Accounting Standards) Rules 2016. The Company has adopted all the applicable Ind ASs and such adoption was carried out in

	accordance with Ind-AS 101 – First Time Adoption of Indian Accounting Standards. The Company has transited from Indian Accounting Principles generally accepted in India as prescribe in section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules 2014, which was previous GAAP, to Ind-AS, as per the requirement of Ind-AS 101 with necessary disclosures relating to reconciliation and explanations of the effects of such transition on the Company's Balance Sheet, Statement of Profit & loss Account and Statement of Cash Flow in note nos 45 to 47. The financial statements for the year ended 31st March 2016 and the opening balance sheet as on the 01st April 2015 have been restated in accordance with Ind-AS for comparative information. The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Income and Expenses are accounted for on Mercantile Basis. Prepaid expenses of items of Rs. 20000/- and below are charged to natural head of accounts. All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or noncurrent classification of assets and liabilities. Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.
Use of estimates	The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and reported amount of income and expenses during the period. Actual results may differ from those estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the financial statements prospectively and if material, their effects are disclosed in the notes to the financial statements. Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in Note-3
Investment in joint ventures	A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Company measures its investment in joint venture at cost in accordance with Ind AS 27 – Separate financial statements.
Property, Plant and Equipment	Property, plant and equipment held for use in the production and transmission of power, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and impairment loss, if any.

An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Assets which are not separately identifiable, but are common to more than one power generating unit are capitalised in the ratio of their respective installed capacity

PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost, if any, wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on trial/test runs and experimental production is capitalized as an indirect element of the construction cost. However, after commencement of commercial operation, the expenditure incurred is charged to Revenue expenditure, although the contract stipulation provides for final taking over of the plant after satisfactory completion of the guarantee period.

Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalized and the carrying amount of the item replaced is derecognized. Similarly, overhaul costs associated with major maintenance are capitalized and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying amounts of the cost of previous overhauls are derecognized. All other costs are expensed as incurred.

Net pre- commissioning income/ expenditure is adjusted directly to the cost of related assets.

Payments made/ liabilities created provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

Spare parts procured along-with the Plant & Machinery and capital spares procured subsequently which meets the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

Cost of mobile handsets are recognised as revenue expenditure.

Physical verification of Fixed Assets are undertaken by the management once in a year. The discrepancies noticed, if any, are accounted for in the year in which such differences are found.

Capital work-in-progress

Expenditure incurred on assets under construction is carried at cost under Capital work in Progress. Such costs comprises purchase price of asset including all taxes/duties and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs including administrative and general overhead costs, if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets. For projects under construction, the project specific IEDC is allocated to its qualifying assets at the time of capitalisation on the basis of Cost Estimate of the project.

Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.
Incidental expenditure during construction including depreciation and interest are allocated/apportioned to the project/works forming part of work-in-progress on the basis of accretion thereto during the year.
In case of abandonment/suspension/discontinuation of project, the expenditure in relation to the same is expensed/charged off in the year of decision.

Depreciation
Depreciation is charged as per Electricity Act, 2003 on straight line method following the rates and methodology notified by the Central Electricity Regulatory Commission constituted under the Act except the followings:

i. IT equipment are being depreciated @ 33.33%, being the rate assessed by the Corporation based on useful life of the asset;

ii. Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

iii. Assets/procured installed, whose individual cost is RS. 5000/- or less but more than RS. 750/- (hereinafter is called Assets of minor value) and assets (excluding immovable assets) whose written down value is RS.5000/- or less at the beginning of the year are full depreciated during the year leaving a nominal balance of RS. 1/- only.

iv. Low value items, which are in the nature of the assets (excluding immovable assets) and value up to RS.750/- are not capitalized and charged off to revenue during the year.

v. Depreciation of Corporate/Administrative office assets and general assets of projects under construction are charged on the basis of rates notified vide CERC tariff regulations.

Depreciation for each class of assets are calculated from the 1st day of the month following the month of its capitalization. For the de-capitalised assets, depreciation is calculated upto the previous month of de-capitalisation.

Further, in accordance with the Tariff Regulation 2014-19, the methodology of depreciation for the projects under operation is as follows:

(i) Asset wise rates of depreciation are charged every year as per existing rate for the period ending on 31st March of the year up to a period of 12 years from the date of commercial operation.

(ii) Remaining depreciable value as at 31st March closing after a period of 12 years from the date of commercial operation shall be spread over the balance useful life of the

	assets keeping 10% of the Asset as residual value, as applicable for assets as notified vide CERC tariff regulations. For the purpose of calculation of depreciation, the useful life of the various classes of assets shall be taken as 35 years for Hydro generating station & 25 years for Thermal generating station as specified in the Regulations. <u>De-recognition of assets</u> An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit & loss or IEDC, as the case may be.
Intangible Assets	Intangible assets, i.e., Land right to use and Computer software are capitalized when the assets are ready for its intended use. These assets acquired are stated at cost less accumulated amortization and impairment loss, if any. "Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use." Land-right to use" is amortized over a period of useful life of the project or as per the CERC Regulations, whichever is lower, from the date of commercial operation of the project. Computer software is amortized over its useful life not exceeding three years from the date of capitalization.
Assets held for sale	Assets classified as "Asset held for sale" at its Net Realisable Value (NRV) subject to fulfillment of its recognition criteria in compliance to the Ind-AS 105, which are as follows: • NRV is recoverable principally through a sale transaction rather than through continuing use; • Such assets are available for immediate sale in its present conditions; • Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets, assets are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected to complete within one year from the date of classification.
Impairment	At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss, if any. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognised as impairment loss in the statement of profit & loss.
Regulatory asset or Regulatory liability	A regulatory asset is recognised when it is probable that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under the Central Electricity Regulatory Commission (CERC) Regulation and the amount can be measured reliably A regulatory liability is recognised: • when an entity has a present obligation as a result of a past event;

Kolkata

	• it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and • reliable estimate can be made of the amount of the obligation A regulatory assets and regulatory liabilities is presented as current/non-current, as the case may be, in the balance sheet, separately from other assets and liabilities On initial recognition and at the end of each subsequent reporting period, the Company measure a regulatory asset or regulatory liability at the best estimate of the amount expected to be recovered or refunded or adjusted as future cash flows under the regulatory framework (CERC). A regulatory asset or regulatory liability is not discounted to its present value. **Impairment of Regulatory Asset** The Company reviews the estimates of the amount expected to be recovered, refunded or adjusted at the end of each reporting period to reflect the current best estimate. If expectation differs from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with Ind AS 8. If it is concluded that it is not reasonable to assume that it will be able to collect sufficient revenues from its customers to recover its costs, this is an indication that the cashgenerating unit in which the regulatory assets and regulatory liabilities are included may be impaired and the Company test that cashgenerating unit for impairment in accordance with Ind AS 36 Impairment of Assets. **De-recognition** If it is no longer probable that the future economic benefits associated with a regulatory asset will flow to the Company or an outflow of resources embodying economic benefits will be required to settle a regulatory liability, the regulatory asset or liability, as the case may be, is de-recognized and any resulting loss/gain is recognized in the statement of profit and loss.
Foreign currencies	Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates. The Company's functional and reporting currency is Indian Rupees (INR). The financial statements are presented in Indian Rupees, which is the Company's reporting currency. In preparing the financial statements transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Exchange differences on foreign currency borrowings relating to Asset under Constructions for future productive use are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings as per the requirements of Ind As 23. Exchange differences on monetary items are recognized in the statement of profit and loss/IEDC, as the case may be, in the period in which they arise. Exchange differences in respect of liabilities relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress. Exchange differences arising on translation or settlement of monetary items in respect of transactions entered on or after 1st April'2004 are recognized as income or expenses in the period in which they arise in Profit or loss in case of operational power stations and added to the carrying amount of capital work in progress in case of projects under construction. In accordance with the CERC tariff regulations, every generating company shall recover the foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises, i.e., the Company can recover the foreign exchange rate variation on actual basis when foreign currency loan is repaid after commercial operation date (COD). As the financial

	statements are prepared on accrual basis, exchange difference resulting from restating long term foreign currency monetary items on the reporting date are charged to statement of profit and loss. However right/obligation of recovery/payment of the same on actual basis arising out of CERC tariff regulations is recognized through deferred foreign currency fluctuation recoverable/payable account thereby resulting in no impact on the profit or loss of the period.
Provisions and contingencies	Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost. Contingent liabilities are not recognized but disclosed unless the possibility of outflow of resources are remote. Contingent assets are generally not recognized but are disclosed when inflow of economic benefit is probable.
Leases	At the inception of a lease, the lease arrangement is classified as either a Finance lease or an operating lease, based on the substance of the lease arrangement. Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee. All other leases are classified as operating leases. Lease assets are accounted in accordance with Ind AS 17 and amortised as follows: i. Leasehold Land, in case of projects under operation, are amortised over the period of lease or useful life, whichever is lower. ii. Leasehold Land, in case of administrative offices, are amortised over the lease period. iii. Leasehold Land, in case of projects under construction are amortised over the period of lease or useful life, whichever is lower, after commissioning of the project.
Inventories	Inventories mainly comprise of stores and spare parts to be used for maintenance of Property, Plant and Equipment and are valued at costs, determined on weighted average basis or net realizable value (NRV), whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Value of scrap is adjusted in the account as & when sold/disposed-off and profit/loss, if any, is recognized in accounts in the year of selling/disposal. Physical verification of inventory are done by the management once in every year.
Trade receivable	Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expect to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business if longer), they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price. As the entire sales are made to State Govt. utilities, the Company is not providing for allowance for expected life time credit loss.
Financial Instruments	Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial

assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities.

Financial Assets

Financial assets comprises of investments in joint venture, investment in power bonds, loans and advances to employees, trade receivables, cash and cash equivalents, materialised deferred tax recoverable and security deposits etc.

i. Cash or Cash Equivalents:

The Company considers all short term Bank deposits, which are readily convertible in to known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage

For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

ii. Financial assets at amortized cost:

Financial assets are subsequently measured at amortized costs if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at Fair value through Other Comprehensive Income (OCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding.

iv. Financial assets at Fair value through Profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss.

Financial liabilities and equity instruments issued by the Company

i. Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method.
Other financial liabilities are measured at amortized cost using the effective interest method.

ii.Equity Instruments:

An equity instrument is a contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity

	Impairment of financial assets At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss. **Derecognition of financial liability** The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. **Offsetting financial instruments** Financial assets and liabilities of the Company are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.
Borrowing cost	Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred. Borrowing cost includes exchange differences on foreign currency borrowings are adjustment to interest cost. Prepayment charges on repayment of loan in full will be charged off to the EDC / Profit & Loss account, as applicable, in the year of repayment itself.
Accounting for government grants	Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received. The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the fair value of the loan based on prevailing market interest rates. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income. Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Grants related to income are presented under other income in the statement of profit and loss.
Employee	Employee benefits consist of provident fund, pension, gratuity, post-retirement medical benefit

Benefits	(PRMB), leave benefits and other terminal benefits. Company contribution paid/payable during the year to Employees Defined Contribution Superannuation Scheme for providing Pension benefit, Provident Fund and Gratuity are accounted for and paid to respective funds which are administered through separate trusts. The Company's liability is actuarially determined for Gratuity, Leave encashment and PMRB at the Balance Sheet date and any further accretion during the year for Gratuity is provided for to the Trust set up by the Company and that for Leave encashment and PMRB are charged to IEDC or profit & loss, as the case may be. The expenses incurred on terminal benefits in the form of ex-gratia payments are charged to IEDC or profit & loss, as the case may be in the year of incurrence of such expenses.
Income Taxes	Tax expense represents the sum of current tax and deferred tax. **Current tax** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period **Deferred tax** Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income. Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.
Revenue recognition and Other income	Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for rebates and other similar allowances. **Sale of Power** Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) and in case of power stations where final tariff is yet to be approved by CERC, provisional tariff as agreed by the beneficiaries are adopted. The incentives/disincentives are recognized based on norms notified by the Central Electricity Regulatory Commission. Rebate for prompt settlement of outstanding receivables (settlement discounts) are netted off with revenue as per the requirements of the standard. CERC application fee and publication expenses and interest receivable on arrear bills due to revision of Annual Fixed Cost (AFC) payable by the beneficiaries in terms of CERC regulations are

	being accounted for on accrual basis Deferred tax liabilities till March, 2009, whenever materializes and reccverable from the beneficiaries as per the CERC tariff regulations, are accounted for on year to year basis **<u>Other Income</u>** Dividends income from investments are recognized when the right to receive the dividend is established. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest on amount involved in consequent securitization of sundry debtors duly confirmed by all the States and Interest on arrear bills on account of revision of Annual Fixed Cost (AFC) are accounted for on accrual basis. Recovery/refund towards foreign currency variation in respect of foreign currency loans as per the CERC tariff regulations are accounted for on year to year basis Surcharge recoverable from beneficiaries for late payment of bills on account of sale of electricity and proceeds from renewable energy certificates for green energy are accounted for on cash basis. .
Earnings Per Share	Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, if any, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.
Segment Reporting	NEEPCO is in the business of only one product, i.e., generation and selling of electricity. All the projects of NEEPCO are located with the North East Region, i.e., within the same geographical location. NEEPCO has no reportable segment and accordingly, Ind AS 108 – Operating Segment to disclose information about segments is not applicable.
3. Critical accounting judgments and key sources of estimation uncertainty	
	In the application of the Company's accounting policies, which are described in Note-2, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows.

ii. Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

a. **Impairment of investments**

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b. **Provisions**

Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

c. **Contingent liabilities**

Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote

d. **Fair value measurements and valuation processes:**

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Note no. 2 :: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Note No	As at 31st March,2017	As at 31st March, 2016	As at 1st April, 2015
Land		1910.20	1909.03	1790.23
Buildings		13075.47	12256.60	10799.69
Plant & Equipments		322674.54	287554.57	191230.05
Furniture & Fixture		663.48	642.78	608.96
Vehicles		259.78	286.72	300.38
Office Equipment	37	1787.98	1743.13	1760.79
Others :::				
Electrical Equipment		574.06	500.45	443.43
Road , Bridges, Culvert, Helipad		5060.94	4745.03	4880.41
Tools & Plants		2874.53	1355.27	1305.73
Misc . Equipment		26.23	26.01	36.73
Total		348,907.21	311,019.59	213,156.40

As at March 31, 2017

(in lakhs)

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert,Helipad	Tools & Plants	Misc Equipment	Total
Gross Block as at April 1, 2016	1909.03	22535.12	560672.24	1575.64	699.33	5480.97	1449.11	6763.50	5418.60	148.62	606,652.16
Additions	1.42	1628.32	52682.21	99.17	28.01	374.52	109.77	573.02	1801.46	19.31	57,317.21
Disposals/Adjustment	(0.25)	(199.76)	(999.20)	(3.30)	(16.36)	(28.01)	0.00	0.00	(0.08)	(0.42)	(1,247.38)
Reclassified as held for sale	-										
Gross Block as at March 31, 2017	1,910.20	23,963.68	612,355.25	1,671.51	710.98	5,827.48	1,558.88	7,336.52	7,219.98	167.51	662,721.99
Impairment as at April 1, 2016											
Other re-classifications											
Impairment as at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2016	0.00	10278.52	274371.56	934.12	413.40	3740.57	948.66	2018.47	4063.86	122.61	296891.77
Charge for the period	0.00	609.69	15309.15	73.91	37.80	298.93	36.16	257.11	281.59	18.67	16923.01
Disposals											
Other re-classifications											
Accumulated depreciation as at March 31, 2017	0.00	10888.21	289680.71	1008.03	451.20	4039.50	984.82	2275.58	4345.45	141.28	313814.78
Total accumulated depreciation and impairment as	0.00	10888.21	289680.71	1008.03	451.20	4039.50	984.82	2275.58	4345.45	141.28	313814.78
Net block as at March 31, 2017	1910.20	13075.47	322674.54	663.48	259.78	1787.98	574.06	5060.94	2874.53	26.23	348907.21

As at March 31, 2016

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert,Helipad	Tools & Plants	Misc Equipment	Total
Gross Block as at April 1, 2015	1,790.23	20,360.50	456,168.65	1,463.14	684.36	5,102.08	1,340.17	6,703.44	5,296.26	145.65	499,054.48
Additions	118.80	2,204.17	108,129.07	89.68	15.76	428.35	108.96	116.01	127.80	2.97	111,341.57
Disposals/Adjustment		(29.55)	(2,341.68)	24.08	-	(46.73)	(0.02)	(55.95)	(4.93)	-	(2,454.78)
Redlassified as held for sale	-								-		-
Gross Block as at March 31, 2016	1,909.03	22,535.12	561,956.04	1,576.90	700.12	5,483.70	1,449.11	6,763.50	5,419.13	148.62	607,941.27
Impairment as at April 1, 2015											
Other re-classifications											
Impairment as at March 31, 2016	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2015		9,560.81	264,938.60	854.18	383.98	3,341.29	896.74	1,823.03	3,990.53	108.92	285898.08
Charge for the period		717.71	9,462.87	79.94	29.42	399.28	51.92	195.44	73.33	13.69	11023.60
Disposals		(0.00)	0.00	-	-	-	-	-	-		
Other re-classifications										-	
Accumulated depreciation as at March 31, 2016	0.00	10278.52	274401.47	934.12	413.40	3740.57	948.66	2018.47	4063.86	122.61	296921.68
Total accumulated depreciation and impairment as	0.00	10278.52	274401.47	934.12	413.40	3740.57	948.66	2018.47	4063.86	122.61	296921.68
Net block as at March 31, 2016	1909.03	12256.60	287554.57	642.78	286.72	1743.13	500.45	4745.03	1355.27	26.01	311019.59

I Property, plant and equipment (including Capital work-in-progress) has been tested for impairment where indicators of impairment existed. Based on the assessment, the Company do not recognise any impairment charge during the current year and also during the year ended March 31, 2016

ii The Corporation has spent an amount of ₹ 23127.82 lakhs (previous year ₹ 21936.37 lakhs) on account of construction of Roads, Bridges and Culvert in respect of project under construction on assets which is not owned by the Corporation. Since this expenditure are essential for setting up the project/asset(s), the same are capitalised

iii Present and future immovable properties of Construction and O&M projects are mortgaged for raising Secured, Redeemable Non-Convertible Bonds Eleventh to Seventeenth issue valuing Rs.453250.00 lakhs having Charge ID with ROC are 10603635 for Rs.90000.00 lakhs , 10555356 for Rs.60000.00 lakhs, 10534076 for Rs.250000.00 lakhs, 10466275 for 7250.00 lakhs, 10411581 for 12000.00 lakhs and 10411580 for Rs.4000.00 lakhs. Creation of Charge for Bond raised on 27.03.2017 valued Rs.30000.0 lakhs is under process as on 31.03.2017. External Commercial Borrowing raised from SBI, Singapore for construction projects is secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects –Extension, Agartala. Foreign currency Loan received from KfW, Germany for construction project is guranteed by Govt. of India.

iv Interest and finance charge, related to construction projects, amounting to ₹ 37338.19 lakhs(previous year ₹ 44602.76 lakhs) has been transferred to IFDC (Ref. Note No-36).This also includes foreign exchange difference credited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹ 3691.49 lakhs (previous year debit ₹ 4300.77 lakhs) and foreign exchange difference credited to carrying amount CWIP in respect of Tripura Gas Based Power Plant, Monarchak amounting to ₹ 195.29 lakhs (previous year debit ₹ 1672.69 lakhs). The foreign exchange borrowings are un-hedged.

v The net carrying amount of plant and machinery comprises of: Rs. In lakhs

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets held under Finance Leases			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Net carrying amount	-	-	-
Owned assets	348,907.21	311,019.59	213,156.40
Net carrying amount	348,907.21	311,019.59	213,156.40

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Note no. 3 Details of CWIP

Rs. In lakhs

Particulars	As at 1st April 2016	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Building	1372.54	698.59	(40.27)	(850.22)	1180.64	1372.54	2280.71
Temporary Buildings/Erections	55.90	32.28	(2.17)	(4.23)	81.78	55.90	235.32
Roads,Bridges,Culverts & Helipads	22127.97	247.85	(34.64)	(310.28)	22030.90	22127.97	21909.95
Electrical Installation	112.91	47.36	(0.25)	(95.57)	64.45	112.91	57.16
Water Supply,Sewerage & Drainage	259.07	30.17	(5.25)	(210.50)	73.49	259.07	271.69
Hydraulic works incldg Dams,Dykes etc.	280911.24	57539.12	(5427.47)	(2445.01)	330577.88	280911.24	232795.76
Other Civil works	1780.71	201.45	(70.61)	(1733.46)	178.09	1780.71	1118.67
Power house	27719.78	9098.15	(0.05)	(46.38)	36771.50	27719.78	39985.14
Switch Yard including cable connection	9230.78	1474.11	(128.09)	(460.75)	10116.05	9230.78	12532.43
Environment & Echology	4403.86	13001.33	(54.96)		17350.23	4403.86	5027.24
Transmission Lines	913.71	65.72	(5.18)	(572.87)	401.38	913.71	724.64
Transformer having a rating of 100KV ampere	1072.90	6191.59	417.06	(1499.48)	6182.07	1072.90	2365.65
Survey & Investigation	9356.97	256.13	(276.35)		9336.75	9356.97	9194.31
Provision for S & I Units	(5674.18)				(5674.18)	(5674.18)	(5674.18)
Communication equipment					0.00		0.00
Substation	763.98	20.02		(138.00)	646.00	763.98	596.51
Plant, etc. in Generating station	72105.77	9807.21	(1081.65)	(21858.90)	58972.43	72105.77	94317.22
Plant & Machinery in Transit					0.00		16.75
Steam Turbine	28.72		(28.72)		0.00	28.72	24356.60
EDP & WP Machines		3.50		(3.50)	0.00		
Solar Plant					0.00		0.00
Gas Booster Station	4603.63	3206.37		(5124.87)	2685.13	4603.63	2987.03
Incidental Expenditure during Const.	264174.68	58267.47	(309.40)	(13781.70)	308351.05	264174.68	215843.97
TOTAL	695320.94	160188.42	(7048.00)	(49135.72)	799325.64	695320.94	660942.57

Note no. 4 **Intangible Assets Under Development**

Rs. In lakhs

Particulars	As at 1st April 2016	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Upfront Premium including Processing fee	10000.00		82.50		10082.50	10000.00	10000.00

Note no. 4 Intangible Assets

(₹ in lakhs)

	As at 31-March-17	s at 31-March-16	As at 1-Apr-15
Carrying amounts of :			
Software	58.72	72.73	6.72
Right to use (Forest Land)	4623.13	4469.05	1582.80
Intangible assets under development		-	-
	4,681.85	4,541.83	1,589.52

INTANGIBLE ASSETS

As at March 31, 2017

(₹ in lakhs)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2016	151.17	4,469.05	4,620.22
Additions	16.92	154.08	171.00
Gross Block as at March 31, 2017	168.09	4,623.13	4,791.22
Accumulated Impairment as at April 1, 2016			
Charge for the period			
Accumulated Impairment as at March 31, 2017			
Accumulated amortisation as at April 1, 2016	78.39	-	78.39
Charge for the period	30.98		30.98
Accumulated amortisation as at March 31, 2017	109.37	-	109.37
Total accumulated amortisation and impairment as at March 31, 2017	109.37	-	109.37
Net block as at March 31, 2017	58.72	4,623.13	4,681.85

As at March 31, 2016

(₹ in lakhs)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2015	76.27	1,582.80	1,659.07
Additions	74.90	2,886.25	2,961.15
Gross Block as at March 31, 2016	151.17	4,469.05	4,620.22
Accumulated Impairment as at April 1, 2015	-	-	-
Charge for the period			
Accumulated Impairment as at March 31, 2016	0	0	0
Accumulated amortisation as at April 1, 2015	69.55		69.55
Charge for the period	8.84		8.84
Accumulated amortisation as at March 31, 2016	78.39	-	78.39
Total accumulated amortisation and impairment as at March 31, 20	78.39	-	78.39
Net block as at March 31, 2016	72.78	4,469.05	4,541.83

i Compensation paid for forest land of 6149.50 Hectres for setting up of projects (Kameng Hydro Electric Project, Pare Hydro Electric Project, Tuirial Hydro Electric Project and Tripura Gas Based Power Plant) are treated as " Right to use". The land was handed over by respective District administration.

ii Expenses incurred on maintenance of software system payable annually are charged to revenue.

Note no. 5 Investment

(₹ in lakhs)

Particular	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	QTY	Amounts	QTY	Amounts	QTY	Amounts
Quoted Investments						
TOTAL AGGREGATE QUOTED INVESTMENTS (A)	-	-			-	-
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
- of joint ventures - jointly controlled entities						
- WARNEEP Solar Pvt Limited (Equity Shares - Fully Paid up)	82000000.00	8200.00	75000000.00	7500.00	40000000.00	4000.00
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000.00	2793.00	27930000.00	2793.00	15280000.00	1528.00
- of joint ventures - (Share Application Money)						
- WARNEEP Solar Pvt Limited				0.00	0.00	500.00
- MDGEPL (Windpower)				2.00	0.00	2.00
TOTAL AGGREGATE UNQUOTED INVESTM	109930000.00	10993.00	102930000.00	10295.00	55280000.00	6030.00
Other Investment		0.00		0.00		0.00
TOTAL other investment (C)	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL INVESTMENTS (A) + (B)+ (C)	109930000.00	10993.00	102930000.00	10295.00	55280000.00	6030.00
Less : Aggregate amount of impairment in value of investments						
- of joint ventures - jointly controlled entities		0.00				0.00
TOTAL IMPAIRMENT VALUE (D)		0.00				0.00
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D		10993.00		10295.00		6030.00

INVESTMENT IN JOINT VENTURES

(i) The carrying amount and market value of unquoted investments is as follows:

Name of the Companies	Proportion of Ownership interest as at		
	31.03.2017	31.03.2016	01.04.2015
1. WAANEEP Solar Private Limited	40%	40%	40%
2. MDGEPL Wind Power	-	40%	40%
3. KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Unquoted			
Aggregate carrying amount of unquoted investments	-	-	-
Total carrying amount	-	-	-

(i) The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

(ii) **Investment in WARNEEP Solar Pvt Limited:**-50 MW Solar power Project has been developed by WAANEEP solar Private Limited as a joint venture between WAAREE Energies Ltd and NEEPCO Ltd. The Project was commissioned on 15th June'2015. Another 50 MW Solar Power Project is being set up in the state of Andra Pradesh.

(iii) **Investment in KSK Dibbin Hydro Power:**- Joint venture between KSK Energy Ventures and NEEPCO Ltd for setting up of a hydro power plant at Arunachal Pradesh.

Note no. 6 Loans

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Loans and Advances to employees			
- Secured, considered good	113.96	127.71	110.50
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less : Allowance for bad and doubtful advances	-	-	-
TOTAL (A)	113.96	127.71	110.50

(i) Loan & Advances to employees includes Interest bearing Computer Advance and interest free Furniture Advance and Multipurpose Advance. Computer advance& Furniture advance are recovered from employees in 60 equal instalments whereas Multipurpose Advance is recovered in 12 installment.

(ii) There are no outstanding debts from directors or other officers of the Company.

(iii) The above loans and advances have been given as per the norms of the Corporation on recoverable basis.

Note no.- 7 Deferred tax balances

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Defer Tax Liability	61,479.07	55,844.27	52,181.47
Net Deferred Tax Liabilities	-	-	-
From OCI	(113.22)	333.77	-
Less : Deferred Tax Asset	10,072.91	8,702.18	4,607.23
Less : Deferred Tax Recoverable	47,766.82	49,265.99	50,625.62
Net Defer Tax (Asset)/ Liability	**3,526.12**	**(1,790.13)**	**(3,051.38)**

Income Tax

(i) The reconciliation of estimated income taxes to income tax expenses is as follows:

(₹.in akhs)

Particulars	As at March 31, 2017	As at March 31, 2016
	Ind AS	IGAAP
Income before income taxes	**37,473.22**	**44548.28**
Expected income tax expense at statutory income tax rate	12968.73	15417.27
Effect of income that is exempt fom taxation	-	(210.68)
Effect of expenses that are not deductible in determining taxable profit	7234.34	9744.62
Effect of expenses that are allowable in determining taxable income	(13940.91)	(12777.85)
Income tax expense	**6262.17**	**12173.36**
MAT as per sec. 115JB	7,997.38	9,377.40
Income tax expense reported in PL	7,997.38	12,173.36

(₹ in lakhs)

(ii) Deferred Tax Reconciliation	March 2017	March 2016	Effect in PL
Defered Tax Liability as per Ind AS	(61365.85)	(56,178.04)	5187.81
Defered Tax Asset as per Ind AS	10072.91	8,702.18	(1370.74)
Net Defered Tax Liability	(51292.94)	(47,475.86)	3817.08
Less Defered Tax Recoverable	47766.82	49,265.99	1499.17
Net (Liability)/Asset as per Ind AS	(3526.12)	1,790.13	5316.25
Effect in PL			5429.47

(₹ in lakhs)

Reconciliation	March 2016
Defered Tax Liability as per Ind AS	(56,178.04)
Defered Tax Asset as per Ind AS	8,702.18
Net Defered Tax Liability	(47,475.86)
Less Defered Tax Recoverable	49,265.99
Net (Liability)/Asset as per Ind AS	1,790.13

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2016 is as follows:

(₹ in lakhs)

2015-16 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	52,181.47	3,996.57	56,178.04
Employees Benefits	(4,508.65)	(4,042.05)	(8,550.70)
Provisions for Others	(98.58)	(52.90)	(151.48)
Deferred Tax Recognised in OCI		(333.77)	
Deferred Tax Recoverable	(50,625.62)	1,359.63	(49,265.99)
Total	**(3,051.38)**	**927.48**	**(1,790.13)**

(₹ in lakhs)

2016-17 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	56,178.04	5,187.81	61,365.85
Employees Benefits	(8,550.70)	(1,016.35)	(9,567.05)
Provisions for Others	(151.48)	(354.39)	(505.87)
Deferred Tax Recognised in OCI		113.22	
Deferred Tax Recoverable	(49,265.99)	1,499.17	(47,766.82)
Total	**(1,790.13)**	**5,429.47**	**3,526.12**

Note no. -8 Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances			
Secured :			
Covered By Bank Guarantee	2628.21	3406.80	3800.73
Un-Secured :			
Others	19194.31	21997.71	18191.73
Considered Doubtful	41.28	41.28	41.28
Less: Allowances for bad & doubtful advances	41.28	41.28	41.28
Sub- total	19194.31	21997.71	18191.73
Advances towards Land	21.42	70.54	117.41
Prepayments (Leasehold Land)	6417.59	6611.41	6805.24
Sub- total	6439.01	6681.95	6922.65
Total	**28261.53**	**32086.46**	**28915.11**

(i) Capital advances comprises of Mobilisation Advance and Plant & Machinery advance given to contractor in respect of Construction Projects. The advances are recovered from the contractors bills.

(ii) The Company has taken land under operating leases.There is no Minimum Lease Rental Payment for such under non-cancellable operating lease entered into by the company.

(iii) (a) During the year ended March 31, 2017,amortisation of lease recognised in the statement of profit and loss is Rs 193.83 lakhs (2015-16: Rs 193.83 lakhs)

(iii) (b) Significant leasing arrangements include lease of land for periods ranging between 30 years to 99 years as well as perpetual lease with renewal option.

Note no.- 9 Inventories (At lower of cost or Net Realisable value)

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
(a) General Stores			
(1) Cost	1211.09	1560.74	5035.56
(2) Less : Provision	52.70	66.30	31.11
(b) Operational stores			
(1) Cost	12430.83	13032.65	15572.41
(2) Less : Provision	153.03	276.02	159.43
Total Inventories	**13436.19**	**14251.07**	**20417.43**
Included above, goods-in-transit			
I) General Stores			
II) Opertational Stores	1910.86	598.02	3438.22
Total Goods in transit	1910.86	598.02	3438.22

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations has been Rs. 10721.88 lakhs (2015-2016: Rs.11783.58 lakhs)

(ii) Inventories of Rs.16611.01 lakhs (March 31, 2016: Rs.14579.78 lakhs) are expected to be recovered within twelve months.

Note no. - 10 Investment

(₹ in lakhs)

Particular	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	QTY	Amounts	QTY	Amounts	QTY	Amounts
Other Investment						
Investment in Power Bonds : 8.5% Tax free State Govt. Bonds of the Government of -						
- Arunachal Pradesh	-	-	-	-	17880.00	178.80
- Assam	-	-	-	-	638270.00	6382.70
- Manipur	-	-	-	-	125394.00	1253.94
- Meghalaya	-	-	-	-	13026.00	130.26
- Mizoram			-	-	42336.00	423.36
- Nagaland			-	-	58070.00	580.70
- Tripura			-	-	59930.00	599.30
TOTAL other investment	-	-	-	-	954906.00	9549.06

These investments are current investments

Particular	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments carried at fair value through profit and loss	-	-	-
Investments carried at fair value through OCI	-	-	-
Investments carried at amortised cost	-	-	-
Government securities (unquoted)	-	-	-

Power bond resulted from Govt of India's Power Sector secutirisation scheme implemented during FY 2002-03 has been redeemed fully on 1st April'2015

Note no. - 11 Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
(a) Secured, considered good	46,534.16	102,586.97	76,660.95
(b) Unsecured, considered good	-	-	-
(c) Doubtful	-	-	-
Allowance for doubtful debts	-	-	-
TOTAL	**46,534.16**	**102,586.97**	**76,660.95**

(i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

(ii) Where no due date is specifically agreed upon, the normal credit period allowed by the Company is in compliance to the CERC regulations / Guidance.

(iii) Where a trade receivable has been provided for, such provision could be dictated by prudence, but one could still expect to realise the amount within 12 months from the balance sheet date. Under such circumstances, the said trade receivable is classified as current. Where, however, there is no expectation to realise the amount within the next twelve months period, the same needs to be classified as non-current along with the provision made for the same.

(iv) Trade receivables are further analysed as :

(₹ in lakhs)

As at March 31, 2017	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	22910.16	0	22910.16
One month overdue	6199.99	0	6199.99
Two months overdue	8520.99	0	8520.99
Three months overdue	8556.21	0	8556.21
Between three to six months overdue	580.93	0	580.93
Greater than six months overdue	14486.86	0	14486.86
TOTAL	**46,534.16**	0	**46,534.16**

(₹ in lakhs)

As at March 31, 2016	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	47499.01	0	47499.01
One month overdue	5667.15	0	5667.15
Two months overdue	11843.26	0	11843.26
Three months overdue	17977.77	0	17977.77
Between three to six months overdue	6539.27	0	6539.27
Greater than six months overdue	30570.91	0	30570.91
TOTAL	**102,586.96**	-	102586.96

(₹ in lakhs)

As at April 1, 2015	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	32753.81	0	32753.81
One month overdue	4025.87	0	4025.87
Two months overdue	4402.64	0	4402.64
Three months overdue	4786.49	0	4786.49
Between three to six months overdue	13421.26	0	13421.26
Greater than six months overdue	25892.13	0	25892.13
TOTAL	**76,853.69**	-	**76853.69**

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2017 to be Rs 46534.16 lakhs (March 31, 2016: Rs 102586.96 lakhs, April 1, 2015: Rs76853.69 lakhs), which is the fair value of trade receivables after allowance for credit losses. The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2017, 2016 and April 1, 2015 except Assam & Meghalaya

Movement in allowance for credit losses in respect of trade receivables:

	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period Additions during the period Utilised during the period		Nil	Nil
Balance at the end of the period		-	-

(i) In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

(ii) There are no outstanding debts due from directors or other officers of the Company.

Note no.- 12 Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	7182.64	5355.35	11677.10
(ii) In Deposit Account	19744.48	39430.92	60720.00
(b) Cheques, drafts on hand	-	0.00	0.00
(c) Cash in hand		8.89	9.13
(d) Others	0.89	0.00	0.00
Cash and cash equivalents as per balance sheet	26928.01	**44795.16**	**72406.23**
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account		0.00	305.04
(ii) In Deposit Account			0.00
Total	0.00	**0.00**	**305.04**
Total Cash and Cash Equivalents	**26928.01**	**44795.16**	**72711.27**

(i) Earmarked cash and bank balances primarily represents LC provided to State Bank of India for Gas payment.

(ii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

in Rs.

Particulars	SBNs	ODNs	Total
Closing cash in hand as on 08.11.2016	830000	85540	915540
(+) Unpermitted receipts[a]	554500		554500
(+) Permitted receipts		3140432	3140432
(-) Unpermitted payments[b]			0
(-) Permitted payments		2777683	2777683
(-) Amounts deposited in Banks	1384500	1250	1385750
Closing cash in hand as on 30.12.2016	0	447039	447039

(a) Unpermitted receipts includes amount collected towards sale of POL & receipts from employees towards settlement of advances.

(b) Unpermitted payments is **Nil**

(iii) The cash and bank balances as above are primarily denominated and held in Indian rupees

Note no.- 13 Others

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Accounts Receivables			
- Secured, considered good	-		-
- Unsecured, considered good	4,211.05	1,429.00	2,808.69
- Doubtful	-	-	-
Advances to staff	1,090.27	719.03	709.59
Interest accrued on loans and depsoits	622.01	1,278.63	1,327.62
Security Deposits	**105.10**	82.11	80.83
TOTAL	**6,028.43**	**3,508.77**	**4,926.73**

(₹ in lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest accrued on deposits and loans			
Unsecured, considered good	622.01	1,278.63	1,327.62
Unsecured, considered doubtful			
Less: Allowance for credit losses			
Other financial assets			
Advances to staff	1,090.27	719.03	709.59
Security Deposits	105.10	82.11	80.83

(i) Accounts receivables comprises of deferred Tax recoverable amounting to Rs.1557.13 lakhs and amount to be billed on the beneficiary amounting to Rs. 2653.92 on account of effective tax rate for the FY 2015-16

(ii) The above loans have been given for business purpose

(iii) There are no outstanding debts due from directors or other officers of the Company.

(iv) Loan & Advances to employees includes Interest bearing Computer Advance & Furniture Advance and interest free Multipurpose Advance. Computer advance & Furniture advance are recovered from employees in 60 equal instalment whereas Multipurpose Advance is recovered in 12 installment.

(v) Security deposits are primarily consists of Deposit against BSNL Lines, Gas Connection, Cable Connection etc. which will be refunded on surrender of services provided by service providers.

Note no.- 14 Current tax assets and liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-		-
Tax refund receivables	11824.22	14463.66	10072.63
TOTAL	11824.22	14463.66	10072.63
Current tax liabilities			
Income Tax payable	7997.38	11790.79	8623.13
TOTAL	7997.38	11790.79	8623.13

Current Tax assets relates to advance Tax paid during the year. Current Tax liabilities relates to Tax computed as per IT Act .

Note no.- 15 Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid Expenses	988.01	700.45	1347.74
Advances to Suppliers & Contractors	905.11	1272.82	1814.78
- Allowances for doubtful	47.64	54.08	53.03
Prepayments (Lease hold land)	193.83	193.83	259.67
Total	2039.31	2113.02	3369.16

(i) Prepaid Expenses consists of amount paid in advance in respect of prepaid insurance & annual maintenance chargesrelating to software & EDP equipment the benefit of which has not yet expired on reporting date.
(ii) Advances to suppliers & contractors are the short term advances to be recovered within 12 months from the bills. The advances are given as stipulated under the work/supply order.

(iii) Prepaid lease rental include assets carried at Rs. 4623.13 lakhs (as at 31 March, 2016 Rs. 4469.05 lakhs, as at 1 April, 2015 Rs. 1,582.80 lakhs) for which the Company has paid lease rental in advance in the form of compensation , resettlement & rehabilitation & Afforestation at the time of acuisition of land

Note no. - 15A Assets held for sale

(₹ in lakhs)

Description of the non-current asset	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plant & Equipments	577.22	-	-
Furniture & Fixture	-	-	-
Vehicles	-	-	-
Office Equipment	-	-	-
Tools & Plants	-	-	-
Misc . Equipment	-	-	-
Gross value of Assets held for sale	577.22	-	-
Less: Provision	509.53	-	-
NRV for Assets held for sale	67.69	-	-

Assets classified as "Asset held for sale" at its Net Realisable Value (NRV) subject to fulfillment of its recognition criteria in compliance to the Ind-AS 105, which are as follows:
- NRV is recoverable principally through a sale transaction rather than through continuing use
- Such assets are available for immediate sale in its present conditions;
- Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets, assets are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected to complete within one year from the date of classification.

Note- 16 Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity Share Capital	345,281.04	345,281.04	342,611.54
TOTAL	345,281.04	345,281.04	342,611.54

Authorised Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5,00,00,00,000 nos. of equity shares of `10/- each (Previous year 5,00,00,00,000 nos. of equity shares of `10/- each)	500,000.00	500,000.00	500,000.00
Issued and Subscribed capital comprises :			
3,45,28,10,400 nos. as on March'17 : 3,45,28,10,400 nos. As on March'16: 3,42,61,15,400 nos. as on April'15 of equity shares of `10/- each	345,281.04	345,281.04	342,611.54
Total	345,281.04	345,281.04	342,611.54

(i) The movement in subscribed and paid up share capital is set out below:

Particulars	As at March 31, 2017					
	Opening balance as on 01.04.2016		Movement during 2016-17		Closing Balance as on 31.03.2017	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
Ordinary shares of Rs.10 each At beginning of the year Shares allotted during the year	3,452,810,400 -	345,281.04 -	0 -	- -	3,452,810,400	345,281.04
	3,452,810,400	345,281.04	-	-	3,452,810,400	345,281.04

Particulars	As at March 31, 2016					
	Opening 01.04.2015		Movement during 2015-16		Cl. as on 31.03.2016	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
Ordinary shares of Rs.10 each At beginning of the year Shares allotted during the year	3,426,115,400 -	342,611.54 -	26,695,000 -	2,669.50 -	3,452,810,400	345,281.04
	3,426,115,400	342,611.54	26,695,000	2,669.50	3,452,810,400	345,281.04

(ii) Shares in the company held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2017		As at March 31, 2016	
Name of Shareholder	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares
Hon'ble President of India	3,452,809,800	100	3,452,809,800	100

(iii) The Corporation has only one class of shares referred to as equity shares having a par value of Rs 10/- wholly owned by the Govt of India.

Note no.- 17 Other equity

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
General Reserve	197691.68	197691.68	186291.68
Retained earnings	4745.05	9148.10	12663.90
Bond redemption reserve	39732.48	24752.04	12271.60
Total	242169.21	231591.82	211227.18

17.1 General Reserve

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year/period	197691.68	186291.68	186291.68
Movements	0.00	11400.00	0.00
Balance at the end of the year/period	197691.68	197691.68	186291.68

17.2 Retained Earnings

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year/period	9148.10	12663.90	12663.90
Profit attributable to owners of the Company	24046.37	30820.11	
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(213.92)	630.67	
FV loss adjustment	4.74	4.82	
Differences arising on disposal of interest in sub1 Ltd - see Note			
Payment of dividends on equity shares	11017.00	9215.00	
Shares buy-back			
Related income-tax on Dividend	2242.80	1875.96	
Transfer to General Reserve		11400.00	
Transfer to Bond Redemption Reserve	14980.44	12480.44	
Consolidated entry for Investment			
Balance at the end of the year/period	4745.05	9148.10	12663.90

17.3 Bond Redemption Reserve

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year/period	24752.04	12271.60	12271.60
Movement during the year/period	14980.44	12480.44	
Balance at the end of the year/period	39732.48	24752.04	12271.60

The nature of reserves are follows:

(a) General Reserve :- Under the erstwhile companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

(b) **Bond redemption reserve**:- Bond redemption reserve is created out of profits for redemption of bond. The adequacy of Bond Redemption Reserve shall be 25% of the value of bonds

Note- 17A Reconciliation of Other Equity

(₹ in lakhs)

		IGAAP	Transition Effect	IND-AS	Foot Notes
1	Equity component of other financial instruments			-	
A	**Retained Earnings**	95.97			
	Proposed Dividend including dividend distribution tax		8,372.10		(A)
	Derivative financial instruments				
	Fair Valuation of Security deposits				
	Investment in Mutual Funds				
	Defer Tax difference on account of balance sheet approach		4,607.68		
	Asset Held For Sale				
	Fair Valuation of Employee Loan		(18.92)		
	Consolidated Entry		-		
	Prior Period Adjustment		(263.21)		
	Expenses related to drilling division		(143.80)		
	Discounting of long-term provision of sales return				
	Remeasurement of net defined benefit plans				
	Long-term borrowings at amortised cost				
	Government grant recognised as income				
	Reversal of Capital Reserve		14.08		
		95.97	12,567.93	12,663.90	
B	**Reserves**				
(i)	Other Reserves :				
	Capital reserve	14.08	-	14.08	
	Capital redemption reserve			-	
	Grant-in-Aid	18,175.94	(18,175.94)	-	(B)
	Bond Redemption Reserve	12,271.60	-	12,271.60	
	General Reserve	186,291.68	-	186,291.68	
		216,753.30	(18,175.94)	198,577.36	
		216,849.27	**(5,608.01)**	**211,241.26**	

Notes to reconciliations between IGAAP and Ind-AS :

(A) Under Ind-AS, dividend payable and dividend distribution tax is recorded as a liability in the period in which it is declared and approved by the share holders. Under IGAAP, dividend payable and dividend distribution tax is recorded as a liability in the period to which it relates.
This difference has resulted in increase in Retained Earnings and Equity under Ind-AS by Rs. 126.91 lakhs as at transition date.

(B) Government grant recognised as income
Under Ind-AS, government grants related to assets is presented in the balance sheet as deferred income and recognised in profit or loss on a systematic basis over the useful life of the asset. Under IGAAP, government grant in the nature of promoter's contribution is recognised as capital reserve.

Non-current liabilities

Financial Liabilities

Note no.- 18 Long term borrowings

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I BONDS : SECURED PRIVATE PLACEMENT:			
a. Seventeenth issue 7.80 % (Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at par on 27-05.2020. (The value of Assets of Kameng Hydro Electric Project, Arunachal Pradesh and landed property of the Corporation in the District of Mehhsana, Gujrat have been identified for mortgage through the Trust Deed with the appointed Trustee)	30000.00		
Less: Bond expense amortization	30.05		
Bond - Seventeenth issue (Net)	**29969.95**		
a. Sixteenth Issue 8.68%(Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at 20% of face value on 30th Sept'2026, 30th Sept'2027, 30th Sept'2028, 30th Sept'2029, 30th Sept'2030. The value of Assets in the Tuirial Hydro Electric Project, Mizoram & Kopili Hydro Electric Project in Assam and landed property of the Corporation in the District of Mehhsana, Gujrat have been identified for mortgage through the Trust Deed with the appointed Trustee)	90000.00	90000.00	
Less: Bond expense amortization : (Rs. 69.60- 1.48-2.20)	65.93	68.13	
Bond - Sixteenth issue (Net)	89934.07	89931.87	
b. Fifteenth issue 9.15%(Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at 20% of face value on 25th March '2021, 25th March'2022, 25th March'2023 , 25th March'2024 and 25th March'2025 . (The value of Assets in the Agartala Gas Turbine Project (original open cycle plant) in Agartala, Tripura, value of Assets except the Gas Turbine & Steam Turbines in the Assam Gas Based Power Plant in Kathalguri , Assam, value of Assets except Plant & Machinery in generating station in the Ranganadi Hydro Electric Project in Arunachal Pradesh along with landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appionted trustee)	60000.00	60000.00	60000.00
c. Fourteenth issue 9.60%(Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at 20% of face value on 1st October'2020, 1st October'2021, 1st October'2022, 1st October'2023 and 1st October'2024 . (The asset value of Kameng Hydro Electric Project along with the landed property of the Corporation in the District of Mehsana , Gujarat have been charged by way of mortgage through the Trust Deed with the appointed Trustee)	250000.00	250000.00	250000.00

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
d. Thirteenth issue 9.00%(Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at 20% of face value on 15th March 2019, 15th March 2020, 15th March 2021, 15th March 2022 and 15th March 2023 . (The asset value of Steam Turbine of the Assam Gas Based Power Project, Assam along with the landed property of the Corporation in the District of Mehsana , Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Trustee)	7250.00	7250.00	7250.00
e. Twelfth issue 9.25 % (Taxable) , Secured ,Redeemable Non-Convertible Bonds of ` 10,00,000.00 each ,Redeemable 20% of Face value on each date on 27th June,2018,27th June 2019, 27th June 2020 ,27th June 2021 & 27th June 2022 . (The Assets value of Plant & Machinery in generating station of the Ranganadi Hydro Electric Project located in Arunachal Pradesh along with the landed property of the Corporation in the district of Mehsana, Gujarat have been charged by way of mortgage through a trust deed with the appointed Trustee.)	12000.00	12000.00	12000.00
f. Eleventh issue 10.20%(Taxable) , Secured ,Redeemable Non-Convertible Bonds of ` 10,00,000.00 each ,Redeemable at par on 15th December, 2021 with a put & call option on 15th December,2018.(The asset value of Gas Turbine of the Assam Gas Based Power Project, Assam along with the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Trustee)	4000.00	4000.00	4000.00
II Term loan			
A. Secured			
Rupee Loan ::			
Foreign Currency Loan			
External Commercial Borrowing [secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects –Extension, Agartala [debt Repayable in 39 equal quarterly installment w.e.f.20.06..2014]	38239.21	45923.60	50125.13
Total Secured Loans (A)	491393.23	469105.47	383375.13

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
B. Unsecured			
Rupee Loan			
Loans from Govt. of India			
Subordinate Loans from Govt. of India	29196.42	29196.42	29096.42
Less: Amortization of GOI Loan :	79.68		
Sub- total	29116.74		
Repayable in 15 equal annual installment starting from the 16th year after commissioning of Tuiral Hydro Electric Project			
Foreign Currency Loan			
Loan from Kfw	38782.81	46062.08	40070.44
(Guaranteed by the Govt. Of India)			
(Loan taken for construction of Pare Hydro Electric Project at Arunachal Pradesh)			
Repayable n 30 equal half yearly installment w.e.f. 30.12.2013			
Total Unsecured Loans (B)	**67899.55**	**75258.50**	**69166.86**
GRAND TOTAL (A+B)	**559292.78**	**544363.97**	**452541.99**

The maturity profile of borrowings is as follows: (pricipal+Interest)

Contractual maturities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
In one year or less or on demand	88,453.17	53,859.32	62,928.88
Between one & two years	58,717.36	55,056.01	52,756.72
Between two & tree years	57,968.71	59,182.38	53,953.41
Between three & four years	148,037.26	58,433.73	58,079.78
Between four & five years	114,180.58	118,502.28	57,331.13
More than five years	436,783.30	553,723.76	574,348.61
Total contractual cash flows	**904,140.38**	**898,757.48**	**859,398.53**
Less: Capitalisation of transaction costs	-	-	-
Total Borrowings	904,140.38	898,757.48	859,398.53

Note no.- 19 **Long Term Provisions**

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Gratuity	1268.54	296.55	479.00
Provision for Leave encashment	7229.86	6645.22	6307.83
Medical benefit for retired employees	3799.52	3017.70	2795.35
Award of Gold Coin	125.62	155.02	
Total	12423.54	10114.49	9582.18

The provision for employee benefits includes gratuity, Leave Encashment, Post retirement medical benefit, Gold Coin at retirement. The increase/ decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year. For disclosure on Acturial Valuation as Per AS19 (2015) **refer note no.19a**

1. Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The major defined contribution plans operated by the Company are as below:

a. Provident fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.Company pays fixed contribution at predetermined rates to the Provident Fund Trust, which invests the func in permitted securities as per Government guidelines. The Companies contribution to the fund for the period was Rs. **2905.59** lakhs (previous year Rs. 2763.65 lakhs).The investment has earned sufficient interest to pay the same to the member as per the rate specified by the Government of India.

b) Superannuation fund

In terms of the Guidelines of Department of Public Enterprise (DPE), Govt.of India (GOI) issued vide O.M. no.2(70)/08-DPE (WC) / GL-xiv/08 dt.26.11.2008 and OM. No. 2(70)/08-DPE (WC) / GL-vii/09 dt.02.04.2009, the Company has formulated the NEEPCO Employees Defined Contribution Superannuation Benefit Scheme.

The Companies contribution to the trust managing this scheme for the period was Rs. 2024.41 lakhs (previous year Rs. 1886.39 lakhs).

2. Defined benefit plans

a. Retiring gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 10.00 lakhs, on superannuation, resignation, termination, disablement or on death. The liability for the same is recognized on the basis of actuarial valuation.

The Board of Directors in their meeting held on 01.04.2013 has approved the creation of Gratuity Fund Trust vide its Resolution No.195/16 dt.1.4.2013 in order to meet the requirement of funds for payment of Gratuity to the employees separated from the services of the Corporation. Accordingly NEEPCO Employees Group Gratuity Assurance Fund Trust has been constituted on 25thJune'2013 and a Master Policy, named as North Eastern Electric Power Corporation Ltd Employees Group Gratuity –cum- Life Assurance (cash accumulation) Scheme, has been taken from the Life Insurance Corporation of India on 5th August2013.

b. Post –Retirement Medical Benefit scheme

The Company has a Contributory Scheme for Post –Retirement Medical Facilities for Superannuated Employees. Under the scheme the retired employee and spouse of retiree, spouse and dependent children of deceased employees are provided medical facilities on contributory basis which is as follows: Reimbursement of medical expenses incurred for indoor treatment restricted to the rates of nearest authorized / approved hospital.

For out-patient/ domiciliary treatment taken in empanelled hospitals, reimbursement are allowed for clinical tests , examination, cost of medicines and other OPD expenses at actual subject to a ceiling of maximum of last basic per annum, whichever is less.. The liability for the same is recognized on the basis of actuarial valuation.

c. Gold Coin on Superannuation

To nurture a good organizational culture and appreciate the sincere services rendered by the employee, the Corporation is providing a Gold Coin to the retiring employee on the date of retirement. The liability for the same is recognized on the basis of actuarial valuation.

3. Other Employee benefit

a. Leave

The Company provides for earned leave benefits (including compensatory absences) and half pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave account is maintained in one section only i.e. en-cashable. On Superannuation/ separation of the employee from the Corporation, entire leave (Earned leave & Maximum 240 days Half Pay Leave) subject to a ceiling of 300 days will be en-cashable. Half pay leave cannot be commuted. The cash equivalent payable for Half Pay Leave would be equal to leave salary as admissible for half pay plus Dearness Allowance.

b. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company makes a matching contribution to the scheme. The objective of the scheme is to provide cash benefits to the dependent beneficiaries in the event of the death of an employee of the Company while in service including permanent total disablement leading to cessation of employment.

Note No.- 19A

Disclosures As Per AS19 (2015)

Actuarial Valuation of Gratuity Liability

Scale of Benefit

Gratuity as per the payment of Gratuity Act 1972,with maximum limit of 10,00,000/-

Actuarial Basis used in Valuation

Amt in Rs.

3/31/2016		3/31/2017
8.00%	Interest Rate	7.50%
7.00%	Salary Inflation	7.00%
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

Results of Valuation

3/31/2016		3/31/2017
1213343978.00	Liability to be shown in Balance Sheet	1206657562.00
103210287.00	Charges to Profit/Loss for the Period	107160246.00
(103033413.00)	Other comprehensive Income	(35241344.00)

Changes in Present Value of Obligation as at

3/31/2016		3/31/2017
1276837518.00	Present value of obligation as on last valuation	1213343978.00
95720302.00	Current Service Cost	98196795.00
93775163.00	Interest Cost	85106337.00
N/A	Participant Contribution	N/A
(42508168.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(32803913.00)
(61297175.00)	Actuarial gain/loss on obligations due to Other reason	0.00
149183662.00	Benefits Paid	157185635.00
1213343978.00	Present value of obligation as on valuation date	1206657562.00
1910502538.00	Accrued Gratuity	1825987678.00

Changes in Fair Value of Plan Assets as at

3/31/2016		3/31/2017
1078564723.00	Fair value of Plan Assets at Beginning of period	1015238477.00
86285178.00	Interest Income	76142886.00
344168.00	Employer Contributions	1092213.00
149183662.00	Benefits Paid	157185635.00
(771930.00)	Return on Plan Assets excluding Interest Income	2437431.00
1015238477.00	Fair value of Plan Assets at End of measurement period	937725372.00

Reconciliation to Balance Sheet

3/31/2016		3/31/2017
(198105501.00)	Funded Status	(268932190.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
1015238477.00	Fund Asset	937725372.00
1213343978.00	Fund Liability	1206657562.00

Plan Assumptions

3/31/2016		3/31/2017
7.80%	Discount Rate	7.50%
8.00%	Expected Return on Plan Asset	7.50%
7.25%	Rate of Compensation Increase(Salary Inflation)	7.25%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	10
10	Average Duration of Liabilities	10
IALM 2006-2008 Ultimate	Mortality Table	IALM 2006-2008 Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60

Expense Recognized in statement of Profit/Loss as at

3/31/2016	Expense Recognized in statement of Profit/Loss as at	3/31/2017
95720302.00	Current Service Cost	98196795.00
7489985.00	Net Interest Cost	8963451.00
103210287.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	107160246.00

Other Comprehensive Income

3/31/2016		3/31/2017
(42508168.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(32803913.00)
(61297175.00)	Actuarial gain/loss on obligations due to Other reason	0.00
(103805343.00)	**Total Actuarial (gain)/losses**	**(32803913.00)**
(771930.00)	Return on Plan Asset, Excluding Interest Income	2437431.00
(103033413.00)	Balance at the end of the Period	(35241344.00)
(103033413.00)	Net(Income)/Expense for the Period Recognized in OCI	(35241344.00)

Sensitivity Analysis

3/31/2016			3/31/2017	
Increase	Decrease		Increase	Decrease
1175743647.00	1253113398.00	Discount Rate (-/+ 0.5%)	1168297889.00	1247258416.00
-3.10%	3.28%	%Change Compared to base due to sensitivity	-3.18%	3.36%
1216100910.00	1210304007.00	Salary Growth (-/+ 0.5%)	1209467959.00	1203607058.00
0.23%	-0.25%	%Change Compared to base due to sensitivity	0.23%	-0.25%
1213567447.00	1213120280.00	Attrition Rate (-/+ 0.5%)	1206788318.00	1206526820.00
0.02%	-0.02%	%Change Compared to base due to sensitivity	0.01%	-0.01%
1215349416.00	1211330247.00	Mortality Rate (-/+ 10%)	1208433816.00	1204874020.00
0.17%	-0.17%	%Change Compared to base due to sensitivity	0.15%	-0.15%

Cash Flow

	Rupees(INR)
Next Year Total (Expected)	1271426213.00
Minimum Funding Requirements	299238595.00

Actuarial Valuation of Leave Encashment

Scale of Benefit

Fresh leave is credited every year and the maximum accumulation varies with categories of employees which is as under. CDA scale of pay & s1-Maximum 300 days, W7 & W8 on IDA scale of pay - maximum 240 days and W6 and below on IDA scale of pay-maximum 180 days.

Actuarial Basis used in Valuation

3/31/2016		**3/31/2017**
8.00%	Interest Rate	7.50%
7.00%	Salary Inflation	7.00%
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

Results of Valuation

3/31/2016		**3/31/2017**
708305421.00	Liability to be shown in Balance Sheet	782357929.00
277679446.00	Charges to Profit/Loss for the Period	285718527.00

Changes in Present Value of Obligation as at

3/31/2016		3/31/2017
678381747.00	Present value of obligation as on last valuation	708305421.00
112192725.00	Current Service Cost	77713526.00
44360308.00	Interest Cost	45185430.00
0.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	84413347.00
121126413.00	Actuarial gain/loss on obligations due to Unexpected Experience	78406224.00
247755773.00	Benefits Paid	211666019.00
708305421.00	Present value of obligation as on valuation date	782357929.00
960123618.00	Accrued leave Encashment	867663098.00

Changes in Fair Value of Plan Assets as at

3/31/2016		3/31/2017
247755773.00	Benefits Paid	211666019.00

Reconciliation to Balance Sheet

3/31/2016		3/31/2017
(708305421.00)	Funded Status	(782357929.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
708305421.00	Fund Liability	782357929.00

Plan Assumptions

3/31/2016		3/31/2017
8.00%	Discount Rate	7.50%
-	Expected Return on Plan Asset	-
7.00%	Rate of Compensation Increase(Salary Inflation)	7.00%
N/A	Pension Increase Rate	N/A
11	Average expected future service (Remaining working Life)	10
10	Average Duration of Liabilities	10
IALM 2006-2008 Ultimate	Mortality Table	IALM 2006-2008 Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60

Expense Recognized in statement of Profit/Loss as at

3/31/2016		3/31/2017
112192725.00	Current Service Cost	77713526.00
44360308.00	Net Interest Cost	45185430.00
121126413.00	Actuarial Gain loss	162819571.00
277679446.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	285718527.00

Sensitivity Analysis

3/31/2016			3/31/2017	
Increase	Increase		Increase	Decrease
684475790.00	733554877.00	Discount Rate (-/+ 0.5%)	752696759.00	813964362.00
-3.36%	3.56%	%Change Compared to base due to sensitivity	-3.79%	4.04%
730566899.00	687085798.00	Salary Growth (-/+ 0.5%)	813798963.00	752583861.00
3.14%	-3.00%	%Change Compared to base due to sensitivity	4.02%	-3.81%
706563768.00	710157732.00	Attrition Rate (-/+ 0.5%)	783071823.00	781644037.00
-0.25%	0.26%	%Change Compared to base due to sensitivity	0.09%	-0.09%
709227237.00	707376687.00	Mortality Rate (-/+ 10%)	787067184.00	777648677.00
0.13%	-0.13%	%Change Compared to base due to sensitivity	0.60%	-0.60%

Actuarial Valuation of Post Retirement Medical Benefit Liability

Actuarial Basis used in Valuation

3/31/2016		**3/31/2017**
8.00%	Interest Rate	7.50%
Not Considered	Medical Cost escalation Rate	Not Considered
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

Results of Valuation

3/31/2016		**3/31/2017**
319238567.00	Liability to be shown in Balance Sheet	406943991.00
32450106.00	Charges to Profit/Loss Account for the Year	38967316.00
6589246.00	Other Comprehensive Income	67955347.00

Changes in Present Value of Obligation as at

3/31/2016		3/31/2017
294295100.00	Present value of obligation as on last valuation	319238567.00
9470334.00	Current Service Cost	15745069.00
22979772.00	Interest Cost	23222246.00
0.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	18826139.00
6589246.00	Actuarial gain/loss on obligations due to Unexpected Experience	49129208.00
14095886.00	Benefits Paid	19217239.00
319238567.00	Present value of obligation as on valuation date	406943991.00

Changes in Fair Value of Plan Assets as at

3/31/2016		3/31/2017
14095886.00	Benefits Paid	19217239.00

Reconciliation to Balance Sheet

3/31/2016		3/31/2017
Unfunded	Funded Status	Unfunded
319233567.00	Fund Liability	406943991.00

Plan Assumptions

3/31/2016		3/31/2017
8.00%	Discount Rate	7.50%
11	Average expected future service (Remaining working Life)	10
IALM 2006-2008.00 Ultimate	Mortality Table	IALM 2006-2008.00 Ultimate
60	Superannuation at age-Male(for active staff)	60
60	Superannuation at age-Female(for active staff)	60

Expense Recognized in statement of Profit/Loss as at

3/31/2016		3/31/2017
9470334.00	Current Service Cost	15745069.00
22979772.00	Net Interest Cost	23222246.00
32450106.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	38967316.00

Other Comprehensive Income

3/31/2016		3/31/2017
0.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	18826139.00
6589246.00	Actuarial gain/loss on obligations due to Unexpected Experience	49129208.00
6589246.00	**Total Actuarial (gain)/losses**	67955347.00
6589246.00	Balance at the end of the Period	67955347.00
6589246.00	Net(Income)/Expense for the Period Recognized in OCI	67955347.00

Sensitivity Analysis

3/31/2016			3/31/2017	
Decrease	Increase		Increase	Decrease
303791525.00	336019921.00	Discount Rate (-/+ 50BPS)	388117852.00	424389192.00
4.84%	-5.26%	%Change Compared to base due to sensitivity	-4.63%	4.29%
328581571.00	310404264.00	Medical Cost (-/+ 1%)	408230317.00	400144767.00
-2.93%	2.77%	%Change Compared to base due to sensitivity	0.32%	-1.67%
316588743.00	321948712.00	Mortality Rate (-/+ 10 BPS)	400362454.00	408111752.00
0.83%	-0.85%	%Change Compared to base due to sensitivity	-1.62%	0.29%
319106131.00	319371237.00	Attrition Rate(-/+ 10 BPS)	406837037.00	407051099.00
0.04%	-0.04%	%Change Compared to base due to sensitivity	-0.03%	0.03%

AWARD OF GOLD COIN ON RETIREMENT

Actuarial Basis used in Valuation

31.03.2016		31.03.2017
8.00%	Interest Rate	7.50%
IALM 2006-2008	Mortality	IALM 2006-2008
10 per thousand p.a	Attrition Rate	10 per thousand p a

Results of Valuation

15686817.00	Liability to be shown in Balance Sheet	14422573.00

Note no.- 20 Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Deferred Revenue arising from Government Grant	31084.94	31184.94	18175.94
Less : Adjusted during the year	20.31	(100.93)	0.00
Add :: Amortised of Tuirial Grant in Aid	81.40		
Sub- total	31146.03	31084.01	18175.94
b) Deferred Foreign Currency Fluctuation liabilities	165.37	186.11	206.85
Total	31311.40	31270.12	18382.79

(i) Grants relating to construction of Tuirial HEP and Grant for procurement of Spare parts relates to Assam Gas Based Power Plant

Spares out of Grant in Aid

(ii) During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of ` 20.31 lakhs (previous year `100.93 lakhs) for spares purchased out of Grant-in-aid received from the Central Govt. An equivalent amount has been recognized as income in the statement of Profit & Loss.

Grant from Ministry of Development of North Eastern Region

(iii) As per the Investment Approval sanctioned vide the Ministry of Power's letter no.7/7/2009-H-I dated 14th January'2011, an amount of ` 300.00 crores has been sanctioned by the Ministry of Development of North Eastern Region (MDONER) as a part of the approved funding pattern for the Tuirial Hydro Electric Project, Mizoram. The total amount of ` 300.00 crores are included in Grant in Aid which will be carried forward till the commissioning of the project.

(v) Exchange differences on account of settlement/transalation of monetary items denominated in foreign currency to the extent recoverable from the beneficiaries in subsequent periods as per CERC Tariff Regularions has been accounted as 'Deferred Foreign currency fluctuation liabilities' post construction period and adjusted from the year in which the same becomes recoverable.

Note no.- 21 Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
From Bank: [Short Term Loan-(For construction Projects)-Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal Repayable in 4 (four) quarterly installments, commencing after 3(three) months from the date of first drawal]	19975.00	0.00	12500.00
Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal (Bullet repayment within six months from the date of drawal)	13300.00		
Workign Capital Demand Loan [Secured againsts hypothecation of the stocks of stores and spares and Book Debt of the Compnany to the extent of drawal-Repayable on demand]		0.00	3500.00
Total	33275.00	0.00	16000.00

Note no.- 22 Trade Payables and other payables

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total outstanding dues of micro enterprises and small entreprises			
Total outstanding dues of creditors other than micro entreprises and small enterprises	5285.97	7106.01	7909.68
Payables for employees Benefits	7075.40	6208.37	5156.10
Total Borrowings	**12361.37**	**13314.38**	**13065.78**

The trade payable includes payment for fuel cost for the month of March ,provisions made on contractors claim and employees salary , statutory dues for March 2017 . Thereafter, no interest is payable on the outstanding balance

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Creditors for supplies and services	5285.97	7106.01	7909.68
(b) Creditors for accrued wages and salaries	7075.40	6208.37	5156.10

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

Description	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended April 1, 2015
i. The principal amount remaining unpaid to supplier as at the end of the year	-	-	-
ii. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-

Current Liabilities

Note no.- 23 Other Financial Liablities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. Term Loan - Secured			
External Commercial Borrowing[secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects – Extension, Agartala [debt Repayable in 39 equal quarterly installment w.e.f. 20.06..2014]	6649.85	6803.10	6467.43
Loan from LICI [Secured by the assets of Kopili HEP : Khamdong Dam, Umrong Dam, Power House Khandong, Khandong Penstock, Dukes - Khandong, Tunnel - Khandong, Dyke - Umrong, Power House khandong - Electrical works (R&M) - Khandong, Tunnel Umrong, Steel liner & Penstock - KoPH. Also secured by the assets of Doyang HEP - Residential & non-residential buildings (Parmanent), Road & Bridges and Diversion Tunnel]	0	0.00	264.00
Sub-Total	6649.85	6803.10	6731.43
II Term Loan- Unsecured			
Loan from Kfw:	3692.28	4004.09	3648.15
(Gurarnteed by the Government of India)			
(Loan taken for construction of Pare Hydro Electric Project at Arunachal Pradesh) - Repayable in 30 equal half yearly installment w.e.f. 30.12.2013			
Sub-Total	**10342.13**	**10807.19**	**10379.58**
IV Interest accrued but not due on:			
LICI	0.00	0.00	5.22
Bonds	2929.33	2900.09	637.26
Loans from Power Finance Corporation limited		0.00	0.00
Loans from Kfw	367.41	405.40	365.63
External Commercial Borrowing	57.63	59.18	33.90
Short term borrowing	227.67	0.00	107.79
Working Capital Loan		0.00	46.92
Sub-total	3582.04	3364.67	1196.72
V. Other liabilities			
Creditors for Capital Expenditure	16391.20	15623.16	13739.32
Advance from REC for Deen Dayal Upadhya	1731.17	708.46	2173.13
Sub-Total	18122.37	16331.62	15912.45
Total	**32046.54**	**30503.48**	**27488.75**

i) Creditor for Capital expenditure represents amount payable to constractor in respect of work done & measured at the reporting date.

ii) <u>Deen Dayal Upadhyaya Gram Jyoti Yogana</u>

Cash & Bank balances of Rs. 26928.01 lakhs (previous year Rs. 44795.16 lakhs) includes an amount of Rs. 1731.17 lakhs (previous year Rs. 708.46 lakhs) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yogana. The Corporation has spent an amount of Rs. 126.17 lakhs (previous year Rs. 100.54 lakhs) towards this scheme which is included Capital Work in Progress (Note no 2).

Note no.- 24 Other Current Liabilities (₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances from Contractors & Others	12544.98	12405.47	16638.29
Direct & Indirect Taxes Payables	499.08	459.20	869.29
Other liablity (Deferred foreign currency fluctuation)	20.74	20.74	20.74
Other Statutory Dues (CPF,LIP NESSS etc)	1254.03	1035.12	1005.47
Total	14318.83	13920.53	18533.79

(i) Advances from Contractors & others relates to security deposit , earnest money deducted from works/supply bill which will be settled on completion of work after defect liability period as stipulated by the terms of contract/supply order.

(ii) Direct & Indirect taxes like income tax deducted from salary of March, tax deducted at source, forest royality, Value added Tax , Works contract tax deducted from works /supply bill of March not deposited upto the reporting date.

(iii) Other Liability (Defered Foreign Expenditure)- refer note no 20 (v)

(iv) Other Statutory Dues Payable includes Corporation contribution to Providend fund, LIC premium deducted , Pension contribution, employees contribution to Providend fund and other deduction made during March & not deposited upto the reporting date.

Note- 25 Provisions (₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee benefits			
Gratuity	1420.78	1684.50	1503.73
Medical benefit for retired employees	269.92	174.69	147.61
Leave encashment	593.72	437.83	475.99
Award of Gold Coin	18.61	1.85	-
Sub-total	2303.03	2298.87	2127.33
Provision for Write off	12917.46	12450.82	0.00
Provision for Tariff Revision/Adjustment	0.00	0.00	1318.25
Total	**15220.49**	**14749.69**	**3445.58**

Employee benefit- Refer Note no.19

Provision for Write Off- Amount provided towards project abandoned

Provision for Tariff Revision/ Adjustment relates to revision of annual fixed charge for Power stations as submittec before the CERC

Note no.- 26 Revenue from Operations

(₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Sale of Power	134640.67	157989.32
DSM receivable	2937.52	1705.07
RRAS receivable	114.30	0.00
Internal consumption	177.75	193.97
Less: rebate	(328.05)	(253.58)
Sale of Electricity (Net)	137542.19	159634.78
Other operating Revenue ::		
NERLDC Fees & Charges	543.32	505.32
Interest from Beneficiaries	2361.50	447.54
Net Revenue from Operation	**140447.01**	**160587.64**

a. Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.

b. Sales includes Nil (Previous year ₹2485.76 lakh) on account of earlier years sales arising out of finalization of tar ff in current year. However Rs.2653.92 lakhs relates to recognitionmof revenue on account of deferrence between the efective tax rate for FY 2016-16 vs tax rate allowed by the CERC for the said year.

c. In terms of cl. no. 49 of the CERC (Terms and conditions of Tariff) Regulations,2014, deferred tax liabilities for the period upto 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the beneficiaries or long term transmission customers/DICs, as the case may be. Accordingly, current year sale includes ₹ 1557.13 lakh (previously ₹ 1429.00 lakh).

Note- 27 Other Non-Operating Income

(₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
a) Interest Income		
Interest income earned on financial assets that are not designated as at Fair Value through profit or loss		
Bank Deposits at amortised Cost		
Investments in debt instruments measured at FVTOCI		
Other financial assets carried at amortised cost		608.75
Sub -total		**608.75**
b) Dividend Income		
Dividends from equity instruments		
All dividend from equity investments designated at FVTOCI recognised for both the years relate to investments held at the end of each reporting period		
Sub Total		-
c) Other non-operating income (net of expenses directly attributable to such income)		
Renta Income		
Finance lease contingent rental income		
Grant n Aid	20.31	100.93
Misc Receipts	104.66	152.39
FERV Fecoveable/Payable (Net)	20.74	20.74
Liability/Provision written back	806.87	2.37
Delayed Payment Surcharge	2152.91	12622.21
Interest on arrear sale		17.97
Sub Total	**3105.49**	**12916.61**
Other gains and losses		
Gain /(loss) on disposal of PPE		0.11
TOTAL	**3105.49**	**13,525.47**

Note no.-28 Cost of Material Consumed (₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Purchase of Gas	39630.11	61858.71
Transportation charges for Gas	1112.06	1096.32
TOTAL	**40742.17**	**62955.03**

Note- 29 Employees Remuneration and Benefit Expenses (₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Salary & Wages	33162.43	32640.68
Contribution to Provident Fund	2922.95	2763.65
Gratuity	1075.50	1.77
Employees Pension	2031.15	1886.39
Leave Encashment	2871.44	2776.80
Award of Gold Coin	34.56	156.87
Staff welfare expenses	57.79	42.73
Compuer adv to emp. - fair valuation loss	3.06	6.98
Furniture adv to emp. - fair valuation loss	1.08	3.19
Total	**42159.96**	**40279.06**
Amount transferred to IEDC	**14512.31**	**14423.83**
carried forward to Statement of Profit & Loss	**27647.65**	**25855.23**

Employees' remuneration and benefits include the following for the Directors including the Chairman & Managing Director.

Particulars	Current year (2016-17) *(` in lakhs)*	Previous year (2015-16) *(` in lakhs)*
Salary and allowances	95.90	116.71
Contribution to Provident Fund and other funds	11.97	18.06
Other benefits	48.83	35.76

Note- 30 Finance Costs

(₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
A.Interest Expenses		
i) Loans from Life Insurance Corporation of India		7.32
ii) Cash Credit from State Bank of India	164.24	135.97
iii) Interest on ECB Loan	1966.69	1433.75
iv) Bonds	39390.25	35626.25
V) Exchange Rate Fluctuation	(4659.84)	6316.43
VI) Kfw Loan	1588.59	1605.62
Vii) Interest on Short term Borrowing	1236.47	557.04
Viii) Interest on Loan from Govt. Of India		0.34
Finance Charges		
i) Guarantee fee on foreign Loan	605.66	529.01
ii) Commitment Fees	0.30	14.10
B.Other Borrowing Costs	37.22	100.07
Total	**40329.58**	**46325.90**
Amount transferred to IEDC	**37338.19**	**44602.76**
Amount carried forward to Statement of Profit & Loss	**2991.39**	**1723.14**

Note no.- 31 Depreciation & Amortization expenses

(₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Total (as per notes 2)	16923.01	11023.60
Add: Decapitalisation, Sale, Write off	397.20	48.99
Adjustment due to recasting from IGAAP to Ind AS		1916.84
Total (as per Note no.31)	**17320.21**	**12989.43**
Depreciation of Construction Project (Note no. 36)	1281.53	1050.09
Depreciation charged to PL account	**16038.68**	**11939.34**

Note no.-32 Other Expenses (₹ in lakhs)

Particulars	Note No	For the period ended 31-Mar-17	For the period ended 31st-Mar-16
GENERATION EXPENSES			
Repairs & maintenance :			
a) Roads & buildings		1018.34	1035.41
b) Power house		4217.79	3700.78
c) Hydraulic works		309.90	380.49
d) Line & sub-stations		106.57	60.11
e) Others		401.65	350.54
f) Stores & spares (against Grant-in-Aid)		20.31	100.93
Sub Total		6074.56	5628.26
ADMINISTRATION EXPENSES			
a) Travelling expenses		240.07	181.97
b) Advertisement expenses		77.45	150.51
c) Insurance charges		606.75	549.04
d) Rents		3.11	2.68
e) Rates & taxes		33.26	40.99
f) Entertainment expenses		0.77	2.18
g) General expenses	34	6136.72	4809.38
h) Publicity expenses		51.24	22.38
i) Legal charges		58.22	49.91
j) Filing fees to CERC		60.41	55.72
k) NERLDC Fees & Charges		527.19	492.01
l) Research & Development Expenses		56.41	110.75
m) Corporate Social Responsibility & SD		607.58	1030.57
o) RRAS- Expenditure		43.05	
p) Interest to beneficiary states		16.86	1417.52
q) Trading Expenses		979.58	
r) Share of General establishment	35	2149.64	217.92
Sub Total		11648.31	9133.53

<u>Other Expenses</u>			
Purchase of Power			121.00
Lubricants, oil etc		120.79	212.19
Electricity Duty		15.94	17.11
U I Charge		135.30	266.78
Transmission Charges		25.53	12.63
Provision for Write off		470.40	12450.82
Prepayment Amortisation		168.56	259.67
Sub Total		936.52	13340.20
TOTAL		**18659.39**	**28101.99**

Corporate Social Responsibility and Sustainable development

a) Gross amount required to be spent by the Company during the year - Rs. **7.69 crore**

b) Amount spent during the year on : **(Rs. in Crore)**

Particulars	In Cash	Yet to be paid in cash	Total
I Construction / acquisition of any asset	3.30	--	3.30
ii On Purposes other than (i) above	2.78	--	2.78
Total	6.08	--	6.08

Note no.- 33 Payment to Auditors

(₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Statutory Audit fees	11.21	10.30
Tax audit fees	0.58	0.57
Cost Audit Fees	1.38	1.38
Other expenses	3.34	8.21
Total	**16.51**	**20.46**

NOTE- 34

GENERAL EXPENSES

For the period ended :

(₹ in lakhs)

Particulars	Operation & Maintenance		General Administration		Project (Under Construction)		Total	
	March'17	March'16	March'17	March'16	March'17	March'16	March'17	March'16
Transport expenses	649.87	574.18	176.99	206.90	604.01	621.49	1430.87	1402.57
Printing & stationery	23.88	21.95	44.73	64.86	19.19	22.59	87.80	109.40
Postage & telegram	1.48	1.50	7.31	5.49	2.95	3.64	11.74	10.63
Medical expenses	711.01	644.10	244.65	734.57	430.78	532.04	1386.44	1910.71
Medical expenses to Retd.Employees			389.67				389.67	
Licence & registration	14.96	3.80			58.88	2.08	73.84	5.88
Paper & periodicals	0.68	0.60	2.81	4.43	1.63	0.34	5.12	5.37
Uniforms & liveries	4.81	10.63	0.86	10.63	2.09	1.42	7.76	22.68
Honorarium	0.01	0.16	4.54	0.01			4.55	0.17
Electric & water charges	242.27	194.94	76.41	78.06	965.46	1505.56	1284.14	1778.56
Bank charges	13.09	55.83	0.56	20.00	1.92	11.21	15.57	87.04
Social welfare	670.87	552.93	102.33	82.84	100.41	40.18	873.61	675.95
Consultancy charges	69.18	14.62	254.96	114.39	61.34	76.29	385.48	205.30
Security arrangement	2327.59	1959.76	131.22	135.89	505	396.53	2963.81	2492.18
Training expenses	130.05	272.06				0.33	130.05	272.39
Staff recruitment expenses			25.33	20.52			25.33	20.52
Hospital facilities	13.50	7.90			6.60	3.93	20.1	11.83
Subscription & membership fees	10.05	0.04	31.69	34.99			41.74	35.03
Communication expenses	43.22	26.13	329.69	336.79	92.66	122.70	465.57	485.62
Office furnishing	9.68	1.37	1.77	1.91	3.51	0.88	14.96	4.16
Miscellaneous expenses	80.21	84.79	117.35	178.53	99.17	103.09	296.73	366.41
I.B. expenses	28.45	29.24	52.39	41.93	91.47	91.09	172.31	162.26
Laboratory & meter testing charges					7.60	6.17	7.60	6.17
Environment & Ecology	39.24							
Photographic records	0.35	0.01	1.56	1.65	0.03	0	1.94	1.66
Loss of Stock/Advance written off	0.42	203.61		1.17	1.99	37.46	2.41	242.24
I T Expenses	116.47	56.24	167.52	187.4	90.92	74.75	374.91	318.39
Loss on sale of fixed Assets	882.38	67.99	7.19	1.28	0.99	3.53	890.56	72.80
Compensation	53.00	25.00		8.00	39.00	44.97	92	77.97
TOTAL	**6136.72**	**4809.38**	**2171.53**	**2272.24**	**3187.60**	**3702.27**	**11456.61**	**10783.89**

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Note no.- 35

Incidental Expenditure of Corporate office

(₹ in lakhs)

Particulars	Note No.	For the period ended 31-Mar-17	For the period ended 31st-Mar-16
Administration & other Expenses			
Travelling expenses		189.34	252.67
Rent		88.80	73.97
Rates & taxes		4.37	4.31
General expenses	34	2171.53	2272.24
Repairs & maintenance		147.71	155.11
Audit fees & expenses	33	16.51	20.46
Legal expenses		11.98	4.62
Insurance charges		12.25	10.35
Entertainment expenses		0.04	0.01
Advertisement expenses		20.95	131.28
Publicity expenses		339.45	431.01
Board meeting expenses		19.84	24.37
Sub-total		3022.77	3380.40
Less : Non operating receipts :			
i) Interest on Investment		646.32	3072.54
ii) Others		226.81	89.94
		873.13	3162.48
Net expenditure		2149.64	217.92
Expenditure charged to Profit & Loss Account	32	2149.64	217.92

Note no.- 36

INCIDENTAL EXPENDITURE DURING CONSTRUCTION

(₹ in lakhs)

Particulars	Note No.	For the period ended 31-Mar-17	For the period ended 31-Mar-16
GENERAL ADMINISTRATION			
A. Employees benefit Expenses	29	14512.31	14423.83
B. Interest and Finance expenses capitalized	30	37338.19	44602.76
C. Depreciation	31	1281.53	1050.09
D. Administration & other expenses			
Travelling expenses		248.66	290.44
Rents		17.87	19.35
Rates & taxes		1.56	2.24
General expenses	36	3187.60	3702.27
Repairs & maintenance		482.76	438.39
Filling Fees		0.00	6.09
Environment & Ecology		6.89	0
Energy Conservation expenses		0.38	0
Legal expenses		83.29	21.87
Insurance charges		1524.25	790.48
Entertainment expenses		0.09	0.68
Tender expenses		18.87	83.07
Total (D)		5572.22	5354.88
Total (A + B+C+D)		58704.25	65431.56
Less : Non-operating receipts			
i) Interest on advances from Suppliers/		381.38	481.60
Contractors		55.40	514.66
ii) Others		436.78	996.26
Net Expenditure		58267.47	64435.30
Expenditure transferred to Capital Work-in-Progress		**58267.47**	**64435.30**

Note no. - 37

Property Plant & Equipment

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Carrying Amount 01.04.2016	Additions	Adjustments	Carrying Amount 31.03.2017	**01.04.2016**	**Depreciation**	**Upto 31st Mar 2017**	**31.03.2017**	**31.03.2016**	**01.04.2015**
A) ASSETS										
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES :										
Building and civil engineering works containing generation plant & equipment, main plant	52221.64	1927.25	(22.12)	54126.77	15569.12	1534.97	17104.09	37022.68	36652.52	12101.10
Hydraulic works including Dams										
Dykes,Reservoirs & Tunnels	166110.42	544.36	0.00	166654.78	78290.17	3812.29	82102.46	84552.32	87820.25	91569.24
Plant & Machinery in Generating Station	64270.01	3627.21	180.64	68077.86	29356.87	2307.44	31664.31	36413.55	34913.14	34888.18
Transformer having a rating of 100 K.V. ampere and above	7643.90	2109.77	(18.58)	9735.09	3230.81	259.11	3489.92	6245.17	4413.09	2819.90
Sub-station equipment and other fixed apparatus	545.56	182.88		728.44	400.77	20.06	420.83	307.61	144.79	111.75
Switchgear including cable connections	17820.17	974.34	(1.94)	18792.57	7659.05	511.58	8170.63	10621.94	10161.12	4928.31
Transmission Lines	901.97	74.26		976.23	602.60	20.40	623.00	353.23	299.37	274.57
PV modules including Mounting structures	3127.35			3127.35	196.46	182.33	378.79	2748.56	2930.89	2994.80
Inverters including Battery Bank (O & M)	290.77			290.77	18.32	16.95	35.27	255.50	272.45	280.24
Gas Turbine	131231.49	6196.52	802.60	138230.61	78225.98	3783.36	82009.34	56221.27	53005.51	14443.96
Gas Booster Station	19492.25	5408.62	(1860.24)	23040.63	14896.88	(220.40)	14676.48	8364.15	4595.37	1527.83
Gas Pipeline	36.60			36.60	32.95	0.00	32.95	3.65	3.65	3.65
Gas Steam Turbine	82475.71	27814.53	(71.63)	110218.61	37843.98	2428.51	40272.49	69946.12	44631.73	17779.48
Gas Cooling Tower	3296.90	709.95		4006.85	2270.92	87.04	2357.96	1648.89	1025.98	1113.02
Make-up Water System	3669.28	2180.92	(0.78)	5849.42	2125.89	97.14	2223.03	3626.39	1543.39	1257.33
Sub -Total	**553134.02**	**51750.61**	**(992.05)**	**603892.58**	**270720.77**	**14840.78**	**285561.55**	**318331.03**	**282413.25**	**186093.36**

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Carrying Amount 01.04.2016	Additions	Adjustments	Carrying Amount 31.03.2017	01.04.2016	Depreciation	Upto 31st Mar 2017	31.03.2017	31.03.2016	01.04.2015
II GENERAL ASSETS										
(FOR PROJECTS UNDER OPERATION)										
Buildings	10163.04	515.44	(199.76)	10478.72	3787.33	252.51	4039.84	6438.88	6375.71	4616.97
Furniture & Fixtures	628.29	68.53	(2.35)	694.47	426.47	26.49	452.96	241.51	201.82	132.03
Roads,Bridges,Culverts & Helipads	3795.23	270.78		4066.01	1645.54	110.76	1756.30	2309.71	2149.69	1892.29
Vehicles	546.98	2.99	0.00	549.97	344.90	18.07	362.97	187.00	202.08	220.14
Railway Siding	10.65			10.65	8.08	0.19	8.27	2.38	2.57	2.76
Electrical Installation	975.09	95.04		1070.13	670.19	16.69	686.88	383.25	304.90	198.43
Temporary Buildings/Erections	2446.87			2446.87	2446.87	0.00	2446.87	0.00	0.00	0.00
Hospital Equipment	21.37	2.55		23.92	10.51	1.02	11.53	12.39	10.86	9.84
Tools & Plants	3621.80	79.10	(0.08)	3700.82	2784.46	44.67	2829.13	871.69	837.34	732.37
Office Equipment	308.44	55.71	(1.56)	362.59	185.50	9.70	195.20	167.39	122.94	43.22
I T Equipment	848.05	53.40	(13.74)	887.71	708.76	53.45	762.21	125.50	139.29	200.21
Other Equipment	817.58	79.39	(0.29)	896.68	436.32	33.16	469.48	427.20	381.26	194.21
Water supply, sewerage & drainage	959.90	159.03		1118.93	458.21	40.07	498.28	620.65	501.69	488.20
Plant & Machinery in Generating Station										
(Diesel Power House)	530.39	7.42	(62.18)	475.63	392.40	2.11	394.51	81.12	137.99	77.57
Communication Equipment	178.78	48.29		227.07	129.80	3.84	133.64	93.43	48.98	48.75
Lightning Arrestor (Pole Type							0.00	0.00	0.00	
Magazine Building)	142.00			142.00	120.02	0.54	120.56	21.44	21.98	19.52
Telephone Line	103.69			103.69	91.98	0.07	92.05	11.64	11.71	11.78
Solar Panel		25.51	62.18	87.69		0.49	0.49	87.20	0.00	
Cellular Line	0.00			0.00	0.00		0.00	0.00	0.00	2.12
Fixed Assets of Minor value	33.46	14.10	0.01	47.57	33.46	14.10	47.56	0.01	0.00	0.01
Assets withdrawn from Active use				0.00			0.00	0.00	0.00	621.88
Free hold	1441.76	1.42	(0.25)	1442.93	0.00		0.00	1442.93	1441.76	1118.11
Sub -Total	27573.37	1478.70	(218.02)	28834.05	14680.80	627.93	15308.73	13525.32	12892.57	10630.41
TOTAL (A)	**580707.39**	**53229.31**	**(1210.07)**	**632726.63**	**285401.57**	**15468.71**	**300870.28**	**331856.35**	**295305.82**	**196723.77**

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Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Carrying Amount 01.04.2016	Additions	Adjustments	Carrying Amount 31.03.17	01.04.2016	Depreciation	Upto 31st Mar 2017	31.03.2017	31.03.2016	01.04.2015
B) ASSETS										
(FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)										
Building	6450.11	828.51	0.00	7278.62	1554.77	274.88	1829.65	5448.97	4895.34	5176.47
Furniture & Fixtures	947.35	30.64	(0.95)	977.04	507.65	47.42	555.07	421.97	439.70	476.34
Roads,Bridges,Culverts & Helipads	2968.27	302.24	0.00	3270.51	372.93	146.35	519.28	2751.23	2595.34	2988.12
Vehicles	152.35	25.02	(16.36)	161.01	68.50	19.73	88.23	72.78	83.85	79.45
Electrical Installations	474.02	14.73	0.00	488.75	278.47	19.47	297.94	190.81	195.55	245.00
Temporary Buildings/Erections	1918.12	5.62	0.00	1923.74	1918.12	5.62	1923.74	0.00	0.00	0.01
Hospital Equipment	12.72	0.15		12.87	4.73	0.83	5.56	7.31	7.99	9.17
Tools & Plants	1796.80	1722.36	0.00	3519.16	1279.40	236.92	1516.32	2002.84	517.40	572.83
Office equipment	610.91	9.80	(2.48)	618.23	409.39	17.78	427.17	191.06	201.52	204.90
I T Equipment	1433.73	116.04	(9.30)	1540.47	1275.57	121.96	1397.53	142.94	158.16	274.37
Water Supply,sewerage & drainage	597.08	119.72	0.00	716.80	113.22	36.61	149.83	566.97	483.86	518.04
Plant & Machinery in Generating Station (Diesel Power House)	183.38	0.00	(7.15)	176.23	131.04	3.31	134.35	41.88	52.34	44.58
Weigh Bridge	13.34	0.00	0.00	13.34	8.79	0.45	9.24	4.10	4.55	4.99
Solar panel	0.00	7.14		7.14		0.38	0.38	6.76	0.00	
Communication Equipment	178.99	0.70	0.00	179.69	103.77	7.57	111.34	68.35	75.22	79.84
Plant & Machinery	1.16	350.46	0.00	351.62	1.04	12.34	13.38	338.24	0.12	0.12
Transmission Line	6221.39	530.79		6752.18	2863.89	425.06	3288.95	3463.23	3357.50	3719.96
Transformer having a rating of 100 KV & Above	161.49	10.28	0.00	171.77	65.14	8.38	73.52	98.25	96.35	104.97
Substation Equipment	298.41	0.00	0.00	298.41	77.26	15.76	93.02	205.39	221.15	246.44
Freehold	467.27			467.27	0.00	0.00	0.00	467.27	467.27	672.12
Telephone Line		1.19		1.19		0.06	0.06	1.13	0.00	0.03
Other Equipment	1000.80	10.00	(0.64)	1010.16	399.48	51.34	450.82	559.34	601.32	699.82
Assets Withdrawn from Active use		0.00		0.00			0.00	0.00	0.00	8.16
Fixed assets of Minor value	57.08	2.51	(0.43)	59.16	57.04	2.08	59.12	0.04	0.04	0.00
Cellular Phone	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.81
TOTAL (B)	25944.77	4087.90	(37.31)	29995.36	11490.20	1454.30	12944.50	17050.86	14454.57	16133.54
GRAND TOTAL (A + B)	606652.16	57317.21	(1247.38)	662721.99	296891.77	16923.01	313814.78	348907.21	309760.39	212857.31

Note no.- 38 EARNINGS PER SHARE

The following table reflects the income and shares data used in the basic and diluted earnings per share computations.

	Particulars	March 31, 2017	March 31, 2016
(a)	**Profit after tax (Rs. in lakh)**	24046.37	30820.11
	Less: Amount to be paid for diluted portion (net of tax)		
	Profit attributable to ordinary shareholders - for Basic EPS	24046.37	30820.11
	Profit attributable to ordinary shareholders - for Diluted EPS	24046.37	30820.11
(b)	Weighted average no. of Ordinary Shares for Basic EPS	3452810400	3427823323
	Weighted average no. of Ordinary Shares for Diluted - EPS	3452810400	3427823323
(c)	Nominal value of Ordinary Shares (Rs)	10	10
(d)	Basic Earnings per Ordinary Share (Rs)	0.70	0.90
(e)	Diluted Earnings per Ordinary Share (Rs)	0.70	0.90

Note no.- 39 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakhs)

	As at		
Particulars	**31-Mar-17**	**31-Mar-16**	**1-Apr-15**
Contingent liabilities :			
Claims against the Company not acknowledged as debt in respect of:			
- Capital Works	149358.36	146413.64	84979.69
- Land compensation cases	3416.74	3416.74	1099.19
- Disputed Income tax demand	48.15	48.15	48.15
- Others	8.76	90.40	27.31
Total	152832.01	149968.93	86154.34
Commitments :			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	147309.55	134188.13	224791.84
Other Commitment	Nil	Nil	

(i) Claims against the company not acknowledged as debts as on March31,2017 include demand from the Indian Income tax authorities for payment of tax of Rs 48.15 lakhs upon completion of their tax assessment for the year 2001-02 amounting to Rs.3.92 lakhs and for the year 2011-12 amounting to Rs.44.23 lakhs .Demands were paid to statutory tax authorities in full except for fiscal year 2001-02 & 2011-12.

(ii) The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process.The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(iii) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

Note no.- 40 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan, coupled with long term and short term strategic investing plan. The funding requirements are met through equity, convertible and non- convertible debt securities, and other short term and long term borrowings. The Company's policy is aimed at combination of short term and long term borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Note no.- 41 Disclosure on Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note no.1 to the financial statements

(a) Financial assets and liabilities

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2017

Rs. in lakh

As at March 31, 2017	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances						26928.01	26928.01
Trade receivables						46534.16	46534.16
Investments						10993.00	10993
Loans						4325.01	4325.01
Other financial assets						6028.43	6028.43
Total						94808.61	94808.61

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Financial liabilities							
Trade and other payables						12361.37	12361.37
Borrowings						592567.78	592567.78
Other financial liabilities						32046.54	32046.54
Total						636975.69	636975.69

As at March 31, 2016	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances						44795.16	44795.16
Trade receivables						102586.97	102586.97
Investments						10295.00	10295.00
Loans						1556.71	1556.71
Other financial assets						3508.77	3508.77
Total						162742.61	162742.61
Financial liabilities							
Trade and other payables						13314.38	13314.38
Borrowings						544363.97	544363.97
Other financial liabilities						30503.48	30503.48
Total						588181.83	588181.83

As at April 1, 2015	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances						72711.27	72711.27
Trade receivables						76660.95	76660.95
Investments						15579.06	15579.06
Loans						2919.19	2919.19
Other financial assets						4926.73	4926.73
Total						172797.20	172797.20
Financial liabilities							
Trade and other payables						13065.78	13065.78
Borrowings						468541.99	468541.99
Other financial liabilities						27488.75	27488.75
Total						509096.52	509096.52

(b) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main items in this category are investment in unquoted equity shares, measured at fair value.

	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(I) Investments	10993.00	-	-	10993.00
(ii) Trade receivables	46534.16	-	-	46534.16
(iii) Cash and Cash equivalents	26928.01	-	-	26928.01
(v) Loans	4325.01	-	-	4325.01
(Vi) others	6028.43	-	-	6028.43
Total financial assets measured at fair value	**94808.61**	-	-	**94808.61**
Financial liabilities measured at fair value				
(i) Borrowings	592567.78	-	-	592567.78
(ii) Trade payables	12361.37	-	-	12361.37
(iii) Other financial liabilities	32046.54	-	-	32046.54
Total financial liabilities measured at fair value	**636975.69**			**636975.69**

	As at March 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(I) Investments	10295.00	-	-	10295.00
(ii) Trade receivables	102586.97	-	-	102586.97
(iii) Cash and Cash equivalents	44,795.16	-	-	44795.16
(v) Loans	1556.71	-	-	1556.71
(Vi) other s	3,508.77	-	-	3508.77
Total financial assets measured at fair value	162742.61	-	-	162742.61

Financial liabilities measured at fair value				
(i) Borrowings	544363.97	-	-	544363.97
(ii) Trade payables	13314.38	-	-	13314.38
(iii) Other financial liabilities	30503.48	-	-	30503.48
Total financial liabilities measured at fair value	588181.83	-	-	588181.83

	As at April 1, 2015			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(I) Investments	15579.06	-	-	15579.06
(ii) Trade receivables	76660.95	-	-	76660.95
(iii) Cash and Cash equivalents	72711.27	-	-	72711.27
(v) Loans	2919.19	-	-	2919.19
(Vi) others	4926.73	-	-	4926.73
Total financial assets measured at fair value	172797.20	-	-	172797.20
Financial liabilities measured at fair value		-	-	0.00
(i) Borrowings	468541.99	-	-	468541.99
(ii) Trade payables	13065.78	-	-	13065.78
(iii) Other financial liabilities	27488.75	-	-	27488.75
Total financial liabilities measured at fair value	509096.52	-	-	509096.52

(i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

(ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.

(iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end

(iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2017, 2016 and April 1, 2015

(c) Transfer of financial assets

The Company has not transferred any of its financial assets during the year.

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(d) Financial risk management

In the course of its business, the Company is exposed primarily to interest rates, liquidity and credit risk, which may adversely impact the fair value of its'financial instruments.

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) **Market Risk : -** Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(ii) **Credit Risk :-** Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

(iii) **Liquidity Risk:** Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

(e) The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Company's non derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

In Lakhs

	As at March 31, 2017				
Non- derivative financial liabilities	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Borrowings including interest thereon	904,140.38	904,140.38	88,453.17	378,903.91	436,783.30
Trade payables	5,285.97	5,285.97	5,285.97		
Other financial liabilities					
Total non- derivative financial liabilities	909,426.35	909,426.35	93,739.14	378,903.91	436,783.30
Derivative financial liabilities					

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In Lakhs

	As at March 31, 2016				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	898,757.48	898757.48	53,859.32	291,174.40	553,723.76
Trade payables	7,106.01	7106.01	7106.01		
Other financial liabilities					
Total non- derivative financial liabilities	905,863.49	905,863.49	60,965.33	291,174.40	553,723.76
Derivative financial liabilities					

In Lakhs

	As at April 1, 2015				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	859,398.53	859,398.53	62,928.88	222,121.04	574,348.61
Trade payables	7,909.68	7,909.68	7,909.68		
Other financial liabilities					
Total non- derivative financial liabilities	867,308.21	867,308.21	70,838.56	222,121.04	574,348.61
Derivative financial liabilities					

The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

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Note no.- 42 **Related party disclosures**

The required information with respect to Related Party Disclosure as per AS-18 is given as under:

A. Joint Ventures :

i) WAANEEP Solar Private Limited, 602, Western Edge-I, Western Express 3Highway,Brivali(E), Mumbai-400066,India.

ii) KSK Dibbin Hydro Power Private Limited, 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad – 500 033, India

B. Whole time Directors :

1 Sri P.C.Pankaj	Chairman & Managing Director (upto 30th June 2016)
2 Sri Gurdeep Singh	Chairman & Managing Director (w.e.f. 1st July 2016 to 29th August 2016)
3 Sri A G West Kharkongor	Chairman & Managing Director (w.e.f. 29th August 2016)
4 Sri A G West Kharkongor	Director (Finance)
5 Sri V K Singh	Director (Technical)
6 Sri Satyabrata Borgohain	Director (Personnel)

a) Parent entities

NEEPCO is controlled by the honerable president of India. Government of India holds 100% ownership interest in NEEPCO including and as on March 31, 2017

Particulars	31-Mar-17	31-Mar-16
Sales and purchase of goods and services		
sale of goods to associates	Nil	Nil
purchase of raw materials	Nil	Nil
Other transactions		
Dividend paid to parent entity	2100.00	11176.00

b) Key management personnel compensation

Particulars	31-Mar-17	31-Mar-16
Salary and allowances	158.08	135.85
Contribution to Provident Fund and other funds	14.45	21.01
Other benefits	12.33	37.90
Total	184.86	194.76

c) Transaction with related parties

The following transactions occurred with related parties:

Particulars	31-Mar-17	31-Mar-16
Sales and purchase of goods and services		
sale of goods to associates	Nil	Nil
purchase of raw materials from associates	Nil	Nil
purchase of various goods and services from entities controlled by key management personnel:	Nil	Nil
i. Professional services	Nil	Nil
Other transactions	Nil	Nil

d) **Outstanding balances arising from sales /purchases of goods and services**
The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Trade payables (purchases of goods and services)	Nil	Nil	Nil
Associates	Nil	Nil	Nil
Joint venture	Nil	Nil	Nil
Total payable to related parties	Nil	Nil	Nil
Trade receivables (sale of goods and services)	Nil	Nil	Nil
Associates	Nil	Nil	Nil
Joint venture	Nil	Nil	Nil
Total receivables from related parties	Nil	Nil	Nil

e) **Loan to/from related parties**

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Loans to key management personnel			
Beginning of the year	Nil	Nil	Nil
Loans advanced	Nil	Nil	Nil
Loan repayments received	Nil	Nil	Nil
Interest charged	Nil	Nil	Nil
Interest received	Nil	Nil	Nil
End of the year	Nil	Nil	Nil

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Loans to associates			
Beginning of the year	Nil	Nil	Nil
Loans advanced	Nil	Nil	Nil
Loan repayments received	Nil	Nil	Nil
Interest charged	Nil	Nil	Nil
Interest received	Nil	Nil	Nil
End of the year	Nil	Nil	Nil

g) **Terms and conditions**

The advances to key management personnel are generally for periods which varies from 12 months to 60 months depending on the nature of advance, repayble in monthly instalments. No goods were sold to associates during the year based . All other transactions were made on normal commercial terms and conditions .

All outstanding balances are unsecured and are repayble in cash

Note No. - 43 **Operating Segment**

a. Electricity generation is the principal activity of the Corporation. Other operation like interest income does not form a reportable segment as per the Accounting Standard 108. Interest income earned by the Corporation in respect of Bonds issued to the Corporation by various State Electricity Board/ Power Department in liquidation of the debts owed by them against energy supplied is attributable to the generation activity only.

b. The Corporation has power stations located within the country and therefore geographical segments are inapplicable.

Note no.- 44 STATEMENT SHOWING STATUS OF RECs AS ON 31.03.2017 AGAINST GENERATION FROM 5 MW MONARCHAK SOLAR PV POWER PLANT

A PPA agreement has been executed with Tripura State Electricity Corporation Ltd. (TSECL) for the entire plant capacity of 5 MW. Out of this 5 MW, TSECL's RPO requirement of 18 KW is contracted for sale at CERC determined generic tariff and the balance 4.982 MW under the REC mechanism at TSECL's average pooled cost of power purchase. NEEPCO is entitled 1 REC for every MWHr sold under the REC mechanism. The RECs can be traded at energy exchange at market determined prices within the band bounded by the forbearance price and the ceiling price which are determined by CERC from time to time.

Number of RECs for which eligible	13, 551
Number of RECs applied for	11, 011
Number of RECs issued	10, 994
Number of RECs placed for sale at exchange	NIL
Number of RECs sold	NIL

Note: Approval of competent authority for engagement of M/S NVVN as licensed trader for sale of RECs at IEX has been received on 16.06.2017 and process of concluding agreement with them is in progress. All issued RECs will be placed for sale immediately thereafter.

Status as on 31.03.2016

Number of RECs for which eligible	5978
Number of RECs applied for	5978
Number of RECs issued	NIL
Number of RECs placed for sale at exchange	NIL
Number of RECs sold	NIL

Note no. - 45

Reconciliation of Total Comprehensive Income

(₹ in lakhs)

Sl. No.	Particulars	Notes	IGAAP 31-Mar-16	Adjustment	Ind AS 31-Mar-16	Reasons
I	Revenue from Operations	26	160841.22	(253.58)	160587.64	Rebate to Customer netted off
II	Other Income	27	13524.83	0.64	13525.47	Interest income due to amortisation of fair value loss for employee loan.
III	**Total Income (I + II)**		174366.05	(252.94)	174113.11	
IV	Expenses					
	Cost of materials consumed	28	62955.03	0	62955.03	
	Employee benefit expense	29	24633.46	1221.77	25855.23	Acturial gain/loss relating to Defined benefit plan taken to OCI,Provision for gold coin and restatement for D.D. lanka expenses
	Finance costs	30	1723.14	0	1723.14	
	Depreciation and amortization expense	31	12169.10	(229.76)	11939.34	Amortisation of prepayments of leasehold land reclassified to other expenses
	Other expenses	32	28337.04	(235.05)	28101.99	Reabate to Customer netted off, Amortisation of prepayments of leasehold land reclassified to other expenses
	Total expenses (IV)		129817.77	756.96	130574.73	
	Profit / (loss) before exceptional items and tax		44548.28	(1,009.90)	43538.38	
	Exceptional Items					
	Profit / (loss) after exceptional items and tax		44548.28	(1,009.90)	43538.38	
V	Share of Profit of Associates		0		0	
VI	Share of Profit of Joint Ventures		0		0	
VII	Profit / (loss) before tax (III-IV+V+VI)		44548.28	(1,009.90)	43538.38	
VIII	Tax Expense:					
	(i) Current tax		11790.79	0	11790.79	
	(ii) Deferred tax		(4497.17)	5,424.65	927.48	
			7293.62	5424.65	12718.27	
IX	Profit / (loss) for the year from continuing operations (VII - VIII)		37254.66	(6434.55)	30820.11	
X	Profit / (loss) from discontinued operations		0	0	0	
XI	Profit / (loss) for the year/period (IX + XII)		37254.66	(6434.55)	30820.11	
XII	Other comprehensive income					
	A (i) Items that will not be reclassified to profit and loss					
	(a) Remeasurements of the defined benefit plans		0.00	964.44	964.44	
	(b) Others (specify nature)					
	B. Income tax relating to items that will not be		0.00	333.77	333.77	
XIII	Total Other Comprehensive Income		0.00	630.67	630.67	
XIV	Total comprehensive Income (XI+XIII)		37254.66	(5803.88)	31450.78	

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Note no. - 46A

Balance Sheet reconciliation on transition to Ind AS as on 01.04.2015

		1-Apr-15			
				(₹ in lakhs)	
ASSETS	Notes	IGAAP	Transition	IND AS	Remarks
Non-current assets					
Property, plant and equipment	2	220,968.86	(7,812.46)	213,156.40	Lease hold land - classified as operating leases and reclassified as prepaid expenses, Trn. of Forest land to "Intangible asset", Accounting of Asset held for sale & Depn. as PPE and Capitalization of Spares .
Capital work-in-progress	3	671,062.96	(120.39)	670,942.57	Prior Period Adjustment and restatement of D.D. lanka
Other intangible assets	4	6.72	1,582.80	1,589.52	Forest land reclassified
Financial assets					
Non-current investments	5	6,030.00		6,030.00	
Long-term loans and advances	6	129.42	(18.92)	110.50	Fair Value of employee loan
Other financial assets		-	-	-	
		6,159.42	**(18.92)**	**6,140.50**	
Deferred tax assets (net)	7	-	3,051.38	3,051.38	
Assets for Current Tax (net)					
Other non-current assets	8	22,109.87	6,805.24	28,915.11	Lease hold land - classified as operating leases and reclassified as prepaid expenses
		920,307.83	**3,487.65**	**923,795.48**	
Current assets					
Inventories	9	20,716.52	(299.09)	20,417.43	Capitalization of "Capital spares"
Financial assets					
Current investments	10	9,549.06		9,549.06	
Trade and other receivables	11	76,853.69	(192.74)	76,660.95	Prior Period Adjustment
Cash and cash equivalents	12	72,711.27	-	72,711.27	
Other financial assets	13	4,926.73		4,926.73	
		184,757.27	**(491.83)**	**184,265.44**	
Assets for Current Tax (net)	14	10,072.63		10,072.63	
Other current assets	15	3,109.49	259.67	3,369.16	Prepayments (Forest land reclassified)
		197,939.39	**(232.16)**	**197,707.23**	
Non-current assets classified as held for sale	15A	630.04	(630.04)	-	Reclassified as PPE
TOTAL		**1,118,877.26**	**2,625.45**	**1,121,502.71**	

EQUITY AND LIABILITIES					
Equity					
Equity Share capital	16	342,611.54	-	342,611.54	
Other Equity	17	216,849.27	(5,622.09)	211,227.18	Refer note 17A on equity reconciliation
Equity attriutable to shareholders		**559,460.81**	**(5,622.09)**	**553,838.72**	
Share Application money pending allotment					
Non-current liabilities					
Financial Liabilities					
Long-term borrowings	18	452,541.99	-	452,541.99	
Long-term provisions	19	9,582.18	-	9,582.18	
Deferred tax liabilities (net)	7	1,556.30	(1,556.30)	(0.00)	Defer tax computed as pe balance sheet approach
Other non-current liabilities	20	206.85	18,175.94	18,382.79	Government grant recognised as deferred income
		463,887.32	**16,619.64**	**480,506.96**	
Current liabilities					
Financial Liabilities					
Short-term borrowings	21	16,000.00		16,000.00	
Trade and other payables	22	13,065.78		13,065.78	
Other financial liabilities	23	27,488.75		27,488.75	
		56,554.53	-	**56,554.53**	
Short-term provisions	25	11,817.68	(8,372.10)	3,445.58	Dividend payable and dividend distribution tax is recorded as a liability in the period in which it is declared and approved by the share holders.
Liabilities for Current Tax (net)	14	8,623.13		8,623.13	
Other current liabilities	24	18,533.79		18,533.79	
		95,529.13	**(8,372.10)**	**87,157.03**	
TOTAL		**1,118,877.26**	**2,625.45**	**1,121,502.71**	

Note no. - 46B

Balance Sheet reconciliation as on 31.03.2016

		31-Mar-16			
				(₹ in lakhs)	
	Notes	IGAAP	Transition Effect	IND AS	Remarks
ASSETS					
Non-current assets					
Property, plant and equipment	2	316,565.63	(5,546.04)	311,019.59	Lease hold land - classified as operating leases and reclassified as prepaid expenses, Trn. of Forest land to "Intangible asset", Accounting of Asset held for sale as PPE and Capitalization of Spares .
Capital work-in-progress	3	705,635.24	(314.30)	705,320.94	Bond transcation cost adjusted and restatement of expenses for D.D. Lanka
Other intangible assets	4	4,541.83	-	4,541.83	
Financial assets					
Non-current investments	5	10,295.00		10,295.00	
Long-term loans and advances	6	151.34	(23.63)	127.71	Fair Value of employee loan
Other financial assets		-	-	-	
		10,446.34	**(23.63)**	**10,422.71**	
Deferred tax assets (net)	7	2,940.87	(1,150.74)	1,790.13	Assets & liabilities as per Ind AS and DTL for OCI
Assets for Current Tax (net)					
Other non-current assets	8	25,475.05	6,611.41	32,086.46	Lease hold land - classified as operating leases and reclassified as prepaid expenses
		1,065,604.96	**(423.30)**	**1,065,181.66**	
Current assets					
Inventories	9	14,579.78	(328.71)	14,251.07	Capitalization of "Capital spares"
Financial assets					
Current investments	10			-	
Trade and other receivables	11	102,586.97		102,586.97	
Cash and cash equivalents	12	44,795.16	-	44,795.16	
Other financial assets	13	3,508.77		3,508.77	
		165,470.68	**(328.71)**	**165,141.97**	
Assets for Current Tax (net)	14	14,463.66		14,463.66	
Other current assets	15	1,919.19	193.83	2,113.02	Prepayments (Forest land reclassified)
		181,853.53	**(134.88)**	**181,718.65**	
Non-current assets classified as held for sale	15A	970.39	(970.39)	-	Reclassified as PPE
TOTAL		**1,248,428.88**	(1,528.57)	**1,246,900.31**	

EQUITY AND LIABILITIES					
Equity					
Equity Share capital	16	345,281.04	-	345,281.04	
Other Equity	17	253,560.83	(21,969.01)	231,591.82	G.I.A. (Rs.31084.01 lakh) recognised as deferred income and Recognition of Retained Earnings
Equity attriutable to shareholders		**598,841.87**	**(21,969.01)**	**576,872.86**	
Share Application money pending allotment					
Non-current liabilities					
Financial Liabilities					
Long-term borrowings	18	544,432.10	(68.13)	544,363.97	Long-term borrowings at amortised cost
Long-term provisions	19	9,959.47	155.02	10,114.49	Prov for Gold Coin
Deferred tax liabilities (net)	7	-			
Other non-current liabilities	20	186.11	31,084.01	31,270.12	Government grant recognised as deferred income
		554,577.68	**31,170.90**	**585,748.58**	
Current liabilities					
Financial Liabilities					
Short-term borrowings	21	-		-	
Trade and other payables	22	13,314.38		13,314.38	
Other financial liabilities	23	30,503.48		30,503.48	
		43,817.86	**-**	**43,817.86**	
Short-term provisions	25	25,480.15	(10,730.46)	14,749.69	Dividend payable and dividend distribution tax (Rs. 10732.31 lakh) is recorded as a liability in the period in which it is declared and approved by the share holders. Prov. for Gold Coin (Rs. 1.85 lakh)
Liabilities for Current Tax (net)	14	11,790.79		11,790.79	
Other current liabilities	24	13,920.53		13,920.53	
		95,009.33	**(10,730.46)**	**84,278.87**	
TOTAL		**1,248,428.88**	**(1,528.57)**	**1,246,900.31**	

Note no. - 47

IMPACT OF IND AS ADOPTION ON CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2016

(₹ in lakhs)

	Previous GAAP	Adjustment	Ind AS
Net Cash flow from Operating activities	41,639.24	5,690.71	47,329.95
Net Cash flow from Investing activities	(107,553.46)	8,776.04	(98,777.42)
Net Cash flow from Financing activities	37,998.11	(14,466.74)	23,531.37
Net increase/(decrease) in Cash & Cash equivalents	(27,916.11)	-	(27,916.11)
Cash & cash equivalents as at 1st April 2015	72,711.27	-	72,711.27
Cash & cash equivalents as at 31st March 2016	44,795.16	-	44,795.16

Note no. 48 Confirmation of Balances

Balances shown under Capital advances to Contractors, Trade Payable and material in transit/with contractor/issued on loan, Trade receivables, Accounts receivable are subjected to confirmation/reconciliation and consequential adjustment, if any.

Note No. 49 Cut-off Date

The Company has taken all known ascertained liabilities pertaining to the year upto 31.03.2017 taking into consideration 07th April2017 as the cut-off date.

Note No. 50 Impairment loss

The management is of the opinion that no indication regaring impairment of assets exits as assessed in compliance to the provisions of Ind AS 36 on "Impairment of Assets".

Note No. 51 Previous year figures

The previous year figures have been regrouped, re-casted and re-arranged whereeverr possible and considered necessary.

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Tapan Kumar Das

Date : 16.8.17 C.Sharma	V K Singh	A.G.West Kharkongor	T K Das
Place : Delhi Company Secretary	Director (Technical)	Chairman & Managing Director and Director (Finance) - cum - Chief Financial Officer	Partner
	DIN NO: 07471291	DIN NO: 03264625	Membership No.053080

Independent Auditors' Report

To the Members of North Eastern Electric Power Corporation Limited

Report on the Consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of North Eastern Electric Power Corporation Limited ("the Venturer Company") and its jointly controlled entity (collectively referred to as "the Company"), comprising the consolidated balance sheet as at 31 March 2017, the consolidated statement of profit and loss including other comprehensive income, the consolidated statement of cash flows, 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 Venturer Company's Board of Directors is responsible for the preparation of the 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 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 there under and as per the Electricity Act, 2003 and relevant Central Electricity Regulatory Commission regulation in respect of Depreciation and other recognized accounting practices and policies. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company 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 Venturer Company, as aforesaid.

Auditors' Responsibility

Our responsibility is to express an opinion on the consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Electricity Act 2003, CERC Regulations and 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 there under.

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 auditors' 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 auditor considers internal financial control relevant to the Venturer 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 Venturer 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 report referred to in 'Other Matters' paragraph below, are 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 and based on the consideration of report of other auditor on separate Ind AS financial statements of the joint ventures referred to below in the Other Matters Paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act, the Electricity Act 2003 and CERC Regulations 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 financial positions of the Company as at 31st March 2017, and their consolidated financial performance including other comprehensive income, their consolidated cash flows and their consolidated 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 Ind AS financial statements:

1. Note No. 48 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.
2. Note No. 39 in respect of the uncertainty related to the outcome of the claims/arbitration proceedings and lawsuit filed by the/against the the Venturer Company on/by contractors and/or others. In some cases, the arbitration award has been decided against the Venturer Company /lost in lower courts and the Venturer Company is pursuing the matter in higher

courts.

The management doesn't foresee any possible outflows in respect of decision against the Venturer Company other than those already provided in the books of account.

Our report is not modified in respect of these matters.

Other Matters

We did not audit the Ind AS financial statements of two jointly controlled entities. These Ind AS financial statements have been audited by other auditors whose report 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 these jointly controlled entities and our report in terms of Section 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on such audited Ind AS financial statements.

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.

Report on other legal and regulatory requirements

1. As required under Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditors on separate financial statements of joint ventures referred in Other Matters Paragraph above, 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.
   c. The consolidated balance sheet, the consolidated statement of profit and loss, the consolidated statement of cash flows and consolidate 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 Accounting Standards specified under Section 133 of the Act, read with relevant rules issued there under.
   e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
   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 Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us :

i. The Venturer Company has disclosed the impact of pending litigations on the consolidated financial position of the Group. Refer to Note 42 to the consolidated Ind AS financial statements;

ii. The Venturer Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and

iii. The Venturer Company has no case of transferring any amount to the Investor Education and Protection Fund as per the provisions of the Act.

iv. The Venturer Company has provided requisite disclosures in Note No. 12 (ii) of its Ind AS financial statements as to the holding as well as dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8 November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016 of the Group entities as applicable. However, as stated in aforesaid note, the Company has received Specified Bank Notes amounting to Rs. 5,54,500.00 during the period from transactions at petrol pump located at the project station, refund of unspent employees' advances and transactions at the guest house of the company, which are not permitted. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated Ind AS financial statements and as produced to us and other auditors by the managements of the respective Group entities.

2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Venturer Company as we considered appropriate and according to the information and explanations given to us, in the 'Annexure B' on the directions and sub-directions issued by the Comptroller and Auditor General of India.

For SPAN & ASSOCIATES
Chartered Accountants
F.R.N.: 302192E

Place: Delhi
Date: 16th August, 2017

SPAN & ASSOCIATES Kolkata Chartered Accountants

Tapan Kumar Das.

T. K. DAS
Partner
Membership No.:053080

Annexure A to the Auditors' Report

(referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Section 143(3) (i) of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2017, we have audited the internal financial controls over financial reporting of North Eastern Electric Power Corporation Limited ('the Venturer Company') 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 Venturer Company 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 Companies Act, 2013.

Auditors' 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 ICAI 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. These 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 auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the Ind AS 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.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses in the internal financial control system of the Venturer Company have been identified as at 31st March, 2017:

> the company has an old information technology (IT) general and application system which is unable to cater the emerging needs and complete information consistent with financial reporting objectives.

This could potentially result into weakness in the internal financial controls over financial reporting of the Venturer Company.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim Ind AS financial statements will not be prevented or detected on a timely basis.

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the other matters paragraph below , the venturer company and jointly controlled entities, which are companies incorporated in India, have, in all material respects ,maintained adequate internal financial controls over financial reporting as of March 31st, 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 Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31st , 2017.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31st, 2017 consolidated Ind AS financial statements of the Venturer Company, and these material weaknesses do not affect our opinion on the consolidated Ind AS financial statements of the Venturer Company.

Other Matters

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

SPAN & ASSOCIATES Kolkata Chartered Accountants

For SPAN & ASSOCIATES
Chartered Accountants
F.R.N.: 302192E

Tapan Kumar Das

T. K. DAS
Partner
Membership No.:053080

Place: Delhi
Date: 16th August, 2017

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' [illegible] on the consolidated financial statements of even date)

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which titles/lease deeds are not available.	The Venturer Company has 593.43 hectares of leasehold and 6728.48 hectares of freehold land. In addition to this 6149.50 hectares of forest land has been allotted by the Competent Authorities to the Company for setting up projects. The company has title/lease deed/handover or possession certificate, as applicable, for the above land. Transfer of title deed in respect of 183.19 hectares of land is yet to be executed.	Nil
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.	No amount has been written off during the year.	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. Or other authorities?	The venturer Company has maintained proper records for inventories lying with third parties.	Nil

Place: Delhi

Date: 16th August, 2017

For SPAN & ASSOCIATES
Chartered Accountants
F.R.N.: 302192E

SPAN & ASSOCIATES Kolkata Chartered Accountants

Tapan Kumar Das

T. K. DAS
Partner
Membership No.:053080

NORTH EASTERN ELECTRIC POWER CORPORATION
Consolidated Balance Sheet as at 31.03.2017

(₹ in lakhs)

Sl No.	Particulars	Note No.	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
	ASSETS				
1	Non-Current assets				
	(a) Property, Plant and Equipment	2	348907.21	311019.59	213156.40
	(b) Capital work -in- Progress	3	799325.64	695320.94	660942.57
	(c) Intangible assets under Development	4	10082.50	10000.00	10000.00
	(d Intangible assets	4	4681.85	4541.83	1589.52
	(e) Financial Assets				
	(i) Investment	5	10428.74	10262.41	6204.50
	(ii) Loans	6	113.96	127.71	110.50
	(f) Deferred Tax Asset (Net)	7		1712.01	3005.02
	(g) Other Non-current Assets	8	28261.53	32086.46	28915.11
	1. Total Non-Current Assets		**1201801.43**	**1065070.95**	**923923.62**
2	**Current assets**				
	a) Inventories	9	13436.19	14251.07	20417.43
	b) Financial Assets				
	(I) Investments	10	0.00	0.00	9549.06
	(ii) Trade receivables	11	46534.16	102586.97	76660.95
	(iii) Cash and Cash equivalents	12	26928.01	44,795.16	72711.27
	(iv) Bank balances other than (iii) above				
	(Vi) others	13	6028.43	3,508.77	4926.73
	c) Current Tax Assets	14	11824.22	14463.66	10072.63
	c) Other Current assets	15	2039.31	2113.02	3369.16
	e) Assets Held For Sale	15A	67.69		
	2. Total Current Assets		**106858.01**	**181718.65**	**197707.23**
	Total Assets (1 + 2)		1308659.44	**1246789.60**	**1121630.85**
	EQUITY AND LIABILITIES				
1	**Equity**				
	a) Equity Share Capital	16	345281.04	345281.04	342611.54
	b) Other Equity	17	241521.73	231481.11	211355.32
	Total Equity		**586802.77**	**576762.15**	**553966.86**
	Share Application money pending Allotment		-	-	
	Non-Current Liabilities				
	a) Financial Liabilities				
	(i) Borrowings	18	559292.78	544363.97	452541.99
	(ii) Trade payables		-	-	
	(iii) Other financial liabilities		-	-	
	b) Provisions	19	12423.54	10114.49	9582.18
	c) Deferred tax liabilities (Net)	7	3609.34		0.00
	d) Other non-current liabilities	20	31311.40	31270.12	18382.79
2	**3. Total Non-Current Liabilities**		**606637.06**	**585748.58**	**480506.96**
	Current liabilities				
2	a) Financial liabilities				
	(I) Borrowings	21	33275.00	0.00	16000.00
	(ii) TradePayables	22	12361.37	13314.38	13065.78
	(iii) Other financial liabilities	23	32046.54	30503.48	27488.75
	b) Other current liabilities	24	14318.83	13920.53	18533.79
	c) Provisions	25	15220.49	14749.69	3445.58
	c) Current Tax liabilities	14	7997.38	11790.79	8623.13
	4. Total Current Liabilities		**115219.61**	**84278.87**	**87157.03**
	Total Equity and Liabilities (3 + 4)		1308659.44	1246789.60	1121630.85

Summery of significant accounting policies - Note no.1

The accompanying notes 1 to 52 form an integral part of these financial statements

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Date : 18.8.17
Place : Delhi

C.Sharma
Company Secretary

V K Singh
Director (Technical)
DIN NO: 07471291

A.G.West Kharkongor
Chairman & Managing Director and Director (Finance)
- cum - Chief Financial Officer
DIN NO: 03264625

T K Das
Partner
Membership No.053080

S P A N & ASSOCIATES Kolkata Chartered Accountants

PART II- STATEMENT OF PROFIT AND LOSS
Consolidated Statement of Profit and Loss Account

(₹ in lakhs)

Sl No.	Particulars	Notes	For the period ended 31st-Mar-17	For the period ended 31st-Mar-16
I	Revenue from Operations	26	140,447.01	160,587.64
II	Other Income	27	3,105.49	13,525.47
III	**Total Income (I + II)**		**143,552.50**	**174,113.11**
IV	**Expenses**			
	(a) Cost of materials consumed	28	40,742.17	62,955.03
	(b) Employee benefit expense	29	27,647.65	25,855.23
	(c) Finance costs	30	2,991.39	1,723.14
	(d) Depreciation and amortization expense	31	16,038.68	11,939.34
	(f) Other expenses	32	18,659.39	28,101.99
	Total expenses (IV)		**106,079.28**	**130,574.73**
	Profit / (loss) before exceptional items and tax (III - IV)		**37,473.22**	**43,538.38**
	Exceptional Items		-	-
	Profit / (loss) after exceptional items and tax		**37,473.22**	**43,538.38**
V	Share of Profit of Associates		-	
VI	Share of Profit of Joint Ventures		(531.68)	(207.09)
VII	**Profit / (loss) before tax (III-IV+V+VI)**		**36,941.54**	**43,331.29**
VIII	Tax Expense:			
	(i) Current tax		7,997.38	12173.36
	Less : MAT Credit			382.57
	Net Current Tax		7,997.38	11790.79
	(ii) Deferred tax		5,434.56	959.24
			13,431.95	12,750.03
IX	**Profit / (loss) for the year from continuing operations (VII - VIII)**		**23,509.60**	**30,581.26**
X	Profit / (loss) from discontinued operations		-	-
XI	**Profit / (loss) for the year/period**		**23,509.60**	**30,581.26**

(Rs. in lakhs)

Sl No.	Particulars	For the period ended 31st-Mar-17	For the period ended 31st-Mar-16
XII	**Other comprehensive income**		
	A (i) Items that will not be reclassified to profit and loss		
	(a) Remeasurements of the defined benefit plans	(327.14)	964.44
	(b) Others (specify nature)		
		(327.14)	**964.44**
	B (ii) Income tax relating to items that will not be	(113.22)	333.77
	C (i) Items that will be reclassified to profit and loss		
	(ii) Income tax relating to items that will be reclassified to profit and loss		
XIII	**Total other comprehensive income (A+ B)**	**(213.92)**	**630.67**
XIV	**Total comprehensive income for the period (XI + XIII)**	**23,295.68**	**31,211.93**

Sl No.	Particulars	For the period ended 31st-Mar-17	For the period ended 31st-Mar-16
	Profit for the year attributable to:		
	- Owners of the Company	23,509.60	30,581.26
	- Non-controlling interests	-	-
		23,509.60	**30,581.26**
	Other Comprehensive income for the year attributable to:		
	- Owners of the Company	(213.92)	630.67
	- Non-controlling interests	-	-
		(213.92)	**630.67**
	Total Comprehensive income for the year attributable to:		
	- Owners of the Company	23,295.68	31,211.93
	- Non-controlling interests	-	-
		23,295.68	**31,211.93**
	Earnings per equity share :		
	(1) Basic (in Rs)	0.68	0.89
	(2) Diluted (in Rs.)	0.68	0.89
	The accompanying notes 1 to 52 form an integral part of these financial statements		

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Tapan Kuma De
T K Das
Partner
Membership No.053080

Date : 16.8.17
Place : Delhi

C.Sharma
Company Secretary

V K Singh
Director (Technical)
DIN NO: 07471291

A.G.West Kharkongor
Chairman & Managing Director
and Director (Finance)
- cum - Chief Financial Officer
DIN NO: 03264625

Consolidated Cash Flow Statement as on March 31, 2017

(₹ in lakhs)

Particulars	Period ended March 31, 2017	Period ended March 31, 2016
Cash flows from operating activities		
Profit for the year (Net compressive income)	23,295.68	31,211.93
Adjustments for:		
Income tax expense recognised in profit or loss	13,318.72	13,083.80
Finance costs recognised in profit or loss	2,991.39	1,723.14
Investment income recognised in profit or loss	-	(626.72)
Gain on disposal of property, plant and equipment	-	(0.11)
Depreciation and amortisation of non-current assets	16,038.68	11,939.34
Impairment of non-current assets	-	-
Net foreign exchange (gain)/loss	(773.06)	342.97
Fair Value Loss	4.74	4.82
Movements in working capital:		
Increase in trade and other receivables	55,658.58	(25,936.74)
(Increase)/decrease in inventories	814.88	6,166.36
(Increase)/decrease in other assets	199.84	1,449.97
(Decrease)/ Increase in trade and other payables	837.74	667.77
Increase/(decrease) in provisions	2,779.85	11,836.42
(Decrease)/increase in deferred revenue	41.28	12,887.33
(Decrease)/increase in other liabilities	398.30	(4,613.26)
Cash generated from operations	**115,606.62**	**60,137.02**
Income taxes paid	(9,151.35)	(13,014.16)
Net cash (used in)/ generated by operating activities	**106,455.28**	**47,122.86**
Cash flows from investing activities		
Payments for property, plant and equipment	(117,818.15)	(106,099.68)
Payments to acquire financial assets	(166.33)	5,491.15
Interest received	656.62	675.71
Repyament by Employees & Others	(2,768.30)	1,362.48
Net cash (used in)/generated by investing activities	**(120,096.16)**	**(98,570.33)**
Cash flows from financing activities		
Proceeds from issue of equity instruments of the Company	-	2,669.50
Payment for debt issue costs		
Proceeds from borrowings	39,917.46	144,607.93
Repayment of borrowings	(20,793.87)	(59,112.05)
Proceeds fromshort term borrowings	33,275.00	(16,000.00)
Dividends paid on redeemable cumulative preference shares		
Dividends paid to owners of the Company	(13,259.80)	(11,090.96)
Interest paid	(43,365.06)	(37,543.05)
Net cash used in financing activities	**(4,226.27)**	**23,531.37**
Net increase in cash and cash equivalents	**(17,867.15)**	**(27,916.11)**
Cash and cash equivalents at the beginning of the year	**44,795.16**	**72,711.27**
Effects of exchange rate changes on the balance of cash held in foreign currencies	-	-
Cash and cash equivalents at the end of the year	**26,928.01**	**44,795.16**

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Date : 18.8.17
Place : Delhi

C.Sharma
Company Secretary

V K Singh
Director (Technical)
DIN NO: 07471291

A.G.West Kharkongor
Chairman & Managing Director
and Director (Finance)
- cum - Chief Financial Officer
DIN NO: 03264625

Tapan Kumar Das
T K Das
Partner
Membership No.053080

Consolidated Statement of Change in Equity

(₹ in lakhs)

Particulars	Equity Shares	Other Equity			Total Other Equity	Total Equity
		Reserve & Surplus				
		Retained Earnings	General Reserve	Bond Redemption Reserve		
As at 01.04.2015	**342611.54**	**12792.04**	**186291.68**	**12271.60**	**211355.32**	**553966.86**
Share Allotted	2669.50	0.00	0.00	0.00	0.00	2669.50
Profit for the year	0.00	30581.26	0.00	0.00	30581.26	30581.26
Other Comprehensive Income	0.00	630.67	0.00	0.00	630.67	630.67
Fair Value Adjustement	0.00	4.82	0.00	0.00	4.82	4.82
Payment of dividend	0.00	(9215.00)	0.00	0.00	(9215.00)	(9215.00)
Payment of dividend distribution tax	0.00	(1875.96)	0.00	0.00	(1875.96)	(1875.96)
Transfer to General Reserve	0.00	(11400.00)	11400.00	0.00	0.00	0.00
Transfer to Bond Redeemption Reserve	0.00	(12480.44)	0.00	12480.44	0.00	0.00
As at 31.03.2016	**345281.04**	**9037.39**	**197691.68**	**24752.04**	**231481.11**	**576762.15**
Share Allotted	0.00	0.00	0.00	0.00	0.00	0.00
Profit for the year	0.00	23509.60	0.00	0.00	23509.60	23509.60
Other Comprehensive Income	0.00	(213.92)	0.00	0.00	(213.92)	(213.92)
Fair Value Adjustement	0.00	4.74	0.00	0.00	4.74	4.74
Payment of dividend	0.00	(11017.00)	0.00	0.00	(11017.00)	(11017.00)
Payment of dividend distribution tax	0.00	(2242.80)	0.00	0.00	(2242.80)	(2242.80)
Transfer to General Reserve	0.00	0.00	0.00	0.00	0.00	0.00
Transfer to Bond Redeemption Reserve	0.00	(14980.44)	0.00	14980.44	0.00	0.00
As at 31.03.2017	**345281.04**	**4097.57**	**197691.68**	**39732.48**	**241521.73**	**586802.77**

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Date : 16.8.17 C.Sharma
Place : Delhi Company Secretary

V K Singh
Director (Technical)
DIN NO: 07471291

A.G West Kharkongor
Chairman & Managing Director
and Director (Finance)
- cum - Chief Financial Officer
DIN NO: 03264625

T K Das
Partner
Membership No.053080

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Ind AS Accounting Policies (Consolidated)

1. Notes to Accounts

Corporate information	North Eastern Electric Power Corporation Limited ("NEEPCO" / "the Company") is a leading power utility, primarily operating in the North-Eastern Region of India. NEEPCO Ltd, a Central Public Sector Unit (CPSU) wholly owned by the Govt. of India and it is conferred with the Schedule A- Miniratna Category-I CPSE status by the Government of India. Authorised Capital of the Company is Rs. 5000 crore. With its headquarters located at Shillong, the capital of Meghalaya, projects are located in the various states of North East. NEEPCO operates 5 hydro, 3 thermal and 1 solar power stations with a combined installed capacity of 1287MW. NEEPCO has power projects under construction which include 110 MW Pare HEP, 600 MW Kameng HEP and 60 MW Tuirial HEP. NEEPCO has its debt (Bond Eleventh issue to Seventeeth issue) listed with Bombay Stock Exchange (BSE). NEEPCO also executed Renewable Energy projects through Joint Ventures in Madhya Pradesh and Andhra Pradesh.
Statement of Compliance	In accordance with the notification issued by the Ministry of Corporate Affairs, the Group has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April, 2016, with a transition date of 1 April 2015. The financial statements of the Group for the year 2016-17are prepared in accordance with Ind ASs. Prior to adoption of Ind AS, the Group had been preparing its financial statements in accordance with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 and other generally accepted accounting principles in India ('together referred to as "Indian GAAP") for all periods up to and including the year ended 31 March 2016. During the first-time adoption, the following optional exemptions are availed by the Group apart from the mandatory exemption: ➢ **Deemed cost for property, plant and equipment and intangible assets** -The Group has opted to continue with the carrying value of all of its plant and equipment and intangible assets recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. ➢ **Long-term foreign currency monetary item** - The Group has elected to continue with the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the date of transition as per the previous GAAP. ➢ **Investments in joint ventures** - The Group has elected to continue with the carrying value of all of its investment in joint venture recognised as of 1 April, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date. ➢ **Fair value measurement of Financial Assets or Financial Liabilities at initial recognition –** The Group has elected to apply the requirements paragraph B5.1.2A (b) of Ind AS 109 prospectively to transactions entered into on or after the transition date.

2. Significant Accounting Policies

Basis of preparation	The consolidated financial statements of the Group have been prepared in accordance with the relevant provisions of the Companies Act, 2013 and Indian Accounting Standards (herein after referred to as "Ind-AS") as notified by the Ministry of Corporate Affairs pursuant to the section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules2015 and Companies (Indian Accounting Standards) Rules 2016. The Group has adopted all the applicable Ind ASs and such adoption was carried out in accordance with Ind-AS 101 – First Time Adoption of Indian Accounting Standards. The Group has transited from Indian Accounting Principles generally accepted in India as prescribe in section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules 2014, which was previous GAAP, to Ind-AS, as per the requirement of Ind-AS 101 with necessary disclosures relating to reconciliation and explanations

SPAN & ASSOCIATES Kolkata

	of the effects of such transition on the consolidated Balance Sheet, Statement of Profit & loss Account and Statement of Cash Flow in note nos. 45 to 47. The financial statements for the year ended 31st March 2016 and the opening balance sheet as on the 01st April 2015 have been restated in accordance with Ind-AS for comparative information. The financial statements have been prepared on historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Income and Expenses are accounted for on Mercantile Basis. Prepaid expenses of items of Rs. 20000/- and below are charged to natural head of accounts. All assets and liabilities have been classified as current or non-current as per Group's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Group has ascertained its operating cycle as 12 months for the purpose of Current or noncurrent classification of assets and liabilities. Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.
Basis of Consolidation	A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired. If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

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	When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.
Use of estimates	The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and reported amount of income and expenses during the period. Actual results may differ from those estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the financial statements prospectively and if material, their effects are disclosed in the notes to the financial statements. Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in Note-3
Investment in joint ventures	A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control. The Group measures its investment in joint venture at cost in accordance with Ind AS 27 – Separate financial statements.
Property, Plant and Equipment	Property, plant and equipment held for use in the production and transmission of power, or for administrative purposes, are stated in the balance sheet at cost, less any subsequent accumulated depreciation and impairment loss, if any. An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Assets which are not separately identifiable, but are common to more than one power generating unit are capitalised in the ratio of their respective installed capacity PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost, if any, wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement. The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on trial/test runs and experimental production is capitalized as an indirect element of the construction cost. However, after commencement of commercial operation, the expenditure incurred is charged to Revenue expenditure, although the contract stipulation provides for final taking over of the plant after satisfactory completion of the guarantee period. Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Group, the expenditure is capitalized and the carrying amount of the item replaced is derecognized. Similarly, overhaul costs associated with major maintenance are capitalized and depreciated over their useful lives where it is probable that future economic benefits will be available and any remaining carrying

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amounts of the cost of previous overhauls are derecognized. All other costs are expensed as incurred.

Net pre- commissioning income/ expenditure is adjusted directly to the cost of related assets.

Payments made/ liabilities created provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

Spare parts procured along-with the Plant & Machinery and capital spares procured subsequently which meets the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "stores & spares" forming part of the inventory.

Cost of mobile handsets are recognised as revenue expenditure.

Physical verification of Fixed Assets are undertaken by the management once in a year. The discrepancies noticed, if any, are accounted for in the year in which such differences are found.

Capital work-in-progress

Expenditure incurred on assets under construction is carried at cost under Capital work in Progress. Such costs comprises purchase price of asset including all taxes/duties and costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs including administrative and general overhead costs, if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets. For projects under construction, the project specific IEDC is allocated to its qualifying assets at the time of capitalisation on the basis of Cost Estimate of the project.

Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.

Incidental expenditure during construction including depreciation and interest are allocated/apportioned to the project/works forming part of work-in-progress or the basis of accretion thereto during the year.

In case of abandonment/suspension/discontinuation of project, the expenditure in relation to the same is expensed/charged off in the year of decision.

Depreciation

Depreciation is charged as per Electricity Act, 2003 on straight line method following the rates and methodology notified by the Central Electricity Regulatory Commission constituted under the Act except the followings:

i. IT equipment are being depreciated @ 33.33%, being the rate assessed by the Corporation based on useful life of the asset;

ii. Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

SPAN & ASSOCIATES Kolkata Chartered Accountants

	iii. Assets/procured installed, whose individual cost is RS. 5000/- or less but more than RS. 750/- (hereinafter is called Assets of minor value) and assets (excluding immovable assets) whose written down value is RS.5000/- or less at the beginning of the year are full depreciated during the year leaving a nominal balance of RS. 1/- only. iv. Low value items, which are in the nature of the assets (excluding immovable assets) and value up to RS.750/- are not capitalized and charged off to revenue during the year. v. Depreciation of Corporate/Administrative office assets and general assets of projects under construction are charged on the basis of rates notified vide CERC tariff regulations. Depreciation for each class of assets are calculated from the 1st day of the month following the month of its capitalization. For the de-capitalised assets, depreciation is calculated upto the previous month of de-capitalisation. Further, in accordance with the Tariff Regulation 2014-19, the methodology of depreciation for the projects under operation is as follows: (i) Asset wise rates of depreciation are charged every year as per existing rate for the period ending on 31st March of the year up to a period of 12 years from the date of commercial operation. (ii) Remaining depreciable value as at 31st March closing after a period of 12 years from the date of commercial operation shall be spread over the balance useful life of the assets keeping 10% of the Asset as residual value, as applicable for assets as notified vide CERC tariff regulations. For the purpose of calculation of depreciation, the useful life of the various classes of assets shall be taken as 35 years for Hydro generating station & 25 years for Thermal generating station as specified in the Regulations. **De-recognition of assets** An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit & loss or IEDC, as the case may be.
Intangible Assets	Intangible assets, i.e., Land right to use and Computer software are capitalized when the assets are ready for its intended use. These assets acquired are stated at cost less accumulated amortization and impairment loss, if any. "Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use." Land-right to use" is amortized over a period of useful life of the project or as per the CERC Regulations, whichever is lower, from the date of commercial operation of the project. Computer software is amortized over its useful life not exceeding three years from the date of capitalization.
Assets held for sale	Assets classified as "Asset held for sale" at its Net Realisable Value (NRV) subject to fulfillment of its recognition criteria in compliance to the Ind-AS 105, which are as follows: • NRV is recoverable principally through a sale transaction rather than through continuing use; • Such assets are available for immediate sale in its present conditions; • Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets, assets are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected to complete within one year from the date of classification.

Impairment	At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss, if any. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognised as impairment loss in the statement of profit & loss.
Regulatory asset or Regulatory liability	A regulatory asset is recognised when it is probable that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under the Central Electricity Regulatory Commission (CERC) Regulation and the amount can be measured reliably A regulatory liability is recognised: • when an entity has a present obligation as a result of a past event; • it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and • reliable estimate can be made of the amount of the obligation A regulatory assets and regulatory liabilities is presented as current/non-current, as the case may be, in the balance sheet, separately from other assets and liabilities On initial recognition and at the end of each subsequent reporting period, the Group measure a regulatory asset or regulatory liability at the best estimate of the amount expected to be recovered or refunded or adjusted as future cash flows under the regulatory framework (CERC). A regulatory asset or regulatory liability is not discounted to its present value. **Impairment of Regulatory Asset** The Group reviews the estimates of the amount expected to be recovered, refunded or adjusted at the end of each reporting period to reflect the current best estimate. If expectation differs from previous estimates, the changes are accounted for as a change in an accounting estimate in accordance with Ind AS 8. If it is concluded that it is not reasonable to assume that it will be able to collect sufficient revenues from its customers to recover its costs, this is an indication that the cash generating unit in which the regulatory assets and regulatory liabilities are included may be impaired and the Group test that cash generating unit for impairment in accordance with Ind AS 36 Impairment of Assets. **De-recognition** If it is no longer probable that the future economic benefits associated with a regulatory asset will flow to the Group or an outflow of resources embodying economic benefits will be required to settle a regulatory liability, the regulatory asset or liability, as the case may be, is de-recognized and any resulting loss/gain is recognized in the statement of profit and loss.
Foreign currencies	Items included in the financial statements are measured using the currency of the primary economic environment in which the Group operates. The Group's functional and reporting currency is Indian Rupees (INR). The financial statements are presented in Indian Rupees, which is the Group's reporting currency. In preparing the financial statements transactions in currencies other than the entity's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date. Exchange differences on foreign currency borrowings relating to Asset under Constructions for future productive use are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings as per the requirements of Ind As 23.

	Exchange differences on monetary items are recognized in the statement of profit and loss/IEDC, as the case may be, in the period in which they arise. Exchange differences in respect of liabilities relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress. Exchange differences arising on translation or settlement of monetary items in respect of transactions entered on or after 1st April'2004 are recognized as income or expenses in the period in which they arise in Profit or loss in case of operational power stations and added to the carrying amount of capital work in progress in case of projects under construction. In accordance with the CERC tariff regulations, every generating Group shall recover the foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises, i.e., the Group can recover the foreign exchange rate variation on actual basis when foreign currency loan is repaid after commercial operation date (COD). As the financial statements are prepared on accrual basis, exchange difference resulting from restating long term foreign currency monetary items on the reporting date are charged to statement of profit and loss. However right/obligation of recovery/payment of the same on actual basis arising out of CERC tariff regulations is recognized through deferred foreign currency fluctuation recoverable/payable account thereby resulting in no impact on the profit or loss of the period.
Provisions and contingencies	Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. If the effect of the time value of money is material, provisions are discounted using a pre-tax rate that reflects current market assessments of the time value of money in that jurisdiction and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost. Contingent liabilities are not recognized but disclosed unless the possibility of outflow of resources are remote. Contingent assets are generally not recognized but are disclosed when inflow of economic benefit is probable.
Leases	At the inception of a lease, the lease arrangement is classified as either a Finance lease or an operating lease, based on the substance of the lease arrangement. Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee. All other leases are classified as operating leases. Lease assets are accounted in accordance with Ind AS 17 and amortised as follows: i. Leasehold Land, in case of projects under operation, are amortised over the period of lease or useful life, whichever is lower. ii. Leasehold Land, in case of administrative offices, are amortised over the lease period. iii. Leasehold Land, in case of projects under construction are amortised over the period of lease or useful life, whichever is lower, after commissioning of the project.
Inventories	Inventories mainly comprise of stores and spare parts to be used for maintenance of Property, Plant and Equipment and are valued at costs, determined on weighted average basis or net realizable value (NRV), whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Value of scrap is adjusted in the account as & when sold/disposed-off and profit/loss, if any, is recognized in accounts in the year of selling/disposal.

	Physical verification of inventory are done by the management once in every year.
Trade receivable	Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expect to be collected within a period of 12 months or less from the reporting date (or in the normal operating cycle of the business if longer), they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price. As the entire sales are made to State Govt. utilities, the Group is not providing for allowance for expected life time credit loss.
Financial Instruments	Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities. **<u>Financial Assets</u>** Financial assets comprises of investments in joint venture, investment in power bonds, loans and advances to employees, trade receivables, cash and cash equivalents, materialised deferred tax recoverable and security deposits etc. **i. Cash or Cash Equivalents:** The Group considers all short term Bank deposits, which are readily convertible in to known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage For the purposes of the Cash Flow Statement, cash and cash equivalents is as defined above, net of outstanding bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities. **ii. Financial assets at amortized cost:** Financial assets are subsequently measured at amortized costs if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. **iii. Financial assets at Fair value through Other Comprehensive Income (OCI)** Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding. **iv. Financial assets at Fair value through Profit or loss** Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss. **Financial liabilities and equity instruments issued by the Group** **i. Financial liabilities** Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method. Other financial liabilities are measured at amortized cost using the effective interest method **ii.Equity Instruments:**

	An equity instrument is a contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs. **Derecognition of financial assets** The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity **Impairment of financial assets** At each reporting date, the Group assess whether the credit risk on a financial instrument has increased significantly since initial recognition. If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financia instrument has increased significantly since initial recognition, the Group measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses. The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss. **Derecognition of financial liability** The Group derecognizes financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. **Offsetting financial instruments** Financial assets and liabilities of the Group are offset and the net amount reported in the balance sheet, when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business.
Borrowing cost	Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred. Borrowing cost includes exchange differences on foreign currency borrowings are adjustment to interest cost. Prepayment charges on repayment of loan in full will be charged off to the IEDC / Profit & Loss account, as applicable, in the year of repayment itself.
Accounting for government grants	Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received. The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the fair value of the loan based on prevailing market interest rates. Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Group should

	purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income. Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Grants related to income are presented under other income in the statement of profit and loss.
Employee Benefits	Employee benefits consist of provident fund, pension, gratuity, post-retirement medical benefit (PRMB), leave benefits and other terminal benefits. Group contribution paid/payable during the year to Employees Defined Contribution Superannuation Scheme for providing Pension benefit, Provident Fund and Gratuity are accounted for and paid to respective funds which are administered through separate trusts. The Group's liability is actuarially determined for Gratuity, Leave encashment and PMRB at the Balance Sheet date and any further accretion during the year for Gratuity is provided for to the Trust set up by the Group and that for Leave encashment and PMRB are charged to IEDC or profit & loss, as the case may be. The expenses incurred on terminal benefits in the form of ex-gratia payments are charged to IEDC or profit & loss, as the case may be in the year of incurrence of such expenses.
Income Taxes	Tax expense represents the sum of current tax and deferred tax. **Current tax** The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period **Deferred tax** Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income. Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.
Revenue recognition and Other income	Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for rebates and other similar allowances. **Sale of Power** Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) and in case of power stations where final tariff is yet to be approved by CERC, provisional tariff as agreed by the beneficiaries are adopted. The incentives/disincentives are recognized based on norms notified by the Central Electricity Regulatory Commission.

	Rebate for prompt settlement of outstanding receivables (settlement discounts) are netted off with revenue as per the requirements of the standard. CERC application fee and publication expenses and interest receivable on arrear bills due to revision of Annual Fixed Cost (AFC) payable by the beneficiaries in terms of CERC regulations are being accounted for on accrual basis Deferred tax liabilities till March, 2009, whenever materializes and recoverable from the beneficiaries as per the CERC tariff regulations, are accounted for on year to year basis **<u>Other Income</u>** Dividends income from investments are recognized when the right to receive the dividend is established. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition. Interest on amount involved in consequent securitization of sundry debtors duly confirmed by all the States and Interest on arrear bills on account of revision of Annual Fixed Cost (AFC) are accounted for on accrual basis. Recovery/refund towards foreign currency variation in respect of foreign currency loans as per the CERC tariff regulations are accounted for on year to year basis Surcharge recoverable from beneficiaries for late payment of bills on account of sale of electricity and proceeds from renewable energy certificates for green energy are accounted for on cash basis.
Earnings Per Share	Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Group by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, if any, other than the conversion of potential equity shares, if any, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.
Segment Reporting	NEEPCO is in the business of only one product, i.e., generation and selling of electricity. All the projects of NEEPCO are located with the North East Region, i.e., within the same geographical location. NEEPCO has no reportable segment and accordingly, Ind AS 108 – Operating Segment to disclose information about segments is not applicable.
3. Critical accounting judgments and key sources of estimation uncertainty	
	In the application of the Group's accounting policies, which are described in Note-2, the management of the Group is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised. **Critical judgments in applying accounting policies:** The following are the critical judgments, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognized in the financial statements

i. Financial assets at amortized cost

The management has reviewed the Group's financial assets at amortized cost in the light of its business model and have confirmed the Group's positive intention and ability to hold these financial assets to collect contractual cash flows.

ii. Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

a. **Impairment of investments**

The Group reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b. **Provisions**

Provisions (excluding retirement benefits and compensated absences) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

c. **Contingent liabilities**

Contingent liabilities arising from past events the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events not wholly within the control of the Group or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote

d. **Fair value measurements and valuation processes:**

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Note no. 2 :: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Note No	As at 31st March,2017	As at 31st March, 2016	As at 1st April, 2015
Land		1910.20	1909.03	1790.23
Buildings		13075.47	12256.60	10799.69
Plant & Equipments		322674.54	287554.57	191230.05
Furniture & Fixture		663.48	642.78	608.96
Vehicles		259.78	286.72	300.38
Office Equipment	37	1787.98	1743.13	1760.79
Others :::				
Electrical Equipment		574.06	500.45	443.43
Road , Bridges, Culvert, Helipad		5060.94	4745.03	4880.41
Tools & Plants		2874.53	1355.27	1305.73
Misc . Equipment		26.23	26.01	36.73
Total		**348,907.21**	**311,019.59**	**213,156.40**

As at March 31, 2017

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert,Helipad	Tools & Plants	Misc Equipment	Total
Gross Block as at April 1, 2016	1909.03	22535.12	560672.24	1575.64	699.33	5480.97	1449.11	6763.50	5418.60	148.62	606,652.16
Additions	1.42	1628.32	52682.21	99.17	28.01	374.52	109.77	573.02	1801.46	19.31	57,317.21
Disposals/Adjustment	(0.25)	(199.76)	(999.20)	(3.30)	(16.36)	(28.01)	0.00	0.00	(0.08)	(0.42)	(1,247.38)
Reclassified as held for sale											
Gross Block as at March 31, 2017	**1,910.20**	**23,963.68**	**612,355.25**	**1,671.51**	**710.98**	**5,827.48**	**1,558.88**	**7,336.52**	**7,219.98**	**167.51**	**662,721.99**
Impairment as at April 1, 2016											
Other re-classifications											
Impairment as at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2016	0.00	10278.52	274371.56	934.12	413.40	3740.57	948.66	2018.47	4063.86	122.61	296891.77
Charge for the period	0.00	609.69	15309.15	73.91	37.80	298.93	36.16	257.11	281.59	18.67	16923.01
Disposals											
Other re-classifications											
Accumulated depreciation as at March 31, 2017	**0.00**	**10888.21**	**289680.71**	**1008.03**	**451.20**	**4039.50**	**984.82**	**2275.58**	**4345.45**	**141.28**	**313814.78**
Total accumulated depreciation and impairment as	0.00	10888.21	289680.71	1008.03	451.20	4039.50	984.82	2275.58	4345.45	141.28	313814.78
Net block as at March 31, 2017	1910.20	13075.47	322674.54	663.48	259.78	1787.98	574.06	5060.94	2874.53	26.23	348907.21

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As at March 31, 2016

(₹ in lakhs)

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert,Helipad	Tools & Plants	Misc Equipment	Total
Gross Block as at April 1, 2015	1,790.23	20,360.50	456,168.65	1,463.14	684.36	5,102.08	1,340.17	6,703.44	5,296.26	145.65	499,054.48
Additions	118.80	2,204.17	108,129.07	89.68	15.76	428.35	108.96	116.01	127.80	2.97	111,341.57
Disposals/Adjustment	-	(29.55)	(2,341.68)	24.08	-	(46.73)	(0.02)	(55.95)	(4.93)	-	(2,454.78)
Reclassified as held for sale									-		-
Gross Block as at March 31, 2016	**1,909.03**	**22,535.12**	**561,956.04**	**1,576.90**	**700.12**	**5,483.70**	**1,449.11**	**6,763.50**	**5,419.13**	**148.62**	**607,941.27**
Impairment as at April 1, 2015											
Other re-classifications											
Impairment as at March 31, 2016	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2015		9,560.81	264,938.60	854.18	383.98	3,341.29	896.74	1,823.03	3,990.53	108.92	285898.08
Charge for the period		717.71	9,462.87	79.94	29.42	399.28	51.92	195.44	73.33	13.69	11023.60
Disposals		(0.00)	0.00	-	-	-	-	-	-	-	
Other re-classifications											
Accumulated depreciation as at March 31, 2016	**0.00**	**10278.52**	**274401.47**	**934.12**	**413.40**	**3740.57**	**948.66**	**2018.47**	**4063.86**	**122.61**	**296921.68**
Total accumulated depreciation and impairment as	**0.00**	**10278.52**	**274401.47**	**934.12**	**413.40**	**3740.57**	**948.66**	**2018.47**	**4063.86**	**122.61**	**296921.68**
Net block as at March 31, 2016	**1909.03**	**12256.60**	**287554.57**	**642.78**	**286.72**	**1743.13**	**500.45**	**4745.03**	**1355.27**	**26.01**	**311019.59**

i Property, plant and equipment (including Capital work-in-progress) has been tested for impairment where indicators of impairment existed. Based on the assessment, the Company do not recognise any impairment charge during the current year and also during the year ended March 31, 2016

ii The Corporation has spent an amount of ₹ 23127.82 lakhs (previous year ₹ 21936.37 lakhs) on account of construction of Roads, Bridges and Culvert in respect of project under construction on assets which is not owned by the Corporation. Since this expenditure are essential for setting up the project/asset(s), the same are capitalised

iii Present and future immovable properties of Construction and O&M projects are mortgaged for raising Secured, Redeemable Non-Convertible Bonds Eleventh to Seventeenth issue valuing Rs.453250.00 lakhs having Charge ID with ROC are 10603635 for Rs.90000.00 lakhs , 10555356 for Rs.60000.00 lakhs, 10534076 for Rs.250000.00 lakhs, 10466275 for 7250.00 lakhs, 10411581 for 12000.00 lakhs and 10411580 for Rs.4000.00 lakhs. Creation of Charge for Bond raised on 27.03.2017 valued Rs.30000.0 lakhs is under process as on 31.03.2017. External Commercial Borrowing raised from SBI, Singapore for construction projects is secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects –Extension, Agartala. Foreign currency Loan received from KfW, Germany for construction project is guranteed by Govt. of India.

iv Interest and finance charge, related to construction projects, amounting to ₹ 37338.19 lakhs(previous year ₹ 44602.76 lakhs) has been transferred to IEDC (Ref. Note No-36).This also includes foreign exchange difference credited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹ 3691.49 lakhs (previous year debit ₹ 4300.77 lakhs) and foreign exchange difference credited to carrying amount CWIP in respect of Tripura Gas Based Power Plant, Monarchak amounting to ₹ 195.29 lakhs (previous year debit ₹ 1672.69 lakhs). The foreign exchange borrowings are un-hedged.

v The net carrying amount of plant and machinery comprises of:

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Assets held under Finance Leases			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Net carrying amount	-	-	-
Owned assets	348,907.21	311,019.59	213,156.40
Net carrying amount	**348,907.21**	**311,019.59**	**213,156.40**

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Note no. 3 Details of CWIP

(₹ in lakhs)

Particulars	As at 1st April 2016	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Building	1372.54	698.59	(40.27)	(850.22)	1180.64	1372.54	2280.71
Temporary Buildings/Erections	55.90	32.28	(2.17)	(4.23)	81.78	55.90	235.32
Roads,Bridges,Culverts & Helipads	22127.97	247.85	(34.64)	(310.28)	22030.90	22127.97	21909.95
Electrical Installation	112.91	47.36	(0.25)	(95.57)	64.45	112.91	57.16
Water Supply,Sewerage & Drainage	259.07	30.17	(5.25)	(210.50)	73.49	259.07	271.69
Hydraulic works incldg Dams,Dykes etc.	280911.24	57539.12	(5427.47)	(2445.01)	330577.88	280911.24	232795.76
Other Civil works	1780.71	201.45	(70.61)	(1733.46)	178.09	1780.71	1118.67
Power house	27719.78	9098.15	(0.05)	(46.38)	36771.50	27719.78	39985.14
Switch Yard including cable connection	9230.78	1474.11	(128.09)	(460.75)	10116.05	9230.78	12532.43
Environment & Echology	4403.86	13001.33	(54.96)		17350.23	4403.86	5027.24
Transmission Lines	913.71	65.72	(5.18)	(572.87)	401.38	913.71	724.64
Transformer having a rating of 100KV ampere	1072.90	6191.59	417.06	(1499.48)	6182.07	1072.90	2365.65
Survey & Investigation	9356.97	256.13	(276.35)		9336.75	9356.97	9194.31
Provision for S & I Units	(5674.18)				(5674.18)	(5674.18)	(5674.18)
Communication equipment					0.00		0.00
Substation	763.98	20.02		(138.00)	646.00	763.98	596.51
Plant, etc. in Generating station	72105.77	9807.21	(1081.65)	(21858.90)	58972.43	72105.77	94317.22
Plant & Machinery in Transit					0.00		16.75
Steam Turbine	28.72		(28.72)		0.00	28.72	24356.60
EDP & WP Machines		3.50		(3.50)	0.00		
Solar Plant					0.00		0.00
Gas Booster Station	4603.63	3206.37		(5124.87)	2685.13	4603.63	2987.03
Incidental Expenditure during Const.	264174.68	58267.47	(309.40)	(13781.70)	308351.05	264174.68	215843.97
TOTAL	695320.94	160188.42	(7048.00)	(49135.72)	799325.64	695320.94	660942.57

Note no. 4 Intangible Assets Under Development

(₹ in lakhs)

Particulars	As at 1st April 2016	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March 2017	As at 31st March 2016	As at 1st April 2015
Upfront Premium including Processing fee	10000.00		82.50		10082.50	10000.00	10000.00

Associates Kolkata Chartered Accountants

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Note no. 4 Intangible Assets

(₹ in lakhs)

	As at 31-March-17	s at 31-March-16	As at 1-Apr-15
Carrying amounts of :			
Software	58.72	72.78	6.72
Right to use (Forest Land)	4623.13	4469.05	1582.80
Intangible assets under development		-	-
	4,681.85	4,541.83	1,589.52

INTANGIBLE ASSETS

As at March 31, 2017

(₹ in lakhs)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2016	151.17	4,469.05	4,620.22
Additions	16.92	154.08	171.00
Gross Block as at March 31, 2017	168.09	4,623.13	4,791.22
Accumulated Impairment as at April 1, 2016			
Charge for the period			
Accumulated Impairment as at March 31, 2017			
Accumulated amortisation as at April 1, 2016	78.39	-	78.39
Charge for the period	30.98		30.98
Accumulated amortisation as at March 31, 2017	109.37	-	109.37
Total accumulated amortisation and impairment as at March 31, 2017	109.37	-	109.37
Net block as at March 31, 2017	58.72	4,623.13	4,681.85

As at March 31, 2016

(₹ in lakhs)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2015	76.27	1,582.80	1,659.07
Additions	74.90	2,886.25	2,961.15
Gross Block as at March 31, 2016	151.17	4,469.05	4,620.22
Accumulated Impairment as at April 1, 2015	-	-	-
Charge for the period			
Accumulated Impairment as at March 31, 2016	0	0	0
Accumulated amortisation as at April 1, 2015	69.55		69.55
Charge for the period	8.84		8.84
Accumulated amortisation as at March 31, 2016	78.39	-	78.39
Total accumulated amortisation and impairment as at March 31, 20	78.39	-	78.39
Net block as at March 31, 2016	72.78	4,469.05	4,541.83

i Compensation paid for forest land of 6149.50 Hectres for setting up of projects (Kameng Hydro Electric Project, Pare Hydro Electric Project, Tuirial Hydro Electric Project and Tripura Gas Based Power Plant) are treated as " Right to use". The land was handed over by respective District administration.

ii Expenses incurred on maintenance of software system payable annually are charged to revenue.

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Note no. 5 Investment

(₹ in lakhs)

Particular	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	QTY	Amounts	QTY	Amounts	QTY	Amounts
Quoted Investments						
TOTAL AGGREGATE QUOTED INVESTMENTS (A)	-	-			-	-
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
- of joint ventures - jointly controlled entities						
- WARNEEP Solar Pvt Limited (Equity Shares - Fully Paid up)	82000000.00	7225.60	75000000.00	7082.40	40000000.00	4446.40
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000.00	3203.14	27930000.00	3178.01	15280000.00	1256.50
- of joint ventures - (Share Application Money)						
- WARNEEP Solar Pvt Limited				0.00	0.00	500.00
- MDGEPL (Windpower)				2.00	0.00	1.61
TOTAL AGGREGATE UNQUOTED INVESTM	109930000.00	10428.74	102930000.00	10262.41	55280000.00	6204.50
Other Investment		0.00		0.00		0.00
TOTAL other investment (C)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
TOTAL INVESTMENTS (A) + (B)+ (C)	109930000.00	10428.74	102930000.00	10262.41	55280000.00	6204.50
Less : Aggregate amount of impairment in value of investments						
- of joint ventures - jointly controlled entities		0.00				0.00
TOTAL IMPAIRMENT VALUE (D)		0.00				0.00
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D		10428.74		10262.41		6204.50

INVESTMENT IN JOINT VENTURES

(i) The carrying amount and market value of unquoted investments is as follows:

Name of the Companies	Proportion of Ownership interest as at		
	31.03.2017	31.03.2016	01.04.2015
1. WAANEEP Solar Private Limited	40%	40%	40%
2. MDGEPL Wind Power	-	40%	40%
3. KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Unquoted			
Aggregate carrying amount of unquoted investments	-	-	-
Total carrying amount	-	-	-

(i) The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

(ii) **Investment in WARNEEP Solar Pvt Limited:**-50 MW Solar power Project has been developed by WAANEEP solar Private Limited as a joint venture between WAAREE Energies Ltd and NEEPCO Ltd. The Project was commissioned on 15th June'2015. Another 50 MW Solar Power Project is being set up in the state of Andra Pradesh.

(iii) **Investment in KSK Dibbin Hydro Power:**- Joint venture between KSK Energy Ventures and NEEPCO Ltd for setting up of a hydro power plant at Arunachal Pradesh.

Note no. 6 Loans

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Loans and Advances to employees			
- Secured, considered good	113.96	127.71	110.50
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less : Allowance for bad and doubtful advances	-	-	-
TOTAL (A)	**113.96**	**127.71**	**110.50**

(i) Loan & Advances to employees includes Interest bearing Computer Advance and interest free Furniture Advance and Multipurpose Advance. Computer advance& Furniture advance are recovered from employees in 60 equal instalments whereas Multipurpose Advance is recovered in 12 installment.

(ii) There are no outstanding debts from directors or other officers of the Company.

(iii) The above loans and advances have been given as per the norms of the Corporation on recoverable basis.

Note no.- 7 Deferred tax balances

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Defer Tax Liability	61,479.07	55,844.27	52,181.47
Net Deferred Tax Liabilities	-	-	-
From CCI	(113.22)	333.77	-
Less : Deferred Tax Asset	10,072.91	8,702.18	4,607.23
Less : Deferred Tax Recoverable	47,766.82	49,265.99	50,625.62
Deferred tax for JV Companies	83.22	(78.12)	(46.36)
Net Defer Tax (Asset)/ Liability	**3,609.34**	**(1,712.01)**	**(3,005.02)**

Income Tax

(i) The reconciliation of estimated income taxes to income tax expenses is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2017 Ind AS	As at March 31, 2016 IGAAP
Income before income taxes	**36,941.54**	**44548.28**
Expected income tax expense at statutory income tax rate	12784.73	15417.27
Effect of income that is exempt fom taxation	-	(210.68)
Effect of expenses that are not deductible in determining taxable profit	7234.34	9744.62
Effect of expenses that are allowable in determining taxable income	(13940.91)	(12777.85)
Income tax expense	**6078.16**	**12173.36**
MAT as per sec. 115JB	7,997.38	9,377.40
Income tax expense reported in PL	7,997.38	12,173.36

(₹ in lakhs)

(ii) Deferred Tax Reconciliation	March 2017	March 2016	Effect in PL
Defered Tax Liability as per Ind AS	(61365.85)	(56,178.04)	5187.81
Defered Tax Asset as per Ind AS	10072.91	8,702.18	(1370.74)
Net Defered Tax Liability	(51292.94)	(47,475.86)	3817.08
Less Defered Tax Recoverable	47766.82	49,265.99	1499.17
Net (Liability)/Asset as per Ind AS	(3526.12)	1,790.13	5316.25
Effect in PL			5429.47

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2016 is as follows:

(₹ in lakhs)

2015-16 Deferred Tax Liabilities/ (Assets) in relation to:	**Opening Balance**	**Recognised in Statement of Profit & Loss during the year**	**Closing Balance**
Plant, Property & Equipment	52,181.47	3,996.57	56,178.04
Employees Benefits	(4,508.65)	(4,042.05)	(8,550.70)
Provisions for Others	(98.58)	(52.90)	(151.48)
Deferred Tax Recognised in OCI		(333.77)	
Deferred Tax Recoverable	(50,625.62)	1,359.63	(49,265.99)
Deferred tax for JV Companies	46.36	31.76	78.12
Total	**(3,005.02)**	**959.24**	**(1,712.01)**

(₹ in lakhs)

2016-17 Deferred Tax Liabilities/ (Assets) in relation to:	**Opening Balance**	**Recognised in Statement of Profit & Loss during the year**	**Closing Balance**
Plant, Property & Equipment	56,178.04	5,187.81	61,365.85
Employees Benefits	(8,550.70)	(1,016.35)	(9,567.05)
Provisions for Others	(151.48)	(354.39)	(505.87)
Deferred Tax Recognised in OCI		113.22	
Deferred Tax Recoverable	(49,265.99)	1,499.17	(47,766.82)
Deferred tax for JV Companies	78.12	5.10	83.22
Total	**(1,712.01)**	**5,434.56**	**3,609.34**

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Note no. -8 Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances			
Secured :			
Covered By Bank Guarantee	2628.21	3406.80	3800.73
Un-Secured :			
Others	19194.31	21997.71	18191.73
Considered Doubtful	41.28	41.28	41.28
Less: Allowances for bad & doubtful advances	41.28	41.28	41.28
Sub- total	19194.31	21997.71	18191.73
Advances towards Land	21.42	70.54	117.41
Prepayments (Leasehold Land)	6417.59	6611.41	6805.24
Sub- total	6439.01	6681.95	6922.65
Total	**28261.53**	**32086.46**	**28915.11**

(i) Capital advances comprises of Mobilisation Advance and Plant & Machinery advance given to contractor in respect of Construction Projects. The advances are recovered from the contractors bills.

(ii) The Company has taken land under operating leases.There is no Minimum Lease Rental Payment for such under non-cancellable operating lease entered into by the company.

(iii) (a) During the year ended March 31, 2017,amortisation of lease recognised in the statement of profit and loss is Rs 193.83 lakhs (2015-16: Rs 193.83 lakhs)

(iii) (b) Significant leasing arrangements include lease of land for periods ranging between 30 years to 99 years as well as perpetual lease with renewal option.

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Note no.- 9 Inventories (At lower of cost or Net Realisable value)

(₹ in lakhs)

Particulars	As at 31st March, 2017	As at 31st March, 2016	As at 01st April, 2015
(a) General Stores			
(1) Cost	1211.09	1560.74	5035.56
(2) Less : Provision	52.70	66.30	31.11
(b) Operational stores			
(1) Cost	12430.83	13032.65	15572.41
(2) Less : Provision	153.03	276.02	159.43
Total Inventories	**13436.19**	**14251.07**	**20417.43**
Included above, goods-in-transit			
I) General Stores			
II) Opertational Stores	1910.86	598.02	3438.22
Total Goods in transit	1910.86	598.02	3438.22

(i) The cost of inventories recognised as an expense during the year in respect of continuing operations has been Rs. 10721.88 lakhs (2015-2016: Rs.11783.58 lakhs)

(ii) Invertories of Rs.16611.01 lakhs (March 31, 2016: Rs.14579.78 lakhs) are expected to be recovered within twelve months.

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Note no. - 10 Investment

(₹ in lakhs)

Particular	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	QTY	Amounts	QTY	Amounts	QTY	Amounts
Other Investment						
Investment in Power Bonds :						
8.5% Tax free State Govt. Bonds of the Government of -						
- Arunachal Pradesh	-	-	-	-	17880.00	178.80
- Assam	-	-	-	-	638270.00	6382.70
- Manipur	-	-	-	-	125394.00	1253.94
- Meghalaya	-	-	-	-	13026.00	130.26
- Mizoram			-	-	42336.00	423.36
- Nagaland			-	-	58070.00	580.70
- Tripura			-	-	59930.00	599.30
TOTAL other investment	-	-	-	-	**954906.00**	**9549.06**

These investments are current investments

Particular	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investments carried at fair value through profit and loss	-	-	-
Investments carried at fair value through OCI	-	-	-
Investments carried at amortised cost	-	-	-
Government securities (unquoted)	-	-	-

Power bond resulted from Govt of India's Power Sector secutirisation scheme implemented during FY 2002-03 has been redeemed fully on 1st April'2015

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Note no. - 11 **Trade receivables**

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables			
(a) Secured, considered good	46,534.16	102,586.97	76,660.95
(b) Unsecured, considered good	-	-	-
(c) Doubtful	-	-	-
Allowance for doubtful debts	-	-	-
TOTAL	**46,534.16**	**102,586.97**	**76,660.95**

(i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

(ii) Where no due date is specifically agreed upon, the normal credit period allowed by the Company is in compliance to the CERC regulations / Guidance.

(iii) Where a trade receivable has been provided for, such provision could be dictated by prudence, but one could still expect to realise the amount within 12 months from the balance sheet date. Under such circumstances, the said trade receivable is classified as current. Where, however, there is no expectation to realise the amount within the next twelve months period, the same needs to be classified as non-current along with the provision made for the same.

(iv) Trade receivables are further analysed as :

(₹ in lakhs)

As at March 31, 2017	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	22910.16	0	22910.16
One month overdue	6199.99	0	6199.99
Two months overdue	8520.99	0	8520.99
Three months overdue	8556.21	0	8556.21
Between three to six months overdue	580.93	0	580.93
Greater than six months overdue	14486.86	0	14486.86
TOTAL	**46,534.16**	0	**46,534.16**

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(₹ in lakhs)

As at March 31, 2016	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	47499.01	0	47499.01
One month overdue	5667.15	0	5667.15
Two months overdue	11843.26	0	11843.26
Three months overdue	17977.77	0	17977.77
Between three to six months overdue	6539.27	0	6539.27
Greater than six months overdue	30570.91	0	30570.91
TOTAL	**102,586.96**	-	102586.96

(₹ in lakhs)

As at April 1, 2015	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	32753.81	0	32753.81
One month overdue	4025.87	0	4025.87
Two months overdue	4402.64	0	4402.64
Three months overdue	4786.49	0	4786.49
Between three to six months overdue	13421.26	0	13421.26
Greater than six months overdue	25892.13	0	25892.13
TOTAL	**76,853.69**	-	**76853.69**

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2017 to be Rs 46534.16 lakhs (March 31, 2016: Rs 102586.96 lakhs, April 1, 2015: Rs76853.69 lakhs), which is the fair value of trade receivables after allowance for credit losses. The Company's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding accounts receivable as at March 31, 2017, 2016 and April 1, 2015 except Assam & Meghalaya

Movement in allowance for credit losses in respect of trade receivables:

	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016
Balance at the beginning of the period Additions during the period Utilised during the period		Nil	Nil
Balance at the end of the period		-	-

(i) In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

(ii) There are no outstanding debts due from directors or other officers of the Company.

Note no.- 12 Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	7182.64	5355.35	11677.10
(ii) In Deposit Account	19744.48	39430.92	60720.00
(b) Cheques, drafts on hand	-	0.00	0.00
(c) Cash in hand		8.89	9.13
(d) Others	0.89	0.00	0.00
Cash and cash equivalents as per balance sheet	26928.01	**44795.16**	**72406.23**
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account		0.00	305.04
(ii) In Deposit Account			0.00
Total	0.00	**0.00**	**305.04**
Total Cash and Cash Equivalents	**26928.01**	44795.16	**72711.27**

(i) Earmarked cash and bank balances primarily represents LC provided to State Bank of India for Gas payment.

(ii) In accordance with the MCA notification G.S.R. 308(E) dated March 30, 2017 details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from November 8, 2016 to December 30, 2016, is given below:

in Rs.

Particulars	SBNs	ODNs	Total
Closing cash in hand as on 08.11.2016	830000	85540	915540
(+) Unpermitted receipts[(a)]	554500		554500
(+) Permitted receipts		3140432	3140432
(-) Unpermitted payments[(b)]			0
(-) Permitted payments		2777683	2777683
(-) Amounts deposited in Banks	1384500	1250	1385750
Closing cash in hand as on 30.12.2016	0	447039	447039

(a) Unpermitted receipts includes amount collected towards sale of POL & receipts from employees towards settlement of advances.

(b) Unpermitted payments is **Nil**

(iii) The cash and bank balances as above are primarily denominated and held in Indian rupees

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Note no.- 13 Others

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Accounts Receivables			
- Secured, considered good	-		-
- Unsecured, considered good	4,211.05	1,429.00	2,808.69
- Doubtfu	-	-	-
Advances to staff	1,090.27	719.03	709.59
Interest accrued on loans and depsoits	622.01	1,278.63	1,327.62
Security Deposits	**105.10**	82.11	80.83
TOTAL	**6,028.43**	**3,508.77**	**4,926.73**

(₹ in lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest accrued on deposits and loans			
Unsecured, considered good	622.01	1,278.63	1,327.62
Unsecured, considered doubtful			
Less: Allowance for credit losses			
Other financial assets			
Advances to staff	1,090.27	719.03	709.59
Security Deposits	105.10	82.11	80.83

(i) Accounts receivables comprises of deferred Tax recoverable amounting to Rs.1557.13 lakhs and amount to be billed on the beneficiary amounting to Rs. 2653.92 on account of effective tax rate for the FY 2015-16

(ii) The above loans have been given for business purpose

(iii) There are no outstanding debts due from directors or other officers of the Company.

(iv) Loan & Advances to employees includes Interest bearing Computer Advance & Furniture Advance and interest free Multipurpose Advance. Computer advance & Furniture advance are recovered from employees in 60 equal instalment whereas Multipurpose Advance is recovered in 12 installment.

(v) Security deposits are primarily consists of Deposit against BSNL Lines, Gas Connection, Cable Connection etc. which will be refunded on surrender of services provided by service providers.

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Note no.- 14 Current tax assets and liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-		-
Tax refund receivables	**11824.22**	14463.66	10072.63
TOTAL	**11824.22**	**14463.66**	**10072.63**
Current tax liabilities			
Income Tax payable	**7997.38**	11790.79	8623.13
TOTAL	**7997.38**	**11790.79**	**8623.13**

Current Tax assets relates to advance Tax paid during the year. Current Tax liabilities relates to Tax computed as per IT Act .

Note no.- 15 Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Prepaid Expenses	988.01	700.45	1347.74
Advances to Suppliers & Contractors	905.11	1272.82	1814.78
- Allowances for doubtful	47.64	54.08	53.03
Prepayments (Lease hold land)	193.83	193.83	259.67
Total	**2039.31**	**2113.02**	**3369.16**

(i) Prepaid Expenses consists of amount paid in advance in respect of prepaid insurance & annual maintenance chargesrelating to software & EDP equipment the benefit of which has not yet expired on reporting date.

(ii) Advances to suppliers & contractors are the short term advances to be recovered within 12 months from the bills. The advances are given as stipulated under the work/supply order.

(iii) Prepaid lease rental include assets carried at Rs. 4623.13 lakhs (as at 31 March, 2016 Rs. 4469.05 lakhs, as at 1 April, 2015 Rs. 1,582.80 lakhs) for which the Company has paid lease rental in advance in the form of compensation , resettlement & rehabilitation & Afforestation at the time of acuisition of land

Note no. - 15A Assets held for sale

(₹ in lakhs)

Description of the non-current asset	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Plant & Equipments	577.22	-	-
Furniture & Fixture	-	-	-
Vehicles	-	-	-
Office Equipment	-	-	-
Tools & Plants	-	-	-
Misc . Equipment	-	-	-
Gross value of Assets held for sale	577.22	-	-
Less: Provision	509.53	-	-
NRV for Assets held for sale	67.69	-	-

Assets classified as "Asset held for sale" at its Net Realisable Value (NRV) subject to fulfillment of its recognition criteria in compliance to the Ind-AS 105, which are as follows:

- NRV is recoverable principally through a sale transaction rather than through continuing use
- Such assets are available for immediate sale in its present conditions;
- Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sel the assets, assets are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected complete within one year from the date of classification.

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Note- 16 Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity Share Capital	345,281.04	345,281.04	342,611.54
TOTAL	345,281.04	345,281.04	342,611.54

Authorisec Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5,00,00,00,000 nos. of equity shares of `10/- each (Previous year 5,00,00,00,000 nos. of equ ty shares of `10/- each)	500,000.00	500,000.00	500,000.00
Issued and Subscribed capital comprises :			
3,45,28,10,400 nos. as on March'17 : 3,45,28,10,400 nos. As on March'16: 3,42,61,15,400 nos. as on April'15 of equity shares of `10/- each	345,281.04	345,281.04	342,611.54
Total	345,281.04	345,281.04	342,611.54

(i) The movement in subscribed and paid up share capital is set out below:

Particulars	As at March 31, 2017					
	Opening balance as on 01.04.2016		Movement during 2016-17		Closing Balance as on 31.03.2017	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
Ordinary shares of Rs.10 each At beginning of the year Shares allotted during the year	3,452,810,400 -	345,281.04 -	0 -	- -	3,452,810,400	345,281.04
	3,452,810,400	345,281.04	-	-	3,452,810,400	345,281.04

Particulars	As at March 31, 2016					
	Opening 01.04.2015		Movement during 2015-16		Cl. as on 31.03.2016	
	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs	No. of shares	Rs. Lakhs
Ordinary shares of Rs.10 each At beginning of the year Shares allotted during the year	3,426,115,400 -	342,611.54 -	26,695,000 -	2,669.50 -	3,452,810,400	345,281.04
	3,426,115,400	342,611.54	26,695,000	2,669.50	3,452,810,400	345,281.04

(ii) Shares in the company held by each shareholder holding more than 5% shares

Particulars	As at March 31, 2017		As at March 31, 2016	
Name of Shareholder	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares	No. of Shares Held (Face value of Rs. 10 each)	% of Total Shares
Hon'ble President of India	3,452,809,800	100	3,452,809,800	100

(iii) The Corporation has only one class of shares referred to as equity shares having a par value of Rs 10/- wholly owned by the Govt of India.

Note no.- 17 Other equity

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
General Reserve	197691.68	197691.68	186291.68
Retained earnings	4097.57	9037.39	12792.04
Bond redemption reserve	39732.48	24752.04	12271.60
Total	241521.73	231481.11	211355.32

17.1 General Reserve

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year/period	197691.68	186291.68	186291.68
Movements	0.00	11400.00	0.00
Balance at the end of the year/period	197691.68	197691.68	186291.68

17.2 Retained Earnings

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year/period	9037.39	12792.04	12792.04
Profit attributable to owners of the Company	23509.60	30581.26	
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(213.92)	630.67	
FV loss adjustment	4.74	4.82	
Differences arising on disposal of interest in sub1 Ltd - see Note			
Payment of dividends on equity shares	11017.00	9215.00	
Shares buy-back			
Related income-tax on Dividend	2242.80	1875.96	
Transfer to General Reserve		11400.00	
Transfer to Bond Redemption Reserve	14980.44	12480.44	
Consolidated entry for Investment			
Balance at the end of the year/period	4097.57	9037.39	12792.04

17.3 Bond Redemption Reserve

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning of the year/period	24752.04	12271.60	12271.60
Movement during the year/period	14980.44	12480.44	
Balance at the end of the year/period	39732.48	24752.04	12271.60

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Note- 17A Reconciliation of Other Equity

(₹ in lakhs)

		IGAAP	Transition Effect	IND-AS	Foot Notes
1	Equity component of other financial instruments			-	
A	**Retained Earnings**	95.97			
	Proposed Dividend including dividend distribution tax		8,372.10		(A)
	Derivative financial instruments				
	Fair Valuation of Security deposits				
	Investment in Mutual Funds				
	Defer Tax difference on account of balance sheet approach		4,607.68		
	Asset Held For Sale				
	Fair Valuation of Employee Loan		(18.92)		
	Consolidated Entry		174.50		
	Defer Tax on unremmitted earnings		(46.36)		
	Prior Period Adjustment		(263.21)		
	Expenses related to drilling division		(143,80)		
	Discounting of long-term provision of sales return				
	Remeasurement of net defined benefit plans				
	Long-term borrowings at amortised cost				
	Government grant recognised as income				
	Reversal of Capital Reserve		14.08		
		95.97	12,696.07	12,792.04	
B	**Reserves**				
(i)	Other Reserves :				
	Capital reserve	14.08	-	14.08	
	Capital redemption reserve			-	
	Grant-in-Aid	18,175.94	(18,175.94)	-	(B)
	Bond Redemption Reserve	12,271.60	-	12,271.60	
	General Reserve	186,291.68	-	186,291.68	
		216,753.30	(18,175.94)	198,577.36	
		216,849.27	**(5,479.87)**	**211,369.40**	

Notes to reconciliations between IGAAP and Ind-AS :

(A) Under Ind-AS, dividend payable and dividend distribution tax is recorded as a liability in the period in which it is declared and approved by the share holders. Under IGAAP, dividend payable and dividend distribution tax is recorded as a liability in the period to which it relates.

This difference has resulted in increase in Retained Earnings and Equity under Ind-AS by Rs. 126.91 lakhs as at transition date.

(B) **Government grant recognised as income**

Under Ind-AS, government grants related to assets is presented in the balance sheet as deferred income and recognised in profit or loss on a systematic basis over the useful life of the asset. Under IGAAP, government grant in the nature of promoter's contribution is recognised as capital reserve.

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Note 17B : Investment in Joint Venture

(₹ in lakhs)

31st March 2017				
Name of the Joint Ventures	Waaneep Solar	Meratron	KSK Dibbin	Total
Percentage Holding	0.40	0.40	0.30	
Equity	20500.00	0.00	9311.00	
Reserve and Surplus	(2436.00)	0.00	1366.13	
Net Assets	18064.00	0.00	10677.13	
Share of Equity	7225.60	0.00	3203.14	10428.74
Total Equity				10428.74
Cost in stand alone financials	8200.00	0.00	2793.00	10993.00
Difference to Transition Reserve in CFS	(974.40)	0.00	410.14	(564.26)
Differential Entry	(556.80)	0.00	25.12	(531.68)
Defer Tax Entry	0.00	0.00	5.10	

(₹ in lakhs)

31st March 2016				
Name of the Joint Ventures	Waaneep Solar	Meratron	KSK Dibbin	Total
Percentage Holding	0.40	0.40	0.30	
Equity	18750.00	5.00	9311.00	
Reserve and Surplus	(1044.00)	(59.46)	1282.38	
Net Assets	17706.00	(54.46)	10593.38	
Share of Equity	7082.40	2.00	3178.01	10262.41
Total Equity				10262.41
Cost in stand alone financials	7500.00	2.00	2793.00	10295.00
Difference to Transition Reserve in CFS	(417.60)	0.00	385.01	(32.59)
Differential Entry	(364.00)	0.39	156.52	(207.09)
Defer Tax Entry	0.00	0.00	31.76	

(₹ in lakhs)

1st April 2015				
Name of the Joint Ventures	Waaneep Solar	Meratron	KSK Dibbin	Total
Percentage Holding	0.40	0.40	0.1899	Total
Equity	11250.00	5.00	8046.00	1527.94
Reserve and Surplus	(134.00)	(0.99)	1203.59	
Net Assets	11116.00	4.01	9249.59	
Share of Equity	4446.40	1.61	1756.50	6204.50
Total Equity				6204.50
Cost in stand alone financials	4500.00	2.00	1528.00	6030.00
Difference to Transition Reserve in CFS	(53.60)	(0.39)	228.50	174.50
Defer Tax Entry	0.00	0.00	46.36	46.36

Non-current liabilities

Financial Liabilities

Note no.- 18 Long term borrowings

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I BONDS : SECURED PRIVATE PLACEMENT:			
a. Seventeenth issue 7.80 % (Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at par on 27-05.2020. (The value of Assets of Kameng Hydro Electric Project, Arunachal Pradesh and landed property of the Corporation in the District of Mehhsana, Gujrat have been identified for mortgage through the Trust Deed with the appointed Trustee)	30000.00		
Less: Bond expense amortization	30.05		
Bond - Seventeenth issue (Net)	**29969.95**		
a. Sixteenth Issue 8.68%(Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at 20% of face value on 30th Sept'2026, 30th Sept'2027, 30th Sept'2028, 30th Sept'2029, 30th Sept'2030. (The value of Assets in the Tuirial Hydro Electric Project, Mizoram & Kopili Hydro Electric Project in Assam and landed property of the Corporation in the District of Mehhsana, Gujrat have been identified for mortgage through the Trust Deed with the appointed Trustee)	90000.00	90000.00	
Less: Bond expense amortization : (Rs. 69.60- 1.48-2.20)	65.93	68.13	
Bond - Sixteenth issue (Net)	89934.07	89931.87	
b. Fifteenth issue 9.15%(Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at 20% of face value on 25th March 2021, 25th March'2022, 25th March'2023 , 25th March'2024 and 25th March'2025 . (The value of Assets in the Agartala Gas Turbine Project (original open cycle plant) in Agartala, Tripura, value of Assets except the Gas Turbine & Steam Turbines in the Assam Gas Based Power Plant in Kathalguri , Assam, value of Assets except Plant & Machinery in generating station in the Ranganadi Hydro Electric Project in Arunachal Pradesh along with landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appionted trustee)	60000.00	60000.00	60000.00
c. Fourteenth issue 9.60%(Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at 20% of face value on 1st October'2020, 1st October'2021, 1st October'2022, 1st October'2023 and 1st October'2024 . (The asset value of Kameng Hydro Electric Project along with the landed property of the Corporation in the District of Mehsana , Gujarat have been charged by way of mortgage through the Trust Deed with the appointed Trustee)	250000.00	250000.00	250000.00

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
d. Thirteenth issue 9.00%(Taxable),Secured, Redeemable Non-Convertible Bonds of ` 10,00,000.00 each, Redeemable at 20% of face value on 15th March 2019, 15th March 2020, 15th March 2021, 15th March 2022 and 15th March 2023 . (The asset value of Steam Turbine of the Assam Gas Based Power Project, Assam along with the landed property of the Corporation in the District of Mehsana , Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Trustee)	7250.00	7250.00	7250.00
e. Twelfth issue 9.25 % (Taxable) , Secured ,Redeemable Non-Convertible Bonds of ` 10,00,000.00 each ,Redeemable 20% of Face value on each date on 27th June,2018,27th June 2019, 27th June 2020 ,27th June 2021 & 27th June 2022 . (The Assets value of Plant & Machinery in generating station of the Ranganadi Hydro Electric Project located in Arunachal Pradesh along with the landed property of the Corporation in the district of Mehsana, Gujarat have been charged by way of mortgage through a trust deed with the appointed Trustee.)	12000.00	12000.00	12000.00
f. Eleventh issue 10.20%(Taxable) , Secured ,Redeemable Non-Convertible Bonds of ` 10,00,000.00 each ,Redeemable at par on 15th December, 2021 with a put & call option on 15th December,2018.(The asset value of Gas Turbine of the Assam Gas Based Power Project, Assam along with the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Trustee)	4000.00	4000.00	4000.00
<u>II Term loan</u>			
<u>A. Secured</u>			
Rupee Loan ::			
<u>Foreign Currency Loan</u> **External Commercial Borrowing** [secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects –Extension, Agartala [debt Repayable in 39 equal quarterly installment w.e.f.20.06..2014]	38239.21	45923.60	50125.13
Total Secured Loans (A)	**491393.23**	**469105.47**	**333375.13**

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
B. Unsecured			
Rupee Loan			
Loans from Govt. of India			
Subordinate Loans from Govt. of India	29196.42	29196.42	**29096.42**
Less: Amortizat on of GOI Loan :	79.68		
Sub- total	**29116.74**		
Repayable in 15 equal annual installment starting from the 16th year after commissioning of Tuiral Hydro Electric Project			
Foreign Currency Loan			
Loan from Kfw	38782.81	46062.08	40070.44
(Guaranteed by the Govt. Of India)			
(Loan taken for construction of Pare Hydro Electric Project at Arunachal Pradesh)			
Repayable in 30 equal half yearly installment w.e.f. 30.12.2013			
Total Unsecured Loans (B)	**67899.55**	**75258.50**	**69166.86**
GRAND TOTAL (A+B)	**559292.78**	**544363.97**	**452541.99**

The maturity profile of borrowings is as follows: (pricipal+Interest)

Contractual maturities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
In one year or less or on demand	88,453.17	53,859.32	62,928.88
Between one & two years	58,717.36	55,056.01	52,756.72
Between two & tree years	57,968.71	59,182.38	53,953.41
Between three & four years	148,037.26	58,433.73	58,079.78
Between four & five years	114,180.58	118,502.28	57,331.13
More than five years	436,783.30	553,723.76	574,348.61
Total contractual cash flows	**904,140.38**	**898,757.48**	**859,398.53**
Less: Capitalisation of transaction costs	-	-	-
Total Borrowings	904,140.38	898,757.48	859,398.53

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Note no.- 19 Long Term Provisions

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Provision for Gratuity	1268.54	296.55	479.00
Provision for Leave encashment	7229.86	6645.22	6307.83
Medical benefit for retired employees	3799.52	3017.70	2795.35
Award of Gold Coin	125.62	155.02	
Total	12423.54	10114.49	9582.18

The provision for employee benefits includes gratuity, Leave Encashment, Post retirement medical benefit, Gold Coin at retirement. The increase/ decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year. For disclosure on Acturial Valuation as Per AS19 (2015) **refer note no.19a**

1. Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The major defined contribution plans operated by the Company are as below:

a. Provident fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary.Company pays fixed contribution at predetermined rates to the Provident Fund Trust, which invests the fund in permitted securities as per Government guidelines. The Companies contribution to the fund for the period was Rs. **2905.59** lakhs (previous year Rs. 2763.65 lakhs).The investment has earned sufficient interest to pay the same to the member as per the rate specified by the Government of India.

b) Superannuation fund

In terms of the Guidelines of Department of Public Enterprise (DPE), Govt.of India (GOI) issued vide O.M. no.2(70)/08-DPE (WC) / GL-xiv/08 dt.26.11.2008 and OM. No. 2(70)/08-DPE (WC) / GL-vii/09 dt.02.04.2009, the Company has formulated the NEEPCO Employees Defined Contribution Superannuation Benefit Scheme.

The Companies contribution to the trust managing this scheme for the period was Rs. 2024.41 lakhs (previous year Rs. 1886.39 lakhs).

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2. Defined benefit plans

a. Retiring gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 10.00 lakhs, on superannuation, resignation, termination, disablement or on death. The liability for the same is recognized on the basis of actuarial valuation.

The Board of Directors in their meeting held on 01.04.2013 has approved the creation of Gratuity Fund Trust vide its Resolution No.195/16 dt.1.4.2013 in order to meet the requirement of funds for payment of Gratuity to the employees separated from the services of the Corporation. Accordingly NEEPCO Employees Group Gratuity Assurance Fund Trust has been constituted on 25thJune'2013 and a Master Policy, named as North Eastern Electric Power Corporation Ltd Employees Group Gratuity –cum- Life Assurance (cash accumulation) Scheme, has been taken from the Life Insurance Corporation of India on 5th August2013.

b. Post –Retirement Medical Benefit scheme

The Company has a Contributory Scheme for Post –Retirement Medical Facilities for Superannuated Employees. Under the scheme the retired employee and spouse of retiree, spouse and dependent children of deceased employees are provided medical facilities on contributory basis which is as follows:

Reimbursement of medical expenses incurred for indoor treatment restricted to the rates of nearest authorized / approved hospital.

For out-patient/ domiciliary treatment taken in empanelled hospitals, reimbursement are allowed for clinical tests , examination, cost of medicines and other OPD expenses at actual subject to a ceiling of maximum of last basic per annum, whichever is less.. The liability for the same is recognized on the basis of actuarial valuation.

c. Gold Coin on Superannuation

To nurture a good organizational culture and appreciate the sincere services rendered by the employee, the Corporation is providing a Gold Coin to the retiring employee on the date of retirement. The liability for the same is recognized on the basis of actuarial valuation.

3. Other Employee benefit

a. Leave

The Company provides for earned leave benefits (including compensatory absences) and half pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave account is maintained in one section only i.e. en-cashable. On Superannuation/ separation of the employee from the Corporation, entire leave (Earned leave & Maximum 240 days Half Pay Leave) subject to a ceiling of 300 days will be en-cashable. Half pay leave cannot be commuted. The cash equivalent payable for Half Pay Leave would be equal to leave salary as admissible for half pay plus Dearness Allowance.

b. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company makes a matching contribution to the scheme. The objective of the scheme is to provide cash benefits to the dependent beneficiaries in the event of the death of an employee of the Company while in service including permanent total disablement leading to cessation of employment.

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Note No.- 19A

Disclosures As Per AS19 (2015)

Actuarial Valuation of Gratuity Liability

Scale of Benefit

Gratuity as per the payment of Gratuity Act 1972,with maximum limit of 10,00,000/-

Actuarial Basis used in Valuation

Amt in Rs.

3/31/2016		3/31/2017
8.00%	Interest Rate	7.50%
7.00%	Salary Inflation	7.00%
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

Results of Valuation

3/31/2016		3/31/2017
1213343978.00	Liability to be shown in Balance Sheet	1206657562.00
103210287.00	Charges to Profit/Loss for the Period	107160246.00
(103033413.00)	Other comprehensive Income	(35241344.00)

Changes in Present Value of Obligation as at

3/31/2016		3/31/2017
1276837518.00	Present value of obligation as on last valuation	1213343978.00
95720302.00	Current Service Cost	98196795.00
93775163.00	Interest Cost	85106337.00
N/A	Participant Contribution	N/A
(42508168.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(32803913.00)
(61297175.00)	Actuarial gain/loss on obligations due to Other reason	0.00
149183662.00	Benefits Paid	157185635.00
1213343978.00	Present value of obligation as on valuation date	1206657562.00
1910502533.00	Accrued Gratuity	1825987678.00

Changes in Fair Value of Plan Assets as at

3/31/2016		3/31/2017
1078564723.00	Fair value of Plan Assets at Beginning of period	1015238477.00
86285178.00	Interest Income	76142886.00
344168.00	Employer Contributions	1092213.00
149183662.00	Benefits Paid	157185635.00
(771930.00)	Return on Plan Assets excluding Interest Income	2437431.00
1015238477.00	Fair value of Plan Assets at End of measurement period	937725372.00

Reconciliation to Balance Sheet

3/31/2016		3/31/2017
(198105501.00)	Funded Status	(268932190.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
1015238477.00	Fund Asset	937725372.00
1213343978.00	Fund Liability	1206657562.00

Plan Assumptions

3/31/2016		3/31/2017
7.80%	Discount Rate	7.50%
8.00%	Expected Return on Plan Asset	7.50%
7.25%	Rate of Compensation Increase(Salary Inflation)	7.25%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	10
10	Average Duration of Liabilities	10
IALM 2006-2008 Ultimate	Mortality Table	IALM 2006-2008 Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60

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Expense Recognized in statement of Profit/Loss as at

3/31/2016	Expense Recognized in statement of Profit/Loss as at	3/31/2017
95720302.00	Current Service Cost	98196795.00
7489985.00	Net Interest Cost	8963451.00
103210287.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	107160246.00

Other Comprehensive Income

3/31/2016		3/31/2017
(42508168.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(32803913.00)
(61297175.00)	Actuarial gain/loss on obligations due to Other reason	0.00
(103805343.00)	**Total Actuarial (gain)/losses**	**(32803913.00)**
(771930.00)	Return on Plan Asset, Excluding Interest Income	2437431.00
(103033413.00)	Balance at the end of the Period	(35241344.00)
(103033413.00)	Net(Income)/Expense for the Period Recognized in OCI	(35241344.00)

Sensitivity Analysis

3/31/2016			3/31/2017	
Increase	Decrease		Increase	Decrease
1175743647.00	1253113398.00	Discount Rate (-/+ 0.5%)	1168297889.00	1247258416.00
-3.10%	3.28%	%Change Compared to base due to sensitivity	-3.18%	3.36%
1216100910.00	1210304007.00	Salary Growth (-/+ 0.5%)	1209467959.00	1203607058.00
0.23%	-0.25%	%Change Compared to base due to sensitivity	0.23%	-0.25%
1213567447.00	1213120280.00	Attrition Rate (-/+ 0.5%)	1206788318.00	1206526820.00
0.02%	-0.02%	%Change Compared to base due to sensitivity	0.01%	-0.01%
1215349416.00	1211330247.00	Mortality Rate (-/+ 10%)	1208433816.00	1204874020.00
0.17%	-0.17%	%Change Compared to base due to sensitivity	0.15%	-0.15%

Cash Flow

	Rupees(INR)
Next Year Total (Expected)	1271426213.00
Minimum Funding Requirements	299238595.00

Actuarial Valuation of Leave Encashment

Scale of Benefit

Fresh leave is credited every year and the maximum accumulation varies with categories of employees which is as under. CDA scale of pay & s1-Maximum 300 days, W7 & W8 on IDA scale of pay - maximum 240 days and W6 and below on IDA scale of pay-maximum 180 days.

Actuarial Basis used in Valuation

3/31/2016		**3/31/2017**
8.00%	Interest Rate	7.50%
7.00%	Salary Inflation	7.00%
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

Results of Valuation

3/31/2016		**3/31/2017**
708305421.00	Liability to be shown in Balance Sheet	782357929.00
277679446.00	Charges to Profit/Loss for the Period	285718527.00

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Changes in Present Value of Obligation as at

3/31/2016		3/31/2017
678381747.00	Present value of obligation as on last valuation	708305421.00
112192725.00	Current Service Cost	77713526.00
44360308.00	Interest Cost	45185430.00
0.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	84413347.00
121126413.00	Actuarial gain/loss on obligations due to Unexpected Experience	78406224.00
247755773.00	Benefits Paid	211666019.00
708305421.00	Present value of obligation as on valuation date	782357929.00
960123618.00	Accrued leave Encashment	867663098.00

Changes in Fair Value of Plan Assets as at

3/31/2016		3/31/2017
247755773.00	Benefits Paid	211666019.00

Reconciliation to Balance Sheet

3/31/2016		3/31/2017
(708305421.00)	Funded Status	(782357929.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
708305421.00	Fund Liability	782357929.00

Plan Assumptions

3/31/2016		3/31/2017
8.00%	Discount Rate	7.50%
-	Expected Return on Plan Asset	-
7.00%	Rate of Compensation Increase(Salary Inflation)	7.00%
N/A	Pension Increase Rate	N/A
11	Average expected future service (Remaining working Life)	10
10	Average Duration of Liabilities	10
IALM 2006-2008 Ultimate	Mortality Table	IALM 2006-2008 Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60

Expense Recognized in statement of Profit/Loss as at

3/31/2016		3/31/2017
112192725.00	Current Service Cost	77713526.00
44360308.00	Net Interest Cost	45185430.00
121126413.00	Actuarial Gain loss	162819571.00
277679446.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	285718527.00

Sensitivity Analysis

3/31/2016			3/31/2017	
Increase	Increase		Increase	Decrease
684475790.00	733554877.00	Discount Rate (-/+ 0.5%)	752696759.00	813964362.00
-3.36%	3.56%	%Change Compared to base due to sensitivity	-3.79%	4.04%
730566899.00	687085798.00	Salary Growth (-/+ 0.5%)	813798963.00	752583861.00
3.14%	-3.00%	%Change Compared to base due to sensitivity	4.02%	-3.81%
706563768.00	710157732.00	Attrition Rate (-/+ 0.5%)	783071823.00	781644037.00
-0.25%	0.26%	%Change Compared to base due to sensitivity	0.09%	-0.09%
709227237.00	707376687.00	Mortality Rate (-/+ 10%)	787067184.00	777648677.00
0.13%	-0.13%	%Change Compared to base due to sensitivity	0.60%	-0.60%

Actuarial Valuation of Post Retirement Medical Benefit Liability

Actuarial Basis used in Valuation

3/31/2016		**3/31/2017**
8.00%	Interest Rate	7.50%
Not Considered	Medical Cost escalation Rate	Not Considered
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

Results of Valuation

3/31/2016		**3/31/2017**
319238567.00	Liability to be shown in Balance Sheet	406943991.00
32450106.00	Charges to Profit/Loss Account for the Year	38967316.00
6589246.00	Other Comprehensive Income	67955347.00

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Changes in Present Value of Obligation as at

3/31/2016		3/31/2017
294295100.00	Present value of obligation as on last valuation	319238567.00
9470334.00	Current Service Cost	15745069.00
22979772.00	Interest Cost	23222246.00
0.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	18826139.00
6589246.00	Actuarial gain/loss on obligations due to Unexpected Experience	49129208.00
14095886.00	Benefits Paid	19217239.00
319238567.00	Present value of obligation as on valuation date	406943991.00

Changes in Fair Value of Plan Assets as at

3/31/2016		3/31/2017
14095886.00	Benefits Paid	19217239.00

Reconciliation to Balance Sheet

3/31/2016		3/31/2017
Unfunded	Funded Status	Unfunded
319238567.00	Fund Liability	406943991.00

Plan Assumptions

3/31/2016		3/31/2017
8.00%	Discount Rate	7.50%
11	Average expected future service (Remaining working Life)	10
IALM 2006-2008.00 Ultimate	Mortality Table	IALM 2006-2008.00 Ultimate
60	Superannuation at age-Male(for active staff)	60
60	Superannuation at age-Female(for active staff)	60

Expense Recognized in statement of Profit/Loss as at

3/31/2016		3/31/2017
9470334.00	Current Service Cost	15745069.00
22979772.00	Net Interest Cost	23222246.00
32450106.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	38967316.00

Other Comprehensive Income

3/31/2016		3/31/2017
0.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	18826139.00
6589246.00	Actuarial gain/loss on obligations due to Unexpected Experience	49129208.00
6589246.00	**Total Actuarial (gain)/losses**	67955347.00
6589246.00	Balance at the end of the Period	67955347.00
6589246.00	Net(Income)/Expense for the Period Recognized in OCI	67955347.00

Sensitivity Analysis

3/31/2016			3/31/2017	
Decrease	Increase		Increase	Decrease
303791525.00	336019921.00	Discount Rate (-/+ 50BPS)	388117852.00	424389192.00
4.84%	-5.26%	%Change Compared to base due to sensitivity	-4.63%	4.29%
328581571.00	310404264.00	Medical Cost (-/+ 1%)	408230317.00	400144767.00
-2.93%	2.77%	%Change Compared to base due to sensitivity	0.32%	-1.67%
316588743.00	321948712.00	Mortality Rate (-/+ 10 BPS)	400362454.00	408111752.00
0.83%	-0.85%	%Change Compared to base due to sensitivity	-1.62%	0.29%
319106131.00	319371237.00	Attrition Rate(-/+ 10 BPS)	406837037.00	407051099.00
0.04%	-0.04%	%Change Compared to base due to sensitivity	-0.03%	0.03%

AWARD OF GOLD COIN ON RETIREMENT

Actuarial Basis used in Valuation

31.03.2016		31.03.2017
8.00%	Interest Rate	7.50%
IALM 2006-2008	Mortality	IALM 2006-2008
10 per thousand p.a	Attrition Rate	10 per thousand p.a

Results of Valuation

15686817.00	Liability to be shown in Balance Sheet	14422573.00

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Note no.- 20 Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
a) Deferred Revenue arising from Government Grant	31084.94	31184.94	18175.94
Less : Adjusted during the year	20.31	(100.93)	0.00
Add :: Amortised of Tuirial Grant in Aid	81.40		
Sub- total	31146.03	31084.01	18175.94
b) Deferred Foreign Currency Fluctuation liabilities	165.37	186.11	206.85
Total	**31311.40**	**31270.12**	**18382.79**

(i) Grants relating to construction of Tuirial HEP and Grant for procurement of Spare parts relates to Assam Gas Based Power Plant

Spares out of Grant in Aid

(ii) During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of Rs. 20.31 lakhs (previous year Rs.100.93 lakhs) for spares purchased out of Grant-in-aid received from the Central Govt. An equivalent amount has been recognized as income in the statement of Profit & Loss.

Grant from Ministry of Development of North Eastern Region

(iii) As per the Investment Approval sanctioned vide the Ministry of Power's letter no.7/7/2009-H-I dated 14th January'2011, an amount of Rs. 300.00 crores has been sanctioned by the Ministry of Development of North Eastern Region (MDONER) as a part of the approved funding pattern for the Tuirial Hydro Electric Project, Mizoram. The total amount of Rs.300.00 crores are included in Grant in Aid which will be carried forward till the commissioning of the project.

(v) Exchange differences on account of settlement/transalation of monetary items denominated in foreign currency to the extent recoverable from the beneficiaries in subsequent periods as per CERC Tariff Regularions has been accounted as 'Deferred foreign currency fluctuation liabilities' post construction period and adjusted from the year in which the same becomes recoverable.

Note no.- 21 Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
From Bank: **[Short Term Loan**-(For construction Projects)-Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal Repayable in 4 (four) quarterly installments, commencing after 3(three) months from the date of first drawal]	19975.00	0.00	12500.00
Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal (Bullet repayment within six months from the date of drawal)	13300.00		
Workign Capital Demand Loan [Secured againsts hypothecation of the stocks of stores and spares and Book Debt of the Compnany to the extent of drawal-Repayable on demand]		0.00	3500.00
Total	33275.00	0.00	16000.00

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Note no.- 22 Trade Payables and other payables

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total outstanding dues of micro enterprises and small entreprises			
Total outstanding dues of creditors other than micro entreprises and small enterprises	5285.97	7106.01	7909.68
Payables for employees Benefits	7075.40	6208.37	5156.10
Total Borrowings	**12361.37**	**13314.38**	**13065.78**

The trade payable includes payment for fuel cost for the month of March ,provisions made on contractors claim and employees salary , statutory dues for March 2017 . Thereafter, no interest is payable on the outstanding balance

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Creditors for supplies and services	5285.97	7106.01	7909.68
(b) Creditors for accrued wages and salaries	7075.40	6208.37	5156.10

(i) The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Med um Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

Description	For the year ended March 31, 2017	For the year ended March 31, 2016	For the year ended April 1, 2015
i. The principal amount remaining unpaid to supplier as at the end of the year	-	-	-
ii. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-

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Current Liabilities

Note no.- 23 Other Financial Liablities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. Term Loan - Secured			
External Commercial Borrowing[secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects – Extension, Agartala [debt Repayable in 39 equal quarterly installment w.e.f. 20.06..2014]	6649.85	6803.10	6467.43
Loan from LICI [Secured by the assets of Kopili HEP : Khamdong Dam, Umrong Dam, Power House Khandong, Khandong Penstock, Dukes - Khandong, Tunnel - Khandong, Dyke - Umrong, Power House khandong - Electrical works (R&M) - Khandong, Tunnel Umrong, Steel liner & Penstock - KoPH. Also secured by the assets of Doyang HEP - Residential & non-res dential buildings (Parmanent), Road & Bridges and Diversion Tunnel]	0	0.00	264.00
Sub-Total	6649.85	6803.10	6731.43
II Term Loan- Unsecured			
Loan from Kfw:	3692.28	4004.09	3648.15
(Gurarnteed by the Government of India)			
(Loan taken for construction of Pare Hydro Electric Project at Arunachal Pradesh) - Repayable in 30 equal half yearly installment w.e.f. 30.12.2013			
Sub-Total	**10342.13**	**10807.19**	**10379.58**
IV Interest accrued but not due on:			
LICI	0.00	0.00	5.22
Bonds	2929.33	2900.09	637.26
Loans from Power Finance Corporation limited		0.00	0.00
Loans from Kfw	367.41	405.40	365.63
External Commercial Borrowing	57.63	59.18	33.90
Short term borrowing	227.67	0.00	107.79
Working Capital Loan		0.00	46.92
Sub-total	3582.04	3364.67	1196.72
V. Other liabilities			
Creditors for Capital Expenditure	16391.20	15623.16	13739.32
Advance from REC for Deen Dayal Upadhya	1731.17	708.46	2173.13
Sub-Total	18122.37	16331.62	15912.45
Total	**32046.54**	**30503.48**	**27488.75**

i) Creditor for Capital expenditure represents amount payable to constractor in respect of work done & measured at the reporting date.

ii) Deen Dayal Upadhyaya Gram Jyoti Yogana

Cash & Bank balances of Rs. 26928.01 lakhs (previous year Rs. 44795.16 lakhs) includes an amount of Rs. 1731.17 lakhs (previous year Rs. 708.46 lakhs) received from Rural Electrification Corporation Limited towards eligble fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yogana. The Corporation has spent an amount of Rs. 126.17 lakhs (previous year Rs. 100.54 lakhs) towards this scheme which is included Capital Work in Progress (Note no 2).

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Note no.- 24 **Other Current Liabilities**

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances from Contractors & Others	12544.98	12405.47	16638.29
Direct & Indirect Taxes Payables	499.08	459.20	869.29
Other liablitv (Deferred foreign currency fluctuation)	20.74	20.74	20.74
Other Statutory Dues (CPF,LIP NESSS etc)	1254.03	1035.12	1005.47
Total	14318.83	13920.53	18533.79

(i) Advances from Contractors & others relates to security deposit , earnest money deducted from works/supply bill which will be settled on completion of work after defect liability period as stipulated by the terms of contract/supply order.

(ii) Direct & Indirect taxes like income tax deducted from salary of March, tax deducted at source, forest royality, Value added Tax , Works contract tax deducted from works /supply bill of March not deposited upto the reporting date.

(iii) Other Liability (Defered Foreign Expenditure)- refer note no 20 (v)

(iv) Other Statutory Dues Payable includes Corporation contribution to Providend fund, LIC premium deducted , Pension contribution, employees contribution to Providend fund and other deduction made during March & not deposited upto the reporting date.

Note- 25 **Provisions**

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Employee benefits			
Gratuity	1420.78	1684.50	1503.73
Medical benefit for retired employees	269.92	174.69	147.61
Leave encashment	593.72	437.83	475.99
Award of Gold Coin	18.61	1.85	-
Sub-total	2303.03	2298.87	2127.33
Provision for Write off	12917.46	12450.82	0.00
Provision for Tariff Revision/Adjustment	0.00	0.00	1318.25
Total	**15220.49**	**14749.69**	**3445.58**

Employee benefit- Refer Note no.19

Provision for Write Off- Amount provided towards project abandoned

Provision for Tariff Revision/ Adjustment relates to revision of annual fixed charge for Power stations as submitted before the CERC

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Note no.- 26 Revenue from Operations

(₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Sale of Power	134640.67	157989.32
DSM receivable	2937.52	1705.07
RRAS receivable	114.30	0.00
Internal consumption	177.75	193.97
Less: rebate	(328.05)	(253.58)
Sale of Electricity (Net)	137542.19	159634.78
Other operating Revenue ::		
NERLDC Fees & Charges	543.32	505.32
Interest from Beneficiaries	2361.50	447.54
Net Revenue from Operation	**140447.01**	**160587.64**

a. Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.

b. Sales includes Nil (Previous year ₹2485.76 lakh) on account of earlier years sales arising out of finalization of tariff in current year. However Rs.2653.92 lakhs relates to recognitionmof revenue on account of deferrence between the efective tax rate for FY 2016-16 vs tax rate allowed by the CERC for the said year.

c. In terms of cl. no. 49 of the CERC (Terms and conditions of Tariff) Regulations,2014, deferred tax liabilities for the period upto 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the beneficiaries or long term transmission customers/DICs, as the case may be. Accordingly, current year sale includes ₹ 1557.13 lakh (previously ₹ 1429.00 lakh).

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Note- 27 Other Non-Operating Income (₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
a) Interest Income		
Interest income earned on financial assets that are not designated as at Fair Value through profit or loss		
Bank Deposits at amortised Cost		
Investments in debt instruments measured at FVTOCI		
Other financial assets carried at amortised cost		608.75
Sub -total		**608.75**
b) Dividend Income		
Dividends from equity instruments		
All dividend from equity investments designated at FVTOCI recognised for both the years relate to investments held at the end of each reporting period		
Sub Total		-
c) Other non-operating income (net of expenses directly attributable to such income)		
Rental Income		
Finance lease contingent rental income		
Grant in Aid	20.31	100.93
Misc Receipts	104.66	152.39
FERV Recoveable/Payable (Net)	20.74	20.74
Liability/Provision written back	806.87	2.37
Delayed Payment Surcharge	2152.91	12622.21
Interest on arrear sale		17.97
Sub Total	**3105.49**	**12916.61**
Other gains and losses		
Gain /(loss) on disposal of PPE		0.11
TOTAL	**3105.49**	**13,525.47**

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Note no.-28 Cost of Material Consumed

(₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Purchase of Gas	39630.11	61858.71
Transportation charges for Gas	1112.06	1096.32
TOTAL	**40742.17**	**62955.03**

Note- 29 Employees Remuneration and Benefit Expenses

(₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Salary & Wages	33162.43	32640.68
Contribution to Provident Fund	2922.95	2763.65
Gratuity	1075.50	1.77
Employees Pension	2031.15	1886.39
Leave Encashment	2871.44	2776.80
Award of Gold Coin	34.56	156.87
Staff welfare expenses	57.79	42.73
Compuer adv to emp. - fair valuation loss	3.06	6.98
Furniture adv to emp. - fair valuation loss	1.08	3.19
Total	**42159.96**	**40279.06**
Amount transferred to IEDC	**14512.31**	**14423.83**
carried forward to Statement of Profit & Loss	**27647.65**	**25855.23**

Employees' remuneration and benefits include the following for the Directors including the Chairman & Managing Director.

Particulars	Current year (2016-17) *(` in lakhs)*	Previous year (2015-16) *(` in lakhs)*
Salary and allowances	95.90	116.71
Contribution to Provident Fund and other funds	11.97	18.06
Other benefits	48.83	35.76

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Note- 30 Finance Costs (₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
A.Interest Expenses		
i) Loans from Life Insurance Corporation of India		7.32
ii) Cash Credit from State Bank of India	164.24	135.97
iii) Interest on ECB Loan	1966.69	1433.75
iv) Bonds	39390.25	35626.25
V) Exchange Rate Fluctuation	(4659.84)	6316.43
VI) Kfw Loan	1588.59	1605.62
Vii) Interest on Short term Borrowing	1236.47	557.04
Viii) Interest on Loan from Govt. Of India		0.34
Finance Charges		
i) Guarantee fee on foreign Loan	605.66	529.01
ii) Commitment Fees	0.30	14.10
B.Other Borrowing Costs	37.22	100.07
Total	**40329.58**	**46325.90**
Amount transferred to IEDC	**37338.19**	**44602.76**
Amount carried forward to Statement of Profit & Loss	**2991.39**	**1723.14**

Note no.- 31 Depreciation & Amortization expenses (₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Total (as per notes 2)	16923.01	11023.60
Add: Decapitalisation, Sale, Write off	397.20	48.99
Adjustment due to recasting from IGAAP to Ind AS		1916.84
Total (as per Note no.31)	**17320.21**	**12989.43**
Depreciation of Construction Project (Note no. 36)	1281.53	1050.09
Depreciation charged to PL account	**16038.68**	**11939.34**

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Note no.-32 Other Expenses

(₹ in lakhs)

Particulars	Note No	For the period ended 31-Mar-17	For the period ended 31st-Mar-16
GENERATION EXPENSES			
Repairs & maintenance :			
a) Roads & buildings		1018.34	1035.41
b) Power house		4217.79	3700.78
c) Hydraulic works		309.90	380.49
d) Line & sub-stations		106.57	60.11
e) Others		401.65	350.54
f) Stores & spares (against Grant-in-Aid)		20.31	100.93
Sub Total		6074.56	5628.26
ADMINISTRATION EXPENSES			
a) Travelling expenses		240.07	181.97
b) Advertisement expenses		77.45	150.51
c) Insurance charges		606.75	549.04
d) Rents		3.11	2.68
e) Rates & taxes		33.26	40.99
f) Entertainment expenses		0.77	2.18
g) General expenses	34	6136.72	4809.38
h) Publicity expenses		51.24	22.38
i) Legal charges		58.22	49.91
j) Filing fees to CERC		60.41	55.72
k) NERLDC Fees & Charges		527.19	492.01
l) Research & Development Expenses		56.41	110.75
m) Corporate Social Responsibility & SD		607.58	1030.57
o) RRAS- Expenditure		43.05	
p) Interest to beneficiary states		16.86	1417.52
q) Trading Expenses		979.58	
r) Share of General establishment	35	2149.64	217.92
Sub Total		11648.31	9133.53

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Other Expenses			
Purchase of Power			121.00
Lubricants, oil etc		120.79	212.19
Electricity Duty		15.94	17.11
U I Charge		135.30	266.78
Transmission Charges		25.53	12.63
Provision for Write off		470.40	12450.82
Prepayment Amortisation		168.56	259.67
Sub Total		936.52	13340.20
TOTAL		**18659.39**	**28101.99**

Corporate Social Responsibility and Sustainable development

a) Gross amount required to be spent by the Company during the year - Rs. **7.69 crore**

b) Amount spent during the year on : **(Rs. in Crore)**

Particulars	In Cash	Yet to be paid in cash	Total
I Construction / acquisition of any asset	3.30	--	3.30
ii On Purposes other than (i) above	2.78	--	2.78
Total	6.08	--	6.08

Note no.- 33 Payment to Auditors (₹ in lakhs)

Particulars	For the period ended 31-Mar-17	For the period ended 31-Mar-16
Statutory Audit fees	11.21	10.30
Tax audit fees	0.58	0.57
Cost Audit Fees	1.38	1.38
Other expenses	3.34	8.21
Total	**16.51**	**20.46**

NOTE- 34

GENERAL EXPENSES

For the period ended : (₹ in lakhs)

Particulars	Operation & Maintenance		General Administration		Project (Under Construction)		Total	
	March'17	March'16	March'17	March'16	March'17	March'16	March'17	March'16
Transport expenses	649.87	574.18	176.99	206.90	604.01	621.49	1430.87	1402.57
Printing & stationery	23.88	21.95	44.73	64.86	19.19	22.59	87.80	109.40
Postage & telegram	1.48	1.50	7.31	5.49	2.95	3.64	11.74	10.63
Medical expenses	711.01	644.10	244.65	734.57	430.78	532.04	1386.44	1910.71
Medical expenses to Retd.Employees			389.67				389.67	
Licence & registration	14.96	3.80			58.88	2.08	73.84	5.88
Paper & periodicals	0.68	0.60	2.81	4.43	1.63	0.34	5.12	5.37
Uniforms & liveries	4.81	10.63	0.86	10.63	2.09	1.42	7.76	22.68
Honorarium	0.01	0.16	4.54	0.01			4.55	0.17
Electric & water charges	242.27	194.94	76.41	78.06	965.46	1505.56	1284.14	1778.56
Bank charges	13.09	55.83	0.56	20.00	1.92	11.21	15.57	87.04
Social welfare	670.87	552.93	102.33	82.84	100.41	40.18	873.61	675.95
Consultancy charges	69.18	14.62	254.96	114.39	61.34	76.29	385.48	205.30
Security arrangement	2327.59	1959.76	131.22	135.89	505	396.53	2963.81	2492.18
Training expenses	130.05	272.06				0.33	130.05	272.39
Staff recruitment expenses			25.33	20.52			25.33	20.52
Hospital facilities	13.50	7.90			6.60	3.93	20.1	11.83
Subscription & membership fees	10.05	0.04	31.69	34.99			41.74	35.03
Communication expenses	43.22	26.13	329.69	336.79	92.66	122.70	465.57	485.62
Office furnishing	9.68	1.37	1.77	1.91	3.51	0.88	14.96	4.16
Miscellaneous expenses	80.21	84.79	117.35	178.53	99.17	103.09	296.73	366.41
I.B. expenses	28.45	29.24	52.39	41.93	91.47	91.09	172.31	162.26
Laboratory & meter testing charges					7.60	6.17	7.60	6.17
Environment & Ecology	39.24							
Photographic records	0.35	0.01	1.56	1.65	0.03	0	1.94	1.66
Loss of Stock/Advance written off	0.42	203.61		1.17	1.99	37.46	2.41	242.24
I T Expenses	116.47	56.24	167.52	187.4	90.92	74.75	374.91	318.39
Loss on sale of fixed Assets	882.38	67.99	7.19	1.28	0.99	3.53	890.56	72.80
Compensation	53.00	25.00		8.00	39.00	44.97	92	77.97
TOTAL	**6136.72**	**4809.38**	**2171.53**	**2272.24**	**3187.60**	**3702.27**	**11456.61**	**10783.89**

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Note no.- 35

Incidental Expenditure of Corporate office

(₹ in lakhs)

Particulars	Note No.	For the period ended 31-Mar-17	For the period ended 31st-Mar-16
Administration & other Expenses			
Travelling expenses		189.34	252.67
Rent		88.80	73.97
Rates & taxes		4.37	4.31
General expenses	34	2171.53	2272.24
Repairs & maintenance		147.71	155.11
Audit fees & expenses	33	16.51	20.46
Legal expenses		11.98	4.62
Insurance charges		12.25	10.35
Entertainment expenses		0.04	0.01
Advertisement expenses		20.95	131.28
Publicity expenses		339.45	431.01
Board meeting expenses		19.84	24.37
Sub-total		3022.77	3380.40
Less : Non operating receipts :			
i) Interest on Investment		646.32	3072.54
ii) Others		226.81	89.94
		873.13	3162.48
Net expenditure		2149.64	217.92
Expenditure charged to Profit & Loss Account	32	2149.64	217.92

Note no.- 36

INCIDENTAL EXPENDITURE DURING CONSTRUCTION

(₹ in lakhs)

Particulars	Note No.	For the period ended 31-Mar-17	For the period ended 31-Mar-16
GENERAL ADMINISTRATION			
A. Employees benefit Expenses	29	14512.31	14423.83
B. Interest and Finance expenses capitalized	30	37338.19	44602.76
C. Depreciation	31	1281.53	1050.09
D. Adminstration & other expenses			
Travelling expenses		248.66	290.44
Rents		17.87	19.35
Rates & taxes		1.56	2.24
General expenses	34	3187.60	3702.27
Repairs & maintenance		482.76	438.39
Filling Fees		0.00	6.09
Environment & Ecology		6.89	0
Energy Conservation expenses		0.38	0
Legal expenses		83.29	21.87
Insurance charges		1524.25	790.48
Entertainment expenses		0.09	0.68
Tender expenses		18.87	83.07
Total (D)		5572.22	5354.88
Total (A + B+C+D)		58704.25	65431.56
Less : Non-operating receipts			
i) Interest on advances from Suppliers/		381.38	481.60
Contractors		55.40	514.66
ii) Others		436.78	996.26
Net Expenditure		58267.47	64435.30
Expenditure transferred to Capital Work-in-Progress		**58267.47**	**64435.30**

Note no. - 37

Property Plant & Equipment

(₹ in lakhs)

Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Carrying Amount 01.04.2016	Additions	Adjustments	Carrying Amount 31.03.2017	**01.04.2016**	**Depreciation**	**Upto 31st Mar 2017**	**31.03.2017**	**31.03.2016**	**01.04.2015**
A) ASSETS										
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES :										
Building and civil engineering works containing generation plant & equipment, main plant	52221.64	1927.25	(22.12)	54126.77	15569.12	1534.97	17104.09	37022.68	36652.52	12101.10
Hydraulic works including Dams Dykes,Reservoirs & Tunnels	166110.42	544.36	0.00	166654.78	78290.17	3812.29	82102.46	84552.32	87820.25	91569.24
Plant & Machinery in Generating Station	64270.01	3627.21	180.64	68077.86	29356.87	2307.44	31664.31	36413.55	34913.14	34888.18
Transformer having a rating of 100 K.V. ampere and above	7643.90	2109.77	(18.58)	9735.09	3230.81	259.11	3489.92	6245.17	4413.09	2819.90
Sub-station equipment and other fixed apparatus	545.56	182.88		728.44	400.77	20.06	420.83	307.61	144.79	111.75
Switchgear including cable connections	17820.17	974.34	(1.94)	18792.57	7659.05	511.58	8170.63	10621.94	10161.12	4928.31
Transmission Lines	901.97	74.26		976.23	602.60	20.40	623.00	353.23	299.37	274.57
PV modules including Mounting structures	3127.35			3127.35	196.46	182.33	378.79	2748.56	2930.89	2994.80
Inverters including Battery Bank (O & M)	290.77			290.77	18.32	16.95	35.27	255.50	272.45	280.24
Gas Turbine	131231.49	6196.52	802.60	138230.61	78225.98	3783.36	82009.34	56221.27	53005.51	14443.96
Gas Booster Station	19492.25	5408.62	(1860.24)	23040.63	14896.88	(220.40)	14676.48	8364.15	4595.37	1527.83
Gas Pipeline	36.60			36.60	32.95	0.00	32.95	3.65	3.65	3.65
Gas Steam Turbine	82475.71	27814.53	(71.63)	110218.61	37843.98	2428.51	40272.49	69946.12	44631.73	17779.48
Gas Cooling Tower	3296.90	709.95		4006.85	2270.92	87.04	2357.96	1648.89	1025.98	1113.02
Make-up Water System	3669.28	2180.92	(0.78)	5849.42	2125.89	97.14	2223.03	3626.39	1543.39	1257.33
Sub -Total	553134.02	51750.61	(992.05)	603892.58	270720.77	14840.78	285561.55	318331.03	282413.25	186093.36

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Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Carrying Amount 01.04.2016	Additions	Adjustments	Carrying Amount 31.03.2017	01.04.2016	Depreciation	Upto 31st Mar 2017	31.03.2017	31.03.2016	01.04.2015
II GENERAL ASSETS										
(FOR PROJECTS UNDER OPERATION)										
Buildings	10163.04	515.44	(199.76)	10478.72	3787.33	252.51	4039.84	6438.88	6375.71	4616.97
Furniture & Fixtures	628.29	68.53	(2.35)	694.47	426.47	26.49	452.96	241.51	201.82	132.03
Roads,Bridges,Culverts & Helipads	3795.23	270.78		4066.01	1645.54	110.76	1756.30	2309.71	2149.69	1892.29
Vehicles	546.98	2.99	0.00	549.97	344.90	18.07	362.97	187.00	202.08	220.14
Railway Siding	10.65			10.65	8.08	0.19	8.27	2.38	2.57	2.76
Electrical Installation	975.09	95.04		1070.13	670.19	16.69	686.88	383.25	304.90	198.43
Temporary Buildings/Erections	2446.87			2446.87	2446.87	0.00	2446.87	0.00	0.00	0.00
Hospital Equipment	21.37	2.55		23.92	10.51	1.02	11.53	12.39	10.86	9.84
Tools & Plants	3621.80	79.10	(0.08)	3700.82	2784.46	44.67	2829.13	871.69	837.34	732.37
Office Equipment	308.44	55.71	(1.56)	362.59	185.50	9.70	195.20	167.39	122.94	43.22
I T Equipment	848.05	53.40	(13.74)	887.71	708.76	53.45	762.21	125.50	139.29	200.21
Other Equipment	817.58	79.39	(0.29)	896.68	436.32	33.16	469.48	427.20	381.26	194.21
Water supply, sewerage & drainage	959.90	159.03		1118.93	458.21	40.07	498.28	620.65	501.69	488.20
Plant & Machinery in Generating Station (Diesel Power House)	530.39	7.42	(62.18)	475.63	392.40	2.11	394.51	81.12	137.99	77.57
Communication Equipment	178.78	48.29		227.07	129.80	3.84	133.64	93.43	48.98	48.75
Lightning Arrestor (Pole Type							0.00	0.00	0.00	
Magazine Building)	142.00			142.00	120.02	0.54	120.56	21.44	21.98	19.52
Telephone Line	103.69			103.69	91.98	0.07	92.05	11.64	11.71	11.78
Solar Panel		25.51	62.18	87.69		0.49	0.49	87.20	0.00	
Cellular Line	0.00			0.00	0.00		0.00	0.00	0.00	2.12
Fixed Assets of Minor value	33.46	14.10	0.01	47.57	33.46	14.10	47.56	0.01	0.00	0.01
Assets withdrawn from Active use				0.00			0.00	0.00	0.00	621.88
Free hold	1441.76	1.42	(0.25)	1442.93	0.00		0.00	1442.93	1441.76	1118.11
Sub -Total	27573.37	1478.70	(218.02)	28834.05	14680.80	627.93	15308.73	13525.32	12892.57	10630.41
TOTAL (A)	**580707.39**	**53229.31**	**(1210.07)**	**632726.63**	**285401.57**	**15468.71**	**300870.28**	**331856.35**	**295305.82**	**196723.77**

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Particulars	GROSS BLOCK				DEPRECIATION			NET BLOCK		
	Carrying Amount 01.04.2016	Additions	Adjustments	Carrying Amount 31.03.2017	01.04.2016	Depreciation	Upto 31st Mar 2017	31.03.2017	31.03.2016	01.04.2015
B) ASSETS										
(FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)										
Building	6450.11	828.51	0.00	7278.62	1554.77	274.88	1829.65	5448.97	4895.34	5176.47
Furniture & Fixtures	947.35	30.64	(0.95)	977.04	507.65	47.42	555.07	421.97	439.70	476.34
Roads,Bridges,Culverts & Helipads	2968.27	302.24	0.00	3270.51	372.93	146.35	519.28	2751.23	2595.34	2988.12
Vehicles	152.35	25.02	(16.36)	161.01	68.50	19.73	88.23	72.78	83.85	79.45
Electrical Installations	474.02	14.73	0.00	488.75	278.47	19.47	297.94	190.81	195.55	245.00
Temporary Buildings/Erections	1918.12	5.62	0.00	1923.74	1918.12	5.62	1923.74	0.00	0.00	0.01
Hospital Equipment	12.72	0.15		12.87	4.73	0.83	5.56	7.31	7.99	9.17
Tools & Plants	1796.80	1722.36	0.00	3519.16	1279.40	236.92	1516.32	2002.84	517.40	572.83
Office equipment	610.91	9.80	(2.48)	618.23	409.39	17.78	427.17	191.06	201.52	204.90
I T Equipment	1433.73	116.04	(9.30)	1540.47	1275.57	121.96	1397.53	142.94	158.16	274.37
Water Supply,sewerage & drainage	597.08	119.72	0.00	716.80	113.22	36.61	149.83	566.97	483.86	518.04
Plant & Machinery in Generating Station (Diesel Power House)	183.38	0.00	(7.15)	176.23	131.04	3.31	134.35	41.88	52.34	44.58
Weigh Bridge	13.34	0.00	0.00	13.34	8.79	0.45	9.24	4.10	4.55	4.99
Solar panel	0.00	7.14		7.14		0.38	0.38	6.76	0.00	
Communication Equipment	178.99	0.70	0.00	179.69	103.77	7.57	111.34	68.35	75.22	79.84
Plant & Machinery	1.16	350.46	0.00	351.62	1.04	12.34	13.38	338.24	0.12	0.12
Transmission Line	6221.39	530.79		6752.18	2863.89	425.06	3288.95	3463.23	3357.50	3719.96
Transformer having a rating of 100 KV & Above	161.49	10.28	0.00	171.77	65.14	8.38	73.52	98.25	96.35	104.97
Substation Equipment	298.41	0.00	0.00	298.41	77.26	15.76	93.02	205.39	221.15	246.44
Freehold	467.27			467.27	0.00	0.00	0.00	467.27	467.27	672.12
Telephone Line		1.19		1.19		0.06	0.06	1.13	0.00	0.03
Other Equipment	1000.80	10.00	(0.64)	1010.16	399.48	51.34	450.82	559.34	601.32	699.82
Assets Withdrawn from Active use		0.00		0.00			0.00	0.00	0.00	8.16
Fixed assets of Minor value	57.08	2.51	(0.43)	59.16	57.04	2.08	59.12	0.04	0.04	0.00
Cellular Phone	0.00		0.00	0.00	0.00	0.00	0.00	0.00	0.00	7.81
TOTAL (B)	25944.77	4087.90	(37.31)	29995.36	11490.20	1454.30	12944.50	17050.86	14454.57	16133.54
GRAND TOTAL (A + B)	606652.16	57317.21	(1247.38)	662721.99	296891.77	16923.01	313814.78	348907.21	309760.39	212857.31

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Note no.- 38 EARNINGS PER SHARE

The following table reflects the income and shares data used in the basic and diluted earnings per share computations.

	Particulars	March 31, 2017	March 31, 2016
(a)	**Profit after tax (₹ in lakh)**	23509.60	30581.26
	Less: Amount to be paid for diluted portion (net of tax)		
	Profit attributable to ordinary shareholders - for Basic EPS	23509.60	30581.26
	Profit attributable to ordinary shareholders - for Diluted EPS	23509.60	30581.26
(b)	Weighted average no. of Ordinary Shares for Basic EPS	3452810400	3427823323
	Weighted average no. of Ordinary Shares for Diluted - EPS	3452810400	3427823323
(c)	Nominal value of Ordinary Shares (Rs)	10	10
(d)	Basic Earnings per Ordinary Share (Rs)	0.68	0.89
(e)	Diluted Earnings per Ordinary Share (Rs)	0.68	0.89

Note no.- 39 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)

(₹ in lakhs)

Particulars	As at		
	31-Mar-17	**31-Mar-16**	**1-Apr-15**
Contingent liabilities :			
Claims against the Company not acknowledged as debt in respect of:			
- Capital Works	149358.36	146413.64	84979.69
- Land compensation cases	3416.74	3416.74	1099.19
- Disputed Income tax demand	48.15	48.15	48.15
- Others	8.76	90.40	27.31
Total	152832.01	149968.93	86154.34
Commitments :			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	147309.55	134188.13	224791.84
Other Commitment	Nil	Nil	

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(i) Claims against the company not acknowledged as debts as on March31,2017 include demand from the Indian Income tax authorities for payment of tax of Rs 48.15 lakhs upon completion of their tax assessment for the year 2001-02 amounting to Rs.3.92 lakhs and for the year 2011-12 amounting to Rs.44.23 lakhs .Demands were paid to statutory tax authorities in full except for fiscal year 2001-02 & 2011-12.

(ii) The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process.The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(iii) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

Note no.- 40 Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long term and short term goals of the Company.

The Company determines the amount of capital required on the basis of annual business plan, coupled with long term and short term strategic investing plan. The funding requirements are met through equity, convertible and non- convertible debt securities, and other short term and long term borrowings. The Company's policy is aimed at combination of short term and long term borrowings.

The Company monitors the capital structure on the basis of net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Note no.- 41 Disclosure on Financial Instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note no.1 to the financial statements

(a) Financial assets and liabilities

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2017

(₹ in lakhs)

As at March 31, 2017	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances						26928.01	26928.01
Trade receivables						46534.16	46534.16
Investments						10428.74	10428.74
Loans						4325.01	4325.01
Other financial assets						6028.43	6028.43
Total						94244.3476	94244.34757

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Financial liabilities							
Trade and other payables						12361.37	12361.37
Borrowings						592567.78	592567.78
Other financial liabilities						32046.54	32046.54
Total						636975.69	636975.69

As at March 31, 2016	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances						44795.16	44795.16
Trade receivables						102586.97	102586.97
Investments						10262.41	10262.41
Loans						1556.71	1556.71
Other financial assets						3508.77	3508.77
Total						162710.02	162710.0236
Financial liabilities							
Trade and other payables						13314.38	13314.38
Borrowings						544363.97	544363.97
Other financial liabilities						30503.48	30503.48
Total						588181.83	588181.83

As at April 1, 2015	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances						72711.27	72711.27
Trade receivables						76660.95	76660.95
Investments						15753.56	15753.56226
Loans						2919.19	2919.19
Other financial assets						4926.73	4926.73
Total						172971.71	172971.71
Financial liabilities							
Trade and other payables						13065.78	13065.78
Borrowings						468541.99	468541.99
Other financial liabilities						27488.75	27488.75
Total						509096.52	509096.52

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(b) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main items in this category are investment in unquoted equity shares, measured at fair value.

	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(I) Investments	10428.74	-	-	10428.74
(ii) Trade receivables	46534.16	-	-	46534.16
(iii) Cash and Cash equivalents	26928.01	-	-	26928.01
(v) Loans	4325.01	-	-	4325.01
(Vi) others	6028.43	-	-	6028.43
Total financial assets measured at fair value	**94244.34757**	-	-	**94244.35**
Financial liabilities measured at fair value				
(i) Borrowings	592567.78	-	-	592567.78
(ii) Trade payables	12361.37	-	-	12361.37
(iii) Other financial liabilities	32046.54	-	-	32046.54
Total financial liabilities measured at fair value	**636975.69**			**636975.69**

	As at March 31, 2016			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(I) Investments	10262.41	-	-	10262.41
(ii) Trade receivables	102586.97	-	-	102586.97
(iii) Cash and Cash equivalents	44,795.16	-	-	44795.16
(v) Loans	1556.71	-	-	1556.71
(Vi) other s	3,508.77	-	-	3508.77

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	Level 1	Level 2	Level 3	Total
Financial liabilities measured at fair value				
(i) Borrowings	544363.97	-	-	544363.97
(ii) Trade payables	13314.38	-	-	13314.38
(iii) Other financial liabilities	30503.48	-	-	30503.48
Total financial liabilities measured at fair value	588181.83	-	-	588181.83

	As at April 1, 2015			
	Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value				
(I) Investments	15753.56	-	-	15753.56
(ii) Trade receivables	76660.95	-	-	76660.95
(iii) Cash and Cash equivalents	72711.27	-	-	72711.27
(v) Loans	2919.19	-	-	2919.19
(Vi) others	4926.73	-	-	4926.73
Total financial assets measured at fair value	172971.71	-	-	172971.71
Financial liabilities measured at fair value		-	-	0.00
(i) Borrowings	468541.99	-	-	468541.99
(ii) Trade payables	13065.78	-	-	13065.78
(iii) Other financial liabilities	27488.75	-	-	27488.75
Total financial liabilities measured at fair value	509096.52	-	-	509096.52

(i) The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

(ii) The fair value in respect of the unquoted equity investments cannot be reliably measured.

(iii) Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end

(iv) There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2017, 2016 and April 1, 2015

(c) Transfer of financial assets

The Company has not transferred any of its financial assets during the year.

(d) Financial risk management

In the course of its business, the Company is exposed primarily to interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

(i) Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.

(ii) Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) **Market Risk :** - Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(ii) **Credit Risk :**- Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

(iii) **Liquidity Risk:** Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

(e) The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Company's non derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

(₹ in lakhs)

	As at March 31, 2017				
	Carrying amount	**Contractual cash flows**	**Less than 1 year**	**Between 1 - 5 years**	**More than 5 years**
Non- derivative financial liabilities					
Borrowings including interest thereon	904,140.38	904,140.38	88,453.17	378,903.91	436,783.30
Trade payables	5,285.97	5,285.97	5,285.97		
Other financial liabilities					
Total non- derivative financial liabilities	909,426.35	909,426.35	93,739.14	378,903.91	436,783.30
Derivative financial liabilities					

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(₹ in lakhs)

	As at March 31, 2016				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	898,757.48	898757.48	53,859.32	291,174.40	553,723.76
Trade payables	7,106.01	7106.01	7106.01		
Other financial liabilities					
Total non- derivative financial liabilities	905,863.49	905,863.49	60,965.33	291,174.40	553,723.76
Derivative financial liabilities					

(₹ in lakhs)

	As at April 1, 2015				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings including interest thereon	859,398.53	859,398.53	62,928.88	222,121.04	574,348.61
Trade payables	7,909.68	7,909.68	7,909.68		
Other financial liabilities					
Total non- derivative financial liabilities	867,308.21	867,308.21	70,838.56	222,121.04	574,348.61
Derivative financial liabilities					

The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

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SPAN & ASSOCIATES Kolkata Chartered Accountants

Note no.- 42 **Related party disclosures**

The required information with respect to Related Party Disclosure as per AS-18 is given as under:

A. Joint Ventures :

i) WAANEEP Solar Private Limited, 602, Western Edge-I, Western Express 3Highway,Brivali(E), Mumbai-400066,India.

ii) KSK Dibbin Hydro Power Private Limited, 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad – 500 033, India

B. Whole time Directors :

1 Sri P.C.Pankaj	Chairman & Managing Director (upto 30th June 2016)
2 Sri Gurdeep Singh	Chairman & Managing Director (w.e.f. 1st July 2016 to 29th August 2016)
3 Sri A G West Kharkongor	Chairman & Managing Director (w.e.f. 29th August 2016)
4 Sri A G West Kharkongor	Director (Finance)
5 Sri V K Singh	Director (Technical)
6 Sri Satyabrata Borgohain	Director (Personnel)

a) Parent entities

NEEPCO is controlled by the honerable president of India. Government of India holds 100% ownership interest in NEEPCO including and as on March 31, 2017

Particulars	31-Mar-17	31-Mar-16
Sales and purchase of goods and services		
sale of goods to associates	Nil	Nil
purchase of raw materials	Nil	Nil
Other transactions		
Dividend paid to parent entity	2100.00	11176.00

b) Key management personnel compensation

Particulars	31-Mar-17	31-Mar-16
Salary and allowances	158.08	135.85
Contribution to Provident Fund and other funds	14.45	21.01
Other benefits	12.33	37.90
Total	184.86	194.76

c) Transaction with related parties

The following transactions occurred with related parties:

Particulars	31-Mar-17	31-Mar-16
Sales and purchase of goods and services		
sale of goods to associates	Nil	Nil
purchase of raw materials from associates	Nil	Nil
purchase of various goods and services from entities controlled by key management personnel:	Nil	Nil
i. Professional services	Nil	Nil
Other transactions	Nil	Nil

SPAN & ASSOCIATES
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d) Outstanding balances arising from sales /purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Trade payables (purchases of goods and services)	Nil	Nil	Nil
Associates	Nil	Nil	Nil
Joint venture	Nil	Nil	Nil
Total payable to related parties	Nil	Nil	Nil
Trade receivables (sale of goods and services)	Nil	Nil	Nil
Associates	Nil	Nil	Nil
Joint venture	Nil	Nil	Nil
Total receivables from related parties	Nil	Nil	Nil

e) Loan to/from related parties

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Loans to key management personnel			
Beginning of the year	Nil	Nil	Nil
Loans advanced	Nil	Nil	Nil
Loan repayments received	Nil	Nil	Nil
Interest charged	Nil	Nil	Nil
Interest received	Nil	Nil	Nil
End of the year	Nil	Nil	Nil

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Loans to associates			
Beginning of the year	Nil	Nil	Nil
Loans advanced	Nil	Nil	Nil
Loan repayments received	Nil	Nil	Nil
Interest charged	Nil	Nil	Nil
Interest received	Nil	Nil	Nil
End of the year	Nil	Nil	Nil

Particulars	31-Mar-17	31-Mar-16	31-Mar-15
Loans from associates			
Beginning of the year	Nil	Nil	Ni
Loans advanced	Nil	Nil	Ni
Loan repayments received	Nil	Nil	Ni
Interest charged	Nil	Nil	Ni
Interest received	Nil	Nil	Ni
End of the year	Nil	Nil	Ni

g) Terms and conditions

The advances to key management personnel are generally for periods which varies from 12 months to 60 months depending on the nature of advance, repayble in monthly instalments. No goods were sold to associates during the year basec . All other transactions were made on normal commercial terms and conditions .
All outstanding balances are unsecured and are repayble in cash

Note- 43 **Operating Segment**

a. Electricity generation is the principal activity of the Corporation. Other operation like interest income does not form a reportable segment as per the Accounting Standard 108. Interest income earned by the Corporation in respect of Bonds issued to the Corporation by various State Electricity Board/ Power Department in liquidation of the debts owed by them against energy supplied is attributable to the generation activity only.

b. The Corporation has power stations located within the country and therefore geographical segments are inapplicable.

Note no.- 44 STATEMENT SHOWING STATUS OF RECs AS ON 31.03.2017 AGAINST GENERATION FROM 5 MW MONARCHAK SOLAR PV POWER PLANT

A PPA agreement has been executed with Tripura State Electricity Corporation Ltd. (TSECL) for the entire plant capacity of 5 MW. Out of this 5 MW, TSECL's RPO requirement of 18 KW is contracted for sale at CERC determined generic tariff and the balance 4.982 MW under the REC mechanism at TSECL's average pooled cost of power purchase. NEEPCO is entitled 1 REC for every MWHr sold under the REC mechanism. The RECs can be traded at energy exchange at market determined prices within the band bounded by the forbearance price and the ceiling price which are determined by CERC from time to time.

Number of RECs for which eligible	13, 551
Number of RECs applied for	11, 011
Number of RECs issued	10, 994
Number of RECs placed for sale at exchange	NIL
Number of RECs sold	NIL

Note: Approval of competent authority for engagement of M/S NVVN as licensed trader for sale of RECs at IEX has been received on 16.06.2017 and process of concluding agreement with them is in progress. All issued RECs will be placed for sale immediately thereafter.

Status as on 31.03.2016

Number of RECs for which eligible	5978
Number of RECs applied for	5978
Number of RECs issued	NIL
Number of RECs placed for sale at exchange	NIL
Number of RECs sold	NIL

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Note no. - 45

Reconciliation of Total Comprehensive Income

(₹ in lakhs)

Sl. No.	Particulars	Notes	IGAAP 31-Mar-16	Adjustment	Ind AS 31-Mar-16	Reasons
I	Revenue from Operations	29	162396.42	(1,808.78)	160587.64	Rebate to Customer netted off & Proportionate method of consolidation under IGAAP (AS 21) to equity method of consolidation as required under Ind AS 112
II	Other Income	30	13546.83	(21.36)	13525.47	Interest income because of amortisation of fair value loss for employee loan & Proportionate method of consolidation under IGAAP (AS 21) to equity method of consolidation as required under Ind AS 112
III	**Total Income (I + II)**		175943.25	(1,830.14)	174113.11	
IV	Expenses					
	Cost of materials consumed		62955.03	0	62955.03	
	Employee benefit expense	31	24663.47	1191.76	25855.23	Acturial gain/loss relating to Defined benefit plan taken to OCI & provision for gold coin & Proportionate method of consolidation under IGAAP (AS 27) to equity method of consolidation as required under Ind AS 28
	Finance costs	32	3015.14	(1,292.00)	1723.14	Proportionate method of consolidation under IGAAP (AS 27) to equity method of consolidation as required under Ind AS 28
	Depreciation and amortization expense	5	12551.90	(612.56)	11939.34	Amortisation of prepayments of leasehold land reclassified to other expenses & Proportionate method of consolidation under IGAAP (AS 27) to equity method of consolidation as required under Ind AS 28
	Other expenses	33	28623.63	(521.64)	28101.99	Rebate to Customer netted off, Amortisation of prepayments of leasehold land reclassified to other expenses & Proportionate method of consolidation under IGAAP (AS 27) to equity method of consolidation as required under Ind AS 28
	Total expenses (IV)		131809.17	(1,234.44)	130574.73	

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	Profit / (loss) before exceptional items and tax (III - IV)		44134.08	(595.70)	43538.38	
	Exceptional Items					
	Profit / (loss) after exceptional items and tax		44134.08	(595.70)	43538.38	
V	Share of Profit of Associates		0		0	
VI	Share of Profit of Joint Ventures		0	(207.09)	(207.09)	Proportionate method of consolidation under IGAAP (AS 27) to equity method of consolidation as required under Ind AS 28
VII	Profit / (loss) before tax (III-IV+V+VI)		44134.08	(802.79)	43331.29	
VIII	Tax Expense:					
	(i) Current tax		11790.79	0	11790.79	
	(ii) Deferred tax		(4521.57)	5,480.81	959.24	
			7269.22	5480.81	12750.03	
IX	Profit / (loss) for the year from continuing operations (VII - VIII)		36864.86	(6,283.60)	30581.26	
X	Profit / (loss) from discontinued operations		0	0	0	
XI	Profit / (loss) for the year/period (IX + XII)		36864.86	(6,283.60)	30581.26	
XII	Other comprehensive income					
	A (i) Items that will not be reclassified to profit and loss					
	(a) Remeasurements of the defined benefit plans		0.00	964.44	964.44	
	(b) Others (specify nature)					
	B. Income tax relating to items that will not be reclassified		0.00	333.77	333.77	
XIII	Total Other Comprehensive Income		0.00	630.67	630.67	
XIV	Total comprehensive Income (XI+XIII)		36864.86	(5,652.93)	31211.93	

Note no. - 46

Balance Sheet reconciliation as on 31.03.2016

		31-Mar-16			
				(₹ in lakhs)	
	Notes	IGAAP	Transition Effect	IND AS	Remarks
ASSETS					
Non-current assets					
Property, plant and equipment	2	327,690.03	(16,670.44)	311,019.59	Lease hold land - classified as operating leases and reclassified as prepaid expenses, Accounting of Asset held for sale as PPE, Capitalization of Spares and Change in method for consolidation.
Capital work-in-progress	3	711,669.17	(6,348.23)	705,320.94	Change in method for consolidation
Other intangible assets	4	4,541.83	-	4,541.83	
Financial assets					
Non-current investments	5	254.40	10,008.01	10,262.41	
Long-term loans and advances	6	28,071.15	(27,943.44)	127.71	Fair Value of employee loan as well as Change in method for consolidation
Other financial assets		-	-	-	
Deferred tax assets (net)	7	2,965.27	(1,253.26)	1,712.01	Assets & liabilities as per Ind AS and DTL for OCI
Other non-current assets	8	2,372.19	29,714.27	32,086.46	Lease hold land - classified as operating leases and reclassified as prepaid expenses and Change in method for consolidation
		1,077,564.04	**(12,493.09)**	**1,065,070.95**	
Current assets					
Inventories	9	14,579.78	(328.71)	14,251.07	Capitalization of "Capital spares" and Change in method for consolidation
Financial assets					
Current investments	10	656.33	(656.33)	-	
Trade and other receivables	11	103,206.57	(619.60)	102,586.97	Change in method for consolidation
Cash and cash equivalents	12	45,832.77	(1,037.61)	44,795.16	Change in method for consolidation
Other financial assets	13	3,518.02	(9.25)	3,508.77	Change in method for consolidation
		167,793.47	**(2,651.50)**	**165,141.97**	
Assets for Current Tax	14	14,477.66	(14.00)	14,463.66	
Other current assets	15	2,413.24	(300.22)	2,113.02	Prepayments (Forest land reclassified) and Change in method for consolidation
		184,684.37	**(2,965.72)**	**181,718.65**	
Non-current assets classified as held for sale	15A	970.39	(970.39)	-	Reclassified as PPE
TOTAL		**1,263,218.80**	**(16,429.20)**	**1,246,789.60**	

EQUITY AND LIABILITIES					
Equity					
Equity Share capital	16	345,281.04	-	345,281.04	
Other Equity	17	253,117.04	(21,635.93)	231,481.11	G.I.A. (Rs.31084.01 lakh) recognised as deferred income,Recognition of Retained Earnings and Change in method for Consolidation
Equity attriutable to shareholders		**598,398.08**	**(21,635.93)**	**576,762.15**	
Share Application money pending allotment					
Non-current liabilities					
Financial Liabilities					
Long-term borrowings	18	558,347.86	(13,983.89)	544,363.97	Long-term borrowings at amortised cost and Change in method for Consolidation
Long-term provisions	19	9,962.67	151.82	10,114.49	Prov. for Gold Coin (Rs. 155.02 lakh), restated gratuity & leave encahment (reduced by Rs.3.20 lakh)
Deferred tax liabilities (net)	7	-			
Other non-current liabilities	20	186.11	31,084.01	31,270.12	Government grant recognised as deferred income
		568,496.64	**17,251.94**	**585,748.58**	
Current liabilities					
Financial Liabilities					
Short-term borrowings	21	8.40	(8.40)	-	
Trade and other payables	22	13,428.47	(114.09)	13,314.38	
Other financial liabilities	23	31,613.57	(1,110.09)	30,503.48	
		45,050.44	**(1,232.58)**	**43,817.86**	
Short-term provisions	25	25,480.95	(10,731.26)	14,749.69	Dividend payable and dividend distribution tax (Rs. 10732.31 lakh) is recorded as a liability in the period in which it is declared & approved by the share holders, Prov. for Gold Coin (Rs. 1.85 lakh) and restated leave encahment (reduced by Rs.0.80 lakh)
Liabilities for Current Tax	14	11,790.79		11,790.79	
Other current liabilities	24	14,001.90	(81.37)	13,920.53	
		96,324.08	**(12,045.21)**	**84,278.87**	
TOTAL		**1,263,218.80**	**(16,429.20)**	**1,246,789.60**	

SPAN & ASSOCIATES Chartered Accountants

Note no. - 47

IMPACT OF IND AS ADOPTION ON CASH FLOWS FOR THE YEAR ENDED 31st MARCH 2016

(₹ in lakhs)

	Previous GAAP	Adjustment	Ind AS
Net Cash flow from Operating activities	39,340.83	7,782.03	47,122.86
Net Cash flow from Investing activities	(112,569.64)	13,999.26	(98,570.38)
Net Cash flow from Financing activities	43,641.38	(20,110.01)	23,531.37
Net increase/(decrease) in Cash & Cash equivalents	(29,587.43)	1,671.32	(27,916.11)
Cash & cash equivalents as at 1st April 2015	75,420.20	(2,708.93)	72,711.27
Cash & cash equivalents as at 31st March 2016	45,832.77	(1,037.61)	44,795.16

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Note 48: Confirmation of Balances

Balances shown under Capital advances to Contractors, Trade Payable and material in transit/with contractor/issued on loan, Trade receivables, Accounts receivable are subjected to confirmation/reconciliation and consequential adjustment, if any.

Note 49 : Cut-off Date

The Company has taken all known ascertained liabilities pertaining to the year upto 31.03.2017 taking into consideration 07th April2017 as the cut-off date.

Note 50: Impairment loss

The management is of the opinion that no indication regaring impairment of assets exits as assessed in compliance to the provisions of Ind AS 36 on "Impairment of Assets".

Note 51: Previous year figures

The previous year figures have been regrouped, re-casted and re-arranged whereeverr possibile and considered necessary.

Note No. 52 Disclosure as per Sch III Of Companies Act 2013 (As on 31.03.2017)

Name of the entities in the Group	Net Assets, i.e., total assets *minus* total liabilities		Share in profit or loss	
	As % of consolidated net	Amount (Rs. in lakh)	As % of consolidated net	Amount (Rs. in lakh)
1	2	3	4	5
Parent:				
NEEPCO Ltd	98.26	587450.25	102.28	23832.45
Joint Ventures (AS per proportionate consolidation /Investment as per equity method):				
WAANEEP Solar Private Ltd	1.21	7225.60	(2.39)	(556.80)
KSK Dibbin Hydro Power	0.54	3203.14	0.11	25.12

In terms of our report of even date
For M/S S P A N & Associates
Chartered Accountants
F.R.N.302192E

Date : 18.8.17
Place : Delhi

C.Sharma
Company Secretary

V K Singh
Director (Technical)
DIN NO: 07471291

A.G.West Kharkongor
Chairman & Managing Director
and Director (Finance)
- cum - Chief Financial Officer
DIN NO: 03264625

T K Das
Partner
Membership No.053080

SPAN & ASSOCIATES Kolkata Chartered Accountants

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ANNEXURE - 6C

Management Reply to the Report on Internal Financial Control under Section 143 (3)(i) of the Companies Act,2013 to the Auditors Report (Annexure C) on the Standalone and Consolidated Financial Statement for the Financial Year 2016-17

Statutory Auditors Observation	Reply/Explanation of the Management
The company has old information technology (IT) application system which in unable to cater the emerging needs and complete information consistent with the financial reporting objectives. This could potentially result into weakness in the internal financial controls over financial reporting of the company	Presently NEEPCO is using MATFIN Application for Finance & Accounts system. The Application lacked many features of a modern day ERP system. To mitigate the weakness mentioned by the Auditor, NEEPCO is in the process of migration from the existing Information Technology system to ERP. Process for implementation of ERP system has already been initiated by NEEPCO, which will facilitate the requirements of complete information consistent with the financial reporting objectives.

For and on behalf of the Board of Directors

(Dhirendra Veer Singh)
Chairman & Managing Director
DIN: 03107819

Dated: 22-09-2017
Place: New Delhi

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COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED, SHILLONG FOR THE YEAR ENDED 31 MARCH 2017

ANNEXURE - 7

The preparation of financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 August 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

Place: Kolkata
Date: 01 SEP 2017

(Reena Saha)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board–I,
Kolkata

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED, SHILLONG FOR THE YEAR ENDED 31 MARCH 2017

The preparation of consolidated financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 16 August 2017.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2017. We conducted a supplementary audit of the financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended on that date. Further, section 139(5) and 143(6) of the Act are not applicable to its joint venture companies M/s. WAANEEP Solar Private Limited and M/s. KSK Dibbin Hydro Power Private Limited being private entities, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on the behalf of the
Comptroller & Auditor General of India

Place: Kolkata
Date: 01 SEP 2017

1/9/17

(Reena Saha)
Principal Director of Commercial Audit
& Ex-Officio Member Audit Board – I
KOLKATA

ANNEXURE - 8A.

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31STMARCH, 2017

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members
North Eastern Electric Power Corporation Limited,
Brookland Compound Lower New Colony,
Dist.: East Khasi Hills,
Shillong - 793003

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/s North Eastern Electric Power Corporation Limited (hereinafter called "the Company"**). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the Corporate Conducts and Statutory Compliances and expressing our opinion thereon.

Based on our verification of Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on **31st March, 2017** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on **31st March, 2017** according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Memorandum and Articles of Association of the Company etc.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by the Institute of Company Secretaries of India.

(ii) Debt Listing Agreement entered into by the Company with BSE Limited.

We further report that, having regard to the compliance system prevailing in the Company and on the examination of the relevant documents and records in pursuance thereof on test-check basis, the Company has complied with the following laws applicable specifically to the Company:

- **a.** Information Technology Act, 2000.
- **b.** The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & Rules, 2013.
- **c.** Employees Provident Funds and Miscellaneous Provisions Act, 1952.
- **d.** Environmental protection Act, 1986.
- **e.** The Child Labour (Prohibition & Regulation) Act, 1986.
- **f.** The Payment of Bonus Act, 1965.
- **g.** The Payment of Wages Act, 1936.
- **h.** The Payment of Gratuity Act, 1972.

The Acts which are not applicable to the Company though forming part of the prescribed Secretarial Audit Report have not been considered while preparing this Secretarial Audit Report.

Further, we have also examined compliance with the applicable clauses of the following:

(i) Order, Instructions, Guidelines of the Department of Public Enterprises, Government of India and other concerned Ministry including Government of Meghalaya;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. except the following:-

1. *The Company has not properly complied with the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 regarding the appointment of Women Director.*

2. *The Notice calling Annual General Meeting of the Company and the Annual report of the Company were sent to the members and the other required parties without C&AG Comments.*

3. *Data Storage of the Company, at present is done by having two sets of back-up located at locations within the Corporate Office, which is not as per the provisions of the*

Information Technology Act, 2000. It is suggested that the data should be stored at two separate seismic zones.

4. *One of the Director Mr. Uttam K. Sangma appointed by the Central Government, did not furnish his DIN to the Company, as a result Company could not file the forms required for his appointment with the Registrar of Companies, Ministry of Corporate Affairs, Govt. of India.*

We further report that:

The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions at Board Meetings and Committee Meetings were carried out unanimously as recorded in the minutes of the Meetings of the Board of Directors and the Committee of the Board, as the case may be.

We further report that separate meeting of the Independent Directors pursuant to Clause VII of Schedule IV of the Companies Act, 2013, was not conducted by the Independent Directors, during the year under scrutiny.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Biman Debnath & Associates
Company Secretaries

BIMAN DEBNATH
Digitally signed by BIMAN DEBNATH
Date: 2017.08.24 15:34:11 +05'30'

CS Biman Debnath
(Proprietor)
C.P. No.5857/ FCS No. 6717

Date: 24/08/2017
Place: Guwahati

000238 ANNEXURE - 8B

REPLY TO THE SECRETARIAL AUDITORS' OBSERVATIONS RAISED IN THE SECRETARIAL AUDIT REPORT FOR THE YEAR 2016-17

Sl. No.	Secretarial Auditors' Observation	Reply / Explanation of the Management
1	The Company has not properly complied with the provisions of Section 149 of the Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014 regarding the appointment of Women Director.	As per the Articles of Association of the Company, all members of the Board of Directors shall be appointed by the President of India. Accordingly, after coming into effect of the section 149 of Companies Act, 2013, the matter relating to appointment of women director was taken up with the Ministry of Power on several occasions and the matter is under process. As such, it is expected that the appointment of a Woman Director of the Board of NEEPCO shall be made by the Government at the earliest, enabling NEEPCO to comply with the said requirement. It is assured that NEEPCO is taking all necessary action as regard appointment of a woman Director.
2	The Notice calling Annual General Meeting of the Company and the Annual report of the Company were sent to the members and the other required parties without C&AG Comments.	The Notice calling the Annual General Meeting of the Company and the Annual Report of the Company were sent to the members and other required parties without C&AG Comments. However, the NIL comment Report from the Comptroller & Auditor General Of India (C&AG) for the year ended 31st March, 2016 was placed before the members in the Annual General Meeting.
3	Data Storage of the Company, at present is done by having two sets of back-up located at locations within the Corporate Office, which is not as per the provisions of the Information Technology Act, 2000. It is suggested that the data should be stored at two separate seismic zones.	At present two sets of backup are kept at two separate locations at Corporate office. One set in kept in a data stored in fire proof almirah and the other in the SAN (Storage Area Network). Once ERP is implemented, storage of data will be implemented at two separate seismic zones.
4	One of the Director Mr. Uttam K. Sangma appointed by the Central Government, did not furnish his DIN to the Company, as a result Company could not file the forms required for his appointment with the Registrar of Companies, Ministry of Corporate Affairs, Govt. of India.	The Ministry of Power vide its letter dated 17th November, 2015 had appointed Shri Uttam K. Sangma as a Non-Official Part Time Director on the Board of NEEPCO for a period of three years. However, Shri Uttam K. Sangma did not respond to the appointment and did not attend a single Board Meeting for a period of one year from the date of his appointment. The Board of Directors in its 226th Board Meeting held on 10th December, 2016 noted that as per section 167(1)(b) of the Companies Act, 2013, the office of a Director becomes vacant in case he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence of the Board. The same was intimated to the Ministry of Power. The Ministry of Power vide its letter dated 5th April, 2017 has intimated the approval of the ACC regarding termination of service of Shri Uttam K. Sangma from the post of Non Official Part Time Director.

For and on behalf of the Board of Directors

(Dhirendra Veer Singh)
Chairman & Managing Director
DIN: 03107819

Dated: 22-09-2017
Place: New Delhi

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHNAGE EARNINGS AND OUTGO

ANNEXURE-9

A. CONSERVATION OF ENERGY

Pursuant to Section 134 (m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 the information on conservation of energy, technology absorption, foreign exchange earnings and outgo during the year 2016-17 are as under:

(i) Steps taken or Impact on Energy Conservation:

Some of the steps taken by the Company for utilizing alternate source of energy:

a) Use of energy saving LED luminaires in office buildings, street lighting, Powerhouses and other locations has been made mandatory in each establishment.
b) Installation of occupancy sensors, Sensor for wash room and Energy Saving Fans.
c) Improving efficiency of Steam Turbines by chemical treatment of condensers/cooling lines.
d) Measures were also taken to improve Station Heat Rate in AGBP, & AGTCCPP.

The impact of utilizing alternate source of energy:

a) After installation of rooftop solar Plants at different power plants and installation of energy saving luminaires, the lighting consumption from grid power has been reduced.
b) Net Station Heat Rate, kCal/KWh (GCV Basis) at AGTCCPP was considerably reduced by stabilization of combined cycle operation.
c) There has been a reduction of 15.38% in Auxiliary Power Consumption (APC) in all Hydro and Thermal Plants (Weighted Average) over the actual of 1.69% during 2015-16. The actual APC (Weighted Average) of all the Hydro and Thermal Plants of NEEPCO is 1.43% during 2016-17.

(ii) Steps taken by the Company for utilizing alternate sources of Energy:

a) Installation of 15 kW grid interactive roof-top solar plant at AGBP, office complex to cater to office load.
b) Installation of 2 kW grid interactive horizontal axis sun tracker solar plant at KHEP.
c) Installation of Solar Water Heating Systems of aggregate capacity of 4000 LPD at Project Guest Houses of NEEPCO in three locations, viz. AGBP, KHEP, and KaHEP.
d) Installation of Solar PV Power Plants of aggregate capacity of 27 KWp at Project Guest Houses of NEEPCO in three locations, viz. AGBP, KHEP and KaHEP.

(iii) Capital Investment on Energy Conservation Equipment:

For the above energy conservation steps, the Corporation has made considerable investment during the year, which has also resulted in substantial saving in energy consumption.

B. TECHNOLOGY ABSORPTION:

(i) **Efforts made towards technology absorption:**

- Conversion of OFWF cooling system to OFAF for one phase of Unit-IV generator transformer of Kopili. The system has been commissioned successfully. In view of performance of the system, materials have been procured for all the generator transformers and shall be commissioned in 2017-18 progressively.
- Up gradation of Turbine control system (from MEGAC-MACTUS to PC based MEGAC-V DIASYS Netmation) for 2 nos. MHI make Gas Turbines at AGBP from MHI, Japan in 2016-17.
- NEEPCO installed a 2KW Pilot Solar PV Sun Tracking Plant with Horizontal Single Axis Tracker at KHEP, Assam. The plant was commissioned on 14th Oct 2016. As per the irradiation data of the area the expected annual CUF is 15.57%. The tracking system was installed to observe the performance of the sun tracking system vis-à-vis a plant with fixed solar PV panels.

(ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**

- Unforeseen forced outage has reduced and consumption of water has also reduced. There has been a reduction of 52.30% in forced outages in all Hydro and Thermal Plants of NEEPCO (Weighted Average) over the actual of 9.79% during 2015-16. The actual Forced Outage (Weighted Average) of all the Hydro and Thermal Plants of NEEPCO is 4.67% during 2016-17.

(iii) **Imported Technology (imported during the last three years reckoned from the beginning of the financial year):**

2014-15:

- Order placed for upgradation of Mitsubishi HI make, Japan control system MEGAC & MACTUS system to PC based MEGAC V DIASYS Netmation for Gas Turbine unit no. 1 & 2, AGBPP

2015-16:

- Renovation of Gas Booster Compressor Station of AGBP completed with installation of new Waukesha USA make Gas Engines, radiators, one additional higher capacity inlet scrubber, additional fuel filter system, new control panels and one master control panel for monitoring all parameters at GBS control room.
- The GT Rotor of AGBPP, Unit-IV has been replaced with new rotor with up graded technology (from MITSUBISHI, Japan).

2016-17:

- Up gradation of Turbine control system (from MEGAC-MACTUS to PC based MEGAC-V DIASYS Netmation) completed for 2 nos. MHI make Gas Turbines at AGBP from MHI, Japan.

(iv) **Expenditure incurred on Research and Development:**

The Corporation spent Rs.57.37 lakh on Research and Development in 2016-17. The DPE guidelines states that 0.5% of Profit after Tax (PAT) of the previous year is to be spent on R&D. The PAT for the year 2015-16 was Rs. 372.55 crore.

C. FOREIGN EXCHANGE EARNING & OUTGO

Foreign Exchange Earning & Outgo	
Particulars	**Amount in ₹ in crores**
Foreign Exchange Earning	Nil
Foreign Exchange Outgo	143.60
Note : The above figures represents actual inflow & actual outflow in foreign currency during the year 2016-17	

For and on behalf of the Board of Directors

(D. V. Singh)
Chairman & Managing Director
DIN: 03107819

Dated: 22-09-2017
Place: New Delhi

ANNEXURE-10

PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY

(AS PER COMPANIES ACT 2013)

CSR Policy:

The NEEPCO CSR&S policy articulates on how the corporation creates long-term stakeholder value by integrating economic, environmental and social considerations. The policy is helping to integrate sustainability considerations into all decisions and key work processes, mitigating future risks and maximizing opportunities.

Further, under the policy, the corporation commits to aspire sector's sustainability leadership in the area they operate in by constituting a governance structure to oversee sustainability endeavors. The governance process, under the aegis of the Boards, identifies relevant sustainability issues and develops comprehensive sustainability strategies with goals, targets, mitigation and adaptation action plans. The Policy aligns the corporation to undertake natural and social capital valuation to assess business risks while adhering to required reporting frameworks.

CSR Committee:

The constitution of the CSR Committee members as on 1st August, 2017 are as follows:

1. Chairman & Managing Director
2. Dr. Amitabha De, Independent Director
3. Shri Gopal Krishan Agarwal
4. Director (Finance)
5. Director (Technical)

A. Nodal Officer:

Shri M.S. Jyrwa, Executive Director (O&M)
Assisted by Standing Committee on CSR & Sustainability.

Average Net Profit of Last three Financial Years: (Rs. In Cr.)

Sl No.	Year	Net Profit (PBT)
1	2013-14	288.00
2	2014-15	420.27
3	2015-16	445.48
Total		1153.75
Average Net Profit		384.58
2% 0f Average Net Profit		**7.69**

CSR &S Budget for the FY 2016-17:
Rs.7.69 Cr. i.e. 2 % of avg. PBT

CSR & S Expenditure (utilization) :
Rs.6.07 Cr. i.e. 1.58% of PBT
(Under implementation = Rs.1.33 Cr, unspent = Rs.29 Lakh)

Details of CSR spent during the financial Year:

a) Total amount to be spent for the financial year: Rs.7.69 Cr (2% of Average Net Profit)
b) Amount unspent if any: Rs. 29 Lakh
c) Manner in which the amount spent during the financial year is detailed below: -

Sl. No.	Heads	Expenditure in Rs.
1	Promoting Education	1,60,72,026.00
2	Health & Sanitation	98,03,238.00
3	Swachh Bharat Abhiyan	43,95,186.00
4	Entrepreneurship Development Programme	99,06,540.00
5	Other activities for Backward Area Development	2,05,81,101.00
	Total	**6,07,58,091.00**

Reasons for not spending the amount:

Delay in finalization of MoU with National Skill Development Corporation regarding training module, training partners, budget in line with Pradhan Mantri Kausal Vikas Yojna and skill gap & requirements of manpower in the power sector by 2022, as instructed by the DPE, the MoP, Govt. of India.

Responsibility Statement:

It ensured that, implementation and monitoring of CSR&S activity is in compliance with CSR objectives, Policy of the company and other various Government guidelines.

For and on behalf of the Board of Directors

(D. V. Singh)
Chairman & Managing Director
DIN: 03107819

Dated: 22-09-2017
Place: New Delhi