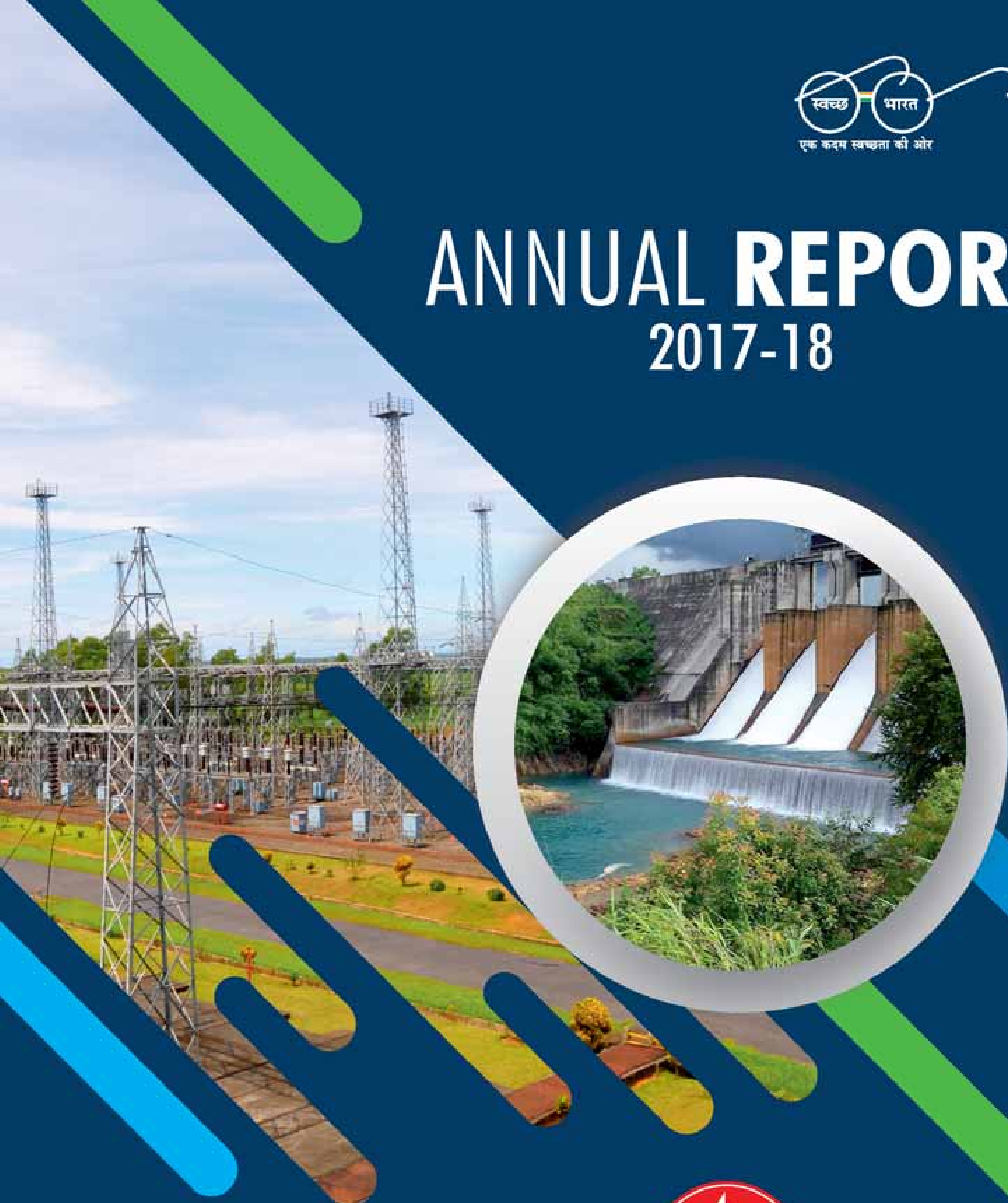


ANNUAL **REPORT**
2017-18

North Eastern Electric Power Corporation Limited

(A Miniratna Category-1, Government of India Enterprise)

Contents

Reference Information

Registered Office
Brookland Compound,
Lower New Colony, Laitumkhrah,
Shillong- 793 003, Meghalaya

Statutory Auditor
M/s. SPAN & Associates
Chartered Accountants, Guwahati

Cost Auditor
M/s. Bandyopadhyay Bhaumik & Co
Cost Accountants, Kolkata

Secretarial Auditor
M/s. Narayan Sharma & Associates
Company Secretaries, Guwahati

Company Secretary-cum-Legal Advisor
Shri Chiranjeeb Sharma

Bankers:
State Bank of India
Axis Bank
Canara Bank
Indian Overseas Bank
Punjab National Bank
HDFC Bank

Registrar & Transfer Agent for Bonds
Karvy Computershare Pvt. Ltd.,
Karvy Selenium Tower B,
Plot number 31 & 32,
Financial District Gachibowli
Hyderabad 500 032

Debenture Trustees
1. 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: prachita.joshi@axistrustee.com

2. 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

CIN
U40101ML1976GOI001658

Vision

To be a leading integrated Electric Power Company of the country with a strong environment conscience.

Mission

To harness the huge power potential of the country, from conventional and non-conventional sources, with minimal impact on the environment, through a planned development of power generation projects by an integrated approach covering all aspects of investigation, planning, design, construction, operation and maintenance of power projects, which in turn would effectively promote the development of the nation as a whole.

Corporate Objectives

- To responsibly exploit the vast hydro & thermal power potential for sustainable development of N.E. Region.
- To be competitive in liberalization and globalization environment.
- To promote industrial growth in N.E. Region thereby improving quality of life and prosperity.
- To provide infrastructure, medical, schooling and create productive environment opportunities.
- To fulfill the electricity need of N.E. Region and India.
- To improve socio-economic condition of neighbourhood.
- To develop human resources to world standard.

Profile of the present Directors

Shri A. G. West Kharkongor
Chairman & Managing Director
(DIN: 03264625)

Shri A. G. West Kharkongor (59 years) was appointed as the Chairman & Managing Director of NEEPCO w.e.f. 29.08.2016. Prior to this, he was holding the charge of Director (Finance) of NEEPCO Ltd. from 19-08-2010. He is an alumnus of IIT, Bombay as well as IIM, Calcutta. Shri A. G. West Kharkongor is an experienced Finance professional having worked in various areas of the Finance & Accounts Department of the Corporation including Treasury, Internal Audit, Budgeting, Taxation, Compilation, Fund mobilization etc. During his tenure as General Manager (Finance), he successfully mobilized funds for several on-going projects including a Structured Syndicated Term Loan of ₹800 crs. Before joining the Corporation in 1993 he had worked in Bharat Petroleum Corporation Ltd. He is a member of Finance Committee of the Tezpur University, Assam. He was also a Member (Finance) of Damodar Valley Corporation. He is keenly involved in community and societal activities.

Shri Satyabrata Borgohain
Director (Personnel)
(DIN: 06801073)

Shri Satyabrata Borgohain (59 years) joined as Director (Personnel) of NEEPCO on 1st January, 2014. An MBA degree holder from EQUIS, Europe, AACSB, USA from International Centre for Promotion of Enterprise, Slovenia. Shri Borgohain was also a Gold Medallist in his post-graduation studies with specialisation in Personnel Management & Labour Welfare and also has a LLB degree. HE is an HR professional with over 34 years of rich experience in Strategic Human Capital Engagement (SHCE) in social responsibility initiatives, talent attraction & development, industrial relations, formulation of personnel policies, improvement of HR systems, nurturing successors and developing committed team. Three decades of his post qualification experience began with a stint of initial service in a leading private sector organisation, and, thereafter, in a state PSE & three CPSEs in the areas of cotton spinning mills, polyester textile, central sector hydro power generation projects and National Power Transmission Corporation.

Shri Vinod Kumar Singh
Director (Technical)
(DIN: 07471291)

Shri V. K. Singh (56 years) joined as Director (Technical) of NEEPCO on 1st March, 2016. He has completed his Bachelors of Electrical Engineering from Regional Engineering College (now NIT), Durgapur (West Bengal) and M.Tech (Control Systems) from IIT, Kharagpur. Before joining NEEPCO he was working as the Executive Director (Uttarakhand Power Stations) at NHPC. Shri V. K. Singh has a vast experience of over 33 years covering entire gamut of Hydro Power Development in NHPC. He was responsible for Electro Mechanical Design & Engineering of 6 (six) Hydro Power Plants of NHPC. He was actively involved for 8 years in the construction of 540 MW Chamera-I H.E Project (Himachal Pradesh) with Canadian Collaboration.

Shri M Shiva Shunmuganathan
Director (Finance)
(DIN:07551379)

Shri M. Shiva Shunmuganathan (55 years), joined as Director (Finance) of NEEPCO on 27th September, 2017. He is a Fellow Member of the Institute of Cost Accountants of India. Prior to joining NEEPCO he was working as Executive Director (Finance) in NMDC Ltd. He has also worked in Pragati Power Corporation Limited as General Manager (Finance) and as Chief (Finance) at NHPC. Shri M. Shiva Shunmuganathan has more than 31 years of experience in the field of Budgeting & Cost Control, Financial Management including Working Capital Management, Finance Concurrence, Accounts & Audit functions etc.

Shri Raj Pal
Government Nominee
(DIN:02491831)

Shri Raj Pal (57 years), Economic Adviser, Ministry of Power belongs to the Indian Economic Service. He has done his Masters & M.Phil in Economics. He has also done Diploma in Development Studies from Institute of Developing Economics, Tokyo, Japan. As a Member of Indian Economic Service, Shri Raj Pal has experience of about 29 years working in different Ministries of Government of India like Ministry of Finance, Planning Commission, Ministry of Industry, Ministry of Labour etc. He has also worked as Adviser, Economic Regulation in Telephone Regulatory Authority of India prior to joining his current posting as Economic Adviser, Ministry of Power. In the Ministry of Power, Shri Raj Pal is Joint Secretary incharge for Policy & Planning, Training & Research & Coordination division. He joined our Board on 01-11-2013.

Shri M.S.Rao
Government Nominee
(DIN: 08073419)

Shri M. S. Rao (57 years), is an Engineering Graduate from IIT, Kharagpur and is an MBA in Project Management from the University of Hull, UK.

He joined the Indian Administrative Service in 1987 and belongs to the Assam–Meghalaya Cadre. He has served in various senior capacities in Govt. of India and Govt. of Meghalaya. He joined our Board on 25-01-2018.

Dr. Amitabha De
Independent Director
(DIN No:07466659)

Dr. Amitabha De (65 years) was the Director of IIM Shillong. He has more than 40 years of experience in teaching, research, consultancy and administration. He was a Professor and Founder Coordinator of TIFAC Centre of Relevance & Excellence in Ergonomics & Human Factors Engineering, set up by Technology Innovation, Forecasting and Assessment Council, Department of Science & Technology, Govt. of India at National Institute of Industrial Engineering Mumbai and was holding Director In Charge position for a period of 23 months. He has more than 60 publications including Conference proceedings to his credit. He has successfully completed more than 10 Research Projects and more than 18 Industrial Consultancy in the areas of his interest and expertise. His areas of specialization are Ergonomics, Work Systems Design, Executive Stress, Organisational Excellence and Psychosocial factors and Corporate Governance. He joined our Board on 17-11-2015.

Shri Bupinder Zutshi
Independent Director
(DIN No:7937359)

Shri Bupinder Zutshi (65 years), M.A/ M.Phil/ Ph.D, Presently, Professor, Centre for the Study of Regional Development, Jawaharlal Nehru University, New Delhi. Has taught at Utkal University, Bhubaneswar, Kashmir University, Srinagar. Has more than 41 years of teaching and research experience at post-graduate and research level (M.Phil/ Ph.D Programme). Has published 9 books, completed more than dozen research projects and written several research articles (more than 40) in research journals of repute published from India and abroad. His major research interests are issues related to human settlements and their changing habitat, disaster risk and vulnerability of human settlements. Other research interests are issues related to demographic changes and their consequences on population composition and population characteristics, education and child labour issues, studies on tribal communities. Has completed several research projects sponsored by national and international organizations, which includes UN Women (UNIFEM), UNESCO (New Delhi), International Bureau of Education (IBE, Geneva), United Nations High Commissioner for Human Rights (Geneva), Ford Foundation (New Delhi), International Labour Organization (New Delhi), National Human Rights Commission of India, Election Commission of India, Ministry of Human Resource Development (GOI) and Indian Council for Social Science and Research. Has been member of Ministry of Labour (GOI). He joined our Board on 08.09.2017.

Shri Gopal Krishan Agarwal
Independent Director
(DIN No:00226120)

Shri Gopal Krishan Agarwal (56 years) is a Chartered Accountant having 25 years of experience in financial markets and economic issues with vast knowledge and experience in financial structuring, revenue generation, tax planning and cost control consultations. His experiences include Member Managing Committee & Chairman Water Resources Committee of PHD Chamber of Commerce & Industry, National President of Association of National exchanges Member of India, Government Nominee of the Central Council of the Institute of Company Secretaries of India, Member of the task force on financial architecture of MSME, Ministry of Finance, Govt. of India, Member of the Corporate Affairs Committee of ASSOCHAM etc. His other Professional Associations include as the National President of the Depository Participant Associations of India, National President of the Commodity Participant Association of India and Member of the Secondary Market Advisory Committee of SEBI. He joined our Board on 17-11-2015.

Dr. Hari Narayan Borkataky
Independent Director
(DIN No:07956359)

Dr. Hari Narayan Borkataky (70 years) is a social worker of repute. He has taught at the Dept. of Obstetrics & Gynaecology at Assam Medical College, Dibrugarh and was the Professor at Indian College of Maternal & Child Health. He is a life member of Indian Medical Association, IMA Academy of Medical Specialties, and Association of Surgeons of India. Dr. Borkataky is also the senior most member and Hony. Chairman of the Red Cross Society, Tinsukia. He is the Medical Director and proprietor of Pinewood Hospital, Tinsukia. He is a Senior Consultant Gynecologist having 44 years of clinical experience. He joined our Board on 08.09.2017.

Shri Saikhom Tikendra Singh
Independent Director
(DIN No:08132314)

Shri Saikhom Tikendra Singh (66 Years), is a post graduate in Philosophy from Banaras Hindu University, Varanasi. He worked as an Assistant Professor of Philosophy in Maharaja Boadhachandra Collage, Imphal. After 20 years of service as Associate Professor he took voluntary retirement in the year 1994. He joined our Board on 12-03-2018.

Shri Vijay Kumar Gupta
Independent Director
(DIN No:07353011)

Shri Vijay Kumar Gupta (63 years), is the President of Wholesale General Merchants Association and North East Distributors Association. He was the convener and advisor of Assam Chamber of Commerce. He is a diligent social worker with an experience of over 37 years in Social Development. His key competencies include promoting Government policies and program building relationship with credentials in initiating and managing the projects including undertaking research work and networking with different stakeholders of the society like State Authorities, Community leaders, NGOs and Government Organizations and agencies. He joined our Board on 17-11-2015.

Chairman's Speech

Dear Members,

It is indeed a great honour and privilege for me to address all of you on behalf of the Board of Directors and I am delighted to welcome you all to the **42nd Annual General Meeting** of your Company. I express my sincere gratitude for the confidence reposed in your Company. The Annual Report for the financial year ending 31st March 2018, comprising of the Directors' Report, Audited Annual Accounts and Auditors' Report are with you and with your permission, I take them, as read. The year 2017-18 has been a landmark year for the growth of your Company in terms of accomplishment of a long cherished desire to complete the three major hydro projects which were under execution for a considerable period.

Your Company has established its presence in the Power Sector for its commitment to provide reliable, quality and economic power to the North Eastern Region in particular and the Country as a whole. Since its establishment in 1976, the Corporation has played a pivotal role for rendering valuable service for the socio-economic development and strategic growth of the Region. I take this opportunity to briefly mention some of the highlights of achievements during the year under review.

It is my immense pleasure to inform that your Company has successfully commissioned both the units of **Tuirial HEP (2 X 30 MW)** in **Mizoram** on 25-08-17 and 28-11-17 respectively. The units of **Pare HE Project (2 X 55 MW)** in **Arunachal Pradesh** had also been commissioned on 09-05-18 and 17-05-18 respectively. **COD** of **Pare HEP** was declared on 21-05-18 & 28-05-18 respectively. This is a major addition to the portfolio of the Hydro-capacity of the Corporation after a long gap.

I take this opportunity to share some of the highlights of achievements of your Company over the last financial year. The Company's nine operational plants with 34 Units and one Solar Power Plant generated **6166 MU** during the year **2017-18** against the MOU (Excellent) Target of **6180 MU.** Generation from Hydro Plants was **3202 MU,** which is higher than the **MoU Excellent Target** of **3046 MU**. Hydro generation also includes the recently commissioned 60 MW Tuirial HEP.

The Corporation earned a total income of

₹**1632.95 Crore** from sale of power and other income against ₹**1404.47 Crore** in the previous year. During the year 2017-18, the Corporation earned a Profit Before Tax (PBT) of ₹**415.11 Crore** against the last year's figure of ₹**360.25 Crore (Restated)**. Your Company's average Profit (PAT) continues to be more than ₹**268.00 Cr** in the last 10 years and above ₹**275.00 Cr** during the previous three consecutive years.

Your Company has paid an Interim Dividend of ₹**41.00 Crore** in **February'18** and proposes a final Dividend of ₹**47.00 Crore** for FY 2017-18. Therefore, total dividend payout for the year amounts to ₹**88.00 Crore** i.e. ₹0.25 per equity share. The Net Worth of the Corporation excluding capital reserve as on 31st March, 2018 was ₹**6,130.94 Crore** against ₹**5,850.24 Crore** as on 31st March, 2017 representing a **growth of 4.80 %.**

Ongoing Projects

In regard to the **600 MW Kameng HEP**, all the major structures viz., Dam, Water Conductor System, Power House Civil Works, HM Works, EM Works of Unit- I & II were completed by March 2018. However, during filling of the Water Conductor System, leakage was noticed in some joints of Penstocks I & II. The commissioning activities of Units I & II needed to be temporarily suspended by BHEL to facilitate repairing work of Penstocks I & II, which is being carried out under close monitoring of the Corporation and experts engaged by the Corporation. The repairing work of the Penstocks is likely to be completed by December'18. The RCE of the Project at March, 2015 price level (PL) was vetted by CEA for ₹**6179.96 Crore** with a Hard Cost of ₹.**4,724.67 Crore** and IDC&FC amounting to ₹**1,455.29 Crore**. However, as directed by the Revised Cost Committee, the RCE shall be submitted at completion cost level of the Project. The cumulative expenditure incurred in the Project up to 31st March, 2018 was ₹**6,399.17 Crore**.

Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY): NEEPCO implemented the Rural Electricity Infrastructure including Household Electrification Scheme under the 12th Plan of the Deen Dayal Upadhyaya Gram Jyoti Yojana (earstwhile RGGVY) in two Districts of the State of Tripura on behalf of the Government of Tripura. All the works for Sepahijala and South Tripura Districts are completed and handed over to Tripura State Electricity Corporation Ltd. (TSECL) on 18.08.2017 and 31.12.2017 respectively. Under the scheme, 7462 BPL households in Sepahijala District and 10220 BPL households in South Tripura District have been provided with household electricity connections.

I feel immensely proud to express that your Company was directed by the Hon'ble Minister of State for Power (IC), GoI in a meeting taken at Shillong on 20.04.2018 to implement Rural Electrification project in three villages in West Khasi Hills District of Meghalaya viz. Mawdingsnam, Umyiap and Umbyrsit using standalone SPV under Decentralised Distributed Generation (DDG) programme of DDUGJY within 15 days. The entire task from ordering, supply, erection & commissioning was accomplished within 11.05.2018 to the full satisfaction of the MoP.

Universal Electrification of all Household under "SAUBHAGYA" scheme:

Your Company has been entrusted with the prestigious work of implementation of universal electrification of all households under the

SAUBHAGYA scheme in Sepahijala and South Tripura District of Tripura due to successful completion of RE-DDUGJY works in these two districts by NEEPCO as Project Implementing Agency. In pursuance of the direction of the Ministry of Power, Govt. of India, for achieving targeted completion within shortest possible time, repeat order to the existing agency of RE-DDUGJY has been placed on 27.07.2018 for both the Districts.

Further, your Company has also taken up more projects, both hydro and thermal, for preparation of PFR/DPR and subsequent implementation in ownership as well as JV basis. Some of the major projects are 200 MW Solar PV Power Project in Odisha, 85 MW Wah Umiam St-III HEP (previously known as Mawphu Stage-II HEP), 500 MW Garo Hills Thermal Power Project in Meghalaya, Margherita Coal Based Thermal Project (1320 MW) in Assam, 120 MW Dibbin HEP, 330 MW Kurung HEP, 9750 MW Siang Upper Stage- I & II HEP in Arunachal Pradesh and 85 MW Killing HEP on the Assam and Meghalaya border.

Renewable Energy Initiatives

200 MW Solar PV Power Project, Odisha: Subsequent to receipt of the Letter of Intent (LoI) of Grid Corporation of Odisha Ltd. (GRIDCO) dated 17.03.2017 for purchase of 200 MW Solar Power, NEEPCO's proposal for setting up of 200 MW Solar PV Power Project at Babandha, Dist. Dhenkanal, Odisha, was cleared by the State Level Single Window Clearance Authority (SLSWCA) on 29.07.2017 and the State Technical Committee (STC) on 23.10.2017. Further, in-principle Evacuation Clearance has also been received from Odisha Power Transmission Corporation Ltd. (OPTCL) on 22.07.2017.

As per MoF's Office Memorandum dated 05.08.2016 and subsequent MOP's Office Memorandum dated 11.08.2016, the Concept Paper for obtaining 'in-principle' approval of the Ministry as per the generic structure, was submitted to the Joint Secretary (Hydro), MoP, by NEEPCO on 16.02.2018. NEEPCO is awaiting the 'in-principle' approval of the competent authority for start of Project related works. Meanwhile GRIDCO has requested NEEPCO to go ahead with the finalization of EPC contract through open tender with reverse auctioning.

Joint Ventures Projects

For capacity addition, 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 to be taken up through the JV route are 120 MW Dibbin HEP with KSK Energy Ventures, 330 MW Kurung HEP and 9750 MW Siang Upper Stage I & II HEP with Govt. of Arunachal Pradesh.

Information Technology

IT has been playing the pivotal role towards computerization of major functions of the Corporation. A major initiative taken up by the Information Technology Department during 2017-18 was phasing out of the conventional Packet Switching/PAMA/DAMA VSATs for data, voice, and internet by high speed MPLS (Multiprotocol Label Switching) architecture, resulting in enhanced bandwidth, reliability and overall increase in performance with significant financial saving. The tender process for implementation of **ERP** is in advanced stage. Building up a data input platform for the ERP process, a centralised data base for material codification and employees' personnel data is nearing completion. New NEEPCO website was successfully launched on 24.04.2018.

Research & Development

Projects undertaken during the year 2017-18 are 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. Study on Flora and Fauna and survival in acidic water of Kopili Reservoir, Umrongso, Dima Hasao District, Assam with emphasis on identification of endangered species and a practical solution to their preservation. Total expenditure against R & D during the year 2017-18 was ₹27.00 Lakh.

Corporate Social Responsibility & Sustainable Development

Since inception, your Company has always given priority towards all round development of the people residing in and around its area of operation with due consultation and participation of stakeholders according to their specific needs. Our core areas of intervention remain livelihood, education, employability, empowerment, health & drinking water, sanitation, sports and rural infrastructure development supported by initiatives for renewable energy and other environment protection programmes, along with the nation wide agenda on Swachh Bharat, School toilets and Skill India interventions.

Dear Members, your Company is committed towards the objectives of Sustainable Development through its activities and services. There is a constant endeavor to contribute and maintain social and environmental sustainability. As the power plants of NEEPCO are spread across the North East Region of the country, NEEPCO's reach is very widespread leading to huge community coverage. The focus is on providing good health, quality education, clean drinking water, sanitation and environment sustainability.

Rules and Policies

Public Procurement Policy for Micro & Small Enterprises (MSEs): During the year 2017-18, the Corporation organized/ associated /participated in five numbers of Vendor Development Programmes (VDP) for MSEs in the procurement process. The Annual Procurement Plan for purchase from MSEs is uploaded in the Corporation's website. The total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs) during the 2017-18 was ₹18.55 Crore. The percentage of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of the total procurement is 13.38 %.

Risk Management Policy: The evolving and fast changing environment demands a dynamic Risk Management Policy. The Risk Management Policy has been thoroughly reviewed and prepared afresh to cope with the present market scenario. The Risk Review Committee comprises 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. Automation of the Risk Management Policy has been implemented through in-house software development.

Human Resource Development

The HRD Department understands that training and development activities play a vital role in bettering employees' performance and in organizational growth. Training & development interventions intend to help employees acquire new skills, sharpen existing ones, perform better and increase productivity. In the year 2017-18, 900 employees were imparted training under various categories to enhance their competency levels, skill set and knowledge profile through various in-house and external training programs organized by various reputed training agencies within the country and abroad. Total training man-days achieved is 13603 and average training man-days per employee is 6.

Your Company has also maintained congenial and harmonious Industrial Relations throughout the year. Meeting and discussions between Unions / Associations and Management were carried out on various issues concerning improvement of work-life of employees and progress of works of the organization. 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 form. As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made there under, a Committee was constituted for prevention and redressal of Sexual Harassment of Women at Workplace. The Committee in its report noted that no such complaints were received during the year 2017-18.

NEEPCO Vigilance Activities

During the year 2017-18, NEEPCO Vigilance Department dealt with various aspects of Vigilance Mechanism under the directives and guidelines issued by the Central Vigilance Commission (CVC) from time to time. For exclusive and independent functioning of the Vigilance Department, NEEPCO ensured transparency, objectivity and quality in vigilance functioning. 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. In Kameng HEP, a major systemic improvement in sourcing riverbed materials has been effected.

Regarding improvement 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 NEEPCO's web site have been implemented.

Report of Corporate Governance

The Corporation firmly believes in the importance of good Corporate Governance in the conduct of its affairs. It stresses on 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. Certificate on Corporate Governance from the Secretarial Auditor is enclosed in the Directors' Report.

Acknowledgement

In all its endeavors and achievements, your Corporation has been receiving constant guidance and support from the Ministry of Power, Ministry of Finance, Ministry of DoNER, other Ministries of Govt. of India, Central Electricity Authority, Central Water Commission, CERC and other Departments of the Govt. of India, State Governments and other Departments of the North East States, Financial Institutions, Bank & Lending Agencies, media etc. I, on behalf of the Company, take this opportunity to express sincere gratitude and appreciation for their invaluable support and contribution. I would also like to place on record, our sincere thanks to the Statutory Auditors of the Corporation, the Cost Auditors, Secretarial Auditors and Comptroller & Auditor General of India for their constructive suggestions.

My special thanks and appreciation to the members of the Board and the Senior Management team for the valuable contribution and suggestions in improving the performance of the Company.

I would also like to take this opportunity to thank all our stakeholders for reposing their faith in us and would especially like to thank all our employees, our biggest strength who continue to support us with great dedication and to acknowledge their enhanced focus to consolidate on our strengths towards a bright future.

May I now request that the Directors' Report, the Audited Accounts, the Reports of the Auditors and Comments of the C&AG for the year ended 31st March, 2018 be considered and adopted.

Thanking you.

(A.G.West Kharkongor)
Chairman and
Managing Director

Dated, New Delhi
The 24th September, 2018

Directors' Report
for the year 2017-18

Dear Members,

On behalf of the Board of Directors it is my privilege to present the 42nd Annual Report on the performance of your Corporation during the Financial year ended on 31st March 2018 along with the audited Statement of Accounts, Auditors Report and Review of the Accounts by the Comptroller & Auditor General of India for the period.

FINANCIAL PERFORMANCE

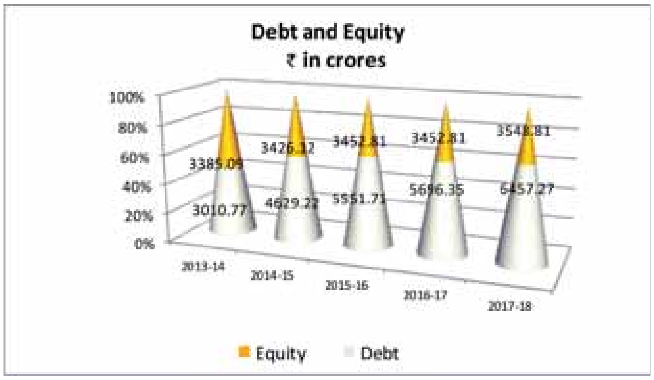
The performance of the Corporation for the financial year ended 31st March 2018 and 31st March 2017 are summarized below:

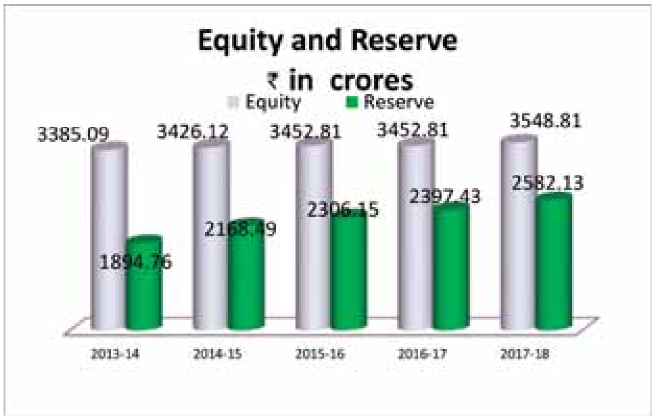
PERFORMANCE AT A GLANCE

(₹in Crore)

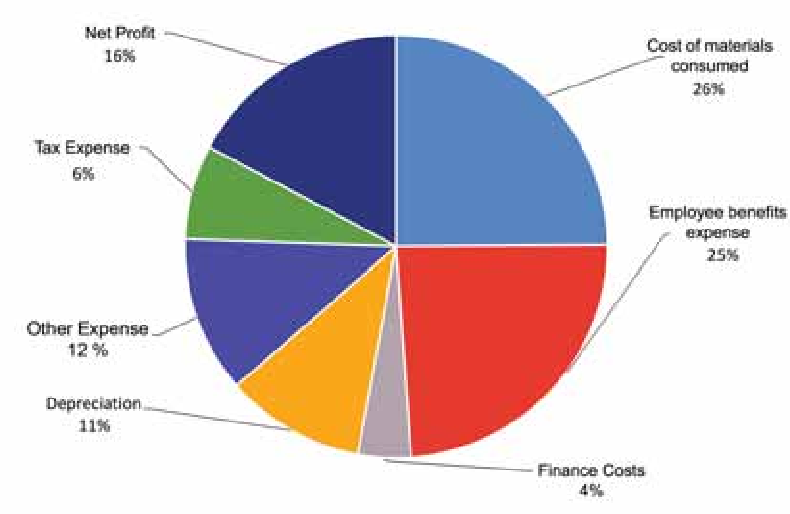
Sl. No.	Items	2017-18	2016-17 (Restated)
A	Revenue from Operation	1632.95	1404.47
B	Other Income	31.72	25.30
C	Total Revenue	1664.67	1429.77
D	Profit before depreciation, interest and tax	667.20	550.55
E	Depreciation	183.06	160.39
F	Profit after depreciation but before interest and tax	484.14	390.16
G	Interest and finance charges	69.03	29.91
H	Profit before tax	415.11	360.25
I	Tax expenses	121.94	134.27
J	Profit after Tax	293.17	225.98
K	Other Comprehensive Income	2.38	(2.14)
L	Total Comprehensive Income	295.55	223.84
M	Interim Dividend	41.00	21.00
N	Proposed final dividend	47.00	51.14
O	Dividend Distribution Tax	8.35	4.27
P	Dividend Distribution Tax payable on Proposed Dividend	9.57	10.41
Q	Transfer to Bond Redemption Reserve	173.35	149.80
R	Share Capital	3452.81	3452.81
S	Share Application Money pending allotment	96.00	-
T	Reserve & Surplus	2582.13	2397.43
U	Net Worth (R + S+T)	6130.94	5850.24
V	Gross Block	6784.58	6675.13
W	Capital Employed	3212.44	3428.01
X	Number of Employees	2184	2308
Y	Financial Ratios ::		
Gross Operating Margin		635.48	525.25
Net Profit to Net Worth (%)		4.78	3.86
PAT /Total Employment (₹ in lakhs)		13.42	9.79
Debt Equity Ratio		1.05	0.97
Liquidity (ratio)		0.73	0.79
Current Ratio		0.80	0.91
Sales Turnover/ Net Block (%)		46.99	39.72
Debtor Turnover Ratio (days)		101	189
Earnings per Share (₹)		0.85	0.65

Note: Due to revision in late payment surcharge of the previous years, the Financial Statement for the Financial Year 2016-17 has been restated, impacting the net worth and trade receivables.





Analysis of Revenue

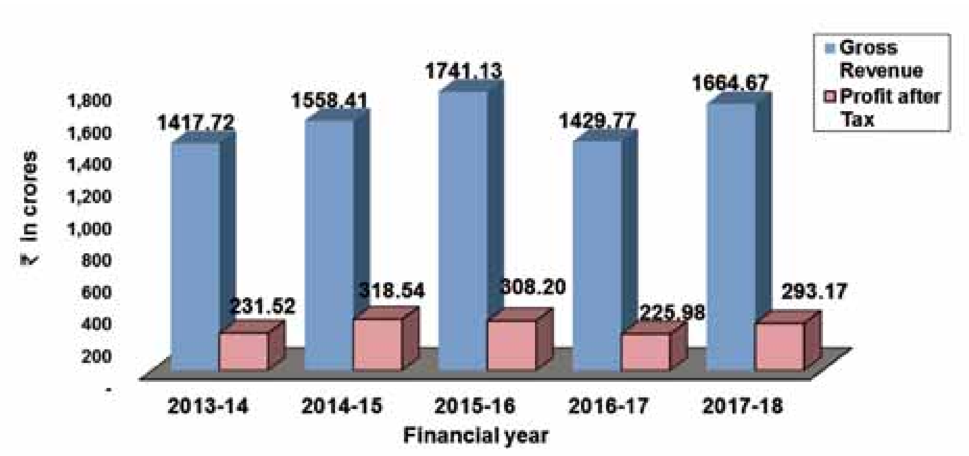


Revenue

The Gross Revenue of the Corporation for the year 2017-18 is ₹1664.67 Crore (previous year ₹1429.77 Crore).

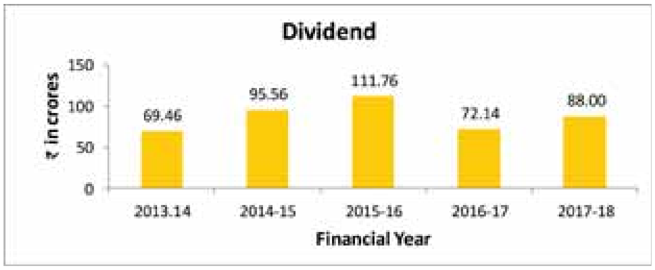
Profit Before and After Tax

The Corporation earned a profit before tax of ₹415.11 Crore as against of ₹360.25 Crore (Restated) for the previous year and the profit after tax amounts to ₹293.17 Crore as against previous year figure of ₹225.98 Crore (Restated).



DIVIDEND

The Corporation has paid an interim dividend of ₹41.00 crores in February, 2018. Your Directors have recommended a final dividend of ₹47.00 crore for the year 2017-18. The total dividend payout for the year amounts to ₹88.00 Crores i.e. ₹0.25 per equity share. The dividend pay-out represents 30% of Profit after Tax (PAT). The final dividend shall be paid subject to your approval in the Annual General Meeting.



FINANCIAL REVIEW

A. CAPITAL STRUCTURE

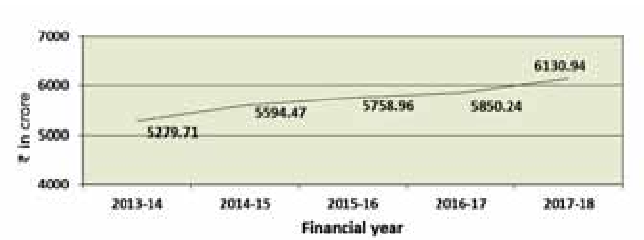
The Authorised Share Capital of the Corporation as on 31.03.2018 stood at ₹5000.00 Crore and the Paid up Capital was ₹3452.81 Crore (Previous year ₹3452.81 Crore). In addition, Share Application Money pending allotment as on 31st March 2018 amounts to ₹96.00 Crore (Previous year 'Nil').

B. BORROWINGS

The Corporation mobilised a loan of ₹1000.00 Crore from various domestic agencies during the year 2017-18.

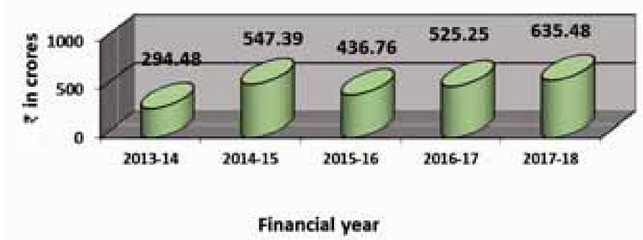
C. NET WORTH

The Net Worth of the Corporation excluding capital reserve as on 31st March, 2018 was ₹6130.94 Crore against ₹5850.24 Crore as on 31st March, 2017 representing a growth of 4.80 %.



D. GROSS OPERATING MARGIN

The Gross Operating Margin of the Corporation as on 31st March, 2018 was ₹635.48 Crore against ₹525.25 Crore as on 31st March, 2017.



E. STATUTORY AUDITOR

M/s SPAN & Associates, Guwahati was appointed as the Statutory Auditor of the Company, by the Comptroller & Auditor General of India for the financial year 2017-18. The Statutory Auditor of the company has submitted the report on the Financial Statements of the Company for the financial year 2017-18. The reports of the Statutory Auditor are given in **ANNEXURE 6A & 6B**.

F. MANAGEMENT COMMENTS ON STATUTORY AUDITOR'S REPORT

The Statutory Auditors has given an unqualified report on the Financial Statements of the Company for the Financial Year 2017-18. The Management's reply to the observation on Internal Financial Control under section 143 (1) of the Companies Act, 2013 are enclosed as **ANNEXURE - 6C.**

G. REVIEW OF ACCOUNTS BY COMPTROLLER & AUDITOR GENERAL OF INDIA

Comptroller & Auditor General of India has reviewed the financial statements of the Company for the 2017-18. Copy of the report is enclosed as **ANNEXURE – 7.**

H. COST AUDITOR

The Central Government u/s 148 of the Companies Act, 2013 has approved the appointment of cost audit firm, M/s. Bandyopadhyaya Bhaumik & Co. as Cost Auditor of the Corporation for the financial year 2017-18. The Cost Accounting Records are being maintained by all the power stations in operation as prescribed under Companies (Cost Records and Audit) Rules, 2014 and as amended vide Companies (Cost Records and Audit) Amendment Rules, 2017. The Cost Audit for the year 2017-18 has been completed and the Cost Auditor has submitted the report. The due date for filing Cost Audit Reports for the financial year 2017-18 is September 27, 2018 and the same shall be filed with the Cost Audit Branch of the Ministry of Corporate Affairs (Govt. of India) within the stipulated time.

SECRETARIAL AUDITOR

M/s. Narayan Sharma & Associates, Practicing Company Secretaries, Guwahati, was appointed as the Secretarial Auditor of the Company for conducting the secretarial audit for the year 2017-18. The Secretarial Audit Report in Form No.MR-3 for the financial year ended 31st March 2018 as audited by M/s. Narayan Sharma & Associates, Practicing Company Secretaries is enclosed as **ANNEXURE-8A**. Management's reply to the Secretarial Auditors' observations made in the Secretarial Audit Report for the year 2017-18 is enclosed as **ANNEXURE-8B**.

PLANTS UNDER OPERATION

POWER GENERATION

The Very Good Generation Target for the year 2017-18 was fixed as 5585 MU which includes 43 MU against Pare HEP and 260 MU against Kameng HEP. The Generation achieved during the year 2017-18 was 6166 MU against MoU (Very Good) Target of 5585 MU. The achievement is exclusive of generation target of Pare and Kameng HEP which are yet to be commissioned. Thus, the achievement in generation with respect to the MoU Target is 110.40%. Generation from AGTCCPP was affected due to less supply of gas by M/s GAIL and due to under requisition of the beneficiaries.

YEARLY GENERATION POWER STATION WISE

Power Station	Generation Target (MU) 2017-18 for "Very Good" MOU rating	Actual Generation (MU) 2017-18	Generation Target (MU) 2016-17 for "Very Good" MOU rating	Actual Generation (MU) 2016-17	APAF Target (%) 2017-18 for "Very Good" MOU rating	Actual APAF (%) achieved during 2017-18
THERMAL					78	75.28
AGBP (291 MW)	1432	1598	1730	1573		
AGTCCP (135 MW)	860	688	860	915		
TGBPP (101 MW)	535	671	0	182		
Thermal Total	**2827**	**2957**	**2590**	**2488***		
HYDRO						
Kopili H E Plant (275 MW)	893	1433	1085	1287		
Doyang H E Plant (75 MW)	227	274	218	259		
Ranganadi H E Plant (405 MW)	1211	1417	1250	1249		
Tuirial HE Plant (60 MW)	118	78	0	0		
Pare H E Project (110 MW)	43	0	100	0		
Kameng HE Project (600 MW)	260	0	0	0		
Hydro Total	**2752**	**3202**	**2653**	**2795**		
RENEWABLE						
Solar Monarchak (5 MW)	6	7	7	7		
NEEPCO	**5585**	**6166**	**5250**	**5290***		

Note: ** The Thermal sub-total and total generation figure shown against the year 2016-17 is exclusive of the generation from TGBPP, for which no MoU target was fixed for the year 2016-17. As on 31st March, 2018, 600 MW Kameng HEP and 110 Pare HEP were not commissioned.*

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 2017-18, total energy generated from the Plant was 1433 MU against MoU (Very Good) Target of 893 MU and Design Energy of 1550.09 MU. The Plant Availability Factor (PAF) for Kopili Hydro Power Station (200 MW) achieved was 74.16% against 79.00% of Normative Annual Plant Availability Factor (NAPAF) fixed for the year 2017-18. The PAF for Khandong Hydro Power Station (50 MW) achieved was 70.00% against 69.00% of NAPAF fixed for the year 2017-18. The PAF for Kopili Stage-II (25 MW) achieved was 75.71% against 69.00% of NAPAF fixed for the year 2017-18.

Umrong Dam, Kopili Hydro Electric Plant, Assam

B) 75 MW Doyang Hydro Electric Plant, Nagaland:

Doyang Hydro Electric Plant, with its Design Energy of 227.24 MU, could generate 274 MU during the year 2017-18. The PAF achieved was 71.52% against 73% of NAPAF fixed for the year 2017-18.

A view of the dam and spillway, DHEP, Nagaland

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

Ranganadi Hydro Electric Plant, with its Design Energy of 1509.66 MU, could generate 1417 MU during the year 2017-18 against MoU very good target of 1211 MU. The PAF during 2017-18 was 93.67% against NAPAF of 85%.

D) Tuirial Hydro Electric Project (60 MW), Mizoram:

Unit # 1 and Unit # 2 of Tuirial Hydro Electric Project were synchronised on 25.08.2017 & 28.11.2017

Spillway, Tuirial Hydro Electric Project, Mizoram

respectively. Against its Design Energy of 250.63 MU, the project could generate 78.38 MU during 2017-18. However, the Commercial Operation of the units are yet to be declared.

THERMAL PLANTS

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

Generation achieved from the Plant was 1598 MU against MoU Very Good target of 1432 MU during 2017-18 with Plant Load Factor of 62.71% and PAF of 62.38% against NAPAF of 72%.

The average Gas supply to the plant by M/s OIL during 2016-17 was 1.1631 MMSCMD and 2017-18 was 1.1942 MMSCMD against contracted quantity of Gas of 1.40 MMSCMD. The issue of short supply of gas was taken up with M/s OIL. The MoP also took up the matter with the MoP&NG for restoration of the supply of contracted quantity of gas to the plant at the earliest.

Assam Gas Based Power Plant, Assam

M/S OIL informed that with the present natural gas production level and also as per directive received from the MOP&NG from time to time, they are applying pro-rata cut on all non-priority customers till normalization/ revival of gas wells. M/s OIL also informed that they will supply gas at a Minimum Guaranteed Quantity (MGQ) level, which shall be increased to the level of committed quantity whenever the required potential is built up.

Further, in order to maintain generation at 78% - 80% PLF, 1.65 MMSCMD of gas is required. The matter of enhancement of gas for the plant has been pursued with M/s. OIL as well as with the Ministry of Petroleum & Natural Gas. The Ministry of Power has also taken up with the MOP&NG for enhancement of gas allocation to 1.65 MMSCMD from existing resources. M/s. OIL has informed that they are not in a position to consider commitment of additional gas to any existing or new customer on firm basis, however, emphasizing that based on future discovery of any new Gas reserves, possibility of additional Gas supply will be relooked depending on priority given to different sectors by the Government of India.

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

Agartala Gas Turbine Combined Cycle Power Plant has achieved generation of 688 MU during 2017-18 against MoU very good target of 860 MU with Plant Load Factor of 58.20% and PAF of 61.82% against NAPAF of 85%.

Agartala Gas Based Combined Cycle Power Plant, Tripura

As per the Gas Sales and Transportation Contract between NEEPCO and GAIL, 0.75 MMSCMD of gas is to be supplied from the gas fields of M/s ONGC for operation of the 135 MW Agartala Gas Turbine Combined Cycle Power Plant (AGTCCPP). However, since January 2017, the gas supply has been reduced, with an average supply of 0.51950 MMSCMD during the year 2017-18.

The matter of short supply of gas has been taken up with GAIL on several occasions but the situation has not improved. M/s GAIL conveyed that ONGC has informed that there is a reduction in availability of gas due to depletion of gas from the existing wells in Dome ADB and that the situation is likely to improve from March 2019 when two of their new gas fields may start commencing production. M/s. GAIL further informed that the matter is being pursued with ONGC.

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

The generation from Tripura Gas Based Project during 2017-18 was 671 MU against MoU very good target of 535 MU with Plant Load Factor of 75.82% and PAF of 78.83% was achieved against 85% of NAPAF fixed for the year 2017-18.

RENEWABLE ENERGY PLANTS

H) 5 MWp Grid Interactive Solar PV Power Plant at TGBP Site, Tripura:

The energy generated from the plant during 2017-18 was 6.71 MU with Capacity Utilization Factor (CUF) of 15.33 % against MoU very good target of 6 MU.

ONGOING PROJECTS

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

As on 31st March 2018, all major works in the Project have been completed, including works in both the Dams at Bichom and Tenga. All works in the HRT, Powerhouse (including EM Works) and Switchyard have also been completed. The 400 kV D/C Kameng-Balipara Transmission Line was charged by PGCIL and subsequently Bus-I and Bay-9 (400 kV) at KaHEP switchyard were also charged. However, due to leakages noticed from the Penstocks in Feb/March 2018 during filling, commissioning of the project is delayed. Inspection of the penstocks have been conducted to identify/map all the problem points.

Machine Hall, Kameng Hydro Electric Project, Arunachal Pradesh

The RCE of the Project at March, 2015 price level (PL) was vetted by CEA for ₹6179.96 Crore with a Hard Cost of ₹4,724.67 Crore and IDC&FC amounting to ₹1,455.29 Crore. However, as directed by the Revised Cost Committee, the RCE shall be submitted at completion cost of the project. The cumulative expenditure incurred in the project up to 31st March, 2018 was ₹6399.17 Crore, out of which an amount of ₹845.52 crore was spent during 2017-18.

Physical progress as on date of report:

- All major works have been completed in the project.
- Boxing up of all units are completed.
- Pre commissioning tests of U-1 & U-2 has been carried out. Based on the pre commissioning test outcome, strengthening of the penstocks are undertaken. Project is expected to be commissioned in October, 2018.
- Plugging works of Diversion Tunnel in Bichom Dam is completed.
- 400 kV D/C Kameng-Balipara Transmission Line has been charged by PGCIL. Bus-I and Bay-9 (400 KV) at KaHEP switchyard have also been charged.

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

Project is already commissioned and COD was achieved in May, 2018.

- During the year in Pare HEP, Dam concreting has almost been completed. Concrete lining of Head Race Tunnel, grouting works and erection of Steel Liner in HPT are completed. Power House including in Tail Race Channel concreting have been completed. Erection of Draft Tube Gates (4 Nos.), Surge Shaft Gate, Intake Trash Rack, HRT Intake Emergency and Service Gates have been completed. Erection & final operation of Radial Gate in Block 7 is completed, while erection in Blocks 5 & 6 are in progress. Lowering of Stop log Gates in Blocks 5, 6 & 7 are completed. Plugging and grouting of Adits-I & II have been completed. Lowering of Diversion Tunnel Gate was done on 13.03.2018. Plugging of the Diversion Tunnel is in progress. Filling of tail pool was completed on 04.03.2018. Reservoir impounding commenced from 13th March, 2018. In the Electro-Mechanical Works front, boxing up of both the units have been done. Installation / erection of unit auxiliaries, station service systems and other balance of plant items are completed. Testing and commissioning of Electrical Systems are in progress. Cable laying and termination works have been completed. Switchyard erection works are completed. 132 kV S/C LILO Ranganadi-Nirjuli Transmission Line (1.43 Km) has been charged and back charging of Switchyard was done on 2nd March, 2018. Erection of 2 nos. 68 MVA, 11/132 kV, 3-phase, Generator Transformers have been completed. Also, erection works of two nos. of 1.25 MVA, 33/0.433 kV, 3-phase unit auxiliary transformers (UATs) and one no. of Excitation Transformer are completed. 7.5 MVA, 132/33kV, 3-phase, Station Service Transformer has been made ready for charging.

Pare Hydro Electric Project, Arunachal Pradesh

The RCE of the Project at January, 2016 price level (PL) was vetted by CEA for ₹1337.76 Crore with a Hard Cost of ₹1192.00 Crore and IDC&FC amounting to ₹145.76 Crore. However, as directed by the Revised Cost Committee, the RCE shall be submitted at completion cost of the project. The cumulative expenditure incurred in the project up to 31st March, 2018 was ₹1639.13 Crore, out of which an amount of ₹265.30 Crore was spent during 2017-18.

Physical progress as on date of report:

- All major works in the project are completed.
- Spinning of Unit-I: Completed on 12.05.2018.
- Synchronization of Unit-I: Completed on 17.05.2018.
- Trial run of Unit-I at full load for 12 hours (as per CERC norms) completed on 24.05.2018.
- Spinning of Unit-II: Completed on 28.04.2018.
- Synchronization of Unit-II: Completed on 09.05.2018.
- Trial run of Unit-II at full load for 12 hours (as per CERC norms) completed on 16.05.2018.
- Commercial operation (COD) of Unit-II was declared on 21.05.2018.
- Commercial operation (COD) of Unit-I was declared on 28.05.2018.

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

Project has been commissioned during the year 2017-18 and COD is awaited. During the year works of all the major structures viz., Dam & Spillway, water conductor system, Power House and all gates have been completed.

- Unit-I and Unit- II of the project were successfully synchronized on 25th August, 2017 and 28th November, 2017 respectively. The project was dedicated to the nation by the Hon'ble Prime Minister of India on 16th December, 2017.
- The RCE-II of the Project at December, 2015 PL was vetted by CEA for ₹1263.32 Crore (excluding IDC & FC). However, as directed by Revised Cost Committee, RCE was resubmitted at completion cost of the project for ₹1388.42 Crore (excluding IDC & FC) at Nov'17 PL, which is under examination in CEA. The cumulative expenditure incurred in the project up to 31st March, 2018 is ₹1380.85 crore, out of which an amount of ₹197.41 Crore was spent during 2017–18.

OTHER PROJECTS

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

NEEPCO implemented the Rural Electricity Infrastructure including Household electrification scheme under the 12th Plan of the Deen Dayal Upadhyaya Gram Jyoti Yojana (earstwhile RGGVY) in two Districts of the State of Tripura on behalf of the Government of Tripura. All the works for Sepahijala and South Tripura Districts are completed and handed over to Tripura State Electricity Corporation Ltd. (TSECL) on 18.08.2017 and 31.12.2017 respectively. Under the scheme, 7462 BPL households in Sepahijala District and 10220 BPL households in South Tripura Districts have been provided with household electricity connections.

UPCOMING PROJECTS:

Under S&I SCHEME:		
S.N.	**Project**	**Status**
	HYDRO	
1.	Wah Umiam St-III HEP (85 MW), Meghalaya (Previously known as Mawphu HEP, Stage-II HEP)	▪ The Detailed Project Report (DPR) was submitted to the Central Electricity Authority (CEA) in July'17 for final appraisal. Techno-Economic Clearance (TEC) is awaited. ▪ The MoP vide letter dated 05.06.2017 sanctioned an amount of ₹67.95 crores for expenditure on Pre-investment activities of Mawphu HEP, Stage-II (85 MW). ▪ Pre-construction activities could not be taken up due to public opposition demanding change in the name of the Project. The Project has since been renamed as Wah Umiam St-III HEP vide notification dated 20.04.2018. ▪ NEEPCO pursued with PWD, Govt. of Meghalaya for construction of approach road through Mawphu Village as deposit work. State PWD conducted a preliminary alignment survey on 16.04.2018 and shall submit detail survey & estimate shortly. ▪ The MoEF&CC, GoI, vide letter dated 26.02.2018 conveyed its recommendation for grant of Environmental Clearance subject to submission of Stage-I Forest Clearance by NEEPCO.
	PROJECT AWAITING GOVT. DECISION	
	HYDRO	
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. ▪ Project alternatives were explored with updated hydrology, the project cost and tariff were found to be on higher side. ▪ A grant of about ₹1800 crore is required to contain the tariff below ₹6.00 per unit which was intimated to Government of Mizoram in April 2017. ▪ The matter was discussed in a meeting taken by the Secretary, Power & Electricity Department, Mizoram on 03.10.2017. ▪ As per the meeting, the State shall examine the steps for cancellation/ termination of the MoUs, the options available for implementing the Project and place the matter before the Empowered Committee for consideration. ▪ Response from the Government of Mizoram is awaited.
	THERMAL	
3.	Garo Hills Thermal Power Project (500 MW), Meghalaya	▪ MoA was signed on 17th March 2011 with the Government of Meghalaya. ▪ Site was identified for the Project. However, Coal linkage could not be established despite all out efforts. ▪ The matter was discussed in a review meeting taken by the Hon'ble Chief Minister, Govt. of Meghalaya held on 02.11.2017. ▪ In the meeting, the Hon'ble Chief Minister advised NEEPCO to take up with Meghalaya Mineral Development Corporation Ltd. (MMDC) for establishment of coal linkage. ▪ Accordingly, NEEPCO requested MMDC vide letters dated 17.11.2017 and 22.02.2018 to confirm the possibility of establishing long term coal linkage for the Project.

RENEWABLE ENERGY PROJECTS		
4.	200 MW Solar PV Power Project, Odisha	▪ Subsequent to receipt of the Letter of Intent (LoI) of Grid Corporation of Odisha Ltd. (GRIDCO) dated 17.03.2017 for purchase of 200 MW Solar Power, NEEPCO's proposal for setting up of 200 MW Solar PV Power Project at Babandha, Dist. Dhenkanal, Odisha, was cleared by the State Level Single Window Clearance Authority (SLSWCA) on 29.07.2017 and the State Technical Committee (STC) on 23.10.2017. Further, in-principle Evacuation Clearance has also been received from Odisha Power Transmission Corporation Ltd. (OPTCL) on 22.07.2017. ▪ As per MoF's Office Memorandum dated 05.08.2016 and subsequent MOP's Office Memorandum dated 11.08.2016, the Concept Paper for obtaining 'in-principle' approval of the MoP was submitted to the Joint Secretary (Hydro), MoP, on 16.02.2018. ▪ In-principle approval for start of the Project related works is awaited.

JOINT VENTURES:
For capacity addition, 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 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.	▪ NEEPCO signed Share Holder's Agreement (SHA) with KSK Energy Ventures Ltd. on 12.06.2014 for development of the Project in JV mode and a JV Company viz. M/s KSK Dibbin Hydro Power Pvt. Ltd. was formed. ▪ Consideration of e-flow (not considered in the DPR) brings down the Installed Capacity to 85-90 MW and Design Energy from 371 MU to 295 MU. ▪ NEEPCO earlier requested the Government of Arunachal Pradesh (GoAP) for waiver of free Power and DONER for grant of ₹250.0 Crore. ▪ The GoAP stated that deferment / foregoing of free power by the State Government would not be possible. ▪ The M/o of DONER intimated that they cannot fund Private Project. To consider grant for the Project by M/o DoNER, the Project needs to be taken over by the GoAP or to be given to PSU by the GoAP. ▪ During the meeting taken by JS (Hydro), MoP on 24.11.2017, the Commissioner (Power), Arunachal Pradesh informed that they are considering cancelling the Project. Show Cause Notice has been issued to M/s KSK Energy Ventures Ltd. ▪ NEEPCO vide letters dated 14.02.2018 and 28.03.2018 communicated to the GoAP that the Project would be viable with ₹250.0 Crore grant with unaltered parameters and requested the GoAP for allotment of the Project to NEEPCO. ▪ Response from the Govt. of Arunachal Pradesh is awaited.

PROJECT AWAITING GOVT. DECISION		
2.	Siang Upper Stage-I HE Project (6000 MW) And Siang Upper Stage-II HE Project (3750 MW), Arunachal Pradesh.	▪ NEEPCO signed the MoA with the Government of Arunachal Pradesh on 28.05.2013 for development of the project in Joint Venture between NEEPCO (37%) and NHPC (37%) along with 26% share of equity in respect of the State Govt. ▪ NEEPCO prepared the PFR and DPR preparation was in progress which was stopped due to vehement local protest. ▪ Subsequently, the project works were put on hold as per the communication received from the MoP, GoI vide letters dated 18th Nov' 2015 and 2nd Feb' 2016, till a final decision is taken regarding development of the Siang Upper Stage-I and Stage-II HE Projects in single stage or two stages. ▪ The MoP vide letter dated 24.01.17 conveyed MoWR's decision to carry out investigation works for preparation of the 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 on 30.03.2017 conveyed to the 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 (likely to be more than ₹1000.0 Cr) 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	▪ 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 Pre-Feasibility Report (PFR) was prepared in Oct'15. ▪ NEEPCO submitted the proposal to the MoP on 28.06.2016 for approval of Pre-investment expenditure for the Kurung HEP. ▪ Delegated Investment Board (DIB) meeting for approval of Pre-investment activities of Kurung HEP for an amount of Rs. 171.74 Crore was held on 18.01.2018. ▪ In the meeting, the Secretary (Power), the Chairman of the DIB expressed concern over some of the clauses of the MOA already signed between NEEPCO and the GoAP and decided that the DIB proposal for pre investment activities of Kurung HEP be kept on hold. ▪ Subsequently, the MoP vide letter dated 20.03.2018 requested NEEPCO to first take up the matter with the Government of Arunachal Pradesh to relook into certain clauses of the MoA with information to the Ministry. ▪ The MoP vide letter dated 16.04.2018 conveyed its consent to the request of NEEPCO for taking up with the GoAP on two more clauses discussed in the DIB meeting in addition to the clauses mentioned in MoP's above letter. ▪ Accordingly, the matter is in process for taking up with the GoAP.
SOLAR		
In terms of Share Purchase Agreement drawn on 24th October 2017, NEEPCO's investment (40%) in Joint Venture of WAANEEP Solar Pvt. Ltd. was sold off to Waaree Energies Limited, the other Joint Venture Partner.		

INFORMATION TECHNOLOGY

A major initiative taken up by the Information Technology Department during 2017-18 was phasing out of the conventional Packet Switching/PAMA/DAMA VSATs for data, voice, and internet by high speed MPLS (Multiprotocol Label Switching) architecture, resulting in enhanced bandwidth, reliability and overall increase in performance with significant financial saving. The tender process for implementation of ERP is in advanced stage with bidders' queries & clarifications being uploaded in the NEEPCO's e-procurement portal. The tender opening date has been fixed on 16th July, 2018. As a pre-requisite for building up a data input platform for the ERP process, a centralised data base for material codification and employees' personnel data is nearing completion. Action was initiated for revamping of NEEPCO website. The new website was successfully launched on 24.04.2018.

Residential Training Programme on CAD Software, IIT, Guwahati

RESEARCH & DEVELOPMENT

Projects undertaken during the year 2017-18 are:

1. Corrosion Assessment 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.
2. Study on Flora and Fauna and 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.

   Total expenditure against R & D during the year 2017-18 is ₹27.00 Lakh.

RULES AND POLICIES

Public Procurement Policy for Micro & Small Enterprises (MSEs)

During the year 2017-18, the Corporation organized/associated/participated in five numbers of Vendor Development Programme (VDP) for MSEs in the procurement process. The Annual Procurement Plan for purchase from MSEs are uploaded in the Corporation's website. The total value of goods and services procured from MSEs (including MSEs owned by SC/ST entrepreneurs) are as shown below.

NEEPCO participating at the One Day State Level Vendor Development Programme for Micro Small Enterprise at Shillong

Sl. No.	Description	2016-17	2017-18
1.	Total value of procurement (works, goods & services) procured from MSEs (including MSEs owned by SC/ST entrepreneurs) in Rs. Crore	9.42	18.55
2.	Total value of procurement (works, goods & services) procured from MSEs owned by SC/ST entrepreneurs only in Rs. Crore.	0.16	0.50
3.	Percentage of procurement from MSEs (including MSEs owned by SC/ST entrepreneurs) out of total procurement.	7.87%	13.38%
4.	Percentage of procurement from MSEs owned by SC/ST entrepreneurs only out of total procurement.	0.13%	0.36%

RIGHT TO INFORMATION (RTI)

For implementation of the RTI Act, and to streamline the process of timely disposing applications / appeals, the Executive Director (CP) has been nominated as Appellate Authority, the General Manager (CP) has been nominated as Chief Public Information Officer (CPIO) for Shillong, Kolkata, Guwahati and Delhi Offices respectively and the Sr. Manager (E/M), O/o Executive Director (CP) has been nominated as the Nodal Officer, RTI.

Compliance of the RTI Act, during the year 2017-18	
The number of applications/ appeals received	The number of applications / appeals disposed
112	105

RISK MANAGEMENT POLICY

The evolving and fast changing environment demands a dynamic Risk Management Policy. Accordingly, to cope with the present business scenario the Risk Management Policy was reviewed thoroughly and implemented. Continuous assessment is done to identify various risks at Projects and Corporate Office along with the mitigation measures. The mitigation measures taken has improved the functioning of the Projects which is centrally monitored from the Corporate Office.

The Chief Risk Officer (CRO) who is the nodal officer for all Risk related matters, coordinates with all the departments / Projects in establishing and implementing the risk management processes effectively in their area of responsibilities, to communicate with the Risk Review Committee.

A meeting of the Risk Review Committee comprising of the three functional Directors of the Corporation was held in February 2018 to discuss various & emerging risks of the Corporation in respect of the Projects as well as Head Quarter. The committee also suggested for inclusion of some new risks along with the preventive measures thereof and desires strict adherence to the timelines specified for the mitigation measures along with submission of quarterly Action Taken Reports by CRO.

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 intends to help employees 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 to the best of their capabilities.

Programme on Companies Act, 2013, GST etc

HRD HIGHLIGHTS

Details of training imparted to employees during the year

(Total numbers of employees participating in training)

Category of employees	Type of training			Total
	In-house training	External training (within India)	Overseas training	
Executive	457	62	02	521
Supervisor	134	04	0	138
Workman	239	02	0	241
Total	**830**	**68**	**02**	**900**

* The above figure also includes 108 Nos. of Executives imparted training under MOU target 2017-18.

Category of employees	Type of training			Total
	In-house training	External training (within India)	Overseas training	
Employees of ST category	205	12	1	218
Employees of SC category	76	07	0	83
Employees of OBC category	166	17	0	183
Women Employees	186	12	0	198

• Total Training man-days	13,603
• Average Training man-days per employee	6
• Budget allocated for Training activities	₹412.69 lakhs
• Numbers of employees who have attended external training- within India and abroad for the first time during this year since the year 2013-14	31

Apprenticeship Training at NEEPCO under the Apprentices Act 1961 as amended in 1973, 1986 & 2014 & as per notifications received from competent authority:

Status of Apprenticeship Training at NEEPCO during 2017-18	
Target band of percentage of apprentices to be imparted apprenticeship training	2.5% to 10%
Percentage of apprentices imparted apprenticeship training at neepco	4%

MOU ACHIEVEMENTS PERTAINING TO HRD

MOU parameter for the year 2017-18 pertaining to HRM (HRD):

Talent Management and career progression by imparting at least one week training in Centre of Excellence eg. IITs IIMs NITs ICAI etc (10 % of executives for Excellent Rating)

Target for Excellent Rating (nos. of Executives to be imparted training)	**94 nos.**
Target for Excellent Rating (nos. of Executives imparted training)	**108 nos.**

NEEPCO has always been facilitating its women employees for attending various programmes with a view of extending them opportunities for knowledge exchange and experience sharing.

The 28th National Meet of Forum of Women in Public Sector (WIPS) under the aegis of SCOPE have been organised at Guwahati during 12-13 Feb, 2018. The theme of the Meet was ”Women leaders: Insights to Commitment, Creativity & Collaboration”. It is for the first time that the National Meet of WIPS have been organised in N.E India.

NEEPCO is a Corporate Life Member of WIPS and NEEPCO women employees who are members of WIPS come under the purview of WIPS-Eastern Region.

NEEPCO has been associated with the above WIPS event as Collaborator and Co-Collaborator. Women employees from NEEPCO have been nominated for attending the Meet.

Hon’ble Chief Minister of Assam, Shri Sarbananda Sonowal along with the members of WIPS ER

MANPOWER REPORT AS ON 31-03-2018

LEVEL	NO. OF EMPLOYEES
Board Level	4
Executives	917
Supervisor	316
Workmen	947
TOTAL	**2184**

GENDER	NO. OF EMPLOYEES
Male	1833
Female	351
TOTAL	**2184**

CATEGORY	NO. OF EMPLOYEES
General	883
SC	172
ST	710
OBC	362
PwD	50
Ex. SM	7
TOTAL	**2184**

CORPORATE COMMUNICATION

NEEPCO has made its foray into social media and Corporate Communication (CC) Section handles all official handles in Facebook, Twitter, Youtube and Instagram. The CC Section of NEEPCO seeks to make the Corporation's mission and vision better known and appreciated. The CC Section continued to publish the Corporation's quarterly and monthly inhouse journal "NEEPCO NEWS" and "News Flash", respectively and other publications as required from time to time.

Public Health programme conducted at Lakhimpur

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.

It also worked to effectively project the image of the Corporation through print and electronic media and through our association with appropriate agencies to promote the goodwill with our stakeholders.

INDUSTRIAL RELATIONS

During the year 2017-18, Industrial Relations remained cordial and there were zero man-days losses during the year. The NEEPCO National Bipartite Committee (NNBC), which is a joint consultative forum duly mandated by the Management & Unions to deliberate on issues of general nature concerning all members of the trade unions and other issues related to the greater interest concerning the organisation and its employees was constituted by signing of Memorandum of Settlement with the constitution unions on 17.06.2014.

9th NNBC Meeting at Corporate Office, Shillong

During the year 2017-18, meetings and discussions between Unions/Associations and Management; and meetings of NNBC & NEEPCO Project Bipartite Committee (NPBC) were carried out on various issues concerning improvement of work-life of employees, progress on works of the organizations. Suggestions generated out of these discussions were carried out in a practical manner. During the year, two numbers NNBC Meetings as cited below were held:

Sl. No.	NNBC	Date
1	8th NNBC Meeting	01.09.2017
2	9th Meeting	17.10.2017

CELEBRATION OF NEEPCO EMPLOYEE'S DAY

The NEEPCO Employee's Day coinciding with International Labour Day was commemorated on 01-05-2017 at all projects and offices of the Corporation where community lunch was hosted for all employees including those indirectly engaged by the Corporation.

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

Medical camp, Assam

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 where no schooling facilities are available in the neigbourhood, as a welfare measure for wards of the employees. 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) project under construction. The VKSPV and VKVAPT are 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

Students of VKV, Umrangso, presenting a drill display

order to encourage the wards of NEEPCO employees under the NEEPCO Meritorious Scholarship Scheme, Scholarships amounting to Rs.31,44,000/- was released for the year of 2017-18 to total of 176 wards of employees.

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. 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, 29 (twenty nine) Hindi workshops were organized and 430 officers & employees were trained in the workshops. Training materials were provided to the employees during the Workshop. In House Journal - 'NEEPCO NEWS' valuable information relating to use of Hindi were provided. A monthly news letter "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 Digital Board under the programme "Today's Word" in order to enrich the Hindi vocabulary of the employees.

Shri Anil Kumar, ED (HR), receiving 2nd prize from Brig. R. N. Mathur, Assam Rifles Directorate, Shillong for NEEPCO's commendable official language policy implementation

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", "Vidyut Prava", "Aarohi" & "Aalok Jyoti" were published respectively from Corporate HQ, RHEP, Co-ordination office NEW DELHI, AGTCCP, AGBP & TGBP. An exhibition was also organized at 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 noting/drafting in Hindi.

NEEPCO OLIC meetings are organised regularly. In the meeting review was made on the Implementation work of Rajbhasha and valuable suggestions were provided for its effective implementation.

The Corporation was awarded Second Prize by Town Official Language Implementation Committee (TOLIC), Shillong for commendable works done in the Implementation of official Language Policy. Our Delhi Coordination office was awarded second prize by Rajbhasha Vibhag for increasing the progressive use of official language Policy in the field of 'A' from North Zone -1 for the year 2016-17.

SPORTS ACTIVITIES

The Corporation is an active member of the Power Sports Control Board and participates in different Inter CPSU Tournaments such as Badminton, Table Tennis, Chess, Carrom, Bridge, T20 Cricket etc. In order to prepare the players for participating and eventually succeeding in such tournaments the Corporation organizes coaching-cum-selection camps for all sports disciplines for the interested employees throughout the year. By conducting such coaching camps and encouraging interested employees to attend such coaching camps for participating in team events, the Corporation is continuously inculcating a sense of teamwork and camaraderie amongst the employees throughout the organization with a willingness to learn and excel. The following are the details of the events participated in during the year:

Victorious Inter CPSU Men's Carrom Team

Fact sheet on Sports Activities during 1st April 2017 to 31st March 2018

Date	Activity	Prizes
5th to 8th September 2017	Inter CPSU Chess Tournament	Participation
3rd to 7th October 2017	Inter CPSU Carrom Tournament	NEEPCO mens' and womens' teams emerged as Champions in the respective Team events. Smti Sandhya Das and Smti E. Mawthoh were the Winners while Smti Esther Khawzawl and Smti Lamangaihzuali were the 1st Runner's Up in the women's doubles event. Smti L. Zuali also emerged as the 1st Runner's Up in the Singles event.
4th to 7th November 2017	Inter CPSU Table Tennis Tournament	Participation
27th November to 1st December, 2017	Inter CPSU T20 Cricket Tournament	NEEPCO Team emerged as Runner's Up
12th to 14th December, 2017	Inter CPSU Bridge Tournament	NEEPCO Team emerged as Winners in the 'Board-A-Match' category
20th to 23rd February 2018	Inter CPSU Badminton Tournament	NEEPCO team emerged as 2nd Runner's Up in the Team event and Winner in the Open Singles event.

The Corporation also hosts Inter CPSU Tournament from time to time depending on the PSCB calendar agreed to by member organizations during the annual meeting of the Executive Committee of PSCB. The Inter CPSU Bridge Tournament was hosted by NEEPCO at it's Corporate H.Q. Shillong from 12th to 14th December 2017. Altogether 7 (seven) teams participated in the Tournament.

Hosting such tournaments where players from all member PSE's are scheduled to participate in an elaborate affair requires an enormous amount of team work across disciplines. The Corporation also sponsors local Football Tournament/Sporting events organized by different sporting bodies in the North Eastern Region.

The sports infrastructure in NEEPCO's Agartala project has continually been used for hosting National and International level events in Lawn Tennis besides allowing budding talent to utilize the same infrastructure for their practice/ selection to various regional and national level tournaments.

COMMITTEE FOR PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

As per the statutory requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, an Internal Complaints Committee is 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 2017-18.

Awareness Programme on the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

TERMINAL BENEFIT SETTLEMENT CELL

Terminal Benefit Settlement Cell under Human Resource Department of the 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 the above financial year 2017-18, numbers of Gratuity cases settled in respect of retired/resigned/expired employees and expenditure on gratuity/ PRMB/ leave encashment and financial benefit (in lieu of compassionate appointment)/Mementos (Gold Coin) /Certificate of Appreciation are detailed below:

NUMBER OF GRATUITY CASES SETTLED				
Level	**Retirement**	**Resignation**	**Death**	**Amount (₹)**
Executive	38	02	04	3,99,85,905/-
Supervisor	13	01	01	1,50,00,000/-
Workmen	71	02	10	7,49,13,498/-
GRAND TOTAL	122	05	15	12,98,99,403/-

Post-Retirement Medical Benefits	₹857.76 Lakh
Financial Benefit (in lieu of compassionate appointment	₹38.00 Lakh
Memento (05 grams Gold coin)	₹24.37 Lakh
Certificate of Appreciation	₹62,830/-

NEEPCO VIGILANCE ACTIVITIES

During the period from 01.04.2017 to 31.03.2018, 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, 2017, 4 (Four) complaints were pending. During this period, 1 (One) new complaint has been received. Out of these 5 (Five) complaints, 02 (Two) complaints have been disposed after investigation by the Vigilance Department.

Students participating in a Vigilance Awareness Programme

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, 40 (Forty) numbers of routine inspections have been conducted by site vigilance officials besides conducting CTE type inspections in the project sites. Further, the CTE/CVC after inspection had also raised 33 (Thirty Three) paras pertaining to Lot-II works of Tuirial Hydro-Electric Project, Mizoram and after scrutiny, reply of 12 (Twelve) paras have been sent to CTE till March, 2018. 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.

1478 numbers of Annual Property Returns (APRs) of the employees have been scrutinized during the period from 01-4-2017 to 31-3-2018. 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. 30-10-2017 to 04-11-2017.

RULES AND POLICIES

The Management brought into effect the following HR Policies & Guidelines during the year 2017-18, as enumerated below:

NEW POLICIES AND GUIDELINES INTRODUCED

- **BENEFITS & ALLOWANCES** were extended to WORKCHARGE employees almost at par with that of regular employees.
- **SUCCESSION PLANNING:** A strategic Succession plan was devised in consultation with a professional external agency in order to 'prepare for' and 'provide' the merit based successor for all identified critical positions at NEEPCO in E7-E9 grade.
- **EXIT INTERVIEW:** A system for conducting EXIT INTERVIEW was introduced to systematically capture valuable information that can be used for further improvement of working systems in the Corporation.
- **NEEPCO Transfer policy** was introduced to cater to the strategic needs of the organization & enables the employee to gain multi-dimensional knowledge and skills through exposure in the different area.
- Employee posted in any of the locations of Category-II, are also provided the following special facility
  - HRA for retaining his/ her family at any particular location, situated beyond 30 kms
  - Entitlement for to & fro travel expenses twice a year, for visiting his/ her hometown/ location where he has retained his/ her dependent family.
  - Employees at construction projects and S&I units under Category -II, are entitled for additional 20 days of leave in a calendar year.

INTRODUCTION OF ON-LINE PERFORMANCE APPRAISAL SYSTEM FOR THE FIRST TIME IN NEEPCO

An online Annual Performance Appraisal Report System (APAR) has been conceived and implemented from the Appraisal year 2017-18. This system facilitated for ensuring fairness, transparency and speedy operation of the performance appraisal system of the Cooperation.

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 Meetings of the Board of Directors were held during the year 2017-18

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 Companies Act, 2013. The declarations are placed before the Board. During the year 2017-18, 1 (one) Separate Meeting of the Independent Directors was held on 11th February, 2018.

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)

As per the provision of section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel (KMP) as on 31st March, 2018:

1. Shri A. G. West Kharkongor, Chairman & Managing Director
2. Shri M. Shiva Shunmuganathan, Director (Finance) w.e.f. 27-09-2017 & Chief Financial Officer w.e.f. 14-11-2017.
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.

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 31st March, 2018 are as follows:

Name	Chairman/ Member	Independent/ Executive
Shri Vijay Kumar Gupta	Chairman	Independent
Shri Gopal Krishan Agarwal	Member	Independent
Prof. Bupinder Zutshi	Member	Independent
Shri Satyabrata Borgohain	Member	Director (Personnel)

The payment 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.43** of the Consolidated Financial Statements & **Note No.43** 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 it 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 it to 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 as **ANNEXURE-3**.

COMPOSITION OF THE AUDIT COMMITTEE

The Board has accepted the recommendations of the Audit Committee. The composition of the Audit Committee as on 31st March, 2018 are as follows:

Sl. No.	Name of the Director	Chairman / Member	Independent/ Executive
1	Shri Gopal Krishan Agarwal	Chairman	Independent
2	Dr. Amitabha De	Member	Independent
3	Shri Vijay Kumar Gupta	Member	Independent
4	Shri Satyabrata Borgohain	Member	Director (Personnel)
5	Shri Vinod Kumar Singh	Member	Director (Technical)

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 judgements 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, 2018 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 M. Shiva Shunmuganathan, Director (Finance) w.e.f. 27-09-2017.
2. Shri M. S. Rao, Official Part-time Director w.e.f 25-01-2018.
3. Shri Saikhom Tikendra Singh, Independent Director w.e.f. 12-03-2018.
4. Shri Rajani Ranjan Rashmi, Official Part Time Director w.e.f. 30-10-2017.

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

1. Shri Dhirendra Veer Singh, CMD, THDC (held additional charge as CMD, NEEPCO during the leave of Shri A. G. Kharkongor from 22-08-2017 to 11-10-2017).
2. Shri Vineet Joshi, Official Part Time Director w.e.f. 30-10-2017.
3. Shri Rajani Ranjan Rashmi, Official Part Time Director w.e.f. 25-01-2018.

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

PARTICULARS OF EMPLOYEES

During the year 2017-18 there was no employee who was in receipt of remuneration for that year which, in the aggregate, was not less than ₹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 ₹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 2017-18 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, Forest & Climate Change, 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 2017-18.

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

(A. G. West Kharkongor)

Dated: 16-08-2018 **Chairman & Managing Director**

Place: Guwahati **DIN: 03264625**

ANNEXURE -1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31-03-2018

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	98.09%

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	KSK Dibbin Hydro Power Private Limited	U40108TG2007PTC053501	Associate	30	2(6)

In terms of Share Purshase Agreement drawn on 24th October 2017, NEEPCO's investment (40%) in Joint Venture of WAANEEP Solar Pvt. Ltd. was sold off to WAAREE Energies Limited, the other Joint Venture Partner.

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									
i) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹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
1	At the beginning of the year	01.04.2017	3452810400	100%	3452810400	100%
2	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)					
3	At the End of the year	31.03.2018	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
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	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
3	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	01-04-2017	-		100	0.00
				31-03-2018	-		100	0.00
2	Shri Satyabrata Borgohain	100	0.00	01-04-2017	-		100	0.00
				31-03-2018	-		100	0.00
3	Shri V. K. Singh	100	0.00	01-04-2017	-		100	0.00
				31.03.2018	-		100	0.00
4	Shri Raj Pal	100	0.00	01-04-2017	-		100	0.00
				31-03-2018	-		100	0.00
5	Shri P. C. Pankaj *	100	0.00	01-04-2017	-		100	0.00
				31-03-2018	-		100	0.00
6	Shri M. Shiva Shunmuganathan	0	0.00	01-04-2017	-		0	0.00
				31-03-2018	-		0	0.00
7	Shri Chiranjeeb Sharma, Company Secretary	0	0.00	01-04-2017	-		0	0.00
				31-03-2018	-		0	0.00

Held on behalf of the President of India.

* Retired from the post of CMD on 30-06-2016. The 100 shares held by Shri P. C. Pankaj were transferred to Shri M. Shiva Shunmuganathan, Director (Finance) on 12-06-2018.

VI. INDEBTEDNESS

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

(₹in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning 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		3582.04
Total (i+ii+iii)	**5,34,532.71**	**71,959.24**		**6,06,491.95**
Change in Indebtedness during the financial year				
Addition (principal + accrued int.)	1,17,401.02	7,062.25		1,24,463.27
Reduction (principal + accrued int)	43,106.18	4,359.51		47,465.69
Net Change	74,294.84	2,702.74		76,997.58
Indebtedness at the end of the financial year				
i) Principal Amount	5,91,455.78	74,271.40		6,65,727.18
ii) Interest due but not paid	-	-		-
iii) Interest accrued but not due	17,371.77	390.58		17,762.35
Total (i+ii+iii)	6,08,827.55	74,661.98		6,83,489.53

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-Time Directors. *(Amount in ₹)*

Sl. No.	Particulars of Remuneration	Name of MD/ WTD				Total Amount
		Shri A. G. West Kharkongor	Shri Satyabrata Borgohain	Shri V. K. Singh	Shri M. Shiva Shunmuganathan (CFO)	
1	Gross salary					
	Salary as per provisions contained in section 17(1) of the Income tax Act,1961					
	Value of perquisites u/s 17(2) Income tax Act, 1961	4826571	4212197	5275995	1833557	16148320
	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(A)	4826571	4212197	5275995	1833557	16148320
	Ceiling as per the Act					

B. Remuneration to other directors: *(Amount in ₹)*

	Particulars of Remuneration	Name of the Directors						Total Amount
		Dr. Amitabha De	Shri Gopal Krishan Agarwal	Prof. Bupinder Zutshi	Shri Vijay Kumar Gupta	Dr. Hari Narayan Borkataky	Shri Saikhom Tikendra Singh	
1	**Independent Directors**							
	- fee for attending board / committee meetings	69,000	4,21,800	1,41,600	4,18,200	1,18,000	--	11,68,600
	• Commission							
	• Others, please specify							
	Total(1)	69,000	4,21,800	1,41,600	4,18,200	1,18,000	--	11,68,600
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							

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL; OTHER THAN MD/ WTD *(Amount in ₹)*

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		37,10,760		37,10,760
	(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		37,10,760		37,10,760

VIII. 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	KSK DIBBIN HYDRO POWER PVT. LTD.
1	Latest audited Balance Sheet Date	31.03.2018
2	Shares of Joint Ventures held by the company on the year end	
	No.	2,79,30,000
	Amount of Investment in Joint Venture (In ₹)	27,93,00,000.00
	Extent of Holding %	30%
3	Description of how there is significant influence	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 ₹)	107,43,63,040
6	Profit / Loss for the year in ₹	
	i. Considered in Consolidation	19,95,153
	ii. Not Considered in Consolidation	46,55,357

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.**

   In terms of Share Purchase Agreement drawn on 24th October 2017, NEEPCO's investment (40%) in Joint Venture of WAANEEP Solar Pvt. Ltd. was sold off to Waaree Energies Limited, the other Joint Venture Partner.

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, 2018, the Board of Directors of the Company ("the Board") consists of 12 (twelve) Directors, including 4 (four) whole-time Directors, 2 (two) Government part-time Directors representing the Government of India and North Eastern States and 6 (six) 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, 2018 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 : 03264625	Chairman & Managing Director	Nil	Nil	Nil	Nil
Shri Satyabrata Borgohain DIN : 06801073	Director (Personnel)	Nil	Nil	Nil	Nil
Shri Vinod Kumar Singh DIN : 07471291	Director (Technical)	Nil	1	Nil	Nil
Shri M. Shiva Shunmuganathan DIN : 07551379	Director (Finance)	Nil	Nil	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 : 02491831	Part-time Director from MOP	2	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 M. S. Rao DIN : 08073419	Part-time Director	Nil	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 : 07466659	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Gopal Krishan Agarwal DIN : 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
Prof. Bupinder Zutshi DIN : 07937359	Non-official Part-time Director	Nil	Nil	Nil	Nil
Dr. Hari Narayan Borkataky DIN : 07956359	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Saikhom Tikendra Singh DIN : 08132314	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	229th BM	08.04.2017	8	6
2	230th BM	08.05.2017	8	7
3	231st BM	21.07.2017	8	6
4	232nd BM	16.08.2017	8	7
5	233rd BM	22.09.2017	10	8
6	234th BM	14.11.2017	11	9
7	235th BM	24.01.2018	11	8
8	236th BM	12.02.2018	11	8

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 2017-18		
	Board Meeting held during tenure	Board Meeting attended	Last AGM
Shri D. V. Singh *#	1	1	Yes
Shri A. G. West Kharkongor	8	7	No
Shri Satyabrata Borgohain	8	7	Yes
Shri Vinod Kumar Singh	8	8	Yes
Shri M. Shiva Shunmuganathan *	3	3	NA
Shri Raj Pal	8	7	Yes
Shri Vineet Joshi #	5	0	Absent
Shri Rajani Ranjan Rashmi *#	2	0	NA
Shri M. S. Rao*	1	0	NA
Dr. Amitabha De	8	4	Absent
Shri Gopal Krishan Agarwal	8	7	Yes
Shri Vijay Kumar Gupta	8	8	Yes
Prof. Bupinder Zutshi	4	4	Yes
Dr. Hari Narayan Borkataky	4	3	Yes
Shri Saikhom Tikendra Singh*	0	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 31st March, 2018 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 Satyabrata Borgohain, Director (Personnel)	Member
5	Shri Vinod Kumar Singh, Director (Technical)	Member

The Committee met 6 (six) 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.	Name of the Director & Category	Meetings held during respective tenure of members	Meetings attended
1	Shri Gopal Krishan Agarwal, Independent Director	6	5
2	Dr. Amitabha De, Independent Director	6	4
3	Shri Vijay Kumar Gupta, Independent Director	6	6
4	Shri Satyabrata Borgohain, Director (Personnel)	1	1
5	Shri Vinod Kumar Singh, Director (Technical)	6	6

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 31st March,2018 are as follows:

Name	Chairman/ Member	Independent/ Executive
Shri Vijay Kumar Gupta	Chairman	Independent
Shri Gopal Krishan Agarwal	Member	Independent
Shri Bupinder Zutshi	Member	Independent
Shri Satyabrata Borgohain	Member	Director (Personnel)

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

The Nomination & Remuneration Committee met 2 (two) times during the year. The Company Secretary acts as the Secretary to the Committee.

Sl. No.	Name of the Director & Category	Meetings held during respective tenure of members	Meetings attended
1	Shri Vijay Kumar Gupta, Independent Director	2	2
2	Shri Gopal Krishan Agarwal, Independent Director	1	1
3	Shri Bupinder Zutshi, Independent Director	1	1
4	Dr. Amitabha De, Independent Director	1	1
5	Shri Satyabrata Borgohain, Director (Personnel)	2	1
6	Shri V. K. Singh, Director (Technical)	1	1

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee as on 31st March, 2018 are as follows:

Sl. No.	Name	Chairman/ Member	Independent/ Executive
1	Shri A. G. West Kharkongor	Chairman	Chairman & Managing Director
2	Dr. Amitabha De	Member	Independent
3	Shri Gopal Krishan Agarwal	Member	Independent
4	Dr. Hari Narayan Borkataky	Member	Independent
5	Shri Satyabrata Borgohain	Member	Director (Personnel)
6	Shri Vinod Kumar Singh	Member	Director (Technical)

The Corporate Social Responsibility Committee met 4 (two) times during the year. The Company Secretary acts as the Secretary to the Committee.

Sl. No.	Name of the Director & Category	Meetings held during respective tenure of members	Meetings attended
1	Shri A. G. West Kharkongor, Chairman & Managing Director	4	4
2	Dr. Amitabha De, Independent Director	4	3
3	Shri Gopal Krishan Agarwal, Independent Director	4	4
4	Dr. Hari Narayan Borkataky, Independent Director	1	1
5	Shri Satyabrata Borgohain, Independent Director	1	1
6	Shri Vinod Kumar Singh, Director (Technical)	4	4
7	Shri M. Shiva Shunmuganathan, Director (Finance)	1	1

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

8. 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 2017-18 are given below:

Director's Remuneration for the FY 2017-18

(Amount in ₹)

No.	Name	Designation	Salary & Allowances	Cont. to PF & Other Funds	Other Benefits	Total
1	Shri A. G. West Kharkongor	CMD	33,17,483	5,05,789	10,03,299	48,26,571
2	Shri Satyabrata Borgohain	Director (Personnel)	28,08,618	4,58,151	9,45,428	42,12,197
3	Shri V. K. Singh	Director (Technical)	29,43,740	4,47,381	18,84,874	52,75,995
4	Shri M Shiva Shunmuganathan	Director (Finance)	15,01,174	2,31,061	1,01,322	18,33,557
	Total		1,05,71,015	16,42,382	39,34,923	1,61,48,320

9. 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.

10. 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
2014-15	30.09.2015	04:30 PM	Shillong
2015-16	02.09.2016	05.30 PM	New Delhi
2016-17	22.09.2017	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
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
22.09.2017	1. To Create Security by way of Mortgage / Hypothecation of the Corporation's Fixed Assets for proposed Long Term Borrowings of Rs.1000.00 Crore Long Term

11. 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.

12. 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 : prachita.joshi@axistrustee.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

(A. G. West Kharkongor)
Chairman & Managing Director
DIN: 03264625

Dated: 16-08-2018
Place: Guwahati

ANNEXURE – 4

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

India is the third largest consumer of energy in the world after USA and China, but the per capita energy consumption of India is still very low compared to many developed countries. As India progresses, energy demand in the country is also increasing tremendously creating an enormous pressure on its limited natural resources. The dependence on the conventional systems of electricity generation over the years has led to the increasing pollution of the environment and depleting resources. This has necessitated proper energy planning to achieve energy security.

India's strategy is to encourage development of renewable sources of energy through incentives by the Government to promote hydro, wind and solar energy. The future of the energy industry has changed with the emergence of new technologies, greater environmental challenges and the gradual shift towards renewable sources of energy such as the solar, wind and hydro energy.

As of 31st March 2018, the total installed capacity of India stood at 344002.39 MW. Capacity addition during the year stood at 9505 MW against the target of 13171 MW. Out of 9505 MW of capacity added during the year 2017-18, 8710 MW is thermal power and 795 MW is hydro power.

The power generation in the country in 2017-18 was 1203.57 BU against the requirement of 1212.13 BU. In terms of Power Supply Position (Demand/Availability) in the country, the deficit was 0.7% during 2017-18, while the shortfall in the NE Region was 2.8% during the same period. In terms of Peak Demand/Peak Met, the deficit in the country in 2017-18 was 2.0%, while that in the NE Region was 4.1%. *[Data source: CEA Executive Summary, March 2018]*

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. Presently, NEEPCO operates five Hydro, three Thermal and one Solar Power Plant spread over the North Eastern Region of India with a total installed capacity of 1457 MW, out of which 925 MW in Hydro, 527 MW in Thermal and 5 MWp in Solar sector. Further, one ongoing Project of NEEPCO upon completion will enhance the installed capacity by another 600 MW, thereby raising the total installed capacity to 2057 MW.

STRENGTH

NEEPCO's primary strength lies in its sovereign ownership and demonstrated support from the Government over the years and due to strategic importance of NEEPCO to the power scenario in the North East and the Country's energy mix. The Cost Plus nature of the Company's operation has led to steady business returns. There has been healthy growth in overall generation in financial year 2016-17 and 2017-18. Besides, comfortable financial profile as reflected by healthy profit margins, steady cash accruals and conservative capital structure is of added advantage. There is Low Regulatory Risks, with the tariff for almost all operational generating stations being released for the period 2014-19. The favourable financial flexibility as indicated by its ability to raise funds at competitive rates and long tenure of project loans leads to limited principal repayment pressure in next 3-4 years. Also, there has been significant reduction in receivable position. The In-house knowledge bank created through design, execution and operation of critical projects in the Region over the years is an asset for the Company. NEEPCO's pool of skilled manpower primarily inducted from the Region is well versed with the topography and socio-economic conditions of the Region. There has been demonstrated capability to execute projects and sustenance in the far-flung and rugged terrain of NE Region. NEEPCO has an edge over other players in the Region because of its diverse experience in hydro, thermal and solar projects and long term relationship with many Original Equipment Manufacturers which facilitates in getting assistance on priority.

WEAKNESS

The primary weakness on the part of NEEPCO is due to poor infrastructure in NE Region leading to enhanced cost of projects because of additional cost involvement for infrastructure development such as roads, security etc. Besides, exposure to customer concentration and counterparty credit risks from financially weak State DISCOMS, delay in Equity infusion by Government of India are also potential weakness. Few power plants of NEEPCO are nearing the end of their economic lives and need R&M and Life Extension. The reduced supply of gas to the Thermal Projects has led to underutilization of Plants. Also, the average age of employees are on higher side.

OPPORTUNITIES

Electricity consumption (Demand) in the country projected to grow at 7.6 percent (CAGR) between 2017-2022. The all India per capita consumption of electricity is expected to reach 1490 kWh by FY 2022 against 1075 KWh in 2015-16. Of the total assessed potential of 145320 MW (> 25 MW) of hydro power in the country, 51533.1 MW capacity has been developed (installed and under construction), while 93786.9 MW is yet to be tapped as on June 2018. The assessed hydro power potential in the North Eastern Region of India is 58971 MW (excluding Sikkim). So far only 4171 MW has been developed (Both under operation and construction) and 92.85% of the potential is yet to be tapped in the NE Region. Various reforms are being undertaken by the Government which is positively impacting India's power sector.

The share of hydro in the National power generation mix has been falling since 1962-63, when the share of hydro power was at its peak of 51%. Today it is only a meagre 14.1% (2016-17), which is required to be enhanced urgently for better grid stability and security. 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.

Considering the relevance of Renewable Energy, the Indian Government has set a target of increasing the renewable capacity by more than five times from 69 GW in 2018 to 175 GW by the year 2022 with a target of 100 GW from solar and 60 GW through wind. The balance of 15 GW target is to be achieved through 10 GW from biomass energy and 5 GW power from small hydro projects. As these sources of energy are intermittent in nature, there is need for providing grid stability through hydro power.

The thrust on Hydro sector by the Government as per the draft Hydro Power Policy 2018 by including incentives offers an opportunity to NEEPCO for its rapid growth. Besides, the Governments/ Private developers are looking at CPSUs for development of the unallotted/ stalled/ cancelled projects in the region, where NEEPCO has its prominence.

THREATS

Some of the threats that poses a challenge in development of Hydro power in the NE Region are due to the geographical isolation, difficult terrain, adverse Law and Order situation etc. Opposition from local people/ groups mainly in hydel projects is also another factor affecting the growth of Hydro power in the Region. Poor surface communication infrastructure, communication bottlenecks offer a considerable challenge as well. The Young Himalayan Geology is a major challenge, especially during construction period. Shorter working season in the NE Region lasting around 6-7 months in a year due to prolonged monsoons and natural calamities prolong the time required for construction activities. Land acquisition problems/ resettlement & rehabilitation issues also affect development of projects. Issues like environment & forest clearance Inter-state aspects require constant persuasions. There is also severe impact on commercial viability of a number of hydro power projects due to the new stipulations on e-flow, NPV, Compensatory Afforestation, transmission line etc. All these factors lead to longer gestation period for Hydro projects. Besides, there is lack of experienced contractors in the NER.

Contractual disputes is another factor which affects timely completion of projects. Issues like non-payment of dues by the beneficiaries against sale of power (outstanding dues), dishonoring of PPAs due to higher regulatory tariff on account of availability of short term power at the exchange, short supply of gas for thermal power plants pose a challenge. Besides, involvement of other prominent CPSUs for acquiring the projects may pose threat to NEEPCO with passage of time.

Despite the adversities, NEEPCO has set up projects in some of the remotest and most difficult areas in the Region.

RISKS AND CONCERNS

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.

KEY GROWTH DRIVERS

- To take advantage of India's Intended Nationally Determined Contribution (INDC) for climate change, for which Hydro Power of 65000 MW has to be developed by the year 2030.
- Set up Hydro Power Projects as a source of clean non-fossil fuel source.
- Take advantage of the proposed Hydro Power Policy being framed by the Government.
    - Proposal to incentivize timely completion of hydro projects.
    - Hydro Power Purchase Obligation (HPO) if implemented by the Government, shall be of much help for the hydro sector.
    - Proposal to enhance the loan repayment period through long term loans at affordable rates by banks/FIs including PFC/REC.
    - Proposed 4% Interest subvention during construction (Max: 7 Years) and post COD (3 Years) to Hydro Projects.

STRATEGY

- Improve commercial viability of hydro power by lowering tariffs to an acceptable level.
- To take up with the Government/ stakeholders for preferential promotion of Hydro Projects.
- Infuse investments in hydro projects in NE Region with the Government taking the responsibility for security and infrastructure issues.
- Long term loans with repayment period of 18-20 years at affordable rates from banks and FIs being explored.
- Incorporation of Geo-technical baseline report in project contract documents.
- Better contract Management
- Engage local community as stakeholders to easily address R&R issues.
- Sharing of free power with Riparian states through policy intervention of Government of India.
- Exploration of Hydro projects both domestic and international.

OUTLOOK FOR THE FUTURE

NEEPCO has drawn out plans for capacity addition which has already been highlighted. NEEPCO is poised to add another 600 MW to the National Grid in 2018-19. NEEPCO has further envisaged some more projects for its future prospect out of which one project is in S&I stage and further persuasion is going on with the Govt. of Meghalaya for some more projects decision on which is expected shortly.

With the Government laying emphasis on the development of Renewable Energy Sources, NEEPCO has also planned for capacity addition through Renewable sources like Solar and Wind. The Government of Odisha has allotted a 200 MW Solar Power Project to NEEPCO, the clearances for which are in advanced stage. NEEPCO has also signed an MOU with Government of India to develop 2500 MW Solar Power Projects in Kargil and Leh.

ENVIRONMENTAL CONSERVATION, RENEWABLE ENERGY USE AND R&D DEVELOPMENTS

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/plants. 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.

In the recent past, comprehensive Environmental Study for Wah Umiam Stage-III (85 MW), Meghalaya was conducted through a consultant and apprised by the MoEF&CC, GoI, in its 11th Expert Appraisal Committee (EAC) meeting held on 30.01.2018. MoEF &CC, GoI, has intimated vide letter dated 26th February, 2018 that the EAC has recommended for grant of EC to the Project with a pre-requisite that a copy of Stage-I Forest Clearance be submitted prior to issuance of EC.

The steps taken by the Company for utilizing alternate source of energy during the year 2017-18:

a. 5 KWp Solar PV plant and 500 litres of Solar Hot water system in the Guest House of Kopili HEP.

b. 6 KWp roof top solar PV system and 1000 LPD Solar Hot Water system each at Guest House 1 and Guest House 2 at AGBPP.

ANALYSIS OF GENERATION

Generation achieved during the year 2017-18 was 6166 MU against generation of 5290 MU (excluding 182 MU from TGBPP) achieved during 2016-17. The increase in generation with respect to the previous year is around 16.56% against increase of installed capacity by 4.66% w.r.t. installed capacity of previous year.

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 Company has an in-house Internal Audit Department headed by a senior officer, who is assisted by qualified and experienced workforce to carry out audit periodically in order to ensure that all checks and balances including internal control system are in place.

During the FY 2017-18, M/s Deloitte Haskins & Sells were appointed for providing independent assurance on adequacy & implementation of Internal Financial Control in the Company for the year. The firm in its report has acknowledged the adequacy and operating effectiveness of prevailing internal control system in the Company.

The effectiveness of the control system is monitored by a Board-level Audit Committee. A summary of Audit Observations and Action Taken Notes (ATNs) are placed before the Audit Committee at regular intervals and its recommendations and directions are duly complied with.

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 2017-18 as compared to the FY 2016-17.

Income

Particulars	2017-18	2016-17 (Restated)
Units of electricity generated (in MU)	6166.31	5472.24
Income:		
Revenue from Operation (₹ in Lakh)	163294.41	140447.01
Other Income (₹ in Lakh)	3172.35	2529.85
Total Revenue (₹ in Lakh)	**166466.76**	**142976.86**

NEEPCO's income arises from sale of energy and other income viz. interest on arrear bills, surcharge on delayed payments of energy bills, interest on investment etc.

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)" as 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. In case saleable energy for a hydro generating station exceeds its saleable design energy, the energy charge rate for the generating station for the excess saleable energy is restricted to ₹0.90 per KwH or actual, whichever is lower.

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 the FY 2017-18, PAFY for Khandong, Kopili Stage II & Ranganadi Hydro Power stations had exceeded the respective NAPAF. The PAFY versus NAPAF achieved during FY 2017-18 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	74.16
Khandong Hydro Power Station (50 MW)	69.00	70.00
Kopili Stage II (25 MW)	69.00	75.71
Ranganadi Hydro Power Station (405 MW)	85.00	93.67
Doyang Hydro Power Station (75 MW)	73.00	71.52
Assam Gas Based Power Plant (291 MW)	72.00	62.38
Agartala Gas Turbine Combined Cycle Power Plant (135 MW)	85.00	61.82
Tripura Gas Based Combined Cycle Power Plant (101 MW)	85.00	78.83
Solar PV Power Project, Monarchak (5 MW)	19.00 (CUF)	15.33 (CUF)

Further, during the FY 2017-18, generation of Kopili Stage II and Doyang Hydro Power stations had exceeded its design energy. During the year, Kopili stage II and Doyang power stations generated 113.54 MU and 274.36 MU against its approved design energy of 86.3 MU and 227.61 MU respectively.

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 2017-18 was ₹163294.41 lakh (incl. supply to colony amounting to ₹182.07 lakh and net off rebate amounting to ₹781 lakh allowed to the beneficiaries for their timely payment of energy bills), which constitutes 98.09% the total revenue for the year.

The Corporation achieved a generation of 6166.31 MU during the year from its total installed capacity of 1347 MW as compared to total generation of 5472.24 MU with an installed capacity of 1287 MW during the previous year.

Other Income

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

Other Income was ₹3172.35 lakh during FY 2017-18 as compared to ₹2529.85 lakh (Restated) during FY 2016-17. The increase in other income is mainly due to increase in realisation of late payment surcharge.

During the year 2017-18, the Corporation received an amount of ₹1739.73 lakh on account of late payment surcharge as against ₹704.14 lakh (Restated) during 2016-17 i.e. an increase of ₹1035.59 lakhs. Liability /Provision written back have decreased from ₹806.87 lakh to ₹632.36 lakh. Interest on Investment decreased from ₹641.58 lakh to ₹313.99 lakhs.

Expenditure

The total expenditure in FY 2017-18 increased by 21.31% as compared to the previous year mainly due to increase in the cost of material consumed, Employee benefits expenses, Finance Cost, Depreciation and other expenses

(₹ in lakh)

	2017-18	2016-17	Increase/ (Decrease)	
			Amount	In %
Cost of material consumed	42632.78	40742.17	1890.61	4.64
Employee benefit expenses	41026.61	27647.65	13378.96	48.39
Finance costs	6902.88	2991.39	3911.49	130.76
Depreciation	18305.63	16038.68	2266.95	14.13
Other expenses	20880.92	19532.52	1348.40	6.90
Total	**129748.82**	**106952.41**	**22796.41**	**21.31**

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 2017-18 are USD 2.48 and USD 2.89 per MMBTU (on GCV basis) for the period of April '17 to September '17 and October '17 to March '18 respectively (previous year USD 3.06 & USD 2.50 respectively). Fuel price per mmbtu during the FY 2017-18 decreased by 8.71% against the previous year. During the current year, the expenditure on cost of material consumed was ₹42632.78 lakh (consisting of cost of gas ₹41665.33 lakh and transportation charges ₹967.45 lakh) as against ₹40742.17 lakh (consisting of cost of gas ₹39630.11 lakh and transportation charges ₹1112.06 lakh). Expenditure on gas constituted 32.86 % of the total expenditure as against 38.09 % of previous year.

Employees' Remuneration and Benefits

Employees' remuneration and benefits includes salaries and wages, allowances, incentives, leave encashment, contribution to Provident Fund, contribution to employees' superannuation schemes and other employees' welfare expenses. These expenses accounted for approximately 31.62% of NEEPCO's total expenditure during the year as compared to around 25.85% in the previous year.

Finance Costs

NEEPCO's finance costs consists of interest expenses on borrowings, such as, bonds, ECB, foreign currency loan and Short term 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 130.76% to ₹6902.88 lakh from ₹2991.39 lakh in the previous year due to charging of interest on borrowings to revenue account on commissioning of the projects, namely, TGBP Steam Turbine Unit and Tuirial HEP.

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 14.13 % to ₹18305.63 lakh in FY 2017-18 from ₹16038.68 lakh in FY 2016-17 is mainly due to additional capitalisation in respect of AGBPP & commissioning of TGBP Steam Turbine Unit.

Other Expenses

Other expenses (including generation and administration expenses) consists primarily of repair and maintenance of plant and machinery, buildings, roads etc., insurance, NERLDC fees and charges, Corporate Social Responsibility, security expenses, transport expenses and other administrative expenses. These expenses represented approximately 16.09% of NEEPCO's total expenditure during the year as compared to 18.26% in FY 2016-17. In absolute terms, these expenses increased by ₹1348.40 lakh (i.e. 6.90%) from the previous year.

Regulatory Income/Expense

In line with the Guidance Note on "Accounting for Rate Regulatory Activities" issued by the Institute of Chartered Accountants of India as well as considering the provision of Indian Accounting Standards (Ind AS) 114 – Regulatory Deferral Accounts, the "Regulatory Deferral Accounts Debit Balances" has been created with recognition of corresponding "Regulatory income" for ₹4793.47 lakh against increase in gratuity expenses due to enhancement of limit up to ₹20.00 lakh as per the Payment of Gratuity (Amendment) Act, 2018, to the extend recoverable from the beneficiaries in subsequent period within the provision of CERC Tariff Regulations.

Profit before Tax

The cumulative effect of all the above is an increase in NEEPCO's profit before tax in FY 2017-18 by 15.23% to ₹41511.41 lakh from ₹36024.45 lakh in FY 2016-17.

Provision for Tax

The Corporation provides Current Tax & Deferred Tax as per the Income Tax Act, 1961. Net provision for FY 2017-18 is ₹12194.06 lakh in comparison to ₹13426.85 lakh in financial year 2016-17 i.e. a decrease of ₹1232.79 lakh due to decrease in deferred tax liabilities & adjustment of MAT credit amounting to ₹1936.37 lakhs accumulated during the FY 2016-17.

Liquidity and Capital Resources

Liquidity

Funds for working capital requirements as well as capital expenditure for construction of projects are mobilised 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, 2018, NEEPCO has Cash and Cash equivalent of ₹33049.07 lakh as compared to ₹24769.25 lakh as on 31st March, 2017. In addition, bank balances (other than Cash & Cash equivalent) as on March, 2018 is ₹558.85 lakh as compared to ₹2158.76 lakh as on 31st March, 2017.

Cash Flow

(₹ in lakh)

	2017-18	2016-17 (Restated)
1. Net cash flow from operating activities	79065.30	103378.50
2. Net cash flow from investment activities	(90400.03)	(117019.05)
3. Net cash flow from financing activities	18014.64	(4226.60)

1. Net Cash from Operations

NEEPCO's net cash inflow from operating activities was ₹79065.30 lakh in FY 2017-18 and total comprehensive income is ₹41874.40 lakh. The net cash from operating activities has been arrived at after adjusting the non-cash items viz. depreciation of ₹18305.63 lakh, interest cost of ₹6902.88 lakh, expenditure towards regulatory deferral account balances of ₹4793.47 lakhs, foreign exchange loss of ₹87.90 lakh, and Interest /Investment income of ₹329.00 lakh. The changes in the current assets and current liabilities impacting the current period cash flow amounted to ₹20749.84 lakh (i.e. a decrease in the working capital as the net effect of decrease in receivables, other financial assets, loans & advances and increase in inventories, other financial liabilities & provisions). Income tax payment of ₹9100.00 lakh was also made during the year.

2. Net Cash from Investing Activities

NEEPCO's net cash outflow from investing activities was ₹90400.03 lakh in FY 2017-18 which includes expenditure on property, plant & equipment of ₹94092.46 lakh, sale of investment in Joint Venture amounting to ₹8200.00 lakh. Interest income on investment of ₹270.89 lakhs, dividend income of ₹15.01 lakhs and change in regulatory deferral account balances of ₹4793.47 lakh.

3. Net Cash from Financing Activities

In FY 2017-18, NEEPCO's net cash outflow from financing activities was ₹18014.64 lakh. The Corporation has received equity contribution from Government of India amounting to ₹9600.00 lakhs and raised funds of ₹99942.74 lakh through PSU bonds and short term borrowings and also effected loan repayment and interest payments to the tune of ₹43883.65 lakh and ₹36554.70 lakh respectively. During the year the Corporation paid dividend of ₹9214.00 lakh out of which final dividend for 2016-17 was ₹5114.00 lakh, interim dividend for 2017-18 was ₹4100.00 lakh and dividend tax of ₹1875.75 lakh.

Discussion on Balance Sheet Items
Financial Condition

1. Net Worth

The net worth of the Corporation as on 31st March, 2018 is ₹613093.61 lakh as compared to ₹585024.24 lakh (Restated) as on 31st March, 2017 representing a growth of 4.80%.

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, 2018 stood at ₹1296269.22 lakh (comprising of carrying cost of Property, Plant & Equipment ₹341039.75 lakh, Capital Work in Progress of ₹938672.98 lakh, Intangible Assets under Development ₹10082.50 lakhs and carrying cost of Intangible Assets ₹6473.99 lakh). The Tangible Assets consist of land, dams, tunnels, buildings including power house buildings, plant and machinery, office equipment, EDP equipment, Office equipment etc. Intangible Assets consist of Land - right to use & Computer Software.

(b) Financial Assets:

Investments (Un-Quoted)

As on 31st March, 2018 the Corporation has invested an amount of ₹2793 lakh (₹10993.00 lakhs as on 31st March, 2017) in Joint Venture Companies as fully paid up Equity Share. Decrease in investment by ₹8200.00 lakh is due to sale of Company's investment in Joint Venture of M/s WAANEEP Solar Pvt. Limited during the year as per terms of the Share Purchase Agreement drawn on 24.10.2017.

(c) Loans

Long Term Loans & Advances to Employees as on 31st March 2018 stood at ₹107.20 lakhs against ₹113.96 lakhs as on 31st March 2017. Loan & Advances to employees includes Interest bearing Computer Advance, 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 consist of both secured and unsecured but considered good, after adjustment of doubtful debts. As on 31st March, 2018 advance to contractor secured against bank guarantee stood at ₹726.17 lakhs (previous year ₹2628.21 lakhs). The advance to contractor unsecured, considered good after adjustment of doubtful debts amounts to ₹14253.69 lakh as compared to the previous year's amount of ₹19194.31 lakh. Advance towards land amounts ₹33.37 lakhs as on 31st March 2018 as against ₹21.42 lakhs as on 31st March 2017. Prepayments of leasehold land has been decreased by ₹194.37 lakhs and stood at ₹6223.22 lakhs as on 31st March 2018 as against ₹6417.59 lakhs as on 31st March 2017.

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 ₹9104.38 lakh and ₹13436.19 lakh as on 31st March, 2018 and 31st March, 2017 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, 2018 were ₹45836.76 lakh as compared to ₹44108.15 lakh (Restated) as on 31st March, 2017.

(c) Cash and Cash Equivalents

Cash & Cash Equivalents consists of (i) balances with banks in current accounts (ii) Short Term deposit having original maturity upto 3 months and (iii) cash and stamps in hand. Cash and Cash Equivalents as on 31st March, 2018 and 31st March, 2017 were ₹33049.07 lakh and ₹24769.25 lakh respectively.

Bank balances other than Cash and Cash Equivalents includes Restricted money (balances with bank held as margin money). Bank balances other than Cash and Cash Equivalents as on 31st March, 2018 and 31st March, 2017 were ₹558.85 lakh and ₹2158.76 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, 2018, amount stood at ₹7209.36 lakh as against ₹6028.43 lakh on 31st March 2017. There was a net increase of 19.59% in FY 2017-18 mainly due to increase in accounts receivables viz Deferred tax recoverable, interest accrued on STDR and decrease in advance to staff and revenue on account of difference between effective tax rate & tax rate allowed by the CERC.

(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, 2018 and 31st March, 2017 the current tax assets of the Corporation were ₹9297.15 lakh and ₹11824.22 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, 2018 and 31st March, 2017 were ₹1943.02 lakh and ₹2039.31 lakh respectively.

(g) Asset held for sale

Asset held for sale consist of asset that 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. Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets. The amount appears under this head stands at ₹131.84 lakhs & ₹67.69 lakhs as on 31st March, 2018 and 31st March, 2017 respectively.

(h) Regulatory Deferral Accounts Debit Balance

During the current financial year the Corporation has recognised regulatory deferral account in respect of increase in gratuity expenses due to enhancement of limit up to ₹20.00 lakh as per the Payment of Gratuity (Amendment) Act, 2018. The amount recognised stands at ₹4793.47 lakhs. This amount is recoverable from the beneficiaries in subsequent period as per CERC Tariff Regulations.

EQUITY & LIABILITIES

1. Equity

Equity Share Capital

Equity Share Capital of the Corporation as on 31st March 2018 & as on 31st March 2017 amounts to ₹345281.04 lakhs & ₹345281.04 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, 2018 was ₹258212.57 lakh as compared to ₹239743.20 lakh (Restated) as on 31st March, 2017.

3. Share Application Money Pending Allotment

During the year 2017-18, Corporation has received an amount of ₹9600.00 lakhs from Government of India towards Share Capital Contribution for Kameng Hydro Electric Project at Arunachal Pradesh. Pending issuance of share certificate in respect of above, the same is kept under share application money pending allotment.

4. 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, 2018 are detailed below:

i.	PSU Bonds	₹529245.37 lakh
ii.	External Commercial Borrowing from SBI, Singapore	₹31689.49 lakh
iii.	Loan from KfW, Germany	₹40853.69 lakh
iv.	Subordinate loan from Government of India	₹29118.13 lakh
	Total	**₹630906.68 lakh**

(b) Provisions

Long Term Provisions of ₹20226.57 lakh as on 31st March, 2018 include Provisions for Employee Benefits (Gratuity ₹6563.29 lakh, Leave Encashment ₹8478.08 lakh, Post-Retirement Medical Benefits ₹5034.81 lakh and Award of Gold Coin ₹150.39 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, 2018 amounts to ₹3499.06 lakh as compared to ₹3526.12 lakh deferred tax Liabilities (net) as on 31st March, 2017.

(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 ₹86.98 lakhs (previous year ₹20.31 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. In addition, amortization of benefit for the below market rate GoI Subordinate loan (granted @1%) amounts to ₹0.46 lakh during the FY 2017-18.

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, 2018 was ₹144.64 lakh (previous year ₹165.37 lakh).

Current Liabilities

(a) Borrowing

During the year 2017-18 the Corporation has availed from bank an amount of ₹20000.00 lakh towards Short Term Loan.

(b) Trade & Other Payables

Trade & Other Payables include the amount due on account of goods purchased or services received in the normal course of business, amount payable to beneficiaries and payable to employee benefits. The trade payables as on 31st March, 2018 were ₹20337.18 lakh as compared to ₹12361.37 lakh as on 31st March, 2017.

(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, 2018 amounted to ₹47886.67 lakh as compared to ₹32046.54 lakh as on 31st March, 2017. The increase in other financial liabilities by 49.43% is primarily on account of increase in current maturity of long term debt, increase in the interest accrued but not due and decrease in advance received from Rural Electrification Corporation Limited for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yogana & decrease 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, 2018 amounted to ₹16245.69 lakh as compared to ₹14318.83 lakh as on 31st March, 2017. The increase in other financial liabilities by 13.45% is primarily on account of increase in advance from contractors & others, increase in direct & indirect tax payables and increase in Other Statutory Dues.

(e) Provisions

Short Term Provisions as on 31st March, 2018 was ₹16583.41 lakh as compared to ₹15220.49 lakh in the previous FY. These include Provision for Employee Benefits (Gratuity ₹3256.42 lakh, Leave Encashment ₹304.25 lakh, Medical benefit for retired employees ₹327.52 lakh and Award of Gold Coin ₹6.32 lakh) and other provisions (Provision for write off ₹12689.10 lakh) which are expected to be settled within 12 months from the date of Balance Sheet. Increase in Short Term Provisions during FY 2017-18 is mainly due to increase in Provision for Gratuity, Post-Retirement Medical Benefits and decrease in leave encashment & provision for write off.

Current Tax Liabilities

Current tax Liabilities has gone up to ₹12346.75 lakh in 2017-18 from ₹7997.38 lakh in 2016-17 due to increase in Profit during 2017-18**.**

Off-Balance Sheet Items

Contingent Liabilities

The components of Contingent Liabilities for the FY 2017-18 and 2016-17 are as follows:

(₹ in lakh)

Claims against the Company not acknowledged as debt in respect of:	2017-18	2016-17
Capital Works	159047.88	149358.36
Disputed Land Compensation cases	3583.24	3416.74
Income Tax and Service Tax	161.97	48.15
Others	4.80	8.76
Total	**162797.89**	**152832.01**

Financial review of Joint Venture Companies

As on 31st March 2018, NEEPCO has one Joint Venture Company as follows:

- 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 Company are incorporated in India.

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

(₹ in lakh)

Particulars	For the year ended 31st March, 2018	For the year ended 31st March,2017 (Restated)
Total revenue	166466.76	142976.86
Total expenses	129748.82	106952.41
Regulatory income/ (expenses)	4793.47	-
Share of Profit of Joint Ventures	994.35	(531.68)
Profit before tax	42505.76	35492.77
Profit after tax	30305.53	22060.83
Other Comprehensive Income	237.37	(213.92)
Total Comprehensive Income	30542.90	21846.91

HUMAN RESOURCES AND HRD

1. As on 31.03.2018, the Corporation had 2184 employees, which includes Chairman & Managing Director, 3 Directors and one Chief Vigilance Officer. Out of which 916 are Executives, 316 Supervisors and 947 Workmen. The proportion of Male to Female employees in 5.3:1 (approx.).

2. Analysis of Age Profile of employees and it findings

Analysis of Age Profile of employees and it findings				
Age Group	**Total**	**Percentage of employees**	**Male**	**Female**
Upto 30 years	102	4.72	83	19
31 - 40 years	223	10.31	171	52
41-50 years	681	31.50	547	134
51-55 years	595	27.52	504	91
56 and above but below 60 years	583	26.97	528	55

Superannuation profile in the next 5(five) years						
Cadre	**2018-19**	**2019-20**	**2020-21**	**2021-22**	**2022-23**	**TOTAL**
Executive	50	53	35	50	49	237
Supervisor	19	19	11	12	20	81
Workmen	78	69	57	45	47	296
TOTAL	**147**	**141**	**103**	**107**	**116**	**614**

The above findings indicate that 54% of manpower in the Corporation are in the age brackets of 51 years and above and about 614 no. of employees will be superannuating by the year March, 2023. 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 2017 is ₹2102.92 lakhs against ₹1776.11 lakhs of previous FY 2016-17, which indicates increase of 18.40%.

4. Special recruitment drive was carried out for filling up reserved backlog vacancies and thereby the following posts were filled during the year 2017-18

Name of Posts	GRADE	Category	OBC	SC	ST	TOTAL
Trainee Engg. (Civil)	E2	Executive	4	2	1	7
Trainee Engg. (E/M)	E2		2	-	-	2
Trainee Accounts Officer	E2		1	-	-	1
Junior Engg (E/M)	S1	Supervisor	1	1	3	5
Havildar	W5	Workman	-	1	2	3
Stenographer	W5		-	-	1	1
Lineman	W3		1	1	-	2
Electrician	W3		4	-	-	4
Storekeeper	W3		1	-	-	1
Dresser	W2		1	-	-	1
TOTAL			**15**	**5**	**7**	**27**

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 training and development interventions by organising customised in-house training programmes, nomination to external training programmes (within India) and foreign training programme organised by external training institutes.

   During the year 2017-18, a total 900 numbers of employees were imparted training. An average training man-days per employee of 6 covering 13,603 total training man days was achieved.

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

   In respect of MOU parameter for the year 2017-18 pertaining to HRM- HRD, the HRD dept. was successful in achieving the target for excellent rating.

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 organizations. Suggestions generated out of the discussions were carried out in a practical manner. There were zero man-days losses during the year 2017-18. The schedule of NNBC Meetings held during the year 2017-18 are hereunder:

Sl. No.	NNBC	Date
1	8th NNBC Meeting	01.09.2017
2	9th Meeting	17.10.2017

For and on behalf of the Board of Directors

(A. G. West Kharkongor)
Chairman & Managing Director
DIN: 03264625

Dated: 16-08-2018
Place: Guwahati

ANNEXURE – 5

Corporate Governance Certificate

To
The Members
North Eastern Electric Power Corporation Limited
Brookland Compound
Lower New Colony, Shillong - 793 003

We have examined the compliance of conditions of Corporate Governance by **North Eastern Electric Power Corporation Limited** (hereinafter referred as "the Company") for the year ended **31st March 2018**, as stipulated in the Guidelines on Corporate Governance for the Central Public Sector Enterprises issued by the 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 procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of 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 according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned DPE 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 Narayan Sharma & Associates
Company Secretaries

Place : Guwahati
Date : 2nd August 2018

(Narayan Sharma)
Proprietor
FCS-5117, CP No. 3844

ANNEXURE – 6A

Independent Auditors' Report

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 2018, 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 thereunder 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 judgement, 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 2018, 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. 18.3 (c) in respect of restatement of the Financial Statement of earlier years for prior period error
2. Note No. 40 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.
3. Note No. 46 in respect of Regulatory Deferral Account Balance adjustment.
4. Note No. 47 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.

Our report is not modified in respect of these matters.

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

Tapan Kumar Das

(T. K. DAS)
Partner
Membership No.: 053080

Place : New Delhi
Date : 12th June, 2018

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 40* 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.

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

Tapan Kumar Das

(T. K. DAS)
Partner
Membership No.: 053080

Place : New Delhi
Date : 12th June, 2018

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 ₹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 2018 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 ₹166.77 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 (₹In Lakh)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	0.49	2011-12	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	1.21	2012-13	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	63.34	2013-14	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	96.93	2013-14	Commissioner of Income Tax (Appeal)
Service Tax Act,1994	Service Tax	4.80	2008-2013	CESTAT, Kolkata
Total		**166.77**		

(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 Note no. 43 of the financial statements as required by the applicable Indian 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 : New Delhi
Date : 12th June, 2018

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	Auditors 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 592.25 hectares of leasehold and 6752.98 hectares of freehold land. In addition to this 6120.20 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

Tapan Kumar Das

(T. K. DAS)
Partner
Membership No.: 053080

Place : New Delhi
Date : 12th June, 2018

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 2018 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 2018:

> 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 2018, 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 2018.

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 2018 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

Tapan Kumar Das

(T. K. DAS)
Partner
Membership No.: 053080

Place : New Delhi
Date : 12th June, 2018

Part I: Balance Sheet as at 31st March, 2018

(₹ in lakhs)

Sl No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017 (Re-stated)	As at 1st April 2016 (Re-stated)
	ASSETS				
1.	**Non-Current assets**				
	(a) Property, Plant and Equipment	2	341039.75	348907.21	311019.59
	(b) Capital work -in- Progress	3	938672.98	799325.64	695320.94
	(c) Intangible assets under Development	4	10082.50	10082.50	10000.00
	(d) Intangible assets	4A	6473.99	4681.85	4541.83
	(e) Financial Assets				
	(i) Investment	5	2793.00	10993.00	10295.00
	(ii) Loans	6	107.20	113.96	127.71
	(f) Deferred Tax Asset (Net)	7	-	-	1790.13
	(g) Other Non-current Assets	8	21236.45	28261.53	32086.46
	1. Total Non-Current Assets		**1320405.87**	**1202365.69**	**1065181.66**
2.	**Current assets**				
	a) Inventories	9	9104.38	13436.19	14251.07
	b) Financial Assets				
	(i) Trade receivables	10	45836.76	44108.15	101609.73
	(ii) Cash and Cash equivalents	11	33049.07	24769.25	44795.16
	(iii) Bank balances other than (ii) above	12	558.85	2158.76	-
	(iv) Others	13	7209.36	6028.43	3508.77
	c) Current Tax Assets	14	9297.15	11824.22	14463.66
	d) Other Current assets	15	1943.02	2039.31	2113.02
	e) Assets Held For Sale	15A	131.84	67.69	-
	2. Total Current Assets		**107130.43**	**104432.00**	**180741.41**
3.	**3. Regulatory deferral accounts debit balances**	16	4793.47	**-**	**-**
	Total Assets (1 + 2 + 3)		**1432329.77**	**1306797.69**	**1245923.07**

(₹ in lakhs)

Sl No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017 (Re-stated)	As at 1st April 2016 (Re-stated)
	EQUITY AND LIABILITIES				
4.	**Equity**				
	(a) Equity Share Capital	17	345281.04	345281.04	345281.04
	(b) Other Equity	18	258212.57	239743.20	230614.58
	(c) Share Application money pending Allotment	18.4	9600.00	-	-
	4. Total Equity		**613093.61**	**585024.24**	**575895.62**
	Liabilities				
5.	**Non-Current Liabilities**				
	a) Financial Liabilities				
	(i) Borrowings	19	630906.68	559292.78	544363.97
	(ii) Trade payable		-	-	-
	(iii) Other financial liabilities		-	-	-
	b) Provisions	20	20226.57	12423.54	10114.49
	c) Deferred tax liabilities (Net)	7	3499.06	3526.12	
	d) Other non-current liabilities	21	31204.15	31311.40	31270.12
	5. Total Non-Current Liabilities		**685836.46**	**606553.84**	**585748.58**
6.	**Current liabilities**				
	a) Financial liabilities				
	(i) Borrowings	22	20000.00	33275.00	-
	(ii) Trade payable	23	20337.18	12361.37	13314.38
	(iii) Other financial liabilities	24	47886.67	32046.54	30503.48
	b) Other current liabilities	25	16245.69	14318.83	13920.53
	c) Provisions	26	16583.41	15220.49	14749.69
	d) Current Tax liabilities	14	12346.75	7997.38	11790.79
	6. Total Current Liabilities		**133399.70**	**115219.61**	**84278.87**
7.	**7. Regulatory deferral accounts credit balances**		-	-	-
	Total Equity and Liabilities (4 + 5 + 6 +7)		**1432329.77**	**1306797.69**	**1245923.07**

Summery of significant accounting policies - Note No. 1

The accompanying notes 1 to 50 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

For and on behalf of the Board of Directors

Date: **12-06-2018**
Place: **New Delhi**

C. Sharma
Company Secretary

M. Shiva Shunmuganathan
Director (Finance) - cum - CFO
DIN: 07551379

A.G. West Kharkongor
Chairman & Managing Director
DIN: 03264625

T. K. Das
Partner
Membership No. 053080

Part II - Statement of Profit and Loss

(₹in Lakh)

Sl No.	Particulars	Notes	For the period ended 31st Mar-18	For the period ended 31st Mar-17 (Restated)
I	Revenue from Operations	27	163294.41	140447.01
II	Other Income	28	3172.35	2529.85
III	**Total Income (I + II)**		**166466.76**	**142976.86**
IV	**Expenses**			
	(a) Cost of materials consumed	29	42632.78	40742.17
	(b) Employee benefit expense	30	41026.61	27647.65
	(c) Finance costs	31	6902.88	2991.39
	(d) Depreciation and amortization expense	32	18305.63	16038.68
	(e) Other expenses	33	20880.92	19532.52
	Total expenses (IV)		**129748.82**	**106952.41**
V	**Profit / (loss) before exceptional items, Rate Regulated Activities and tax (III - IV)**		**36717.94**	**36024.45**
VI	Add : Regulatory Income/(Expense)	16	**4793.47**	-
VII	Exceptional Items		-	-
VIII	**Profit / (loss) before tax (V + VI + VII)**		**41511.41**	**36024.45**
IX	Tax Expense:			
	(i) Current tax		12,624.20	7997.38
	Add : Tax on Regulatory Deferral Accounts		1,658.92	-
	Less : MAT Credit		1,936.37	-
	Net Current Tax		12,346.75	7997.38
	(ii) Deferred tax		(152.69)	5429.47
			12,194.06	13426.85
X	**Profit / (loss) for the year from continuing operations (VIII - IX)**		**29317.35**	**22597.60**
XI	Profit / (loss) from discontinued operations		-	-
XII	Tax expense of discontinued operations			
XIII	**Profit / (loss) for the year from Discontinued operations (XI - XII)**		-	-
XIV	**Profit / (loss) for the year/period (X +XIII)**		**29317.35**	**22597.60**

(₹in Lakh)

Sl No.	Particulars	For the period ended 31st-Mar-18	For the period ended 31st-Mar-17 (Restated)
XV	**Other comprehensive income**		
	A (i) Items that will not be reclassified to profit and loss		
	(a) Remeasurements of the defined benefit plans	363.00	(327.14)
	(b) Others (specify nature)		
		363.00	**(327.14)**
	(ii) Income tax relating to items that will not be reclassified to profit and loss	125.63	(113.22)
	B (i) Items that will be reclassified to profit and loss		
	(ii) Income tax relating to items that will be reclassified to profit and loss		
	Total other comprehensive income XV = (A+ B)	**237.37**	**(213.92)**
XVI	**Total comprehensive income for the period (XIV + XV)**	**29554.72**	**22383.68**
	Earnings per equity share (for continuing operation before regulatory Deferral Accounts) :		
	(1) Basic (in ₹)	0.76	0.65
	(2) Diluted (in ₹)	0.76	0.65
XVII	Earnings per equity share (for continuing operation after regulatory Deferral Accounts) :		
	(1) Basic (in ₹)	0.85	0.65
	(2) Diluted (in ₹)	0.85	0.65
	The accompanying notes 1 to 50 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

For and on behalf of the Board of Directors

Date: **12-06-2018**
Place: **New Delhi**

C. Sharma
Company Secretary

M. Shiva Shunmuganathan
Director (Finance) - cum - CFO
DIN: 07551379

A.G. West Kharkongor
Chairman & Managing Director
DIN: 03264625

T. K. Das
Partner
Membership No. 053080

Cash Flows Statement for the year ended 31st March, 2018

(₹in Lakh)

Particulars	For the year ended 31st March 2018		For the year ended 31st March 2017 (Restated)	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax for the year including OCI & movements in Regulatory Deferral Account Balances		41,874.40		35,697.31
Less : Movement in Regulatory deferral Account Balances		4,793.47		-
Profit before Tax		**37,080.93**		**35,697.31**
ADD :				
Depreciation & Amortisation	18,305.63		16,038.68	
Finance Cost	6,902.88		2,991.39	
Loss on Sale of Assets/Asset Write off	569.95		1,360.39	
Expenditure towards Regulatory Deferral Account Balances	4,793.47		-	
Foreign Exchange loss	87.90		-	
Fair value loss	4.40		4.74	
		30,664.23		20,395.20
		67,745.16		**56,092.51**
LESS:				
Profit on Sale of Assets	0.70		-	
Interest/Investment income	329.00		646.32	
Foreign Exchange gain	-		773.06	
		329.70		1,419.38
Cash flow from Operating Activities before operating Assets & Liabilities adjustments		**67,415.46**		**54,673.13**
Changes in operating Assets & Liabilities				
Inventories	4,331.81		814.88	
Trade Receivable	(2962.27)		54,696.54	
Other Financial Assets, Loans and Advances	(32.11)		47.30	
Other Financial Liabilities & Provisions	19,412.41		2,296.65	
		20,749.84		57,855.37
Cash flow from operating activities before taxes		**88,165.30**		**1,12,528.50**
Less : Taxes		9,100.00		9,150.00
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**79,065.30**		**1,03,378.50**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Property, plant and equipment		(94,092.46)		(1,17,623.99)
Financial assets		8,200.00		(698.00)
Interest income		270.89		1,298.20
Dividend Income		15.01		4.74
Changes in Regulatory Deferral Account Balances		(4793.47)		-
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		**(90,400.03)**		**(1,17,019.05)**

C.	**CASH FLOW FROM FINANCING ACTIVITIES (C)**		
	Issue of Equity Share	9,600.00	-
	Borrowings	99,942.74	1,11,510.65
	Repayment of borrowings	(43,883.65)	(59,112.05)
	Dividends & Dividend Tax paid	(11,089.75)	(13,259.80)
	Interest & Finance Charges	(36,554.70)	(43,365.40)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**18,014.64**	**(4,226.60)**
D.	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**	**6,679.91**	**(17,867.15)**
	Cash & Cash Equivalents at the beginning of the year	**26,928.01**	**44,795.16**
	Cash & Cash Equivalents at the close of the year	**33,607.92**	**26,928.01**

Explanatory notes to statement of cash flows

1. Cash & Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash & Cash equivalent as per Note 11 & 12 of the Balance Sheet is as under :

(₹in Lakh)

Particulars	As at 31st March' 2018	As at 31st March' 2017
Cash and Cash equivalents	33049.07	24769.25
Bank balances other than above (restricted balance)	558.85	2158.76
	33,607.92	**26,928.01**

2. Cash & Bank balances of ₹33607.92 lakhs (previous year ₹26928.01 lakhs) includes an amount of ₹172.66 lakhs (previous year ₹1731.17 lakhs) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yojana.
3. Previous year figures have been regrouped/rearranged whereever considered necessary.
4. Interest & finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹49.44 Lakhs (Previous year ₹37.22 lakh) & Guarantee & Commitment fee ₹564.97 Lakhs (Previous year ₹605.96 Lakhs) capitalised during the period on account of Expenditure attributable to construction (EAC).
5. **Changes in liabilities arising from financing activities**

   i. Share Application money pending Allotment received the period amounting to ₹9,600.00 lakhs (Previous year NIL).

   ii. (a) Borrowings ₹99,942.74 lakhs (Previous year ₹1,11,510.65 lakh) includes foreign exchange loss of ₹6,758.18 lakh (Previous year foreign exchange gain ₹4,659.84 lakh).

   ii. (b) Amortisation of bond cost amounting to ₹232.92 lakhs (Previous year ₹175.66 lakh) adjusted with proceed from borrowings.

In terms of our report of even date

For **M/s. S P A N & Associates**
Chartered Accountants
F.R.N. 302192E

For and on behalf of the Board of Directors

Date: **12-06-2018**
Place: **New Delhi**

C. Sharma
Company Secretary

M. Shiva Shunmuganathan
Director (Finance) - cum - CFO
DIN: 07551379

A.G. West Kharkongor
Chairman & Managing Director
DIN: 03264625

T. K. Das
Partner
Membership No. 053080

Statement of Changes in Equity

A. Equity Share Capital

Period ended 31st March 2017 *(₹in Lakh)*

Balance as at 01-04-2016	Changes in equity share capital	Balance as at 31-03-2017
1	2	3
3,45,281.04	-	3,45,281.04

Period ended 31st March 2018 *(₹in Lakh)*

Balance as at 01-04-2017	Changes in equity share capital	Balance as at 31-03-2018
1	2	3
3,45,281.04	-	3,45,281.04

B. Other Equity

Period ended 31st March 2017

(₹in Lakh)

Particulars	Balance as at 01.04.2016 (Restated)	Changes in accounting policy or prior period errors	Restated balance as at 31.03.2017	Total Compre-hensive income for the year	Divi-dends	Transfer to/from retained earnings	Fair Value Adjust-ment	Balance as at 31.03.2017 (restated)
	1	2	3	4	5	6	7	8
Retained Earnings	8170.86	1448.77	9619.63	20934.91	13259.80	14980.44	4.74	2319.04
General Reserve	197691.68	-	197691.68	-	-	-	-	197691.68
Bond Redemption Reserve	24752.04	-	24752.04	-	-	14980.44	-	39732.48

Period ended 31st March 2018 *(₹in Lakh)*

Particulars	Balance as at 01.04.2017	Changes in accounting policy or prior period errors	Restated balance as at 31.03.2017	Total Compre-hensive income for the year	Divi-dends	Transfer to/from retained earnings	Fair Value Adjust-ment	Balance as at 31.03.2018
	1	2	3	4	5	6	7	8
Retained Earnings	2319.04	-	2319.04	29554.72	11089.75	17334.60	4.40	3453.81
General Reserve	197691.68	-	197691.68	-	-	-	-	197691.68
Bond Redemption Reserve	39732.48	-	39732.48	-	-	17334.60	-	57067.08
Share Application money pending Allotment	-	-	-	-	-	-	-	9600.00

In terms of our report of even date

For **M/s. S P A N & Associates**
Chartered Accountants
F.R.N. 302192E

For and on behalf of the Board of Directors

Date: **12-06-2018**	**C. Sharma**	**M. Shiva Shunmuganathan**	**A.G. West Kharkongor**	**T. K. Das**
Place: **New Delhi**	Company Secretary	Director (Finance) - cum - CFO	Chairman & Managing Director	Partner
		DIN: 07551379	DIN: 03264625	Membership No. 053080

Note No. 1: Significant Accounting Policies 2017-18

A. 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. The address of the Company's registered office is Brookland Compound, Lower New Colony, Laitumkhrah, Shillong 793003, Meghalaya. Authorised Capital of the Company is ₹5000 crore. With operation of 6 (six) **hydro, 3 (three) thermal and 1(one) solar power stations, total installed capacity of NEEPCO stands at 1347 MW. In addition.02 (two)** hydro projects, namely, Pare HEP (110 MW) and Kameng HEP (600 MW), which are in advanced stages of commissioning.

NEEPCO has its debt (Bond XI issue to XVIII issue) listed with Bombay Stock Exchange (BSE).

B. Basis of preparation

I. Statement of Compliance

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, 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) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and the provisions of the Electricity Act,2003 to the extent applicable.

The Company has adopted all the applicable Ind ASs and such adoption was carried out in accordance with Accounting Principles generally accepted in India as prescribe in section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules 2014,

II. Basis of measurement

The financial statements have been prepared on historical cost basis, except

- Certain financial instruments that are measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Plan assets of defined employees benefit plans;

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, except otherwise stated and disclosed accordingly.

III. Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Lakh (up to two decimals) for the Company, except as stated otherwise.

IV. Current and Non-current classification

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

V. Use of estimates and management judgments

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-D.

VI. Investment in Joint Venture

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 investment in joint venture is carried at cost, which comprises of price paid to acquire investment and directly attributable cost, if any.

C. Summary of Significant Accounting Policies

1. Property, plant and equipment

1.1 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.

1.2 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 accumulated depreciation/amortization and impairment loss, if any.

1.3 Auxiliaries 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.

1.4 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.

1.5 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 successful commissioning of the plant.

1.6 Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and major 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 derecognised. Similarly, overhaul costs associated with major maintenance are capitalized.

1.7 Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

1.8 Assets over which the Company has control, though created on land not belonging to the Company are included under Property, Plant and Equipment.

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

1.10 Spare parts procured along-with the Plant & Machinery as well as procured subsequently which meets the recognition criteria are capitalized. Other machinery spares are treated as “stores & spares” forming part of the inventory.

1.11 Cost of mobile handsets are recognised as revenue expenditure.

1.12 An item of property, plant and equipment is derecognised 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.

2. Capital work-in-progress

2.1 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 other 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.

2.2 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/ Completion Cost of the project.

2.3 Capital expenditure incurred to create facilities, over which the Company does not have control and creation of which is essential for construction of the project is carried on under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.

2.4 Expenditure against "Deposit works" is accounted for on the basis of statement of accounts received the concerned agency and acceptance by the Company.

2.5 Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.

2.6 Share of Corporate office and Guwahati office expenditures relating to construction activities are allocated/ apportioned to the projects under construction on the basis of accretion to CWIP.

2.7 In case of abandonment/suspension/discontinuation of project, the expenditure in relation to the same is expensed/charged off in the year of such decision.

3. Intangible Assets

3.1 Intangible assets acquired separately are measured on initial recognition at cost. Such assets are capitalized when the assets are ready for its intended use. After initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

3.2 Computer software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortization and impairment losses, if any.

3.3 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 under “Land-Right to use.”

3.4 Intangible assets not ready for its intended use as on the date of balance-sheet are disclosed as “Intangible assets under development”.

4. Depreciation and amortization:

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 (Computers and Peripherals) are being depreciated fully (100%) in three years.

ii. Computer software is amortised on straight-line method over a period of legal right to use or 03 (three) years, whichever is less.

iii. “Land-right to use” is fully amortized over the period of useful life of the project from its “Date of commercial operation”.

iv. Where the cost of depreciable assets has undergone a change due to during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, changes in duties and similar factors, the unamortized balances of such assets is depreciated prospectively over the residual life of such asset at the rate and methodology notified by the CERC regulations.

v. Cost of major repairing and overhauls are depreciated over their useful lives where it is probable that future economic benefits will be available.

vi. 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.

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

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

ix. Depreciation of Corporate/Administrative office assets and general assets of projects under construction are charged following the 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 up to the previous month of de-capitalisation.

5. **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.

6. **Impairment of assets**

6.1 At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is indication that those assets may suffer an impairment loss. If any such indication exists, the recoverable amount (i.e., higher of its fair value less cost to sell and the value-in-use) is determined on 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.

6.2 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**.**

7. **Regulatory deferral accounts**

7.1 Expenses/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries is subsequent period as per CERC tariff Regulations are recognized as "Regulatory Deferral Account Balances".

7.2 Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

7.3 If it is no longer probable that future economic benefit associated with such balances will flow to the Company, such balances are de-recognized.

7.4 Regulatory deferral Account Balances are tested for impairment at each Balance sheet date.

8. **Foreign Currency Transaction**

8.1 Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates.

8.2 In preparing the financial statements transactions in currencies other than the entity's functional currency 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.

8.3 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.

8.4 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.

8.5 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 the statement of Profit or Loss Account in case of operational power stations and added to the carrying amount of capital work in progress in case of projects under construction.

8.6 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).

9. Provisions, Contingent Liabilities and Contingent Assets

9.1 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.

9.2 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.

9.3 If the effect of the time value of money is material, provision is determined by discounting the expected future cash flow using a current pre-tax rate that reflects the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

9.4 Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are not recognized but disclosed unless the possibilities of outflow of economic benefits are remote. Contingent liabilities are disclosed on the basis of judgment of management and are reviewed at each balance sheet date to reflect the current management estimate.

9.5 Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable.

10. Leases

10.1 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

10.2 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. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price. All other leases are classified as operating leases.

10.3 Lease assets are accounted in accordance with Ind AS 17 and amortised as follows:

- Leasehold Land, in case of projects under operation, are amortised over the period of lease or useful life of the project, whichever is lower.
- Leasehold Land, in case of administrative offices, are amortised over the lease period.
- Leasehold Land, in case of projects under construction are amortised over the period of lease or useful life of the project, whichever is lower, from its "Date of commercial operation".

11. Inventories

11.1 Inventories mainly comprise of stores and spare parts to be used for operation and maintenance of Property, Plant and Equipment.

11.2 Inventories are valued at costs or net realizable value (NRV), whichever is lower. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. 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.

11.3 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 sell/disposal.

12. Trade receivable

12.1 Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be made within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price.

12.2 As the entire sales are made to State Government utilities, the Company is not providing for allowance for expected credit loss.

13 Financial Instruments

13.1 Financial assets and liabilities are recognised 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.

13.2 Financial Assets

Financial assets comprises of investments in joint venture, advances to employees, trade receivables, cash and cash equivalents, claims recoverable, 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 in the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

ii. Financial assets at amortized cost

Financial assets which are initially measured at cost 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.

v. Derecognition of financial assets

The Company derecognises 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.

vi. 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 recognised as an impairment gain or loss in the statement of profit and loss.

13.3 Financial liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company. The Company's financial liabilities includes loan & borrowings, trade and other payable etc.

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

i. De recognition of financial liability

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

14. Borrowing cost

14.1 Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction/development or erection of qualifying assets are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

14.2 Investment income earned on the temporary investment of specific borrowings pending their expenditure on related qualifying assets is deducted from the borrowing costs eligible for capitalization.

14.3 All other borrowing costs are recognised 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 adjusted to interest cost.

14.4 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.

15. Government grants

15.1 Government grants are recognised when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants has actually been received.

15.2 The benefits of a government loan at a below market rate of interest is also 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.

15.3 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.

15.4 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.

16. Employee Benefits

16.1 Employee benefits consist of provident fund, pension, gratuity, post-retirement medical benefit (PRMB), leave benefits and other terminal benefits.

16.2 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 PRMB at the Balance Sheet date and any further accretion during the year for Gratuity is provided for and that for Leave encashment and PRMB are charged to IEDC or profit & loss, as the case may be.

16.3 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.

17. Income Taxes

Tax expense represents the sum of current tax and deferred tax.

17.1 Current income 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.

17.2 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.

18. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for rebates and other similar allowances.

18.1 Revenue from sale of energy

- 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

18.2 Other Income

- Dividend 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 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.
- 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.

19. Earnings Per Share

19.1 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.

19.2 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.

20. 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.

21. Miscellaneous

21.1 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.

21.2 Liabilities for pending Capital works executed but not certified are not provided for, pending acceptance by the Company.

21.3 Physical verification of Fixed Assets and Inventories 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.

D. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note-B, 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, leave encashment and Gold Coin) 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 Lakh)

Particulars	Note No	As at 31st March, 2018	As at 31st March, 2017	As at 1st April 2016
Land	38	2566.88	1910.20	1909.03
Buildings		13960.11	13075.47	12256.60
Plant & Equipments		314279.25	322674.54	287554.57
Furniture & Fixture		651.29	663.48	642.78
Vehicles		293.40	259.78	286.72
Office Equipment		1887.09	1787.98	1743.13
Others:				
Electrical Equipment		596.68	574.06	500.45
Road, Bridges, Culvert, Helipad		4036.30	5060.94	4745.03
Tools & Plants		2737.55	2874.53	1355.27
Misc. Equipment		31.20	26.23	26.01
Total		**341039.75**	**348907.21**	**311019.59**

As at March 31, 2018 *(₹in Lakh)*

Particulars	Free-hold Land	Buildings	Plant & Equipment	Furni-ture & Fixture	Vehicle	Office Equip-ment	Electrical Equip-ment	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equip-ment	Total
Gross Block as at April 1, 2017	1910.20	23963.68	612355.25	1671.51	710.98	5827.48	1558.88	7336.52	7219.98	167.51	6,62,721.99
Additions	656.68	1783.92	10066.98	55.96	82.93	422.68	67.75	407.82	106.56	15.49	13,666.76
Disposals/Adjustment	-	(0.89)	(1740.19)	(30.01)	(116.60)	(94.65)	-	(1414.91)	(1190.79)	(0.98)	(4,589.02)
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Gross Block as at March 31, 2018	**2,566.88**	**25,746.71**	**6,20,682.04**	**1,697.46**	**677.31**	**6,155.51**	**1,626.63**	**6,329.43**	**6,135.75**	**182.02**	**6,71,799.74**
Impairment as at April 1, 2017 Other re-classifications **Impairment as at March 31, 2018**	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2017	-	10888.21	289680.71	1008.03	451.20	4039.50	984.82	2275.58	4345.45	141.28	313814.78
Charge for the period	-	898.51	17868.84	65.65	36.81	313.16	45.13	185.03	186.65	10.50	19610.28
Disposals	-	**(0.12)**	**(1146.76)**	**(27.51)**	**(104.10)**	**(84.24)**	-	**(167.48)**	**(1133.90)**	**(0.96)**	(2665.07)
Other re-classifications	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	**11786.60**	**306402.79**	**1046.17**	**383.91**	**4268.42**	**1029.95**	**2293.13**	**3398.20**	**150.82**	**330759.99**
Total accumulated depreciation and impairment as at March 31, 2018	-	**11786.60**	**306402.79**	**1046.17**	**383.91**	**4268.42**	**1029.95**	**2293.13**	**3398.20**	**150.82**	**330759.99**
Net block as at March 31, 2018	**2566.88**	**13960.11**	**314279.25**	**651.29**	**293.40**	**1887.09**	**596.68**	**4036.30**	**2737.55**	**31.20**	**341039.75**

As at March 31, 2017 ***(₹in Lakh)***

Particulars	Free-hold Land	Buildings	Plant & Equipment	Furni-ture & Fixture	Vehicle	Office Equip-ment	Electrical Equip-ment	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equip-ment	Total
Gross Block as at April 1, 2016	1909.03	22535.12	561956.04	1576.90	700.12	5483.70	1449.11	6763.50	5419.13	148.62	6,07,941.27
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)	(2283.00)	(4.56)	(17.15)	(30.74)	-	-	(0.61)	(0.42)	(2,536.49)
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Gross Block as at March 31, 2017	**1,910.20**	**23,963.68**	**6,12,355.25**	**1,671.51**	**710.98**	**5,827.48**	**1,558.88**	**7,336.52**	**7,219.98**	**167.51**	**6,62,721.99**
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	274401.47	934.12	413.40	3740.57	948.66	2018.47	4063.86	122.61	296921.68
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 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**
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**

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, 2017.

ii. The Corporation has spent an amount of ₹22789.06 lakhs (previous year ₹23127.82 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 Eighteenth issue valuing ₹533250.00 lakhs having Charge ID with ROC are 100151868 for ₹50000.00 lakhs, 100104890 for ₹30000.00 lakhs, 10603635 for ₹90000.00 lakhs, 10555356 for ₹60000.00 lakhs, 10534076 for ₹250000.00 lakhs, 10466275 for ₹7250.00 lakhs, 10411581 for ₹12000.00 lakhs and 10411580 for ₹4000.00 lakhs. Creation of Charge for Bond raised on 6th March 2018 valued ₹30000.00 lakhs is under process as on 31-03-2018. 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 of Pare Hydro Electric Project at Arunachal Pradesh is guaranteed by Govt. of India.

iv. Interest and finance charge, related to construction projects, amounting to ₹49787.04 lakhs (previous year ₹37338.19 lakhs) has been transferred to IEDC (Ref. Note No-37). This also includes foreign exchange difference debited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹6670.28 lakhs (previous year credit ₹3691.49 lakhs). The foreign exchange borrowings are un-hedged.

v. The net carrying amount of plant and machinery comprises of: *(₹in Lakh)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Assets held under Finance Leases			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Net carrying amount	-	-	-
Owned assets	3,41,039.75	3,48,907.21	311019.59
Net carrying amount	**3,41,039.75**	**3,48,907.21**	**3,11,019.59**

Note No. 3: Details of CWIP

(₹in Lakh)

Particulars	As at 1st April 2017	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Building	1180.64	1187.71	(54.99)	(1060.01)	1253.35	1180.64	1372.54
Temporary Buildings/ Erections	81.78	2.25	1.84	(85.87)	-	81.78	55.90
Roads, Bridges, Culverts & Helipads	22030.90	918.00	1259.53	(305.15)	23903.28	22030.90	22127.97
Electrical Installation	64.45	101.03	(14.38)	(71.99)	79.11	64.45	112.91
Water Supply, Sewerage & Drainage	73.49	20.79	36.98	(86.67)	44.59	73.49	259.07
Hydraulic works incldg. Dams, Dykes etc.	330577.88	34884.18	(1262.12)	-	364199.94	330577.88	280911.24
Other Civil works	178.09	-	(78.70)	(82.49)	16.90	178.09	1780.71
Power house	36771.50	7236.46	(102.49)	(4.73)	43900.74	36771.50	27719.78
Switch Yard including cable connection	10116.05	2012.90	-	-	12128.95	10116.05	9230.78
Environment & Ecology	17350.23	13.90	(204.36)	-	17159.77	17350.23	4403.86
Transmission Lines	401.38	209.50		(87.21)	523.67	401.38	913.71
Transformer having a rating of 100KV ampere and above	6182.07	5833.80	(2102.33)	-	9913.54	6182.07	1072.90
Survey & Investigation	3662.57	119.79	3.10	-	3785.46	3662.57	3682.79
Communication equipment	-	0.71	-	-	0.71	-	-
Substation	646.00	25.12	(7.77)	(663.35)	-	646.00	763.98
Plant & Machinery in Generating station	58972.43	19517.64	(45.36)	(29.17)	78415.54	58972.43	72105.77
Steam Turbine	-	-	-	-	-	-	28.72
Gas Booster Station	2685.13	2063.18	(38.39)	(4319.92)	390.00	2685.13	4603.63
Incidental Expenditure during Construction	308351.05	75738.03	(437.11)	(694.54)	382957.43	308351.05	264174.68
T O T A L	**799325.64**	**149884.99**	**(3046.55)**	**(7491.10)**	**938672.98**	**799325.64**	**695320.94**

1. Transmission line includes “Enabling assets” amounting to ₹43.00 lakh, being expenditure incurred for Construction, Testing & Commissioning of 33KV Transmission line of Tuirial HEP to facilitate project construction works.

2. Roads, Bridges, Culvert & Helipads includes “Enabling assets” amounting to ₹1318.78 lakh, being expenditure incurred for roads for construction and Operation & maintenance of Tuirial HEP.

Note No. 4: Intangible Assets Under Development

(₹in Lakh)

Particulars	As at 1st April 2017	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Upfront Premium including Processing fee	10082.50	-	-	-	10082.50	10082.50	10000.00

Note No. 4A: Intangible Assets

(₹in Lakh)

	As at 31-March-18	As at 31-March-17	As at 1-April-16
Carrying amounts of :			
Software	53.01	58.72	72.78
Right to use (Forest Land)	6420.98	4,623.13	4469.05
Intangible assets under development	-	-	-
	6,473.99	**4,681.85**	**4,541.83**

Intangible Assets

As at March 31, 2018

(₹in Lakh)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2017	168.09	4,623.13	**4,791.22**
Additions	69.33	1,797.85	**1,867.18**
Gross Block as at March 31, 2018	237.42	6,420.98	6,658.40
Accumulated Impairment as at April 1, 2017			
Charge for the period			
Accumulated Impairment as at March 31, 2018			
Accumulated amortisation as at April 1, 2017	109.37	-	**109.37**
Charge for the period	75.04	-	**75.04**
Accumulated amortisation as at March 31, 2018	**184.41**	**-**	**184.41**
Total accumulated amortisation and impairment as at March 31, 2018	**184.41**	**-**	**184.41**
Net block as at March 31, 2018	**53.01**	**6,420.98**	**6,473.99**

As at March 31, 2017

(₹in Lakh)

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**

i. Compensation paid for forest land of 6120.20 Hectres for setting up of projects (Kameng Hydro Electric Project, Pare Hydro Electric Project and Tuirial Hydro Electric Project) 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 Lakh)

Particular	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
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	8200.00	75000000	7500.00
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000	2793.00	27930000	2793.00	27930000	2793.00
- of joint ventures - (Share Application Money)						
MDGEPL (Windpower)	-	-	-	-	-	2.00
TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)	**27930000**	**2793.00**	109930000	10993.00	102930000	10295.00
Other Investment	-	-	-	-	-	-
TOTAL other investment (C)	-	-	-	-	-	-
TOTAL INVESTMENTS (A) + (B)+ (C)	**27930000**	**2793.00**	109930000	10993.00	102930000	10295.00
Less : Aggregate amount of impairment in value of investments						
- of joint ventures - jointly controlled entities						
TOTAL IMPAIRMENT VALUE (D)						
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D)	-	**2793.00**	-	10993.00	-	10295.00

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		
	31.03.2018	31.03.2017	01.04.2016
1. WAANEEP Solar Private Limited		40%	40%
2. KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(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 Andhra Pradesh. During the current financial year the management has discontinued from the Joint Venture Company.

In terms of Share Purchase Agreement drawn on 24th October 2017, the Corporation's investment (40%) in Joint Venture of M/s. WARNEEP Solar Pvt Limited was sold off to M/s. WAAREE Energies Limited, the other Joint Venture Partner. The sale proceeds has been accounted in the books of NEEPCO on 11th December 2017.

(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 Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Loans and Advances to employees			
- Secured, considered good	107.20	113.96	127.71
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less : Allowance for bad and doubtful advances	-	-	-
TOTAL (A)	**107.20**	**113.96**	**127.71**

(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 installments whereas Multipurpose Advance is recovered in 12 installments.

(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 Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability	62668.43	61479.07	55844.27
From OCI	125.63	(113.22)	333.77
Less : Deferred Tax Asset	13264.81	10072.91	8702.18
Less : Deferred Tax Recoverable	46030.19	47766.82	49265.99
Net Defer Tax (Asset)/ Liability	**3499.06**	**3526.12**	**(1790.13)**

(₹in Lakh)

(ii) Deferred Tax Reconciliation	March 2018	March 2017	Effect in PL
Deferred Tax Liability as per Ind AS	(62668.43)	(61365.85)	1302.58
Deferred Tax Asset as per Ind AS	13264.81	10072.91	(3191.90)
Net Deferred Tax Liability	(49403.62)	(51292.94)	(1889.32)
Less Deferred Tax Recoverable	46030.19	47766.82	1736.63
Net (Liability)/Asset as per Ind AS	(3373.43)	(3526.12)	(152.69)
Effect in PL			(152.69)

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2018 is as follows:

(₹in Lakh)

2017-18 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	61365.85	1302.58	62668.43
Employees Benefits	(9567.05)	(3172.15)	(12739.20)
Provisions for Others	(505.87)	(19.74)	(525.61)
Deferred Tax Recognised in OCI	-	-	125.63
Deferred Tax Recoverable	(47766.82)	1736.63	(46030.19)
Total	**3526.12**	**(152.69)**	**3499.06**

(₹in Lakh)

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	56178.04	5187.81	61365.85
Employees Benefits	(8550.70)	(1016.35)	(9567.05)
Provisions for Others	(151.48)	(354.39)	(505.87)
Deferred Tax Recognised in OCI	-	113.22	-
Deferred Tax Recoverable	(49265.99)	1499.17	(47766.82)
Total	**(1790.13)**	**5429.47**	**3526.12**

Note No. 8: Other non-current assets

(₹in Lakh)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Capital Advances						
Secured :						
Covered By Bank Guarantee		726.17		2628.21		3406.80
Un-Secured :						
Others	14253.69		19194.31		21997.71	
Considered Doubtful	41.28		41.28		41.28	
Less: Allowances for bad & doubtful advances	41.28		41.28		41.28	
Sub- total		14253.69		19194.31		21997.71
Advances towards Land	33.37		21.42		70.54	
Prepayments (Leasehold Land)	6223.22		6417.59		6611.41	
Sub- total		6256.59		6439.01		6681.95
Total		**21236.45**		**28261.53**		**32086.46**

(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 non-cancellable operating lease entered into by the company.

(iii) (a) During the year ended March 31, 2018, amortisation of lease recognised in the statement of profit and loss is ₹193.83 lakhs (Previous year ₹193.83 lakhs).

(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 Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) General Stores			
(1) Cost	1088.10	1211.09	1560.74
(2) Less : Provision	52.59	52.70	66.30
(b) Operational stores			
(1) Cost	8591.35	12430.83	13032.65
(2) Less : Provision	522.48	153.03	276.02
Total Inventories	**9104.38**	**13436.19**	**14251.07**
Included above, goods-in-transit			
I) General Stores			
II) Operational Stores	0.70	1910.86	598.02
Total Goods in transit	**0.70**	**1910.86**	**598.02**

Operational stores includes obsolete/damaged spares valuing ₹410.63 lakhs (previous year ₹657.53 lakhs)

Note No. 10: Trade receivables

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017 (Restated)	As at April 1, 2016 (Restated)
Trade receivables			
(a) Secured, considered good	45836.76	44108.15	101609.73
(b) Unsecured, considered good	-	-	-
(c) Doubtful	-	-	-
Allowance for doubtful debts	-	-	-
TOTAL	**45836.76**	**44108.15**	**101609.73**

(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) In accordance with Ind As 8 during the current financial year the management has restated the trade receivable as a result of material prior period error in respect of late payment surcharge already received and accounted in favour of the respective beneficiaries. The impact as of 1st April 2016 is to the tune of ₹977.24 lakhs and to the extent of ₹2426.01 lakhs as on 31st March 2017. The same has been restated accordingly & the detailed disclosure is at Note No. 18.

(v) Trade receivables are further analysed as :

(₹in Lakh)

As at March 31, 2018	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	23913.06	-	23913.06
More than 60 days up to six months	6991.38	-	6991.38
More than six months	14932.32	-	14932.32
TOTAL	**45,836.76**	-	**45,836.76**

(₹in Lakh)

As at March 31, 2017	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	22910.16	-	22910.16
More than 60 days up to six months	8455.01	-	8455.01
More than six months	12742.98	-	12742.98
TOTAL	**44,108.15**	-	**44,108.15**

(₹in Lakh)

As at April 1, 2016	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	47499.01	-	47499.01
More than 60 days up to six months	22497.19	-	22497.19
More than six months	31613.53	-	31613.53
TOTAL	**101609.73**	**-**	**101609.73**

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2018 to be ₹45836.76 lakhs (March 31, 2017: ₹44108.15 lakhs, April 1, 2016: ₹101609.73 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, 2018, 2017 and April 1, 2016 except Assam & Meghalaya

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the period	Nil	Nil	Nil
Additions during the period			
Utilised during the period			
Balance at the end of the period	**-**	**-**	**-**

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.

Note No. 11: Cash and Cash Equivalents

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	11998.27	5368.36	5355.35
(ii) In Deposit Account (original maturity less than 3 months)	21050.00	19400.00	39430.92
(b) Cheques, drafts on hand	-	-	-
(c) Cash in hand			
(d) Others	0.80	0.89	8.89
Cash and cash equivalents as per balance sheet	**33049.07**	**24769.25**	**44795.16**
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account	-	-	-
(ii) In Deposit Account			
Total	**33049.07**	**24769.25**	**44795.16**

Note No. 12: Bank balances other than Cash and cash equivalents

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Restricted Money	558.85	2158.76	-
Total	558.85	2158.76	-

(i) Bank balances other than Cash & cash Equivalent consists of restricted money for project relating to Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and margin money against LC provided to Bank.

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

Note No. 13: Others

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Accounts Receivables			
- Secured, considered good	-	-	-
- Unsecured, considered good	5446.95	4211.05	1429.00
- Doubtful	-	-	-
Advances to staff	994.44	1090.27	719.03
Interest accrued on loans and deposits	665.11	622.01	1278.63
Security Deposits	102.86	105.10	82.11
TOTAL	**7209.36**	**6028.43**	**3508.77**

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest accrued on deposits and loans			
Unsecured, considered good	665.11	622.01	1278.63
Unsecured, considered doubtful	-	-	-
Less: Allowance for credit losses	-	-	-
Other financial assets			
Advances to staff	994.44	1090.27	719.03
Security Deposits	102.86	105.10	82.11

(i) Accounts receivables comprises of deferred Tax recoverable amounting to ₹1717.73 lakhs (previous year ₹1557.13 lakhs), Advance tax refundable amounting to ₹3552.14 lakhs up to FY 2016-17 and amount to be billed on the beneficiary amounting to ₹177.07 lakhs (previous year ₹2653.92 lakhs) on account of effective tax rate for the FY 2016-17 & FY 2015-16 respectively.

(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 and interest free Furniture Advance and Multipurpose Advance. Computer advance & Furniture advance are recovered from employees in 60 equal installments 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 Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-	-
Tax refund receivables	9297.15	11824.22	14463.66
TOTAL	**9297.15**	**11824.22**	**14463.66**
Current tax liabilities			
Income Tax payable	12346.75	7997.38	11790.79
TOTAL	**12346.75**	**7997.38**	**11790.79**

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 Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid Expenses	962.63	988.01	700.45
Advances to Suppliers & Contractors	833.97	905.11	1272.82
Less: Allowances for doubtful	47.41	47.64	54.08
Prepayments (Lease hold land)	193.83	193.83	193.83
Scrap /Obsolete assets	335.69	-	-
Less: Provisions	335.69	-	-
	-	-	-
Total	**1943.02**	**2039.31**	**2113.02**

(i) Prepaid Expenses consists of amount paid in advance in respect of prepaid insurance, License fee (pollution control) & BSNL lease line for Internet, the benefit of which has not yet expired on reporting date. Prepaid expenses of items of ₹20000/- and below are charged to natural head of accounts.

(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.

Note No. 15A: Assets held for sale

(₹in Lakh)

Description of the non-current asset	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Plant & Equipment	591.51	577.22	-
Furniture & Fixture	-	-	-
Vehicles	48.31	-	-
Office Equipment	0.53	-	-
Tools & Plants	55.66	-	-
Misc. Equipment	2.56	-	-
Gross value of Assets held for sale	**698.57**	**577.22**	**-**
Less: Provision	566.72	509.53	-
NRV for Assets held for sale	**131.84**	**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 No. 16: Regulatory Deferral Accounts Debit Balance

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening Balance	-	-	-
Addition during the year	4793.47	-	-
Total	**4793.47**	-	-

Deferral Regulatory Account Balance has been adjusted in line with Accounting Policy No-7. Refer Note No. 46 for detailed disclosure.

Note No. 17: Equity Share Capital

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Share Capital	3,45,281.04	3,45,281.04	3,45,281.04
TOTAL	**3,45,281.04**	3,45,281.04	3,45,281.04

Authorised Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
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)	5,00,000.00	5,00,000.00	5,00,000.00
Issued and Subscribed capital comprises :			
3,45,28,10,400 nos. as on March '18 : 3,45,28,10,400 nos. as on March '17: of equity shares of ₹10/- each	3,45,281.04	3,45,281.04	3,45,281.04
Total	**3,45,281.04**	**3,45,281.04**	**3,45,281.04**

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

Particulars	As at March 31, 2018					
	Opening balance as on 01.04.2017		Movement during 2017-18		Closing Balance as on 31.03.2018	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Ordinary shares of ₹10 each						
At beginning of the year	3,45,28,10,400	3,45,281.04	-	-	3,45,28,10,400	3,45,281.04
Shares allotted during the year	-	-	-	-		
Total	**3,45,28,10,400**	**3,45,281.04**	**-**	**-**	**3,45,28,10,400**	**3,45,281.04**

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	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Ordinary shares of ₹10 each						
At beginning of the year	3,45,28,10,400	3,45,281.04	-	-	3,45,28,10,400	3,45,281.04
Shares allotted during the year	-	-	-	-		
Total	**3,45,28,10,400**	**3,45,281.04**	**-**	**-**	**3,45,28,10,400**	**3,45,281.04**

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

(₹in Lakh)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Name of Shareholder	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares
Hon'ble President of India	3,45,28,09,800	100	3,45,28,09,800	100	3,45,28,09,800	100

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

Note No. 18: Other equity

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	197691.68	197691.68	197691.68
Retained earnings	3453.81	2319.04	8170.86
Bond Redemption Reserve	57067.08	39732.48	24752.04
Total	**258212.57**	**239743.20**	**230614.58**

18.1 General Reserve *(₹in Lakh)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the year/period	197691.68	197691.68	197691.68
Movements	-	-	-
Balance at the end of the year/period	**197691.68**	**197691.68**	**197691.68**

18.2 Retained Earnings *(₹in Lakh)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the year/period	2319.04	8170.86	8170.86
Profit attributable to owners of the Company	29317.35	22597.60	-
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	237.37	(213.92)	-
FV loss adjustment	4.40	4.74	-
Payment of dividends on equity shares	(9214.00)	(11017.00)	-
Shares buy-back	-	-	-
Related income-tax on Dividend	(1875.75)	(2242.80)	-
Transfer to General Reserve	-	-	-
Transfer to Bond Redemption Reserve	(17334.60)	(14980.44)	-
Consolidated entry for Investment	-	-	-
Balance at the end of the year/period	**3453.81**	**2319.04**	**8170.86**

18.3 Bond Redemption Reserve *(₹in Lakh)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the year/period	39732.48	24752.04	24752.04
Movement during the year/period	17334.60	14980.44	-
Balance at the end of the year/period	**57067.08**	**39732.48**	**24752.04**

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

(c) **Note on Re-statement of Financial Statement**

A. During the Financial Year 2017-18, the Company has restated its financial statement for the FY 2016-17 & earlier years for prior period years retrospectively in Compliance to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates & Errors. The prior period errors relates to wrong reckoning of “Late Payment Surcharge (LPS)” effective date and the same realized from the beneficiaries in default. Accordingly, the Company has presented a third balance sheet as at the beginning of the preceding period (i.e. as on 01.04.2016) in compliance to the Ind AS 1 for comparative information due to retrospective restatement in addition to the balance sheet, statements of profit and loss, cash flows and statements of changes in equity and related notes for the year ended 31.03.2017 and 31.03.2018.

B. Impact of the rectification are as follows:

I. As on 01.04.2015:

- Net worth reduced by ₹455.43 lakh
- Trade receivable decreased by ₹455.43 lakh

II. For the financial year 2015-16

- Profit before tax for the period of 01st April '15 to 31st March ’16 is reduced by ₹521.80 lakh
- Earning per share (EPS) for the period reduced to ₹0.89
- Net worth as on 31.03.2016 reduced by ₹977.24 lakh
- Trade receivable as on 31.03.2016 decreased by ₹977.24 lakh

III. For the financial year 2016-17

- Profit before tax for the period of 01st April ’16 to 31st March ’17 is reduced by ₹1448.77 lakh
- Earning per share (EPS) for the period reduced to ₹0.65
- Net worth as on 31.03.2017 reduced by ₹2426.01 lakh
- Trade receivable as on 31.03.2017 decreased by ₹2426.01 lakh

C. The amount of correction at the beginning of the beginning of the earliest period presented, i.e., as on 01.04.2016 are as follows:

- Net worth reduced by ₹977.24 lakh
- Trade receivable decreased by ₹977.24 lakh

18.4 Share Application money pending allotment *(₹in Lakh)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share application money pending allotment	9600.00	-	-

The Corporation has received an amount of ₹9600.00 lakhs (previous year Nil) towards Equity share contribution from Govt. of India on 31st March 2018. Pending allotment of Share Certificate for the same the amount is kept under Share Application money received pending allotment.

Non-current liabilities

Financial Liabilities

Note no. 19 Long term borrowings

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1. SECURED BORROWINGS **A. PRIVATELY PLACED PSU BONDS**			
a. Nineteenth issue	**30000.00**	-	-
Less : Bond expense amortization	31.67	-	-
Bond - Nineteenth issue (Net)	**29968.33**	-	-
10 years NEEPCO 8.75% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 25% of face value on 06-09-2026; 06-03-2027; 06-09-2027 & 06-03-2028 with call option on 06-03-2023, 10-08-2023, 10-02-2024, 10-08-2024, 10-02-2025, 10-08-2025, 10-02-2026, 10-08-2026, 10-02-2027, 10-08-2027, 10-02-2028. (The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been identified for creation of charge by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			
b. Eighteenth issue	**50000.00**	-	-
Less : Bond expense amortization	36.33	-	-
Bond - Eighteenth issue (Net)	**49963.67**	-	-
8 years NEEPCO 7.68% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 50% of face value on 15-05-2025 & 15-11-2025 with call option on 15-11-2022, 15-05-2023, 15-11-2023, 15-05-2024, 15-11-2024, 15-05-2025. (The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunachal Pradesh and 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 Debenture Trustee).			
c. Seventeenth issue	**30000.00**	30000.00	-
Less: Bond expense amortization	24.24	30.05	-
Bond - Seventeenth issue (Net)	**29975.76**	29969.95	-
3 years 2 months NEEPCO 7.80% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at par on 27-05-2020. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).			

d. Sixteenth Issue	**90000.00**	90000.00	90000.00
Less: Bond expense amortization	62.39	65.93	68.13
Bond - Sixteenth issue (Net)	**89937.61**	89934.07	89931.87
15 years NEEPCO 8.68% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 30-09-2026; 30-09-2027; 30-09-2028; 30-09-2029 & 30-09-2030. (The assets attached to the earth as well as other movable assets of the Tuirial Hydro Electric Project in Mizoram, Kopili Hydro Electric Project in Assam and 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 Debenture Trustee)			
e. Fifteenth issue 10 years NEEPCO 9.15% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 25-03-2021; 25-03-2022; 25-03-2023; 25-03-2024 & 25-03-2025. (The assets of the Agartala Gas Turbine Project (original open-cycle plant) in Tripura, assets except the Gas Turbines & Steam Turbines in the Assam Gas Based Project, Assam, assets except Plant & Machinery in the generating station in the Ranganadi Hydro Electric Project, Arunachal Pradesh and 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 Debenture Trustee).	**60000.00**	60000.00	60000.00
f. Fourteenth issue 10 years NEEPCO 9.60% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 20% of face value on 01-10-2020; 01-10-2021; 01-10-2022; 01-10-2023 & 01-10-2024. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).	250000.00	250000.00	250000.00
g. Thirteenth issue 10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020;15-03-2021, 15-03-2022 & 15-03-2023. (The Steam Turbines of the Assam Gas Based Power Plant, Assam and 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 Debenture Trustee).	5800.00	7250.00	7250.00
h. Twelfth issue 10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019;27-06-2020; 27-06-2021 & 27-06-2022. (All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project, Arunachal Pradesh and 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 Debenture Trustee).	9600.00	12000.00	12000.00

i. Eleventh issue 10 years NEEPCO 10.20% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at par on 15-12-2021 with a put & call option on 15-12-2018. (The Gas Turbines of the Assam Gas Based Power Project, Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).	4000.00	4000.00	4000.00
Sub-total : Privately Placed PSU Bonds (A)	**529245.37**	453154.01	423181.86
B. SECURED TERM LOANS			
Foreign Currency Loan			
External Commercial Borrowing	31689.49	38239.21	45923.60
[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. [SBI, Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin (margin has been reduced to 2.75% p.a. w.e.f 20th March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4th June 2014. The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]			
Sub- total Secured Loans (B)	**31689.49**	38239.21	45923.60
Total : Secured Borrowings (A+B)	**560934.86**	491393.23	469105.47
2. UNSECURED BORROWINGS:			
(i) Rupee Loan			
Subordinate Loans from Government of India	29196.42	29196.42	29196.42
Less: Amortization of Loan Expenses	78.29	79.68	-
Subordinate Loan from the Government of India (net)	29118.13	29116.74	29196.42
(Govt of India has sanctioned subordinate loan of ₹29196.42 lakhs at the interest rate of 1% p.a. The loan was sanctioned on various date with last drawal on 6th July 2015. The loan is repayable in 15 equal annual installments from the 16th year after commissioning of the Tuirial Hydro Electric Project, Mizoram)			
(ii) Foreign Currency Loan			
Loan from KfW, Germany	40853.69	38782.81	46062.08
(Guaranteed by the Govt. Of India) Loan sanctioned for construction of the Pare Hydro Electric Project (110 MW) at Arunachal Pradesh. (Loan of 80 million EURO was sanctioned from KFW , Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement was executed on 11th December 2008 at fixed interest rate of 3.46 % p.a. The loan is guaranteed by Govt of India. The loan is repayable in 30 equal half-yearly installments w.e.f. 30-12-2013)			
Total Unsecured Borrowing (i + ii)	69971.82	67899.55	75258.50
G R A N D T O T A L: Non-Current Liabilities	**630906.68**	**559292.78**	**544363.97**

The maturity profile of borrowings is as follows: (Rs. in lakhs)

Contractual maturities	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In one year or less or on demand	34821.69	43618.72	10808.74
Between one & two years	14821.69	14193.72	10808.74
Between two & tree years	106821.69	14193.72	14658.74
Between three & four years	80821.69	106193.72	14658.74
Between four & five years	76821.69	80193.72	76658.74
More than five years	351851.65	344691.97	427645.59
Total contractual cash flows	**665960.10**	**603085.57**	**555239.29**
Less: Capitalisation of transaction costs	Nil	Nil	Nil
Total Borrowings	**665960.10**	**603085.57**	**555239.29**

Note No. 20: Long Term Provisions

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Gratuity	6563.29	1268.54	296.55
Provision for Leave encashment	8478.08	7229.86	6645.22
Medical benefit for retired employees	5034.81	3799.52	3017.70
Award of Gold Coin	150.39	125.62	155.02
Total	**20226.57**	**12423.54**	**10114.49**

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 Actual Valuation as Per Ind AS19 **refer note no.20A**

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 ₹3281.28 lakhs (previous year ₹2905.59 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 ₹2298.55 lakhs (previous year ₹2031.15 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 ₹20.00 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 25th June, 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 August, 2013.

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 /deceased employee and spouse of retiree/deceased 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. 20A: Disclosures As Per Ind AS19

Actuarial Valuation of Gratuity Liability

Scale of Benefit

Gratuity as per the payment of Gratuity Act 1972, with maximum limit of ₹10,00,000/- and Payment of Gratuity (Amendment) Act 2018, with maximum limit of ₹20,00,000/-

Amt in ₹

31/03/2017	Actuarial Basis used in Valuation	31/03/2018
7.50%	Interest Rate	7.70%
7.00%	Salary Inflation	7.00%
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

31/03/2017	Results of Valuation	31/03/2018
268932190.00	Liability to be shown in Balance Sheet	981971424.00
107160246.00	Charges to Profit/Loss for the Period	1091171948.00
(35241344.00)	Other comprehensive Income	(109127109.00)

31/03/2017	Changes in Present Value of Obligation as at	31/03/2018
319238567.00	Present value of obligation as on last valuation	40694,3991.00
15745069.00	Current Service Cost	55078017.00
23222246.00	Interest Cost	30223572.00
18826139.00	Actuarial gain/loss on obligations due to change in Financial Assumption	(10500808.00)
49129208.00	Actuarial gain/loss on obligations due to Unexpected Experience	83327960.00
19217239.00	Benefits Paid	28860125.00
406943991.00	Present value of obligation as on valuation date	536212608.00

31/03/2017	Changes in Fair Value of Plan Assets as at	31/03/2018
19217239.00	Benefits Paid	28860125.00

31/03/2017	Reconciliation to Balance Sheet	31/03/2018
Unfunded	Funded Status	Unfunded
406943991.00	Fund Liability	536212608.00

31/03/2017	Plan Assumptions	31/03/2018
7.50%	Discount Rate	7.70%
7.00%	Rate of Compensation Increase(Salary Inflation)	7.00%
10	Average expected future service (Remaining working Life)	10
IALM 2006-2008 Ultimate	Mortality Table	IALM 2006-2008 Ultimate
60	Superannuation at age-Male (for active staff)	60
60	Superannuation at age-Female (for active staff)	60

31/03/2017	Expense Recognized in statement of Profit/Loss as at	31/03/2018
15745069.00	Current Service Cost	112573260.00
23222246.00	Net Interest Cost	20707779.00
38967316,00	Benefit Cost (Expense Recognised in Statement of Profit/loss)	85301589.00

31/03/2017	Other Comprehensive Income	31/03/2018
18826139.00	Actuarial gain/loss on obligations due to Unexpected Experience	(10500808.00)
49129208.00	Actuarial gain/loss on obligations due to Unexpected Experience	83327960.00
67955347.00	**Total Actuarial (gain)/losses**	72827152.00
67955347.00	Balance at the end of the Period	72827152.00
67955347.00	Net (Income)/Expense for the Period Recognised in OCI	72827152.00

31/03/2017		Sensitivity Analysis	31/03/2018	
Increase	Decrease		Increase	Decrease
424389192	388117852	Discount Rate (-/+ 0.5%)	515072323	567314616
4.29%	-4.63%	%Change Compared to base due to sensitivity	-3.94%	5.80%
400144767	408230317	Medical Cost (-/+ 1%)	545295894	534974268
-1.67%	0.32%	%Change Compared to base due to sensitivity	1.69%	-0.23%
408111752	400362454	Mortality Rate (-/+ 10 BPS)	528470949	544262843
0.29%	-1.62%	%Change Compared to base due to sensitivity	-1.44%	1.50%

Award of Gold Coin on Retirement

31/03/2017	Actuarial Basis used in Valuation	31/03/2018
7.50%	Interest Rate	7.50%
IALM 2006-2008	Mortality	IALM 2006-2008
10 per thousand p.a.	Attrition Rate	10 per thousand p.a.

31/03/2017	Results of Valuation	31/03/2018
14422573.00	Liability to be shown in Balance Sheet	15670962.00

Cash Flow

	Rupees (INR)
Next Year Total (Expected)	1954887230.00
Minimum Funding Requirements	1112038501.00

Actuarial Valuation of Leave Encashment

Scale of Benefit

Fresh leave is credited every year and the maximum accumulation is 300 days for Earned Leave and 240 days for Half Pay Leave.

31/03/2017	Actuarial Basis used in Valuation	31/03/2018
7.50%	Interest Rate	7.70%
7.00%	Salary Inflation	7.00%
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

31/03/2017	Results of Valuation	31/03/2018
782357929.00	Liability to be shown in Balance Sheet	878233588.00
285718527.00	Charges to Profit/Loss for the Period	582254713.00

31/03/2017	Changes in Present Value of Obligation as at	31/03/2018
708305421.00	Present value of obligation as on last valuation	782357929.00
77713526.00	Current Service Cost	129330861.00
45185430.00	Interest Cost	41515967.00
84413347.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	(13718661.00)
78406224.00	Actuarial gain/loss on obligations due to Unexpected Experience	425126546.00
211666019.00	Benefits Paid	486379054.00
782357929.00	Present value of obligation as on valuation date	878233588.00

31/03/2017	Changes in Fair Value of Plan Assets as at	31/03/2018
211666019.00	Benefits Paid	486379054.00

31/03/2017	Reconciliation to Balance Sheet	31/03/2018
(782357929.00)	Funded Status	(878233588.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
782357929.00	Fund Liability	878233588.00

31/03/2017	Plan Assumptions	31/03/2018
7.50%	Discount Rate	7.70%
-	Expected Return on Plan Asset	-
7.00%	Rate of Compensation Increase(Salary Inflation)	7.00%
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

31/03/2017	Expense Recognised in statement of Profit/Loss as at	31/03/2018
77713526.00	Current Service Cost	129330861.00
45185430.00	Net Interest Cost	41515967.00
162819571.00	Actuarial Gain loss	411407885.00
285718527.00	Benefit Cost (Expense Recognised in Statement of Profit/loss)	582254713.00

31/03/2017		Sensitivity Analysis	31/03/2018	
Increase	Decrease		Increase	Decrease
752696759.00	813964362.00	Discount Rate (-/+ 0.5%)	843568029	915154834
-3.79%	4.04%	%Change Compared to base due to sensitivity	3.95%	-4.20%
813798963.00	752583861.00	Salary Growth (-/+ 0.5%)	910968882	847148221
4.02%	-3.81%	%Change Compared to base due to sensitivity	-3.73%	3.54%
783071823.00	781644037.00	Attrition Rate (-/+ 0.5%)	878604541	877862635
0.09%	-0.09%	%Change Compared to base due to sensitivity	-0.04%	0.04%
787067184.00	777648677.00	Mortality Rate (-/+ 10%)	884328170	872139008
0.60%	-0.60%	%Change Compared to base due to sensitivity	-0.69%	0.69%

Actuarial Valuation of Post Retirement Medical Benefit Liability

31/03/2017	Actuarial Basis used in Valuation	31/03/2018
7.50%	Interest Rate	7.70%
Not Considered	Medical Cost escalation Rate	Not Considered
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

31/03/2017	Results of Valuation	31/03/2018
406943991.00	Liability to be shown in Balance Sheet	536212608.00
38967316.00	Charges to Profit/Loss Account for the Year	85301589.00
67955347.00	Other Comprehensive Income	72827152.00

31/03/2017	Changes in Present Value of Obligation as at	31/03/2018
319238567.00	Present value of obligation as on last valuation	406943991.00
15745069.00	Current Service Cost	55078017.00
23222246.00	Interest Cost	30223572.00
18826139.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	(10500808.00)
49129208.00	Actuarial gain/loss on obligations due to Unexpected Experience	83327960.00
19217239.00	Benefits Paid	28860125.00
406943991.00	Present value of obligation as on valuation date	536212608.00

31/03/2017	Changes in Fair Value of Plan Assets as at	31/03/2018
19217239.00	Benefits Paid	28860125.00

31/03/2017	Reconciliation to Balance Sheet	31/03/2018
Unfunded	Funded Status	Unfunded
406943991.00	Fund Liability	536212608.00

31/03/2017	Plan Assumptions	31/03/2018
7.50%	Discount Rate	7.70%
7.00%	Rate of Compensation Increase(Salary Inflation)	7.00%
10	Average expected future service (Remaining working Life)	10
IALM 2006-2008 Ultimate	Mortality Table	IALM 2006-2008 Ultimate
60	Superannuation at age-Male(for active staff)	60
60	Superannuation at age-Female(for active staff)	60

31/03/2017	Expense Recognized in statement of Profit/Loss as at	31/03/2018
15745069.00	Current Service Cost	55078017.00
23222246.00	Net Interest Cost	30223572.00
38967316.00	Benefit Cost(Expense Recognised in Statement of Profit/loss)	85301589.00

31/03/2017	Other Comprehensive Income	31/03/2018
18826139.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	(10500808.00)
49129208.00	Actuarial gain/loss on obligations due to Unexpected Experience	83327960.00
67955347.00	**Total Actuarial (gain)/losses**	72827152.00
67955347.00	Balance at the end of the Period	72827152.00
67955347.00	Net(Income)/Expense for the Period Recognised in OCI	72827152.00

31/03/2017		Sensitivity Analysis	31/03/2018	
Increase	Decrease		Increase	Decrease
424389192	388117852	Discount Rate (-/+ 50BPS)	515072323	567314616
4.29%	-4.63%	%Change Compared to base due to sensitivity	-3.94%	5.80%
400144767	408230317	Medical Cost (-/+ 1%)	545295894	534974268
-1.67%	0.32%	%Change Compared to base due to sensitivity	1.69%	-0.23%
408111752	400362454	Mortality Rate (-/+ 10 BPS)	528470949	544262843
0.29%	-1.62%	%Change Compared to base due to sensitivity	-1.44%	1.50%

AWARD OF GOLD COIN ON RETIREMENT

31.03.2017	Actuarial Basis used in Valuation	31.03.2018
7.50%	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	
14422573.00	Liability to be shown in Balance Sheet	15670962.00

Note No. 21: Other Non Current Liabilities

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1,2016
a) Deferred Revenue arising from Government Grant	31146.03	31084.94	31184.94
Less : Adjusted during the year	86.98	20.31	100.93
Add : Amortised of Tuirial Grant in Aid	0.46	81.40	-
Sub- total	**31059.51**	**31146.03**	**31084.01**
b) Deferred Foreign Currency Fluctuation liabilities	144.64	165.37	186.11
Total	**31204.15**	**31311.40**	**31270.12**

(i) **Note on Government Grant (Ind AS 20)**

A. NEEPCO's approved Accounting Policy includes policy of recognition and accounting of "Government grant" (para 15 of Note 1 - Summery of Significant Accounting Policies).

B. Govt. of India has approved a Sub-ordinate loan amounting to ₹29196.42 Lakh to NEEPCO for implementation of Tuirial HEP with interest @1% per annum payable from the "Date of Commercial Operation" of the project. Of the aforesaid loan amount, NEEPCO has received ₹29096.42 lakh till 31.03.2015 and the balance ₹100.00 lakh has been received during the FY 2015-16. The loan amount (₹29096.42 lakh) received till 31.03.2015 has been recognized in books of NEEPCO as on 01.04.2015 (Ind AS Transition date) at its carrying value in compliance to the Ind AS 101 (Exception to the retrospective application). However, for the loan amount (₹100.00 lakh) received during the FY 2015-16, the benefit of the loan due to below market rate of interest (considered SBI base rate @9.70% effective as on Jun '15) amounting to ₹82.79 lakh has been treated as a govt. grant and recognized in the Books of NEEPCO accordingly. Amortization of the grant till March'18 amounts to ₹4.50 lakh.

C. The Financial Contribution by M/s Kfw Frankfrut am main, Germany amounting to ₹57.96 lakh for Expert services relating to Environment & Ecology (₹47.23 lakh) and Consultancy Services (₹10.73 lakh) for Pare HEP (Project under construction). The said amount has been recognized on fulfilment of conditions attached to allowing the said contribution.

(ii) **Spares out of Grant in Aid**

During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of ₹86.98 lakhs (previous year ₹20.31 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.

(iii) **Grant from Ministry of Development of North Eastern Region**

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.

(iv) Exchange differences on account of settlement/transection of monetary items denominated in foreign currency to the extent recoverable from the beneficiaries in subsequent periods as per CERC Tariff Regulations 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. 22: Current Liabilities

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1,2016
From Bank (State Bank of India) :			
Short Term Loan for construction Projects			
(i) 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	-
(ii) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal	-	13300.00	-
(iii) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal- The short tern loan has been sanctioned by SBI, Shillong on 26th May 2017 at the rate of MCLR 1 year plus nil margin. The last MCLR is at the rate of 8.15% p.a. Bullet repayment within 12 months from the date of first drawal.	20000.00	-	-
Total	**20000.00**	**33275.00**	**-**

Note No. 23: Trade Payables and other payables

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total outstanding dues of micro enterprises and small enterprises	129.55	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6060.73	5285.97	7106.01
Payable to beneficiaries	2585.64	-	-
Payable for employees Benefits	11561.26	7075.40	6208.37
Total Borrowings	**20337.18**	**12361.37**	**13314.38**

The trade payable includes payment for fuel cost for the month of March, provisions made on contractors claim and wage revision, statutory dues for March 2018. Thereafter, no interest is payable on the outstanding balance.

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Creditors for supplies and services	8775.92	5285.97	7106.01
(b) Creditors for employees benefits	11561.26	7075.40	6208.37

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, 2018	For the year ended March 31, 2017	As at 1st April 2016
i. The principal amount remaining unpaid to supplier as at the end of the year	129.55	-	-
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. 24: Other Financial Liabilities

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. SECURED BORROWINGS **A. PRIVATELY PLACED PSU BONDS**			
a. Thirteenth issue 10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020;15-03-2021, 15-03-2022 & 15-03-2023. (The Steam Turbines of the Assam Gas Based Power Plant, Assam and 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 Debenture Trustee).	1450.00	-	-
b. Twelfth issue 10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019;27-06-2020; 27-06-2021 & 27-06-2022. (All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project, Arunachal Pradesh and 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 Debenture Trustee).	2400.00	-	-
B. SECURED TERM LOANS **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. [SBI, Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin (margin has been reduced to 2.75% p.a. w.e.f 20th March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4th June 2014. The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	6670.92	6649.85	6803.10
Sub-Total	**10520.92**	**6649.85**	**6803.10**

II Unsecured Borrowings			
Foreign Currency Loan			
Loan from Kfw, Germany			
(Guaranteed by the Government of India)			
(Loan of 80 million EURO was sanctioned from KFW, Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement was executed on 11th December 2008 at fixed interest rate of 3.46 % p.a. The loan is guaranteed by Govt of India. The loan is repayable in 30 equal half-yearly installments w.e.f. 30-12-2013)	4299.58	3692.28	4004.09
Sub-Total	**4299.58**	**3692.28**	**4004.09**
Sub total of borrowings	**14820.50**	**10342.13**	**10807.19**
III Interest accrued but not due on:			
Bonds	17177.60	2929.33	2900.09
Loans from Kfw	390.58	367.41	405.40
External Commercial Borrowing	58.28	57.63	59.18
Short term borrowing	135.89	227.67	-
Sub-total	**17762.35**	3582.04	3364.67
IV. Other liabilities			
Creditors for Capital Expenditure	15010.82	16391.20	15623.16
Advance from REC for Deen Dayal Upadhaya Gram Jyoti Yojana	293.00	1731.17	708.46
Sub-Total	**15303.82**	**18122.37**	**16331.62**
Total	**47886.67**	**32046.54**	**30503.48**

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

ii) **Deen Dayal Upadhyaya Gram Jyoti Yojana**

Cash & Bank balances of ₹33607.92 lakhs (previous year ₹26928.01 lakhs) includes an amount of ₹172.66 lakhs (previous year ₹1731.17 lakhs) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yojana. The Corporation has spent an amount of ₹142.33 lakhs (previous year ₹126.17 lakhs) towards this scheme which is included Capital Work in Progress (Note no 3).

Note No. 25: Other Current Liabilities

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from Contractors & Others	13381.46	12544.98	12405.47
Direct & Indirect Taxes Payable	756.19	499.08	459.20
Other liability (Deferred foreign currency fluctuation)	20.74	20.74	20.74
Other Statutory Dues (CPF, LIP NESSS etc.)	2087.30	1254.03	1035.12
Total	**16245.69**	**14318.83**	**13920.53**

(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 GST, Income tax deducted from salary of March, tax deducted at source, forest royalty, Value added Tax, Works contract tax deducted from works /supply bill of March not due and not deposited up to the reporting date.

(iii) Other Liability (Deferred Foreign Expenditure)- refer note no 21 (v)

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

Note No. 26: Provisions

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employee benefits			
Gratuity	3256.42	1420.78	1684.50
Medical benefit for retired employees	327.32	269.92	174.69
Leave encashment	304.25	593.72	437.83
Award of Gold Coin	6.32	18.61	1.85
Sub-total	**3894.31**	**2303.03**	**2298.87**
Provision for Write off	12689.10	12917.46	12450.82
Total	**16583.41**	**15220.49**	**14749.69**

Employee benefit- Refer Note No. 20A

Provision for Write Off relates to amount provided towards Tipaimukh Hydro Electric Project, Manipur amounting to ₹1858.33 lakhs, Siang Hydro Electric Project, Arunachal Pradesh amounting to ₹10677.44 lakhs & Residential building of Tuirial Hydro Electric Project, Mizoram amounting to ₹153.33 lakhs.

Note No. 27: Revenue from Operations

(₹in Lakh)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
Sale of Power	159686.06	134640.67
DSM receivable	2965.92	2937.52
RRAS receivable	459.71	114.30
Internal consumption	182.07	177.75
Less: Rebate	(781.00)	(328.05)
Sale of Electricity (Net)	162512.76	137542.19
Other operating Revenue ::		
NERLDC Fees & Charges	373.43	543.32
Interest from Beneficiaries	408.22	2361.50
Net Revenue from Operation	**163294.41**	**140447.01**

a. Sale of power 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. Sale includes ₹2868.16 lakhs (Previous year ₹ Nil) on account of earlier years sales arising out of finalization of tariff in current year. However ₹177.07 lakhs (previous year ₹2653.92 lakhs) relates to recognition of revenue on account of difference between the effective tax rate for FY 2016-17 and FY 2015-16 respectively vs tax rate allowed by the CERC for the said year.

c. Sale includes ₹7836.99 lakhs (previous year Nil) for “Deemed Generation” as allowed by CERC for Ranganadi Hydro Electric Project for the period 2012-13 to 2013-14.

d. In terms of cl. no. 49 of the CERC (Terms and conditions of Tariff) Regulations, 2014, deferred tax liabilities for the period up to 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 ₹1717.73 lakh (previous year ₹1557.13 lakh).

Note No. 28: Other Non-Operating Income

(₹in Lakh)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
a) Other non-operating income (net of expenses directly attributable to such income)		
Interest on Investment	313.99	641.58
Dividend Earned - Mutual Fund	15.01	4.74
Finance lease contingent rental income		
Grant in Aid	86.98	20.31
CERC filling fee Recovery	58.96	89.65
Other Misc Receipts	118.03	241.82
FERV Recoveable/Payable (Net)	20.74	20.74
Liability/Provision written back	632.36	806.87
Delayed Payment Surcharge	1739.73	704.14
Income on Sale of Investment	185.85	
Sub Total	**3171.65**	**2529.85**
Other gains and losses		
Gain /(loss) on disposal of PPE	0.70	
TOTAL	**3172.35**	**2529.85**

Note No. 29: Cost of Material Consumed

(₹in Lakh)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
Purchase of Gas	41665.33	39630.11
Transportation charges for Gas	967.45	1112.06
TOTAL	**42632.78**	**40742.17**

Note No. 30: Employees Remuneration and Benefit Expenses

(₹in Lakh)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
Salary & Wages	38149.55	33162.43
Contribution to Provident Fund	3281.28	2922.95
Gratuity	10905.65	1075.50
Employees Pension	2298.55	2031.15
Leave Encashment	5822.55	2871.44
Award of Gold Coin	24.37	34.56
Staff welfare expenses	61.66	57.79
Computer adv. to emp. - fair valuation loss	5.15	3.06
Furniture adv. to emp. - fair valuation loss	1.11	1.08
Total	**60549.87**	**42159.96**
Amount transferred to IEDC	**19523.26**	**14512.31**
Carried forward to Statement of Profit & Loss	**41026.61**	**27647.65**

1. Interest subsidy on House Building Advance is payable to the eligible employees subject to submission of their application duly following the prescribed procedure & acceptance of the same by the competent authority. Accordingly interest subsidy are recognised in the books of accounts based on actual payment basis as allowed by the appropriate authority.

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

Particulars	Current year (2017-18) (₹ in lakhs)	Previous year (2016-17) (₹ in lakhs)
Salary and allowances	105.71	95.90
Contribution to Provident Fund and other funds	16.42	11.97
Other benefits	39.35	48.83
Total	**161.48**	**156.70**

Note No. 31: Finance Costs

(₹in Lakh)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
A. Interest Expenses		
i) Cash Credit from State Bank of India	617.98	164.24
ii) Interest on ECB Loan	1879.08	1966.69
iii) Bonds	43374.48	39390.25
iv) Exchange Rate Fluctuation	6758.18	(4659.84)
v) Kfw Loan	1576.93	1588.59
vi) Interest on Short term Borrowing	1865.92	1236.47
B. Finance Charges		
i) Guarantee fee on foreign Loan	564.97	605.66
ii) Commitment Fees		0.30
C. Other Borrowing Costs	52.38	37.22
Total	**56689.92**	**40329.58**
Amount transferred to IEDC	**49787.04**	**37338.19**
Amount carried forward to Statement of Profit & Loss	**6902.88**	**2991.39**

Tuirial Hydro Electric Project (2X30 MW) is located in Kolasib district of the State of Mizoram. Unit 1 and Unit 2 of the project have completed its trial run operation on the 29th Oct '17 and 29th Jan '18 respectively. However, declaration of "Date of commercial operation (COD)" by the appropriate authority is pending due to non-completion of certain works necessary for proper communication link, which is essential for process of power scheduling, requisition etc.

Borrowing cost amounting to ₹1,313.83 lakh for Unit 1 and Unit 2 of the project on completion of its trial run operation, has been charged off to the "Statement of Profit and Loss Account" for the period ended 31.03.2018 pending declaration of COD, as capitalization of borrowing cost ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are completed.

The average rate of borrowing cost for Tuirial HEP is @ 8.34% for the FY 2017-18.

Note No. 32: Depreciation

(₹in Lakh)

Particulars	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
PPE Depreciation (Note No - 2)	19610.28	16923.01
Intangible Assets (Note No - 4A)	75.04	30.98
Adjustments		366.22
Sub total	**19685.32**	**17320.21**
Amount transferred to IEDC	1379.69	1281.53
Carried forward to Statement of Profit & Loss	**18305.63**	**16038.68**

Note No. 33: Other Expenses

(₹in Lakh)

Particulars	Note No	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
GENERATION EXPENSES			
Repairs & maintenance :			
a) Roads & buildings		1096.54	1018.34
b) Power house		5123.62	4217.79
c) Hydraulic works		370.75	309.90
d) Line & sub-stations		292.07	106.57
e) Others		642.56	401.65
f) Stores & spares (against Grant-in-Aid)		86.98	20.31
Sub Total		**7612.52**	**6074.56**
ADMINISTRATION EXPENSES			
a) Travelling expenses		272.08	240.07
b) Advertisement expenses		84.88	77.45
c) Insurance charges		616.95	606.75
d) Rents		3.98	3.11
e) Rates & taxes		30.58	33.26
f) Entertainment expenses		1.40	0.77
g) General expenses	35	6684.52	6136.72
h) Publicity expenses		15.98	51.24
i) Legal charges		83.07	58.22
j) Filing fees to CERC		88.43	60.41
k) NERLDC Fees & Charges		373.08	527.19
l) Research & Development Expenses			56.41
m) Corporate Social Responsibility & SD		532.35	607.58
o) RRAS- Expenditure		11.32	43.05
p) Interest to beneficiary states			16.86
q) Trading Expenses		0.24	979.58
r) Energy Savings Certificate (PAT)		355.25	-
s) Share of General establishment	36	3309.86	3022.77
Sub Total		**12463.97**	**12521.44**
Other Expenses			
Lubricants, oil etc		94.96	120.79
Electricity Duty		15.40	15.94
U I Charge		99.34	135.30
Transmission Charges		12.18	25.53
Provision for Write off		388.72	470.40
Prepayment Amortisation		193.83	168.56
Sub Total		**804.43**	**936.52**
TOTAL		**20880.92**	**19532.52**

Corporate Social Responsibility and Sustainable development

a) Gross amount required to be spent by the Company during the year: ₹855.44 lakhs

b) Amount spent during the year on:

(₹in Lakh)

Particulars	In Cash	Total
i Construction / acquisition of any asset	388.57	388.57
ii On Purposes other than (i) above	143.78	143.78
Total	**532.35**	**532.35**

Note No. 34: Payment to Auditors

(₹in Lakh)

Particulars	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
Statutory Audit fees	16.34	11.21
Tax audit fees	0.53	0.58
Cost Audit Fees	1.63	1.38
Other expenses	5.54	3.34
Total	**24.04**	**16.51**

Note No. 35: General Expenses

For the period ended : (₹in Lakh)

Particulars	Operation & Maintenance		General Administration		Project (Under Construction)		Total	
	March'18	March'17	March'18	March'17	March'18	March'17	March'18	March'17
Transport expenses	839.47	649.87	162.16	176.99	594.96	604.01	1596.59	1430.87
Printing & stationery	30.68	23.88	24.83	44.73	14.73	19.19	70.24	87.80
Postage & telegram	1.35	1.48	4.25	7.31	2.27	2.95	7.86	11.74
Medical expenses	638.48	711.01	234.34	244.65	377.09	430.78	1249.91	1386.44
Medical expenses to Retd. Employees	-	-	853.02	389.67	-	-	853.02	389.67
Licence & registration	10.82	14.96	0.95	-	26.26	58.88	38.04	73.84
Paper & periodicals	0.53	0.68	1.98	2.81	0.18	1.63	2.69	5.12
Uniforms & liveries	5.22	4.81	0.92	0.86	0.61	2.09	6.74	7.76
Honorarium	2.58	0.01	2.57	4.54	-	-	5.15	4.55
Electric & water charges	268.62	242.27	89.19	76.41	1336.52	965.46	1694.32	1284.14
Bank charges	33.77	13.09	1.32	0.56	2.00	1.92	37.09	15.57
Social welfare	847.90	670.87	44.93	102.33	87.25	100.41	980.08	873.61
Consultancy charges	55.48	69.18	146.78	254.96	6.31	61.34	208.57	385.48
Security arrangement	2676.08	2327.59	162.63	131.22	389.89	505.00	3228.60	2963.81
Training expenses	159.73	130.05	-	-	-	-	159.73	130.05
Staff recruitment expenses	0.10	-	23.90	25.33	0.01	-	24.01	25.33
Hospital facilities	17.04	13.50	-	-	3.62	6.60	20.66	20.10
Subscription & membership fees	4.47	10.05	9.07	31.69	-	-	13.54	41.74
Communication expenses	39.75	43.22	192.61	329.69	147.43	92.66	379.78	465.57
Office furnishing	0.13	9.68	0.62	1.77	1.20	3.51	1.95	14.96
Miscellaneous expenses	564.17	80.21	105.75	117.35	79.28	99.17	749.20	296.73
I.B. expenses	56.28	28.45	74.20	52.39	110.10	91.47	240.57	172.31
Laboratory & meter testing charges	0.06	-	-	-	5.97	7.60	6.03	7.60
Environment & Ecology	65.20	39.24	-	-	-	-	65.20	39.24
Photographic records	-	0.35	1.29	1.56	-	0.03	1.29	1.94
Loss of Stock/Advance written off	118.34	0.42	-	-	0.80	1.99	119.14	2.41
I T Expenses	134.55	116.47	154.22	167.52	76.65	90.92	365.42	374.91
Losses of Stores/obsolete/condemnation	57.19	-	-	-	-	-	57.19	-
Loss on sale of fixed Assets	5.55	882.38	0.15	7.19	0.20	0.99	5.90	890.56
Compensation	50.98	53.00	-	-	26.00	39.00	76.98	92.00
TOTAL	**6684.52**	**6136.72**	**2291.67**	**2171.53**	**3289.32**	**3187.60**	**12265.50**	**11495.85**

Note No. 36: Incidental Expenditure of Corporate office

(₹in Lakh)

Particulars	Note No.	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
Administration & other Expenses			
Travelling expenses		147.30	189.34
Rent		113.09	88.80
Rates & taxes		11.71	4.37
General expenses	35	2291.67	2171.53
Repairs & maintenance		195.20	147.71
Audit fees & expenses	34	24.04	16.51
Legal expenses		18.36	11.98
Insurance charges		36.79	12.25
Entertainment expenses		0.29	0.04
Advertisement expenses		4.13	20.95
Contribution to Chief Minister's Relief Fund		208.66	-
Publicity expenses		237.98	339.45
Board meeting expenses		20.64	19.84
Total		3309.86	3022.77
Expenditure charged to Profit & Loss Account		**3309.86**	**3022.77**

Note No. 37: incidental Expenditure during Construction

(₹in Lakh)

Particulars	Note No.	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
GENERAL ADMINISTRATION			
A. Employees benefit Expenses	30	**19523.26**	**14512.31**
B. Interest and Finance expenses capitalized	31	**49787.04**	**37338.19**
C. Depreciation	32	**1379.69**	**1281.53**
D. Administration & other expenses			
Travelling expenses		203.23	248.66
Rents		16.46	17.87
Rates & taxes		34.15	1.56
General expenses	35	3289.32	3187.60
Repairs & maintenance		673.21	482.76
Environment & Ecology		2.57	6.89
Energy Conservation expenses		-	0.38
Legal expenses		72.36	83.29
Insurance charges		1541.09	1524.25
Entertainment expenses		0.11	0.09
Tender expenses		30.71	18.87
Sub total (D)		**5863.21**	**5572.22**
Total (A + B + C + D)		**76553.20**	**58704.25**
Less : Non-operating receipts			
i) Interest on advances from Suppliers/Contractors		517.89	381.38
ii) Others		297.28	55.40
Sub total		**815.17**	**436.78**
Net Expenditure		75738.03	58267.47
Expenditure transferred to Capital Work-in-Progress	3	**75738.03**	**58267.47**

Note No. 38: Property Plant & Equipment

(₹in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 01.04.2017	Additions	Adjustments	Carrying Amount 31.03.2018	01.04.2017	Depreciation	Adjustment	Up to 31st Mar 2018	31.03.2018	31.03.2017
A) ASSETS										
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES:										
Building and civil engineering works containing generation plant & equipment, main plant	54126.77	119.36	(7.23)	54238.90	17104.09	1522.96	-	18627.05	35611.85	37022.68
Hydraulic works including Dams Dykes, Reservoirs & Tunnels	166654.78	0.88	-	166655.66	82102.46	3772.55	-	85875.01	80780.65	84552.32
Plant & Machinery in Generating Station	68077.86	701.97	(54.41)	68725.42	31664.31	2205.57	-	33869.88	34855.54	36413.55
Transformer having a rating of 100 K.V. ampere and above	9735.09	53.47	(13.12)	9775.44	3489.92	361.66	-	3851.58	5923.86	6245.17
Sub-station equipment and other fixed apparatus	728.44	12.95	-	741.39	420.83	14.94	-	435.77	305.62	307.61
Switch gear including cable connections	18792.57	1703.42	(54.33)	20441.66	8170.63	563.23	(30.22)	8703.64	11738.02	10621.94
Transmission Lines	976.23	-	(13.37)	962.86	623.00	15.71	-	638.71	324.15	353.23
PV modules including Mounting structures	3127.35	-	(260.88)	2866.47	378.79	135.43	-	514.22	2352.25	2748.56
Inverters including Battery Bank (O&M)	290.77	-	(24.41)	266.36	35.27	12.56	-	47.83	218.53	255.50
Gas Turbine	138230.61	5927.97	(1274.66)	142883.92	82009.34	3552.19	(1116.54)	84444.99	58438.93	56221.27
Gas Booster Station	23040.63	280.95	-	23321.58	14676.48	842.15	-	15518.63	7802.95	8364.15
Gas Pipeline	36.60	-	-	36.60	32.95	-	-	32.95	3.65	3.65
Gas Steam Turbine	110218.61	108.45	-	110327.06	40272.49	3916.16	-	44188.65	66138.41	69946.12
Gas Cooling Tower	4006.85	53.04	-	4059.89	2357.96	124.52	-	2482.48	1577.41	1648.89
Make-up Water System	5849.42	24.37	(37.79)	5836.00	2223.03	210.79	-	2433.82	3402.18	3626.39
Sub -Total	**603892.58**	**8986.81**	**(1740.19)**	**611139.20**	**285561.55**	**17250.42**	**(1146.76)**	**301665.21**	**309473.99**	**318331.03**

(₹in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 01.04.2017	Additions	Adjustments	Carrying Amount 31.03.2018	01.04.2017	Depreciation	Adjustment	Upto 31st Mar 2018	31.03.2018	31.03.2017
II GENERAL ASSETS										
(FOR PROJECTS UNDER OPERATION)										
Buildings	10478.72	380.66	(0.32)	10859.06	4039.84	349.65	-	4389.49	6469.57	6438.88
Furniture & Fixtures	694.47	30.13	(18.42)	706.19	452.96	19.71	(17.46)	455.21	250.98	241.51
Roads, Bridges, Culverts & Helipads	4066.01	76.66	-	4142.67	1756.30	114.72	-	1871.02	2271.65	2309.71
Vehicles	549.97	-	(97.08)	452.89	362.97	18.19	(87.37)	293.79	159.10	187.00
Railway Siding	10.65	-	-	10.65	8.27	0.19	-	8.46	2.19	2.38
Electrical Installation	1070.13	19.64	-	1089.77	686.88	24.83	-	711.71	378.06	383.25
Temporary Buildings/Erections	2446.87	-	-	2446.87	2446.87	-	-	2446.87	-	-
Hospital Equipment	23.92	3.44	(0.30)	27.06	11.53	1.14	(0.28)	12.39	14.67	12.39
Tools & Plants	3700.82	102.80	(1190.24)	2613.38	2829.13	55.17	(1133.90)	1750.40	862.98	871.69
Office Equipment	362.59	29.11	(13.01)	378.69	195.20	9.50	(10.82)	193.88	184.81	167.39
IT Equipment	887.71	82.35	-	970.06	762.21	72.52	-	834.73	135.33	125.50
Other Equipment	896.68	118.94	(47.33)	968.29	469.48	39.83	(41.82)	467.49	500.80	427.20
Water supply, sewerage & drainage	1118.93	1.37	-	1120.30	498.28	45.00	-	543.28	577.02	620.65
Plant & Machinery in Generating Station (Diesel Power House)	475.63	-	-	475.63	394.51	2.51	-	397.02	78.61	81.12
Communication Equipment	227.07	3.30	(0.33)	230.04	133.64	9.15	(0.30)	142.49	87.55	93.43
Lightning Arrestor (Pole Type	-	-	-	-	-	-	-	-	-	-
Magazine Building)	142.00	-	-	142.00	120.56	0.54	-	121.10	20.90	21.44
Telephone Line	103.69	-	-	103.69	92.05	0.07	-	92.12	11.57	11.64
Solar Panel	87.69	30.70	-	118.39	0.49	5.74	-	6.23	112.16	87.20
Cellular Line	-	-	-	-	-	-	-	-	-	-
Fixed Assets of Minor value	47.57	3.71	(0.39)	50.89	47.56	3.71	(0.39)	50.88	0.01	0.01
Energy Conservation Equipment	-	4.13	-	4.13	-	0.20	-	0.20	3.93	-
Free hold	1442.93	656.68	-	2099.61	-	-	-	-	2099.61	1442.93
Sub -Total	28834.05	1543.62	(1367.42)	29010.25	15308.73	772.37	(1292.34)	14788.76	14221.49	13525.32
TOTAL (A)	**632726.63**	**10530.43**	**(3107.61)**	**640149.45**	**300870.28**	**18022.79**	**(2439.10)**	**316453.97**	**323695.48**	**331856.35**

(₹in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 01.04.2017	Additions	Adjustments	Carrying Amount 31.03.2018	01.04.2017	Depreciation	Adjustment	Up to 31st Mar 2018	31.03.2018	31.03.2017
B) ASSETS										
(FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)										
Building	7278.62	1116.10	(0.48)	8394.24	1829.65	293.02	(0.12)	2122.55	6271.69	5448.97
Furniture & Fixtures	977.04	25.83	(11.59)	991.28	555.07	45.94	(10.05)	590.96	400.32	421.97
Roads, Bridges, Culverts & Helipads	3270.51	331.16	(1414.91)	2186.76	519.28	70.31	(167.48)	422.11	1764.65	2751.23
Vehicles	161.01	82.93	(19.52)	224.42	88.23	18.62	(16.73)	90.12	134.30	72.78
Electrical Installations	488.75	48.12	-	536.87	297.94	20.30	-	318.24	218.63	190.81
Temporary Buildings/Erections	1923.74	183.78	-	2107.52	1923.74	183.78	-	2107.52	-	-
Hospital Equipment	12.87	-	-	12.87	5.56	0.60	-	6.16	6.71	7.31
Tools & Plants	3519.16	3.76	(0.55)	3522.37	1516.32	131.48	-	1647.80	1874.57	2002.84
Office equipment	618.23	4.38	(9.62)	612.99	427.17	19.78	(8.24)	438.71	174.28	191.06
IT Equipment	1540.47	61.72	(19.89)	1582.30	1397.53	106.46	(19.52)	1484.47	97.83	142.94
Water Supply,sewerage & drainage	716.80	102.00	(0.09)	818.71	149.83	27.06	-	176.89	641.82	566.97
Plant & Machinery in Generating Station (Diesel Power House)	176.23	-	-	176.23	134.35	3.31	-	137.66	38.57	41.88
Weigh Bridge	13.34	-	-	13.34	9.24	0.45	-	9.69	3.65	4.10
Solar panel	7.14	-	-	7.14	0.38	0.42	-	0.80	6.34	6.76
Communication Equipment	179.69	8.56	-	188.25	111.34	6.80	-	118.14	70.11	68.35
Plant & Machinery	351.62	-	-	351.62	13.38	18.50	-	31.88	319.74	338.24
Transmission Line	6752.18	128.36	(2267.22)	4613.31	3288.95	331.29	(1156.96)	2463.28	2150.03	3463.23
Transformer having a rating of 100 KV & Above	171.77	156.42	-	328.19	73.52	32.10	-	105.62	222.57	98.25
Substation Equipment	298.41	764.70	2267.22	3330.33	93.02	224.01	1156.96	1473.99	1856.34	205.39
Freehold	467.27	-	-	467.27	-	-	-	-	467.27	467.27
Telephone Line	1.19	-	-	1.19	0.06	0.08	-	0.14	1.05	1.13
Other Equipment	1010.16	114.32	(4.48)	1120.00	450.82	48.97	(3.54)	496.25	623.75	559.34
Assets Withdrawn from Active use	-	-	-	-	-	-	-	-	-	-
Fixed assets of Minor value	59.16	4.22	(0.29)	63.08	59.12	4.21	(0.29)	63.04	0.04	0.04
Cellular Phone	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	**29995.36**	**3136.33**	**(1481.41)**	**31650.29**	**12944.50**	**1587.49**	**(225.97)**	**14306.02**	**17344.27**	**17050.86**
GRAND TOTAL (A + B)	**662721.99**	**13666.76**	**(4589.02)**	**671799.74**	**313814.78**	**19610.28**	**(2665.07)**	**330759.99**	**341039.75**	**348907.21**

Note No. 39: Earnings per Share

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

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a)	**Profit after tax & before regulatory Deferral Accounts (₹ in lakh)**	26182.80	22597.60
(b)	**Profit after tax & after regulatory Deferral Accounts (₹ in lakh)**	29317.35	22597.60
	Less: Amount to be paid for diluted portion (net of tax)		
	Profit attributable to ordinary shareholders - for Basic EPS	29317.35	22597.60
	Profit attributable to ordinary shareholders - for Diluted EPS	29317.35	22597.60
(c)	Weighted average no. of Ordinary Shares for Basic EPS	3452810400	3452810400
	Weighted average no. of Ordinary Shares for Diluted - EPS	3452810400	3452810400
(d)	Nominal value of Ordinary Shares (₹)	10.00	10.00
(e)	Earnings per equity share before regulatory Deferral Accounts :		
	(i) Basic (in ₹)	0.76	0.65
	(ii) Diluted (in ₹)	0.76	0.65
(f)	Earnings per equity share after regulatory Deferral Accounts :		
	(i) Basic (in ₹)	0.85	0.65
	(ii) Diluted (in ₹)	0.85	0.65

Note No. 40: Contingent Liabilities and Commitments (to the extent not provided for)

(₹in Lakh)

Particulars	As at	
	31-Mar-18	31-Mar-17
Contingent liabilities :		
Claims against the Company not acknowledged as debt in respect of:		
- Capital Works	159047.88	149358.36
- Land compensation cases	3583.24	3416.74
- Disputed Income tax demand	161.97	48.15
- Others	4.80	8.76
Total	162797.89	152832.01
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	26373.90	147309.55
Other Commitment	Nil	Nil

(i) Claims against the company not acknowledged as debts as on March 31, 2018 include demand from the Income tax authorities for payment of tax of ₹161.97 lakhs upon completion of their tax assessment for the A.Y. 2011-12 amounting to ₹0.49 lakhs, A.Y. 2012-13 amounting to ₹1.21 lakhs, A.Y. 2013-14 amounting to ₹63.34 lakhs and for the year 2015-16 amounting to ₹96.93 lakhs and demand from Customs, Excise and Service Tax Appellate Tribunal (CESTAT) for payment of ₹4.80 lakhs in respect of Service Tax.

(ii) There are few cases pending before the Arbitration Tribunal / Courts, for which amount of claims are yet to be ascertained.

(iii) 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.

(iv) 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.

(v) During the financial year 2017-18, reduction in contingent liabilities amounts to ₹29786.82 lakh and addition to the same amounts to ₹39752.70 lakh.

Note No. 41: 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. 42: 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, 2018

(₹in Lakh)

As at March 31, 2018	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					33607.92	33607.92	33607.92
Trade receivables					45836.76	45836.76	45836.76
Investments					2793.00	2793.00	2793.00
Loans					1101.64	1101.64	1101.64
Other financial assets					6214.92	6214.92	6214.92
Total					**89554.24**	**89554.24**	**89554.24**
Financial liabilities							
Trade and other payable					20337.18	20337.18	20337.18
Borrowings					650906.68	650906.68	650906.68
Other financial liabilities					47886.67	47886.67	47886.67
Total					**719130.53**	**719130.53**	**719130.53**

(₹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	26928.01
Trade receivables					44108.15	44108.15	44108.15
Investments					10993.00	10993.00	10993.00
Loans					1204.23	1204.23	1204.23
Other financial assets					4938.16	4938.16	4938.16
Total					**88171.55**	**88171.55**	**88171.55**
Financial liabilities							
Trade and other payable					12361.37	12361.37	12361.37
Borrowings					592567.78	592567.78	592567.78
Other financial liabilities					32046.54	32046.54	32046.54
Total					**636975.69**	**636975.69**	**636975.69**

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.

(₹in Lakh)

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(i) Investments	2793.00	-	-	2793.00
(ii) Trade receivables	45836.76	-	-	45836.76
(iii) Cash and Cash equivalents	33607.92	-	-	33607.92
(iv) Loans	1101.64	-	-	1101.64
(v) others	6214.92	-	-	6214.92
Total financial assets measured at fair value	**89554.24**	**-**	**-**	**89554.24**
Financial liabilities measured at fair value				
(i) Borrowings	650906.68	-	-	650906.68
(ii) Trade & Other payable	20337.18	-	-	20337.18
(iii) Other financial liabilities	47886.67	-	-	47886.67
Total financial liabilities measured at fair value	**719130.53**			**719130.53**

(₹in Lakh)

Particulars	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	44108.15	-	-	44108.15
(iii) Cash and Cash equivalents	26928.01	-	-	26928.01
(iv) Loans	1204.23	-	-	1204.23
(v) others	4938.16	-	-	4938.16
Total financial assets measured at fair value	**88171.55**	**-**	**-**	**88171.55**
Financial liabilities measured at fair value				
(i) Borrowings	592567.78	-	-	592567.78
(ii) Trade & Other payable	12361.37	-	-	12361.37
(iii) Other financial liabilities	32046.54	-	-	32046.54
Total financial liabilities measured at fair value	**636975.69**	**-**	**-**	**636975.69**

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, 2018 and March 31, 2017

b) Transfer of financial assets

i) The Company has during the financial year transferred in terms of Share Purchase Agreement drawn on 24th October 2017, the Corporation's investment (40%) in Joint Venture of M/s. WARNEEP Solar Pvt. Limited to M/s. WAAREE Engineers Limited, the other Joint Venture Partner. The sale proceeds has been accounted in the books of NEEPCO on 11th December 2017. Accordingly the investment of ₹8200.00 lakhs has been reduced as on 31-03-2018.

c) Financial risk management

i) 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:

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

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

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.

Credit Risk: Credit risk is the risk of financial loss arising from counter party 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 credit worthiness as well as concentration risks.

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.

d) 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 Lakh)

Particulars	As at March 31, 2018				
	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	665960.10	665960.10	34821.69	279286.76	351851.65
Trade payable	6060.73	6060.73	6060.73	-	-
Other financial liabilities	-	-	-	-	-
Total non- derivative financial liabilities	**672020.83**	**672020.83**	**40882.42**	**279286.76**	**351851.65**
Derivative financial liabilities					

(₹in Lakh)

Particulars	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	603085.57	603085.57	43618.72	214774.88	344691.97
Trade payable	5285.97	5285.97	5285.97	-	-
Other financial liabilities	-	-	-	-	-
Total non- derivative financial liabilities	**608371.54**	**608371.54**	**48904.69**	**214774.88**	**344691.97**
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.

Note No. 43: Related party disclosures

The required information with respect to Related Party Disclosure as per Ind AS-24 is given as under:

A. Joint Ventures :

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 A G West Kharkongor	Chairman & Managing Director
2. Sri D V Singh *	Chairman & Managing Director w.e.f. 22nd August 2017 to 11th October 2017
3. Sri Satyabrata Borgohain	Director (Personnel)
4. Sri V K Singh	Director (Technical)
5. Sri M Shiva Shunmuganathan	Director (Finance) (w.e.f. 27th September 2017)

* Entrusted the additional charge of Chairman & Managing Director, NEEPCO Ltd during the period of leave of Sri. A G West Kharkongor.

a) Parent entities

NEEPCO is controlled by the Hon'ble President of India. Government of India holds 100% ownership interest in NEEPCO including and as on March 31, 2018

(₹in Lakh)

Particulars	31-Mar-18	31-Mar-17
Sales and purchase of goods and services		
sale of goods to associates	Nil	Nil
purchase of raw materials	Nil	Nil
Other transactions	Nil	Nil
Dividend paid to parent entity	9214.00	11017.00

b) Key management personnel compensation

Particulars	31-Mar-18	31-Mar-17
Salary and allowances	125.25	158.08
Contribution to Provident Fund and other funds	19.67	14.45
Other benefits	53.67	12.33
Total	198.59	184.86

c) Transaction with related parties

The following transactions occurred with related parties:

Particulars	31-Mar-18	31-Mar-17
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-18	31-Mar-17
Trade payable (purchases of goods and services)	Nil	Nil
Associates	Nil	Nil
Joint venture	Nil	Nil
Total payable to related parties	Nil	Nil
Trade receivables (sale of goods and services)	Nil	Nil
Associates	Nil	Nil
Joint venture	Nil	Nil
Total receivables from related parties	Nil	Nil

e) Loan to/from related parties

Particulars	31-Mar-18	31-Mar-17
Loans to key management personnel		
Beginning of the year	Nil	Nil
Loans advanced	Nil	Nil
Loan repayments received	Nil	Nil
Interest charged	Nil	Nil
Interest received	Nil	Nil
End of the year	Nil	Nil

f) Loans to associates

Particulars	31-Mar-18	31-Mar-17
Loans to associates		
Beginning of the year	Nil	Nil
Loans advanced	Nil	Nil
Loan repayments received	Nil	Nil
Interest charged	Nil	Nil
Interest received	Nil	Nil
End of the year	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, repayable in monthly installments. 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 repayable in cash.

Note No. 44: 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.

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

Note No. 45: Statement showing status of RECs as on 31.03.2018 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.

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
Number of RECs for which eligible	19584	12954	5978
Number of RECs applied for	19584	12954	5978
Number of RECs issued	13365	10994	NIl
Number of RECs placed for trading at exchange	NIL	NIL	NIL
Number of RECs sold	NIL	NIL	NIL

NEEPCO has drawn agreement with M/S NVVN for trading of REC. Sale of RECs at power exchanges was kept suspended as per order of the Hon'ble Supreme Court of India, which has been resumed on 25.04.2018 on the basis CERC letter no. Petition No. 2/SM/2701 dt 23rd April 2018 addressed to IEX and PXIL.

Note No. 46: Regulatory Deferral Accounts Balances

Nature of Rate Regulated Activities

The company is primarily engaged in the business of generation and sale of electricity. The tariff based on which the Company bill to its beneficiaries for electricity sold to them is determined by the Central Electricity Regulatory Commission (CERC) in compliance to the CERC (Terms and Conditions of Tariff) Regulations, as applicable from time to time.

The said regulations allow the Company to recover its costs for providing the goods or services plus a fair return.

Recognition and measurement

Ministry of Labour and Employment vide their Gazette notification dated the 29th March 2018 has notified the Payment of Gratuity (Amendment) Act, 2018 (12 of 2018) and thus has increased the limit of gratuity up to ₹20 (Twenty) lakh from the existing ₹10 (Ten) lakh.

Regulation 8 (3) of the CERC (Terms and conditions of Tariff) Regulations 2014 provides that "The Commission shall carry out truing up of tariff of generating station based on the performance of following Uncontrollable Parameters:

i) Force Majeure;

ii) Change in Law; and

iii) Primary Fuel Cost.

The increase in gratuity expenses due to enhancement of limit up to ₹20.00 lakh as per the Payment of Gratuity (Amendment) Act, 2018 falls under the category of "Change in law", Expenses/income recognized in the Statement of Profit & Loss to the extent recoverable from the beneficiaries in subsequent period as per CERC Tariff Regulations have been recognized as "Regulatory Deferral Account Balances". Such recognition has resulted in additional profit of ₹4793.47 lakhs.

The regulatory deferral accounts debit balance recognized in the books to be recovered from the beneficiaries in future periods is as follows:

(₹in Lakh)

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
A. Opening Balance	-	-	-
B. Addition during the year	4793.47	-	-
C. Amount Collected / refunded during the year	-	-	-
D. Regulatory Deferral Account Balances recognized in the Statement of Profit & Loss (B-C)	4793.47	-	-
E. Closing Balance (A+D)	**4793.47**	-	-

Rate of return/Discounting rate considered for recognition of Regulatory Deferral Account Balance is "Zero"

Risk/uncertainty associated with future recovery of Regulatory Deferral Account Balances

- **Demand risk:** Recovery of regulatory deferral balances are subjected to billing to its beneficiaries and accordingly associated with related normal risks, such as, attitude of the customers towards settlement of their dues, availability of alternate source of supply etc.
- **Regulatory risk:** Changes, if any, in Tariff Regulations on allow ability of such cost through tariff.

Period over which expected to recover

The Company expects to recover the carrying amount of regulatory deferral debit account balances over a period of 4(four) years.

Note No. 47: 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. 48: Cut-off Date

The Company has taken all known ascertained liabilities pertaining to the year upto 31.03.2018 taking into consideration 5th April, 2018 as the cut-off date.

Note No. 49: Impairment loss

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

Note No. 50: Previous year figures

The previous year figures have been regrouped, re-casted and re-arranged whereever 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

For and on behalf of the Board of Directors

Date: **12-06-2018**	**C. Sharma**	**M. Shiva Shunmuganathan**	**A.G. West Kharkongor**	**T. K. Das**
Place: **New Delhi**	Company Secretary	Director (Finance) - cum - CFO	Chairman & Managing Director	Partner
		DIN: 07551379	DIN: 03264625	Membership No. 053080

ANNEXURE - 6B

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 31st March 2018, 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 thereunder 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 thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditors' judgement, 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 due consideration of unaudited separate Ind AS financial statement of the joint venture entity 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 including the Ind AS, of the consolidated financial positions of the Company as at 31st March 2018, 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. 18.3 (c) in respect of restatement of the Financial Statement of earlier years for prior period error.
2. Note No. 40 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.
3. Note No. 46 in respect of Regulatory Deferral Account Balance adjustment.
4. Note No. 47 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.

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 the jointly controlled entity. The Unaudited Ind AS

financial statement of jointly controlled entity have been furnished to us and certified by the Management. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, is based solely on such unaudited Ind AS financial statements. In absence of any Audit Report from the Auditors of joined Controlled entity, our report has dealt with replies required under Section 143(3) and 143(11) of the Act, in respect to Venturer Company only.

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.

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 referred to 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 Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder.

   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 40 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.

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

Tapan Kumar Das

(T. K. DAS)
Partner
Membership No.: 053080

Place : New Delhi
Date : 12th June, 2018

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 2018, we have audited the internal financial controls over financial reporting of North Eastern Electric Power Corporation Limited ('the Venturer Company') and its jointly controlled entity which is a company 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 entity, which is a company 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. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the 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, 2018:

> 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 subject to our comments in "Other Matters" paragraph below, the venture company and jointly controlled entity, which is a company incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31st 2018, 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 2018.

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, 2018 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 in so far as it relates to the jointly controlled company, which is a company incorporated in India, is based on the corresponding unaudited financial statements of such company incorporated in India.

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

Tapan Kumar Das

(T. K. DAS)
Partner
Membership No.: 053080

Place : New Delhi
Date : 12th June, 2018

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 consolidated financial statements of even date)

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditors 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 592.25 hectares of leasehold and 6752.98 hectares of freehold land. In addition to this 6120.20 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

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

Tapan Kumar Das

(T. K. DAS)
Partner
Membership No.: 053080

Place : New Delhi
Date : 12th June, 2018

Part I: Consolidated Balance Sheet as at 31st March, 2018

(₹ in lakhs)

Sl No.	Particulars	Note No.	As at 31st March 2018	As at 31st March 2017 (Re-stated)	As at 1st April 2016 (Re-stated)
	ASSETS				
1	**Non-Current assets**				
	(a) Property, Plant and Equipment	2	341039.75	348907.21	311019.59
	(b) Capital work -in- Progress	3	938672.98	799325.64	695320.94
	(c) Intangible assets under Development	4	10082.50	10082.50	10000.00
	(d) Intangible assets	4A	6473.99	4681.85	4541.83
	(e) Financial Assets				
	(i) Investment	5	3223.09	10428.74	10262.41
	(ii) Loans	6	107.20	113.96	127.71
	(f) Deferred Tax Asset (Net)	7			1712.01
	(g) Other Non-current Assets	8	21236.45	28261.53	32086.46
	1. Total Non-Current Assets		**1320835.96**	**1201801.43**	**1065070.95**
2	**Current assets**				
	(a) Inventories	9	9104.38	13436.19	14251.07
	(b) Financial Assets				
	(i) Trade receivables	10	45836.76	44108.15	101609.73
	(ii) Cash and Cash equivalents	11	33049.07	24769.25	44795.16
	(iii) Bank balances other than (ii) above	12	558.85	2158.76	
	(iv) others	13	7209.36	6028.43	3508.77
	(c) Current Tax Assets	14	9297.15	11824.22	14463.66
	(d) Other Current assets	15	1943.02	2039.31	2113.02
	(e) Assets Held For Sale	15A	131.84	67.69	
	2. Total Current Assets		**107130.43**	**104432.00**	**180741.41**
3	**3 .** Regulatory deferral accounts debit balances	16	4793.47		
	Total Assets (1 + 2 + 3)		**1432759.86**	**1306233.43**	**1245812.36**
	EQUITY AND LIABILITIES				
4	**Equity**				
	(a) Equity Share Capital	17	345281.04	345281.04	345281.04
	(b) Other Equity	18	258553.27	239095.72	230503.87
	(c) Share Application money pending Allotment	18.4	9600.00		
	4. Total Equity		**613434.31**	**584376.76**	**575784.91**
	Liabilities				
5	**Non-Current Liabilities**				
	a) Financial Liabilities				
	(i) Borrowings	19	630906.68	559292.78	544363.97
	(ii) Trade payable		-	-	-
	(iii) Other financial liabilities		-	-	-
	(b) Provisions	20	20226.57	12423.54	10114.49
	(c) Deferred tax liabilities (Net)	7	3588.44	3609.34	
	(d) Other non-current liabilities	21	31204.15	31311.40	31270.12
	5. Total Non-Current Liabilities		**685925.84**	**606637.06**	**585748.58**
6	**Current liabilities**				
	(a) Financial liabilities				
	(i) Borrowings	22	20000.00	33275.00	-
	(ii) Trade Payable	23	20337.18	12361.37	13314.38
	(iii) Other financial liabilities	24	47886.67	32046.54	30503.48
	(b) Other current liabilities	25	16245.69	14318.83	13920.53
	(c) Provisions	26	16583.41	15220.49	14749.69
	(d) Current Tax liabilities	14	12346.75	7997.38	11790.79
	6. Total Current Liabilities		**133399.70**	**115219.61**	**84278.87**
7	**7. Regulatory deferral accounts credit balances**		**-**	**-**	**-**
	Total Equity and Liabilities (4 + 5 + 6 +7)		**1432759.86**	**1306233.43**	**1245812.36**

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

For and on behalf of the Board of Directors

Date: **12-06-2018**	**C. Sharma**	**M. Shiva Shunmuganathan**	**A.G. West Kharkongor**	**T. K. Das**
Place: **New Delhi**	Company Secretary	Director (Finance) - cum - CFO	Chairman & Managing Director	Partner
		DIN: 07551379	DIN: 03264625	Membership No. 053080

Part II: Statement of Profit and Loss

(₹ in lakhs)

Sl No.	Particulars	Notes	For the period ended 31st-Mar-18	For the period ended 31st-Mar-17 (Restated)
I	Revenue from Operations	27	163294.41	140447.01
II	Other Income	28	3172.35	2529.85
III	**Total Income (I + II)**		**166466.76**	**142976.86**
IV	**Expenses**			
	(a) Cost of materials consumed	29	42632.78	40742.17
	(b) Employee benefit expense	30	41026.61	27647.65
	(c) Finance costs	31	6902.88	2991.39
	(d) Depreciation and amortization expense	32	18305.63	16038.68
	(e) Other expenses	33	20880.92	19532.52
	Total expenses (IV)		**129748.82**	**106952.41**
V	**Profit / (loss) before exceptional items, Rate Regulated Activities and tax (III - IV)**		**36717.94**	**36024.45**
VI	Add : Regulatory Income/(Expense)	16	**4793.47**	-
VII	Exceptional Items		-	-
VIII	**Profit / (loss) after Regulatory Income (V + VI + VII)**		**41511.41**	**36024.45**
IX	Share of Profit of Joint Ventures		994.35	(531.68)
X	**Profit / (loss) before Tax (VIII + IX)**		**42505.76**	35492.77
XI	Tax Expense:			
	(i) Current tax		12624.20	7997.38
	Add : Tax on Regulatory Deferral Accounts		1658.92	-
	Less : MAT Credit		1936.37	-
	Net Current Tax		12346.75	7997.38
	(ii) Deferred tax		(146.52)	5434.56
			12200.23	13431.94
XII	**Profit / (loss) for the year from continuing operations (X - XI)**		**30305.53**	**22060.83**
XIII	Profit / (loss) from discontinued operations		-	-
XIV	Tax expense of discontinued operations			
XV	**Profit / (loss) for the year from Discontinued operations (XIII - XIV)**		-	-
XVI	**Profit / (loss) for the year/period (XII + XV)**		**30305.53**	**22060.83**
XVII	**Other comprehensive income**			
	A. (i) Items that will not be reclassified to profit and loss			
	(a) Re-measurements of the defined benefit plans		363.00	(327.14)
	(b) Others (specify nature)			
			363.00	**(327.14)**
	(ii) Income tax relating to items that will not be reclassified to profit and loss		125.63	(113.22)
	B. (i) Items that will be reclassified to profit and loss			
	(ii) Income tax relating to items that will be reclassified to profit and loss			
	Total other comprehensive income XVII = (A+ B)		**237.37**	**(213.92)**
XVIII	**Total comprehensive income for the period (XVI + XVII)**		**30542.90**	**21846.91**
	Earnings per equity share (for continuing operation before regulatory Deferral Accounts) :			
	(1) Basic (in ₹)		0.79	0.64
	(2) Diluted (in ₹)		0.79	0.64
XVII	Earnings per equity share (for continuing operation after regulatory Deferral Accounts) :			
	(1) Basic (in ₹)		0.88	0.64
	(2) Diluted (in ₹)		0.88	0.64
	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

For and on behalf of the Board of Directors

Date: **12-06-2018**	**C. Sharma**	**M. Shiva Shunmuganathan**	**A.G. West Kharkongor**	**T. K. Das**
Place: **New Delhi**	Company Secretary	Director (Finance) - cum - CFO	Chairman & Managing Director	Partner
		DIN: 07551379	DIN: 03264625	Membership No. 053080

Cash Flows Statement for the year ended 31st March 2018

(₹ in lakhs)

	Particulars	For the year ended 31st March 2018		For the year ended 31st March 2017 (Restated)	
A.	**CASH FLOW FROM OPERATING ACTIVITIES**				
	Profit before tax for the year including OCI & movements in Regulatory Deferral Account Balances		42,868.75		35,697.31
	Less : Movement in Regulatory deferral Account Balances		4,793.47		-
	Profit before Tax		**38,075.28**		**35,697.31**
	ADD :				
	Depreciation & Amortisation	18,305.63		16,038.68	
	Finance Cost	6,902.88		2,991.39	
	Loss on Sale of Assets/Asset Write off	569.95		1,360.39	
	Expenditure towards Regulatory Deferral Account Balances	4,793.47		-	
	Foreign Exchange loss	87.90		-	
	Fair value loss	4.40		4.74	
			30,664.23		20,395.20
			68,739.51		**56,092.51**
	LESS:				
	Profit on Sale of Assets	0.70		-	
	Interest/Investment income	329.00		646.32	
	Foreign Exchange gain	-		773.06	
			329.70		1,419.38
	Cash flow from Operating Activities before operating Assets & Liabilities adjustments		**68,409.81**		**54,673.13**
	Changes in operating Assets & Liabilities				
	Inventories	4,331.81		814.88	
	Trade Receivable	(2962.27)		54,696.54	
	Other Financial Assets, Loans and Advances	(32.11)		47.30	
	Other Financial Liabilities & Provisions	19,412.41		2,296.65	
			20,749.84		57,855.37
	Cash flow from operating activities before taxes		**89,159.65**		**1,12,528.50**
	Less : Taxes		9,100.00		9,150.00
	NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**80,059.65**		**1,03,378.50**
B.	**CASH FLOW FROM INVESTING ACTIVITIES**				
	Property, plant and equipment		(94,092.46)		(1,17,623.99)
	Financial assets		7,205.65		(698.00)
	Interest income		270.89		1,298.20
	Dividend Income		15.01		4.74
	Changes in Regulatory Deferral Account Balances		(4793.47)		-

C.	**NET CASH FLOW FROM INVESTING ACTIVITIES (B)**	**(91,394.38)**	**(1,17,019.05)**
	CASH FLOW FROM FINANCING ACTIVITIES (C)		
	Issue of Equity Share	9,600.00	-
	Borrowings	99,942.74	1,11,510.65
	Repayment of borrowings	(43,883.65)	(59,112.05)
	Dividends & Dividend Tax paid	(11,089.75)	(13,259.80)
	Interest & Finance Charges	(36,554.70)	(43,365.40)
	NET CASH FLOW FROM FINANCING ACTIVITIES (C)	**18,014.64**	**(4,226.60)**
D.	**NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)**	**6,679.91**	**(17,867.15)**
	Cash & Cash Equivalents at the beginning of the year	**26,928.01**	**44,795.16**
	Cash & Cash Equivalents at the close of the year	**33,607.92**	**26,928.01**

Explanatory notes to statement of cash flows

1. Cash & Cash equivalents consists of Cash in hand, cheques/drafts in hands and Bank Balances including Short Term Deposits with original maturity of less than three months. The details of Cash & Cash equivalent as per Note 11 & 12 of the Balance Sheet is as under:

(₹ in lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017
Cash and Cash equivalents	33049.07	24769.25
Bank balances other than above (restricted balance)	558.85	2158.76
	33,607.92	**26,928.01**

2. Cash & Bank balances of ₹33607.92 lakhs (previous year ₹26928.01 lakhs) includes an amount of ₹172.66 lakhs (previous year ₹1731.17 lakhs) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yojana.

3. Previous year figures have been regrouped/rearranged whereever considered necessary.

4. Interest & finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹49.44 Lakhs (Previous year ₹37.22 lakhs) & Guarantee & Commitment fee ₹564.97 Lakhs (Previous year ₹605.96 Lakhs) capitalised during the period on account of Expenditure attributable to construction (EAC).

5. **Changes in liabilities arising from financing activities**

   i. Share Application money pending Allotment received the period amounting to ₹9,600.00 lakhs (Previous year NIL).

   ii (a) Borrowings ₹99,942.74 lakhs (Previous year ₹1,11,510.65 lakhs) includes foreign exchange loss of ₹6,758.18 lakhs (Previous year foreign exchange gain ₹4,659.84 lakhs).

   ii (b) Amortisation of bond cost amounting to ₹232.92 lakhs (Previous year ₹175.66 lakhs) adjusted with proceed from borrowings.

In terms of our report of even date

For **M/s. S P A N & Associates**
Chartered Accountants
F.R.N. 302192E

For and on behalf of the Board of Directors

Date: **12-06-2018**	**C. Sharma**	**M. Shiva Shunmuganathan**	**A.G. West Kharkongor**	**T. K. Das**
Place: **New Delhi**	Company Secretary	Director (Finance) - cum - CFO	Chairman & Managing Director	Partner
		DIN: 07551379	DIN: 03264625	Membership No. 053080

Statement of Changes in Equity

A. Equity Share Capital

Period ended 31st March 2017

(₹ in lakhs)

Balance as at 01.04.2016	Changes in equity share capital	Balance as at 31.03.2017
1	2	3
3,45,281.04	-	3,45,281.04

Period ended 31st March 2018 *(₹ in lakhs)*

Balance as at 01.04.2017	Changes in equity share capital	Balance as at 31.03.2018
1	2	3
3,45,281.04	-	3,45,281.04

B. Other Equity

Period ended 31st March 2017 *(₹ in lakhs)*

Particulars	Balance as at 01.04.2016 (Restated)	Changes in accounting policy or prior period errors	Restated balance as at 31.03.2017	Total Comprehensive income for the year	Dividends	Transfer to/from retained earnings	Fair Value Adjustement	Balance as at 31.03.2017 (restated)
	1	2	3	4	5	6	7	8
Retained Earnings	8060.15	1448.77	9508.92	20398.14	13259.80	14980.44	4.74	1671.56
General Reserve	197691.68	-	197691.68	-	-	-	-	197691.68
Bond Redemption Reserve	24752.04	-	24752.04	-	-	14980.44	-	39732.48

Period ended 31st March 2018 *(₹ in lakhs)*

Particulars	Balance as at 01.04.2017	Changes in accounting policy or prior period errors	Restated balance as at 31.03.2017	Total Comprehensive income for the year	Dividends	Transfer to/from retained earnings	Fair Value Adjustement	Balance as at 31.03.2018
	1	2	3	4	5	6	7	8
Retained Earnings	1671.56	-	1671.56	30542.90	11089.75	17334.60	4.40	3794.51
General Reserve	197691.68	-	197691.68	-	-	-	-	197691.68
Bond Redemption Reserve	39732.48	-	39732.48	-	-	17334.60	-	57067.08
Share Application money pending Allotment	-	-	-	-	-	-	-	9600.00

In terms of our report of even date

For **M/s. S P A N & Associates**
Chartered Accountants
F.R.N. 302192E

For and on behalf of the Board of Directors

Date: **12-06-2018**
Place: **New Delhi**

C. Sharma
Company Secretary

M. Shiva Shunmuganathan
Director (Finance) - cum - CFO
DIN: 07551379

A.G. West Kharkongor
Chairman & Managing Director
DIN: 03264625

T. K. Das
Partner
Membership No. 053080

Note No. 1: Significant Accounting Policies 2017-18 (Consolidated)

A. 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. The address of the Company's registered office is Brookland Compound, Lower New Colony, Laitumkhrah, Shillong 793003, Meghalaya. Authorised Capital of the Company is ₹5000 crore. With operation of 6 (six) **hydro, 3 (three) thermal and 1(one) solar power stations, total installed capacity of NEEPCO stands at 1347 MW. In addition 02 (two)** hydro projects, namely, Pare HEP (110 MW) and Kameng HEP (600 MW), which are in advanced stages of commissioning.

NEEPCO has its debt (Bond XI issue to XVIII issue) listed with Bombay Stock Exchange (BSE).

B. Basis of preparation

I. Statement of Compliance

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, 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) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and the provisions of the Electricity Act,2003 to the extent applicable.

The Company has adopted all the applicable Ind ASs and such adoption was carried out in accordance with Accounting Principles generally accepted in India as prescribe in section 133 of the Act, read with Rule 7 of the Companies (Accounting) Rules 2014,

II. Basis of measurement

The financial statements have been prepared on historical cost basis, except

- Certain financial instruments that are measured at fair value;
- Assets held for sale – measured at fair value less cost to sell;
- Plan assets of defined employees benefit plans;

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, except otherwise stated and disclosed accordingly.

III. Functional and presentation currency

These financial statements are presented in Indian Rupee (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the nearest Lakh (up to two decimals) for the Company, except as stated otherwise.

IV. Current and Non-current classification

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.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

V. Use of estimates and management judgments

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-D.

VI. Investment in Joint Venture

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 investment in joint venture is carried at cost, which comprises of price paid to acquire investment and directly attributable cost, if any.

C. Summary of Significant Accounting Policies

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.

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.

1. Property, plant and equipment

1.1 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.

1.2 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 accumulated depreciation/amortization and impairment loss, if any.

1.3 Auxiliaries 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.

1.4 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.

1.5 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 successful commissioning of the plant.

1.6 Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and major 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.

1.7 Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

1.8 Assets over which the Company has control, though created on land not belonging to the Company are included under Property, Plant and Equipment.

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

1.10 Spare parts procured along-with the Plant & Machinery as well as procured subsequently which meets the recognition criteria are capitalized. Other machinery spares are treated as "stores & spares" forming part of the inventory.

1.11 Cost of mobile handsets are recognised as revenue expenditure.

1.12 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.

2. Capital work-in-progress

2.1 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 other 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.

2.2 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/Completion Cost of the project.

2.3 Capital expenditure incurred to create facilities, over which the Company does not have control and creation of which is essential for construction of the project is carried on under: Capital works in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.

2.4 Expenditure against "Deposit works" is accounted for on the basis of statement of accounts received the concerned agency and acceptance by the Company.

2.5 Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.

2.6 Share of Corporate office and Guwahati office expenditures relating to construction activities are allocated/ apportioned to the projects under construction on the basis of accretion to CWIP.

2.7 In case of abandonment/suspension/discontinuation of project, the expenditure in relation to the same is expensed/charged off in the year of such decision.

3. Intangible Assets

3.1 Intangible assets acquired separately are measured on initial recognition at cost. Such assets are capitalized when the assets are ready for its intended use. After initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

3.2 Computer software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortization and impairment losses, if any.

3.3 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 under "Land-Right to use."

3.4 Intangible assets not ready for its intended use as on the date of balance-sheet are disclosed as "Intangible assets under development".

4. Depreciation and amortization:

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 (Computers and Peripherals) are being depreciated fully (100%) in three years.

ii. Computer software is amortised on straight-line method over a period of legal right to use or 03 (three) years, whichever is less.

iii. "Land-right to use" is fully amortized over the period of useful life of the project from its "Date of commercial operation".

iv. Where the cost of depreciable assets has undergone a change due to during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, changes in duties and similar factors, the unamortized balances of such assets is depreciated prospectively over the residual life of such asset at the rate and methodology notified by the CERC regulations.

v. Cost of major repairing and overhauls are depreciated over their useful lives where it is probable that future economic benefits will be available.

vi. 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.

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

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

ix. Depreciation of Corporate/Administrative office assets and general assets of projects under construction are charged following the 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.

5. 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 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.

6. Impairment of assets

6.1 At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is indication that those assets may suffer an impairment loss. If any such indication exists, the recoverable amount (i.e., higher of its fair value less cost to sell and the value-in-use) is determined on 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.

6.2 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.

7. Regulatory deferral accounts

7.1 Expenses/income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries is subsequent period as per CERC tariff Regulations are recognized as "Regulatory Deferral Account Balances".

7.2 Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

7.3 If it is no longer probable that future economic benefit associated with such balances will flow to the Company, such balances are de-recognized.

7.4 Regulatory deferral Account Balances are tested for impairment at each Balance sheet date.

8. Foreign Currency Transaction

8.1 Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates.

8.2 In preparing the financial statements transactions in currencies other than the entity's functional currency 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.

8.3 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.

8.4 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.

8.5 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 the statement of Profit or Loss Account in case of operational power stations and added to the carrying amount of capital work in progress in case of projects under construction.

8.6 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).

9. Provisions, Contingent Liabilities and Contingent Assets

9.1 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.

9.2 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.

9.3 If the effect of the time value of money is material, provision is determined by discounting the expected future cash flow using a current pre-tax rate that reflects the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

9.4 Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are not recognized but disclosed unless the possibilities of outflow of economic benefits are remote. Contingent liabilities are disclosed on the basis of judgment of management and are reviewed at each balance sheet date to reflect the current management estimate.

9.5 Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable.

10. Leases

10.1 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.

10.2 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. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price. All other leases are classified as operating leases.

10.3 Lease assets are accounted in accordance with Ind AS 17 and amortised as follows:

- Leasehold Land, in case of projects under operation, are amortised over the period of lease or useful life of the project, whichever is lower.

- Leasehold Land, in case of administrative offices, are amortised over the lease period.
- Leasehold Land, in case of projects under construction are amortised over the period of lease or useful life of the project, whichever is lower, from its "Date of commercial operation".

11. Inventories

11.1 Inventories mainly comprise of stores and spare parts to be used for operation and maintenance of Property, Plant and Equipment.

11.2 Inventories are valued at costs or net realizable value (NRV), whichever is lower. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. 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.

11.3 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 sell/disposal.

12. Trade receivable

12.1 Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be made within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price.

12.2 As the entire sales are made to State Govt. utilities, the Company is not providing for allowance for expected credit loss.

13. Financial Instruments

13.1 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.

13.2 Financial Assets

Financial assets comprises of investments in joint venture, advances to employees, trade receivables, cash and cash equivalents, claims recoverable, 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 in the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

ii. Financial assets at amortized cost:

Financial assets which are initially measured at cost 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.

v. 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.

vi. 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.

13.3 Financial liabilities

Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company. The Company's financial liabilities includes loan & borrowings, trade and other payable etc.

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

ii. De recognition of financial liability

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

14. Borrowing cost

14.1 Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction/development or erection of qualifying assets are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

14.2 Investment income earned on the temporary investment of specific borrowings pending their expenditure on related qualifying assets is deducted from the borrowing costs eligible for capitalization.

14.3 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 adjusted to interest cost.

14.4 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.

15. Government grants

15.1 Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants has actually been received.

15.2 The benefits of a government loan at a below market rate of interest is also 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.

15.3 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.

15.4 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.

16. Employee Benefits

16.1 Employee benefits consist of provident fund, pension, gratuity, post-retirement medical benefit (PRMB), leave benefits and other terminal benefits.

16.2 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 and that for Leave encashment and PMRB are charged to IEDC or profit & loss, as the case may be.

16.3 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.

17. Income Taxes

Tax expense represents the sum of current tax and deferred tax.

17.1 Current income 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.

17.2 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.

18. Revenue

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable. Revenues are reduced for rebates and other similar allowances.

18.1 Revenue from sale of energy

- 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

18.2 Other Income

- Dividend 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 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.
- 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.

19. Earnings Per Share

19.1 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.

19.2 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.

20. 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.

21. Miscellaneous

21.1 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.

21.2 Liabilities for pending Capital works executed but not certified are not provided for, pending acceptance by the Company.

21.3 Physical verification of Fixed Assets and Inventories 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.

D. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note-B, 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, leave encashment and Gold Coin) 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, 2018	As at 31st March, 2017	As at 1st April, 2016
Land		2566.88	1910.20	1909.03
Buildings		13960.11	13075.47	12256.60
Plant & Equipments		314279.25	322674.54	287554.57
Furniture & Fixture		651.29	663.48	642.78
Vehicles		293.40	259.78	286.72
Office Equipment	38	1887.09	1787.98	1743.13
Others :::				
Electrical Equipment		596.68	574.06	500.45
Road, Bridges, Culvert, Helipad		4036.30	5060.94	4745.03
Tools & Plants		2737.55	2874.53	1355.27
Misc. Equipment		31.20	26.23	26.01
Total		**341039.75**	**348907.21**	**311019.59**

As at March 31, 2018

(₹ in lakhs)

Particulars	Free-hold Land	Buildings	Plant & equip-ments	Furni-ture & Fixture	Vehicle	Office Equip-ment	Electrical equip-ments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equip-ment	Total
Gross Block as at April 1, 2017	1910.20	23963.68	612355.25	1671.51	710.98	5827.48	1558.88	7336.52	7219.98	167.51	6,62,721.99
Additions	656.68	1783.92	10066.98	55.96	82.93	422.68	67.75	407.82	106.56	15.49	13,666.76
Disposals/Adjustment	-	(0.89)	(1740.19)	(30.01)	(116.60)	(94.65)	-	(1414.91)	(1190.79)	(0.98)	(4,589.02)
Reclassified as held for sale	-										
Gross Block as at March 31, 2018	**2,566.88**	**25,746.71**	**6,20,682.04**	**1,697.46**	**677.31**	**6,155.51**	**1,626.63**	**6,329.43**	**6,135.75**	**182.02**	**6,71,799.74**
Impairment as at April 1, 2017											
Other re-classifications											
Impairment as at March 31, 2018	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2017	-	10888.21	289680.71	1008.03	451.20	4039.50	984.82	2275.58	4345.45	141.28	313814.78
Charge for the period	-	898.51	17868.84	65.65	36.81	313.16	45.13	185.03	186.65	10.50	19610.28
Disposals	-	**(0.12)**	**(1146.76)**	**(27.51)**	**(104.10)**	**(84.24)**	-	**(167.48)**	**(1133.90)**	**(0.96)**	(2665.07)
Other re-classifications											
Accumulated depreciation as at March 31, 2018	-	**11786.60**	**306402.79**	**1046.17**	**383.91**	**4268.42**	**1029.95**	**2293.13**	**3398.20**	**150.82**	**330759.99**
Total accumulated depreciation and impairment as at March 31, 2018	-	**11786.60**	**306402.79**	**1046.17**	**383.91**	**4268.42**	**1029.95**	**2293.13**	**3398.20**	**150.82**	**330759.99**
Net block as at March 31, 2018	**2566.88**	**13960.11**	**314279.25**	**651.29**	**293.40**	**1887.08**	**596.68**	**4036.30**	**2737.55**	**31.20**	**341039.75**

As at March 31, 2017 *(₹ in lakhs)*

Particulars	Free-hold Land	Buildings	Plant & equip-ments	Furni-ture & Fixture	Vehicle	Office Equip-ment	Electrical equip-ments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equip-ment	Total
Gross Block as at April 1, 2016	1909.03	22535.12	561956.04	1576.90	700.12	5483.70	1449.11	6763.50	5419.13	148.62	6,07,941.27
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)	(2283.00)	(4.56)	(17.15)	(30.74)	-	-	(0.61)	(0.42)	(2,536.49)
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Gross Block as at March 31, 2017	**1,910.20**	**23,963.68**	**6,12,355.25**	**1,671.51**	**710.98**	**5,827.48**	**1,558.88**	**7,336.52**	**7,219.98**	**167.51**	6,62,721.99
Impairment as at April 1, 2016											
Other re-classifications											
Impairment as at March 31, 2017	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2016	-	10278.52	274401.47	934.12	413.40	3740.57	948.66	2018.47	4063.86	122.61	296921.68
Charge for the period	-	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	-	**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 at March 31, 2017	-	**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**

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, 2017.

ii. The Corporation has spent an amount of ₹22789.06 lakhs (previous year ₹23127.82 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 Eighteenth issue valuing ₹533250.00 lakhs having Charge ID with ROC are 100151868 for ₹50000.00 Lakhs, 100104890 for ₹30000.00 lakhs, 10603635 for ₹90000.00 lakhs, 10555356 for ₹60000.00 lakhs, 10534076 for ₹250000.00 lakhs, 10466275 for ₹7250.00 lakhs, 10411581 for ₹12000.00 lakhs and 10411580 for ₹4000.00 lakhs. Creation of Charge for Bond raised on 6th March 2018 valued ₹30000.00 lakhs is under process as on 31.03.2018. 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 of Pare Hydro Electric Project at Arunachal Pradesh is guaranteed by Govt. of India.

iv. Interest and finance charge, related to construction projects, amounting to ₹49787.04 lakhs (previous year ₹37338.19 lakhs) has been transferred to IEDC (Ref. Note No-37). This also includes foreign exchange difference debited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹6670.28 lakhs (previous year credit ₹3691.49 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, 2018	As at March 31, 2017	As at April 1, 2016
Assets held under Finance Leases			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Net carrying amount	-	-	-
Owned assets	3,41,039.75	3,48,907.21	311019.59
Net carrying amount	**3,41,039.75**	**3,48,907.21**	**3,11,019.59**

Note No. 3: Details of CWIP

(₹ in lakhs)

Particulars	As at 1st April 2017	Additions during the year	Adjust-ments during the year	Capital-ised dur-ing the year	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Building	1180.64	1187.71	(54.99)	(1060.01)	1253.35	1180.64	1372.54
Temporary Buildings/Erections	81.78	2.25	1.84	(85.87)	-	81.78	55.90
Roads, Bridges, Culverts & Helipads	22030.90	918.00	1259.53	(305.15)	23903.28	22030.90	22127.97
Electrical Installation	64.45	101.03	(14.38)	(71.99)	79.11	64.45	112.91
Water Supply, Sewerage & Drainage	73.49	20.79	36.98	(86.67)	44.59	73.49	259.07
Hydraulic works incldg Dams, Dykes etc.	330577.88	34884.18	(1262.12)	-	364199.94	330577.88	280911.24
Other Civil works	178.09	-	(78.70)	(82.49)	16.90	178.09	1780.71
Power house	36771.50	7236.46	(102.49)	(4.73)	43900.74	36771.50	27719.78
Switch Yard including cable connection	10116.05	2012.90	-	-	12128.95	10116.05	9230.78
Environment & Echology	17350.23	13.90	(204.36)	-	17159.77	17350.23	4403.86
Transmission Lines	401.38	209.50	-	(87.21)	523.67	401.38	913.71
Transformer having a rating of 100KV ampere and above	6182.07	5833.80	(2102.33)	-	9913.54	6182.07	1072.90
Survey & Investigation	3662.57	119.79	3.10	-	3785.46	3662.57	3682.79
Communication equipment	-	0.71	-	-	0.71	-	-
Substation	646.00	25.12	(7.77)	(663.35)	-	646.00	763.98
Plant & Machinery in Generating station	58972.43	19517.64	(45.36)	(29.17)	78415.54	58972.43	72105.77
Steam Turbine	-	-	-	-	-	-	28.72
Gas Booster Station	2685.13	2063.18	(38.39)	(4319.92)	390.00	2685.13	4603.63
Incidental Expenditure during Construction	308351.05	75738.03	(437.11)	(694.54)	382957.43	308351.05	264174.68
TOTAL	**799325.64**	**149884.99**	**(3046.55)**	**(7491.10)**	**938672.98**	**799325.64**	**695320.94**

1. Transmission line includes “Enabling assets” amounting to ₹43.00 lakh, being expenditure incurred for Construction, Testing & Commissioning of 33KV Transmission line of Tuirial HEP to facilitate project construction works.
2. Roads, Bridges, Culvert & Helipads includes “Enabling assets” amounting to ₹1318.78 lakh, being expenditure incurred for roads for construction and Operation & maintenance of Tuirial HEP.

Note No. 4: Intangible Assets Under Development

(₹ in lakhs)

Particulars	As at 1st April 2017	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31st March 2018	As at 31st March 2017	As at 1st April 2016
Upfront Premium including Processing fee	10082.50	-	-	-	10082.50	10082.50	10000.00

Note No. 4A: Intangible Assets

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17	As at 1-April-16
Carrying amounts of :			
Software	53.01	58.72	72.78
Right to use (Forest Land)	6420.98	4,623.13	4469.05
Intangible assets under development	-	-	-
	6,473.99	**4,681.85**	**4,541.83**

INTANGIBLE ASSETS

As at March 31, 2018

(₹ in lakhs)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2017	168.09	4,623.13	**4,791.22**
Additions	69.33	1,797.85	**1,867.18**
Gross Block as at March 31, 2018	237.42	6,420.98	6,658.40
Accumulated Impairment as at April 1, 2017			
Charge for the period			
Accumulated Impairment as at March 31, 2018			
Accumulated amortisation as at April 1, 2017	109.37	-	**109.37**
Charge for the period	75.04	-	**75.04**
Accumulated amortisation as at March 31, 2018	**184.41**	**-**	**184.41**
Total accumulated amortisation and impairment as at March 31, 2018	**184.41**	**-**	**184.41**
Net block as at March 31, 2018	**53.01**	**6,420.98**	**6,473.99**

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**

i. Compensation paid for forest land of 6120.20 Hectres for setting up of projects (Kameng Hydro Electric Project, Pare Hydro Electric Project and Tuirial Hydro Electric Project) 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, 2018		As at March 31, 2017		As at March 31, 2016	
	QTY	Amount	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	7225.60	75000000	7082.40
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000	3223.09	27930000	3203.14	27930000	3178.01
- of joint ventures - (Share Application Money)						
MDGEPL (Windpower)	-	-	-	-	-	2.00
TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)	**27930000**	**3223.09**	**109930000**	**10428.74**	**102930000**	**10262.41**
Other Investment	-	-	-	-	-	-
TOTAL other investment (C)	-	-	-	-	-	-
TOTAL INVESTMENTS (A) + (B)+ (C)	**27930000**	**3223.09**	**109930000**	**10428.74**	**102930000**	**10262.41**
Less : Aggregate amount of impairment in value of investments	-	-	-	-	-	-
- of joint ventures - jointly controlled entities	-	-	-	-	-	-
TOTAL IMPAIRMENT VALUE (D)	-	-	-	-	-	-
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D)		**3223.09**		**10428.74**		**10262.41**

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		
	31.03.2018	31.03.2017	01.04.2016
1. WAANEEP Solar Private Limited		40%	40%
2. KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(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. During the current financial year the management has discontinued from the Joint Venture Company, in terms of Share Purchase Agreement drawn on 24th October 2017, the Corporation's investment (40%) in Joint Venture of M/s. WARNEEP Solar Pvt. Limited was sold off to M/s. WAAREE Energies Limited, the other Joint Venture Partner. The sale proceeds has been accounted in the books of NEEPCO on 11th December 2017.

(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, 2018	As at March 31, 2017	As at April 1, 2016
a) Loans and Advances to employees			
- Secured, considered good	107.20	113.96	127.71
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less : Allowance for bad and doubtful advances	-	-	-
TOTAL (A)	**107.20**	**113.96**	**127.71**

(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 installments 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, 2018	As at March 31, 2017	As at April 1, 2016
Deferred Tax Liability	62668.43	61479.07	55844.27
From OCI	125.63	(113.22)	333.77
Less : Deferred Tax Asset	13264.81	10072.91	8702.18
Less : Deferred Tax Recoverable	46030.19	47766.82	49265.99
Deferred tax for JV Companies	89.38	83.22	78.12
Net Defer Tax (Asset)/ Liability	**3588.44**	**3609.34**	**(1712.01)**

(₹ in lakhs)

(ii) Deferred Tax Reconciliation	March 2018	March 2017	Effect in PL
Deferred Tax Liability as per Ind AS	(62668.43)	(61365.85)	1302.58
Deferred Tax Asset as per Ind AS	13264.81	10072.91	(3191.90)
Net Deferred Tax Liability	(49403.62)	(51292.94)	(1889.32)
Less Deferred Tax Recoverable	46030.19	47766.82	1736.63
Net (Liability)/Asset as per Ind AS	(3373.43)	(3526.12)	(152.69)
Deferred tax for JV Companies	-	-	6.17
Effect in PL	**-**	**-**	**(146.52)**

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2018 is as follows:

(₹ in lakhs)

2017-18 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	61365.85	1302.58	62668.43
Employees Benefits	(9567.05)	(3172.15)	(12739.20)
Provisions for Others	(505.87)	(19.74)	(525.61)
Deferred Tax Recognised in OCI	-	-	125.63
Deferred Tax Recoverable	(47766.82)	1736.63	(46030.19)
Deferred tax for JV Companies	83.22	6.17	89.39
Total	**3609.34**	**(146.52)**	**3588.44**

(₹ 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	56178.04	5187.81	61365.85
Employees Benefits	(8550.70)	(1016.35)	(9567.05)
Provisions for Others	(151.48)	(354.39)	(505.87)
Deferred Tax Recognised in OCI	-	113.22	-
Deferred Tax Recoverable	(49265.99)	1499.17	(47766.82)
Deferred tax for JV Companies	78.12	5.10	83.22
Total	**(1712.01)**	**5434.56**	**3609.34**

Note No. 8: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Capital Advances						
Secured:						
Covered By Bank Guarantee		726.17		2628.21		3406.80
Un-Secured :						
Others	14253.69		19194.31		21997.71	
Considered Doubtful	41.28		41.28		41.28	
Less: Allowances for bad & doubtful advances	41.28		41.28		41.28	
Sub- total		**14253.69**		**19194.31**		**21997.71**
Advances towards Land	33.37		21.42		70.54	
Prepayments (Leasehold Land)	6223.22		6417.59		6611.41	
Sub- total		**6256.59**		**6439.01**		**6681.95**
Total		**21236.45**		**28261.53**		**32086.46**

(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 non-cancellable operating lease entered into by the company.

(iii) (a) During the year ended March 31, 2018, amortisation of lease recognised in the statement of profit and loss is ₹193.83 lakhs (Previous year ₹193.83 lakhs).

(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 March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) General Stores			
(1) Cost	1088.10	1211.09	1560.74
(2) Less : Provision	52.59	52.70	66.30
(b) Operational stores			
(1) Cost	8591.35	12430.83	13032.65
(2) Less : Provision	522.48	153.03	276.02
Total Inventories	**9104.38**	**13436.19**	**14251.07**
Included above, goods-in-transit			
i) General Stores	-	-	-
ii) Operational Stores	0.70	1910.86	598.02
Total Goods in transit	**0.70**	**1910.86**	**598.02**

Operational stores includes obsolete/damaged spares valuing ₹410.63 lakhs (previous year ₹657.53 lakhs)

Note No. 10: Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017 (Restated)	As at April 1, 2016 (Restated)
Trade receivables			
(a) Secured, considered good	45836.76	44108.15	101609.73
(b) Unsecured, considered good	-	-	-
(c) Doubtful	-	-	-
Allowance for doubtful debts	-	-	-
TOTAL	**45836.76**	**44108.15**	**101609.73**

(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) In accordance with Ind As 8 during the current financial year the management has restated the trade receivable as a result of material prior period error in respect of late payment surcharge already received and accounted in favour of the respective beneficiaries. The impact as of 1st April 2016 is to the tune of ₹977.24 lakhs and to the extent of ₹2426.01 lakhs as on 31st March 2017. The same has been restated accordingly & the detailed disclosure is at Note No. 18.

(v) Trade receivables are further analysed as :

(₹ in lakhs)

As at March 31, 2018	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	23913.06	-	23913.06
More than 60 days up to six months	6991.38	-	6991.38
More than six months	14932.32	-	14932.32
TOTAL	**45,836.76**	-	**45,836.76**

(₹ 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	-	22910.16
More than 60 days upto six months	8455.01	-	8455.01
More than six months	12742.98	-	12742.98
TOTAL	**44,108.15**	-	**44,108.15**

(₹ in lakhs)

As at April 1, 2016	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	47499.01	-	47499.01
More than 60 days up to six months	22497.19	-	22497.19
More than six months	31613.53	-	31613.53
TOTAL	101609.73	-	101609.73

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2018 to be ₹45836.76 lakhs (March 31, 2017: ₹44108.15 lakhs, April 1, 2016: ₹101609.73 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, 2018, 2017 and April 1, 2016 except Assam & Meghalaya.

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

	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the period	Nil	Nil	Nil
Additions during the period			
Utilised during the period			
Balance at the end of the period	-	-	-

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.

Note No. 11: Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	11998.27	5368.36	5355.35
(ii) In Deposit Account (original matuiry less than 3 months)	21050.00	19400.00	39430.92
(b) Cheques, drafts on hand	-	-	-
(c) Cash in hand	-	-	-
(d) Others	0.80	0.89	8.89
Cash and cash equivalents as per balance sheet	33049.07	**24769.25**	**44795.16**
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account	-	-	-
(ii) In Deposit Account	-	-	-
Total	**33049.07**	**24769.25**	**44795.16**

Note No. 12: Bank balances other than Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Restricted Money	558.85	2158.76	-
Total	**558.85**	**2158.76**	-

(i) Bank balances other than Cash & cash Equivalent consists of restricted money for project relating to Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and margin money against LC provided to Bank.

(ii) 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, 2018	As at March 31, 2017	As at April 1, 2016
a) Accounts Receivables			
- Secured, considered good	-	-	-
- Unsecured, considered good	5446.95	4211.05	1429.00
- Doubtful	-	-	
Advances to staff	994.44	1090.27	719.03
Interest accrued on loans and depsoits	665.11	622.01	1278.63
Security Deposits	102.86	105.10	82.11
TOTAL	**7209.36**	**6028.43**	**3508.77**

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Interest accrued on deposits and loans			
Unsecured, considered good	665.11	622.01	1278.63
Unsecured, considered doubtful			
Less: Allowance for credit losses			
Other financial assets			
Advances to staff	994.44	1090.27	719.03
Security Deposits	102.86	105.10	82.11

(i) Accounts receivables comprises of deferred Tax recoverable amounting to ₹1717.73 lakhs (previous year ₹1557.13 lakhs), Advance tax refundable amounting to ₹3552.14 lakhs up to FY 2016-17 and amount to be billed on the beneficiary amounting to ₹177.07 lakhs (previous year ₹2653.92 lakhs) on account of effective tax rate for the FY 2016-17 & FY 2015-16 respectively.

(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 and interest free Furniture Advance and Multipurpose Advance. Computer advance & Furniture advance are recovered from employees in 60 equal incitements 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, 2018	As at March 31, 2017	As at April 1, 2016
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-	-
Tax refund receivables	9297.15	11824.22	14463.66
TOTAL	**9297.15**	**11824.22**	**14463.66**
Current tax liabilities			
Income Tax payable	12346.75	7997.38	11790.79
TOTAL	**12346.75**	**7997.38**	**11790.79**

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, 2018	As at March 31, 2017	As at April 1, 2016
Prepaid Expenses	962.63	988.01	700.45
Advances to Suppliers & Contractors	833.97	905.11	1272.82
Less : Allowances for doubtful	47.41	47.64	54.08
Prepayments (Lease hold land)	193.83	193.83	193.83
Scrap /Obsolete assets	335.69		
Less : Provisions	335.69	-	-
	-	-	-
Total	**1943.02**	**2039.31**	**2113.02**

(i) Prepaid Expenses consists of amount paid in advance in respect of prepaid insurance, License fee (pollution control) & BSNL leaseline for Internet, the benefit of which has not yet expired on reporting date. Prepaid expenses of items of ₹20000/- and below are charged to natural head of accounts.

(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.

Note No. 15A: Assets held for sale

(₹ in lakhs)

Description of the non-current asset	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Plant & Equipments	591.51	577.22	-
Furniture & Fixture	-	-	-
Vehicles	48.31	-	-
Office Equipment	0.53	-	-
Tools & Plants	55.66	-	-
Misc. Equipment	2.56	-	-
Gross value of Assets held for sale	**698.57**	**577.22**	**-**
Less: Provision	566.72	509.53	-
NRV for Assets held for sale	**131.84**	**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 No. 16: Regulatory Deferral Accounts Debit Balance

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Opening Balance	-	-	-
Addition during the year	4793.47	-	-
Total	**4793.47**	-	-

Deferral Regulatory Account Balance has been adjusted in line with Accounting Policy No 7. Refer Note No. 46 for detailed disclosure.

Note No. 17: Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Equity Share Capital	3,45,281.04	3,45,281.04	3,45,281.04
Total	**3,45,281.04**	**3,45,281.04**	**3,45,281.04**

Authorised Share Capital

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
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)	**5,00,000.00**	**5,00,000.00**	**5,00,000.00**
Issued and Subscribed capital comprises :			
3,45,28,10,400 nos. as on March '18: 3,45,28,10,400 nos. as on March '17: of equity shares of ₹10/- each	3,45,281.04	3,45,281.04	3,45,281.04
Total	**3,45,281.04**	**3,45,281.04**	**3,45,281.04**

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

Particulars	As at March 31, 2018					
	Opening balance as on 01.04.2017		Movement during 2017-18		Closing Balance as on 31.03.2018	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Ordinary shares of ₹10 each						
At beginning of the year	3,45,28,10,400	3,45,281.04	-	-	3,45,28,10,400	3,45,281.04
Shares allotted during the year	-	-	-	-	-	-
Total	**3,45,28,10,400**	**3,45,281.04**	**-**	**-**	**3,45,28,10,400**	**3,45,281.04**

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	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Ordinary shares of ₹10 each						
At beginning of the year	3,45,28,10,400	3,45,281.04	-	-	3,45,28,10,400	3,45,281.04
Shares allotted during the year	-	-	-	-	-	-
Total	**3,45,28,10,400**	**3,45,281.04**	**-**	**-**	**3,45,28,10,400**	**3,45,281.04**

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

(₹ in lakhs)

Particulars	As at March 31, 2018		As at March 31, 2017		As at April 1, 2016	
Name of Shareholder	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares
Hon'ble President of India	**3,45,28,09,800**	**100**	**3,45,28,09,800**	**100**	**3,45,28,09,800**	**100**

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

Note No. 17A: Investment in joint Venture

(₹ in lakhs)

31st March 2018				
Name of the Joint Ventures	**Waaneep Solar**	**Meratron**	**KSK Dibbin**	**Total**
Percentage Holding	-	-	0.30	-
Equity	-	-	9311.00	-
Reserve and Surplus	-	-	1432.63	-
Net Assets	-	-	10743.63	-
Share of Equity	-	-	3223.09	3223.09
Total Equity	-	-	-	3223.09
Cost in stand alone financials	-	-	2793.00	2793.00
Difference to Transition Reserve in CFS	-	-	430.09	430.09
Differential Entry	974.40	-	19.95	994.35
Defer Tax Entry	-	-	6.17	-

(₹ in lakhs)

31st March 2017				
Name of the Joint Ventures	**Waaneep Solar**	**Meratron**	**KSK Dibbin**	**Total**
Percentage Holding	0.40	-	0.30	-
Equity	20500.00	-	9311.00	-
Reserve and Surplus	(2436.00)	-	1366.13	-
Net Assets	18064.00	-	10677.13	-
Share of Equity	7225.60	-	3203.14	10428.74
Total Equity	-	-	-	10428.74
Cost in stand alone financials	8200.00	-	2793.00	10993.00
Difference to Transition Reserve in CFS	(974.40)	-	410.14	(564.26)
Differential Entry	(556.80)	-	25.12	(531.68)
Defer Tax Entry	-	-	5.10	-

(₹ in lakhs)

1st April 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)	-	385.01	(32.59)
Differential Entry	(364.00)	0.39	156.52	(207.09)
Defer Tax Entry	-	-	31.76	-

Note No. 18: Other equity

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
General Reserve	197691.68	197691.68	197691.68
Retained Earnings	3794.51	1671.56	8060.15
Bond Redemption Reserve	57067.08	39732.48	24752.04
Total	**258553.27**	**239095.72**	**230503.87**

18.1 General Reserve *(₹ in lakhs)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the year/period	197691.68	197691.68	197691.68
Movements	-	-	-
Balance at the end of the year/period	**197691.68**	**197691.68**	**197691.68**

18.2 Retained Earnings *(₹ in lakhs)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the year/period	1671.56	8060.15	8060.15
Profit attributable to owners of the Company	30305.53	22060.83	-
Other comprehensive income arising from re measurement of defined benefit obligation net of income tax	237.37	(213.92)	-
FV loss adjustment	4.40	4.74	-
Payment of dividends on equity shares	(9214.00)	(11017.00)	-
Shares buy-back	-	-	-
Related income-tax on Dividend	(1875.75)	(2242.80)	-
Transfer to General Reserve	-	-	-
Transfer to Bond Redemption Reserve	(17334.60)	(14980.44)	-
Consolidated entry for Investment	-	-	-
Balance at the end of the year/period	**3794.51**	**1671.56**	**8060.15**

18.3 Bond Redemption Reserve *(₹ in lakhs)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Balance at the beginning of the year/period	39732.48	24752.04	24752.04
Movement during the year/period	17334.60	14980.44	-
Balance at the end of the year/period	**57067.08**	**39732.48**	**24752.04**

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.

(c) **Note on Re-statement of Financial Statement**

A. During the Financial Year 2017-18, the Company has restated its financial statement for the FY 2016-17 & earlier years for prior period years retrospectively in Compliance to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates & Errors. The prior period errors relates to wrong reckoning of “Late Payment Surcharge (LPS)” effective date and the same realized from the beneficiaries in default. Accordingly, the Company has presented a third balance sheet as at the beginning of the preceding period (i.e. as on 01.04.2016) in compliance to the Ind AS 1 for comparative information due to retrospective restatement in addition to the balance sheet, statements of profit and loss, cash flows and statements of changes in equity and related notes for the year ended 31.03.2017 and 31.03.2018.

B. Impact of the rectification are as follows:

I. As on 01.04.2015:

- Net worth reduced by ₹455.43 lakh
- Trade receivable decreased by ₹455.43 lakh

II. For the financial year 2015-16

- Profit before tax for the period of 01st April ’15 to 31st March ’16 is reduced by ₹521.80 lakh
- Earning per share (EPS) for the period reduced to ₹0.89
- Net worth as on 31.03.2016 reduced by ₹977.24 lakh
- Trade receivable as on 31.03.2016 decreased by ₹977.24 lakh

III. For the financial year 2016-17

- Profit before tax for the period of 01st April ’16 to 31st March ’17 is reduced by ₹1448.77 lakh
- Earning per share (EPS) for the period reduced to ₹0.65
- Net worth as on 31.03.2017 reduced by ₹2426.01 lakh
- Trade receivable as on 31.03.2017 decreased by ₹2426.01 lakh

C. The amount of correction at the beginning of the beginning of the earliest period presented, i.e., as on 01.04.2016 are as follows:

- Net worth reduced by ₹977.24 lakh
- Trade receivable decreased by ₹977.24 lakh

18.4 Share Application money pending allotment *(₹ in lakhs)*

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Share application money pending allotment	9600.00	-	-

The Corporation has received an amount of ₹9600.00 lakhs (previous year Nil) towards Equity share contribution from Govt. of India on 31st March 2018. Pending allotment of Share Certificate for the same the amount is kept under Share Application money received pending allotment.

Non-current liabilities

Financial Liabilities

Note no. 19 Long term borrowings

(₹in Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
1. SECURED BORROWINGS **A. PRIVATELY PLACED PSU BONDS**			
a. Nineteenth issue	**30000.00**	-	-
Less : Bond expense amortization	31.67	-	-
Bond - Nineteenth issue (Net)	**29968.33**	-	-
10 years NEEPCO 8.75% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 25% of face value on 06-09-2026; 06-03-2027; 06-09-2027 & 06-03-2028 with call option on 06-03-2023,10-08-2023, 10-02-2024, 10-08-2024, 10-02-2025, 10-08-2025, 10-02-2026, 10-08-2026, 10-02-2027, 10-08-2027, 10-02-2028. (The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been identified for creation of charge by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			
b. Eighteenth issue	**50000.00**	-	-
Less : Bond expense amortization	36.33	-	-
Bond - Eighteenth issue (Net)	**49963.67**	-	-
8 years NEEPCO 7.68% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 50% of face value on 15-05-2025 & 15-11-2025 with call option on 15-11-2022, 15-05-2023, 15-11-2023, 15-05-2024, 15-11-2024, 15-05-2025. (The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunachal Pradesh and 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 Debenture Trustee).			
c. Seventeenth issue	**30000.00**	30000.00	-
Less: Bond expense amortization	24.24	30.05	-
Bond - Seventeenth issue (Net)	**29975.76**	29969.95	-
3 years 2 months NEEPCO 7.80% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at par on 27-05-2020. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).			

d. Sixteenth Issue	**90000.00**	90000.00	90000.00
Less: Bond expense amortization	62.39	65.93	68.13
Bond - Sixteenth issue (Net)	**89937.61**	89934.07	89931.87
15 years NEEPCO 8.68% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 30-09-2026; 30-09-2027; 30-09-2028; 30-09-2029 & 30-09-2030. (The assets attached to the earth as well as other movable assets of the Tuirial Hydro Electric Project in Mizoram, Kopili Hydro Electric Project in Assam and the landed property of the Corporation in the District of Mehhsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee)			
e. Fifteenth issue	**60000.00**	60000.00	60000.00
10 years NEEPCO 9.15% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 25-03-2021; 25-03-2022; 25-03-2023; 25-03-2024 & 25-03-2025. (The assets of the Agartala Gas Turbine Project (original open-cycle plant) in Tripura, assets except the Gas Turbines & Steam Turbines in the Assam Gas Based Project, Assam, assets except Plant & Machinery in the generating station in the Ranganadi Hydro Electric Project, Arunachal Pradesh and 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 Debenture Trustee).			
f. Fourteenth issue	250000.00	250000.00	250000.00
10 years NEEPCO 9.60% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 20% of face value on 01-10-2020; 01-10-2021; 01-10-2022; 01-10-2023 & 01-10-2024. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).			
g. Thirteenth issue	5800.00	7250.00	7250.00
10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020; 15-03-2021, 15-03-2022 & 15-03-2023. (The Steam Turbines of the Assam Gas Based Power Plant, Assam and 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 Debenture Trustee).			
h. Twelfth issue	9600.00	12000.00	12000.00
10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019; 27-06-2020; 27-06-2021 & 27-06-2022. (All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project, Arunachal Pradesh and 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 Debenture Trustee).			

i. Eleventh issue 10 years NEEPCO 10.20% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at par on 15-12-2021 with a put & call option on 15-12-2018. (The Gas Turbines of the Assam Gas Based Power Project, Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).	4000.00	4000.00	4000.00
Sub-total : Privately Placed PSU Bonds (A)	**529245.37**	453154.01	423181.86
B. SECURED TERM LOANS			
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. [SBI, Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin (margin has been reduced to 2.75% p.a. w.e.f 20th March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4th June 2014. The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	31689.49	38239.21	45923.60
Sub- total Secured Loans (B)	**31689.49**	38239.21	45923.60
Total : Secured Borrowings (A+B)	**560934.86**	491393.23	469105.47
2.UNSECURED BORROWINGS:			
(i) Rupee Loan			
Subordinate Loans from Government of India	29196.42	29196.42	29196.42
Less: Amortization of Loan Expenses	78.29	79.68	
Subordinate Loan from the Government of India (net) (Govt. of India has sanctioned subordinate loan of ₹29196.42 lakhs at the interest rate of 1% p.a. The loan was sanctioned on various date with last drawal on 6th July 2015. The loan is repayable in 15 equal annual installments from the 16th year after commissioning of the Tuirial Hydro Electric Project, Mizoram)	29118.13	29116.74	29196.42
(ii) Foreign Currency Loan	-	-	-
Loan from KfW, Germany (Guaranteed by the Govt. of India) Loan sanctioned for construction of the Pare Hydro Electric Project (110 MW) at Arunachal Pradesh. (Loan of 80 million EURO was sanctioned from KFW, Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement was executed on 11th December 2008 at fixed interest rate of 3.46% p.a. The loan is guaranteed by Govt of India. The loan is repayble in 30 equal half-yearly installments w.e.f. 30-12-2013)	40853.69	38782.81	46062.08
Total Unsecured Borrowing (i + ii)	**69971.82**	**67899.55**	**75258.50**
G R A N D T O T A L : Non-Current Liabilities	**630906.68**	**559292.78**	**544363.97**

The maturity profile of borrowings is as follows: *(₹ in lakhs)*

Contractual maturities	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
In one year or less or on demand	34821.69	43618.72	10808.74
Between one & two years	14821.69	14193.72	10808.74
Between two & tree years	106821.69	14193.72	14658.74
Between three & four years	80821.69	106193.72	14658.74
Between four & five years	76821.69	80193.72	76658.74
More than five years	351851.65	344691.97	427645.59
Total contractual cash flows	**665960.10**	603085.57	555239.29
Less: Capitalisation of transaction costs	Nil	Nil	Nil
Total Borrowings	**665960.10**	**603085.57**	**555239.29**

Note No. 20: Long Term Provisions

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Provision for Gratuity	6563.29	1268.54	296.55
Provision for Leave encashment	8478.08	7229.86	6645.22
Medical benefit for retired employees	5034.81	3799.52	3017.70
Award of Gold Coin	150.39	125.62	155.02
Total	**20226.57**	**12423.54**	**10114.49**

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 Ind AS19 **refer note no. 20A**

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 ₹3281.28 lakhs (previous year ₹2905.59 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 ₹2298.55 lakhs (previous year ₹2031.15 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 ₹20.00 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 25th June, 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 August, 2013.

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 /deceased employee and spouse of retiree/deceased 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. 20A: Disclosures As Per Ind AS19

Actuarial Valuation of Gratuity Liability

Scale of Benefit

Gratuity as per the payment of Gratuity Act 1972, with maximum limit of ₹10,00,000/- and Payment of Gratuity (Amendment) Act 2018 with maximum limit of ₹20,00,000/-

Amt in ₹

31/03/2017	Actuarial Basis used in Valuation	31/03/2018
7.50%	Interest Rate	7.70%
7.00%	Salary Inflation	7.00%
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

31/03/2017	Results of Valuation	31/03/2018
268932190.00	Liability to be shown in Balance Sheet	981971424.00
107160246.00	Charges to Profit/Loss for the Period	1091171948.00
(35241344.00)	Other comprehensive Income	(109127109.00)

31/03/2017	Changes in Present Value of Obligation as at	31/03/2018
1213343978.00	Present value of obligation as on last valuation	1206657562.00
98196795.00	Current Service Cost	112573260.00
85106337.00	Interest Cost	92912632.00
N/A	Participant Contribution	N/A
	Plan Amendments : Vested portion at the end of period (Past Service)	957890909.00
	Actuarial gain/loss on obligations due to change in Financial Assumption	(25714932.00)
(32803913.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(254116375.00)
-	Actuarial gain/loss on obligations due to Other reason	-
157185635.00	Benefits Paid	-
1206657562.00	Present value of obligation as on valuation date	2090203056.00
1825987678.00	Accrued Gratuity	2695438728.00

31/03/2017	Changes in Fair Value of Plan Assets as at	31/03/2018
1015238477.00	Fair value of Plan Assets at Beginning of period	937725372.00
76142886.00	Interest Income	72204854.00
1092213.00	Employer Contributions	269005605.00
157185635.00	Benefits Paid	
2437431.00	Return on Plan Assets excluding Interest Income	(170704199.00)
937725372.00	Fair value of Plan Assets at End of measurement period	1108231632.00

31/03/2017	Reconciliation to Balance Sheet	31/03/2018
(268932190.00)	Funded Status	(981971424.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
937725372.00	Fund Asset	1108231632.00
1206657562.00	Fund Liability	2090203056.00

31/03/2017	Plan Assumptions	31/03/2018
7.50%	Discount Rate	7.70%
7.50%	Expected Return on Plan Asset	7.70%
7.25%	Rate of Compensation Increase (Salary Inflation)	7.00%
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
0.100%	Early Retirement & Disablement (All Causes Combined)	0.100%
0.06%	Above age 45	0.06%
0.03%	Between 29-45	0.03%
0.01%	below age 29	0.01%
NA	Voluntary Retirement	NA

31/03/2017	Expense Recognized in statement of Profit/Loss as at	31/03/2018
98196795.00	Current Service Cost	112573260.00
8963451.00	Net Interest Cost	20707779.00
107160246.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	1091171948.00

31/03/2017	Other Comprehensive Income	31/03/2018
(32803913.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(25714932.00)
(32803913.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(254116375.00)
(32803913.00)	**Total Actuarial (gain)/losses**	(279831307.00)
2437431.00	Return on Plan Asset, Excluding Interest Income	(170704199.00)
(35241344.00)	Balance at the end of the Period	(109127109.00)
(35241344.00)	Net(Income)/Expense for the Period Recognized in OCI	(109127109.00)

31/03/2017		Sensitivity Analysis	31/03/2018	
Increase	Decrease		Increase	Decrease
1168297889.00	1247258416.00	Discount Rate (-/+ 0.5%)	2026751831.00	2153929010.00
-3.18%	3.36%	% Change Compared to base due to sensitivity	-2.963%	3.126%
1209467959.00	1203607058.00	Salary Growth (-/+ 0.5%)	2102652942.00	2073203144.00
0.23%	-0.25%	% Change Compared to base due to sensitivity	0.671%	-0.739%
1206788318.00	1206526820.00	Attrition Rate (-/+ 0.5%)	2088951476.00	2088324884.00
0.01%	-0.01%	% Change Compared to base due to sensitivity	0.015%	-0.015%
1208433816.00	1204874020.00	Mortality Rate (-/+ 10%)	2090580614.00	2086695746.00
0.15%	-0.15%	% Change Compared to base due to sensitivity	0.093%	-0.093%

Cash Flow

Rupees (INR)

Next Year Total (Expected)	1954887230.00
Minimum Funding Requirements	1112038501.00

Actuarial Valuation of Leave Encashment

Scale of Benefit

Fresh leave is credited every year and the maximum accumulation is 300 days for Earned Leave and 240 days for Half Pay Leave.

31/03/2017	Actuarial Basis used in Valuation	31/03/2018
7.50%	Interest Rate	7.70%
7.00%	Salary Inflation	7.00%
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

31/03/2017	Results of Valuation	31/03/2018
782357929.00	Liability to be shown in Balance Sheet	878233588.00
285718527.00	Charges to Profit/Loss for the Period	582254713.00

31/03/2017	Changes in Present Value of Obligation as at	31/03/2018
708305421.00	Present value of obligation as on last valuation	782357929.00
77713526.00	Current Service Cost	129330861.00
45185430.00	Interest Cost	41515967.00
84413347.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	(13718661.00)
78406224.00	Actuarial gain/loss on obligations due to Unexpected Experience	425126546.00
211666019.00	Benefits Paid	486379054.00
782357929.00	Present value of obligation as on valuation date	878233588.00

31/03/2017	Changes in Fair Value of Plan Assets as at	31/03/2018
211666019.00	Benefits Paid	486379054.00

31/03/2017	Reconciliation to Balance Sheet	31/03/2018
(782357929.00)	Funded Status	(878233588.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
782357929.00	Fund Liability	878233588.00

31/03/2017	Plan Assumptions	31/03/2018
7.50%	Discount Rate	7.70%
-	Expected Return on Plan Asset	-
7.00%	Rate of Compensation Increase (Salary Inflation)	7.00%
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

31/03/2017	Expense Recognized in statement of Profit/Loss as at	31/03/2018
77713526.00	Current Service Cost	129330861.00
45185430.00	Net Interest Cost	41515967.00
162819571.00	Actuarial Gain loss	411407885.00
285718527.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	582254713.00

31/03/2017		Sensitivity Analysis	31/03/2018	
Increase	Decrease		Increase	Decrease
752696759.00	813964362.00	Discount Rate (-/+ 0.5%)	843568029	915154834
-3.79%	4.04%	% Change Compared to base due to sensitivity	3.95%	-4.20%
813798963.00	752583861.00	Salary Growth (-/+ 0.5%)	910968882	847148221
4.02%	-3.81%	% Change Compared to base due to sensitivity	-3.73%	3.54%
783071823.00	781644037.00	Attrition Rate (-/+ 0.5%)	878604541	877862635
0.09%	-0.09%	% Change Compared to base due to sensitivity	-0.04%	0.04%
787067184.00	777648677.00	Mortality Rate (-/+ 10%)	884328170	872139008
0.60%	-0.60%	% Change Compared to base due to sensitivity	-0.69%	0.69%

Actuarial Valuation of Post Retirement Medical Benefit Liability

31/03/2017	Actuarial Basis used in Valuation	31/03/2018
7.50%	Interest Rate	7.70%
Not Considered	Medical Cost escalation Rate	Not Considered
IALM 2006-2008 ULTIMATE	Mortality	IALM 2006-2008 ULTIMATE
1.00%	Attrition Rate	1.00%

31/03/2017	Results of Valuation	31/03/2018
406943991.00	Liability to be shown in Balance Sheet	536212608.00
38967316.00	Charges to Profit/Loss Account for the Year	85301589.00
67955347.00	Other Comprehensive Income	72827152.00

31/03/2017	Changes in Present Value of Obligation as at	31/03/2018
319238567.00	Present value of obligation as on last valuation	406943991.00
15745069.00	Current Service Cost	55078017.00
23222246.00	Interest Cost	30223572.00
18826139.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	(10500808.00)
49129208.00	Actuarial gain/loss on obligations due to Unexpected Experience	83327960.00
19217239.00	Benefits Paid	28860125.00
406943991.00	Present value of obligation as on valuation date	536212608.00

31/03/2017	Changes in Fair Value of Plan Assets as at	31/03/2018
19217239.00	Benefits Paid	28860125.00

31/03/2017	Reconciliation to Balance Sheet	31/03/2018
Unfunded	Funded Status	Unfunded
406943991.00	Fund Liability	536212608.00

31/03/2017	Plan Assumptions	31/03/2018
7.50%	Discount Rate	7.70%
7.00%	Rate of Compensation Increase (Salary Inflation)	7.00%
10	Average expected future service (Remaining working Life)	10
IALM 2006-2008 Ultimate	Mortality Table	IALM 2006-2008 Ultimate
60	Superannuation at age-Male (for active staff)	60
60	Superannuation at age-Female (for active staff)	60

31/03/2017	Expense Recognized in statement of Profit/Loss as at	31/03/2018
15745069.00	Current Service Cost	55078017.00
23222246.00	Net Interest Cost	30223572.00
38967316.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	85301589.00

31/03/2017	Other Comprehensive Income	31/03/2018
18826139.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	(10500808.00)
49129208.00	Actuarial gain/loss on obligations due to Unexpected Experience	83327960.00
67955347.00	**Total Actuarial (gain)/losses**	72827152.00
67955347.00	Balance at the end of the Period	72827152.00
67955347.00	Net (Income)/Expense for the Period Recognized in OCI	72827152.00

31/03/2017		Sensitivity Analysis	31/03/2018	
Increase	Decrease		Increase	Decrease
424389192	388117852	Discount Rate (-/+ 50BPS)	515072323	567314616
4.29%	-4.63%	% Change Compared to base due to sensitivity	-3.94%	5.80%
400144767	408230317	Medical Cost (-/+ 1%)	545295894	534974268
-1.67%	0.32%	% Change Compared to base due to sensitivity	1.69%	-0.23%
408111752	400362454	Mortality Rate (-/+ 10 BPS)	528470949	544262843
0.29%	-1.62%	% Change Compared to base due to sensitivity	-1.44%	1.50%

AWARD OF GOLD COIN ON RETIREMENT

31.03.2017	Actuarial Basis used in Valuation	31.03.2018
7.50%	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

14422573.00	Liability to be shown in Balance Sheet	15670962.00

Note No. 21: Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
a) Deferred Revenue arising from Government Grant	31146.03	31084.94	31184.94
Less: Adjusted during the year	86.98	20.31	100.93
Add: Amortised of Tuirial Grant in Aid	0.46	81.40	-
Sub- total	**31059.51**	**31146.03**	**31084.01**
b) Deferred Foreign Currency Fluctuation liabilities	144.64	165.37	186.11
Total	**31204.15**	**31311.40**	**31270.12**

(i) Note on Government Grant (Ind AS 20)

A. NEEPCO's approved Accounting Policy includes policy of recognition and accounting of "Government grant" (para 15 of note 1 – Summery of Significant Accounting Policies).

B. Govt. of India has approved a Sub-ordinate loan amounting to ₹29196.42 Lakh to NEEPCO for implementation of Tuirial HEP with interest @1% per annum payable from the "Date of Commercial Operation" of the project. Of the aforesaid loan amount, NEEPCO has received ₹29096.42 lakh till 31.03.2015 and the balance ₹100.00 lakh has been received during the FY 2015-16. The loan amount (₹29096.42 lakh) received till 31.03.2015 has been recognized in books of NEEPCO as on 01.04.2015 (Ind AS Transition date) at its carrying value in compliance to the Ind AS 101 (Exception to the retrospective application). However, for the loan amount (₹100.00 lakh) received during the FY 2015-16, the benefit of the loan due to below market rate of interest (considered SBI base rate @9.70% effective as on June '15) amounting to ₹82.79 lakh has been treated as a govt. grant and recognized in the Books of NEEPCO accordingly. Amortization of the grant till March '18 amounts to ₹4.50 lakh.

C. The Financial Contribution by M/s Kfw Frankfrut am main, Germany amounting to ₹57.96 lakh for Expert services relating to Environment & Ecology (₹47.23 lakh) and Consultancy Services (₹10.73 lakh) for Pare HEP (Project under construction). The said amount has been recognized on fulfilment of conditions attached to allowing the said contribution.

(ii) Spares out of Grant in Aid

During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of ₹86.98 lakhs (previous year ₹20.31 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.

(iii) Grant from Ministry of Development of North Eastern Region

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/translation of monetary items denominated in foreign currency to the extent recoverable from the beneficiaries in subsequent periods as per CERC Tariff Regulations 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. 22: Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1,2016
From Bank (State Bank of India) : **Short Term Loan for construction Projects** **(i)** 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	-
(ii) 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	-
(iii) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal- The short tern loan has been sanctioned by SBI, Shillong on 26th May 2017 at the rate of MCLR 1 year plus nil margin. The last MCLR is at the rate of 8.15% p.a. Bullet repayment wintin 12 months from the date of first drawal.	20000.00	-	-
Total	**20000.00**	**33275.00**	**-**

Note No. 23: Trade Payables and other payables

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Total outstanding dues of micro enterprises and small entreprises	129.55	-	-
Total outstanding dues of creditors other than micro entreprises and small enterprises	6060.73	5285.97	7106.01
Payable to beneficiaries	2585.64	-	-
Payable for employees Benefits	11561.26	7075.40	6208.37
Total Borrowings	**20337.18**	**12361.37**	**13314.38**

The trade payable includes payment for fuel cost for the month of March, provisions made on contractors claim and wage revision, statutory dues for March 2018. Thereafter, no interest is payable on the outstanding balance.

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
(a) Creditors for supplies and services	8775.92	5285.97	7106.01
(b) Creditors for employees benefits	11561.26	7075.40	6208.37

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, 2018	For the year ended March 31, 2017	As at 1st April 2016
i. The principal amount remaining unpaid to supplier as at the end of the year	129.55	-	-
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. 24: Other Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
I. SECURED BORROWINGS			
A. PRIVATELY PLACED PSU BONDS			
a. Thirteenth issue			
10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020; 15-03-2021, 15-03-2022 & 15-03-2023. (The Steam Turbines of the Assam Gas Based Power Plant, Assam and 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 Debenture Trustee).	1450.00	-	-
b. Twelfth issue			
10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019; 27-06-2020; 27-06-2021 & 27-06-2022. (All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project, Arunachal Pradesh and 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 Debenture Trustee).	2400.00	-	-
B. SECURED TERM LOANS			
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. [SBI,Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin (margin has been reduced to 2.75% p.a. w.e.f 20th March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4th June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	6670.92	6649.85	6803.10
Sub-Total	**10520.92**	**6649.85**	**6803.10**
II Unsecured Borrowings			
Foreign Currency Loan			
Loan from Kfw, Germany	4299.58	3692.28	4004.09
(Guaranteed by the Government of India)			
(Loan of 80 million EURO was sanctioned from KFW, Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement was executed on 11th December 2008 at fixed interest rate of 3.46 % p.a. The loan is guaranteed by Govt of India. The loan is repayable in 30 equal half-yearly installments w.e.f. 30-12-2013)			
Sub-Total	**4299.58**	**3692.28**	**4004.09**
Sub total of borrowings	**14820.50**	**10342.13**	**10807.19**

III Interest accrued but not due on:			
Bonds	17177.60	2929.33	2900.09
Loans from Kfw	390.58	367.41	405.40
External Commercial Borrowing	58.28	57.63	59.18
Short term borrowing	135.89	227.67	-
Sub-total	**17762.35**	3582.04	3364.67
IV. Other liabilities			
Creditors for Capital Expenditure	15010.82	16391.20	15623.16
Advance from REC for Deen Dayal Upadhaya Gram Jyoti Yojana	293.00	1731.17	708.46
Sub-Total	15303.82	18122.37	16331.62
Total	**47886.67**	**32046.54**	**30503.48**

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

ii) **Deen Dayal Upadhyaya Gram Jyoti Yojana**

Cash & Bank balances of ₹33607.92 lakhs (previous year ₹26928.01 lakhs) includes an amount of ₹172.66 lakhs (previous year ₹1731.17 lakhs) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yojana. The Corporation has spent an amount of ₹142.33 lakhs (previous year ₹126.17 lakhs) towards this scheme which is included Capital Work in Progress (Note No. 3).

Note No. 25: Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Advances from Contractors & Others	13381.46	12544.98	12405.47
Direct & Indirect Taxes Payable	756.19	499.08	459.20
Other liability (Deferred foreign currency fluctuation)	20.74	20.74	20.74
Other Statutory Dues (CPF, LIP NESSS etc)	2087.30	1254.03	1035.12
Total	**16245.69**	**14318.83**	**13920.53**

(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 GST, Income tax deducted from salary of March, tax deducted at source, forest royalty, Value added Tax, Works contract tax deducted from works /supply bill of March not due and not deposited up to the reporting date.

(iii) Other Liability (Deferred Foreign Expenditure)- refer note no 21 (v).

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

Note No. 26: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017	As at April 1, 2016
Employee benefits			
Gratuity	3256.42	1420.78	1684.50
Medical benefit for retired employees	327.32	269.92	174.69
Leave encashment	304.25	593.72	437.83
Award of Gold Coin	6.32	18.61	1.85
Sub-total	**3894.31**	**2303.03**	**2298.87**
Provision for Write off	12689.10	12917.46	12450.82
Total	**16583.41**	**15220.49**	**14749.69**

Employee benefit- Refer Note No. 20A

Provision for Write Off relates to amount provided towards Tipaimukh Hydro Electric Project, Manipur amounting to ₹1858.33 lakhs, Siang Hydro Electric Project, Arunachal Pradesh amounting to ₹10677.44 lakhs & Residential building of Tuirial Hydro Electric Project, Mizoram amounting to ₹153.33 lakhs.

Note No. 27: Revenue from Operations

(₹ in lakhs)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
Sale of Power	159686.06	134640.67
DSM receivable	2965.92	2937.52
RRAS receivable	459.71	114.30
Internal consumption	182.07	177.75
Less: Rebate	(781.00)	(328.05)
Sale of Electricity (Net)	162512.76	137542.19
Other operating Revenue ::		
NERLDC Fees & Charges	373.43	543.32
Interest from Beneficiaries	408.22	2361.50
Net Revenue from Operation	**163294.41**	**140447.01**

a. Sale of power 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. Sale includes ₹2868.16 lakhs (Previous year Rs. Nil) on account of earlier years sales arising out of finalization of tariff in current year. However ₹177.07 lakhs (previous year ₹2653.92 lakhs) relates to recognition of revenue on account of difference between the effective tax rate for FY 2016-17 and FY 2015-16 respectively vs tax rate allowed by the CERC for the said year.

c. Sale includes ₹7836.99 lakhs (previous year Nil) for "Deemed Generation" as allowed by CERC for Ranganadi Hydro Electric Project for the period 2012-13 to 2013-14.

d. In terms of cl. no. 49 of the CERC (Terms and conditions of Tariff) Regulations, 2014, deferred tax liabilities for the period up to 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 ₹1717.73 lakh (previous year ₹1557.13 lakh).

Note No. 28: Other Non-Operating Income

(₹ in lakhs)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
a) Other non-operating income (net of expenses directly attributable to such income)		
Interest on Investment	313.99	641.58
Dividend Earned - Mutual Fund	15.01	4.74
Finance lease contingent rental income		
Grant in Aid	86.98	20.31
CERC filling fee Recovery	58.96	89.65
Other Misc Receipts	118.03	241.82
FERV Recoveable/Payable (Net)	20.74	20.74
Liability/Provision written back	632.36	806.87
Delayed Payment Surcharge	1739.73	704.14
Income on Sale of Investment	185.85	
Sub Total	**3171.65**	**2529.85**
Other gains and losses		
Gain /(loss) on disposal of PPE	0.70	-
TOTAL	**3172.35**	**2529.85**

Note No. 29: Cost of Material Consumed

(₹ in lakhs)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
Purchase of Gas	41665.33	39630.11
Transportation charges for Gas	967.45	1112.06
TOTAL	**42632.78**	**40742.17**

Note No. 30: Employees Remuneration and Benefit Expenses

(₹ in lakhs)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
Salary & Wages	38149.55	33162.43
Contribution to Provident Fund	3281.28	2922.95
Gratuity	10905.65	1075.50
Employees Pension	2298.55	2031.15
Leave Encashment	5822.55	2871.44
Award of Gold Coin	24.37	34.56
Staff welfare expenses	61.66	57.79
Computer adv to emp. - fair valuation loss	5.15	3.06
Furniture adv to emp. - fair valuation loss	1.11	1.08
Total	**60549.87**	**42159.96**
Amount transferred to IEDC	**19523.26**	**14512.31**
Carried forward to Statement of Profit & Loss	**41026.61**	**27647.65**

1. Interest subsidy on House Building Advance is payable to the eligible employees subject to submission of their application duly following the prescribed procedure & acceptance of the same by the competent authority. Accordingly interest subsidy are recognised in the books of accounts based on actual payment basis as allowed by the appropriate authority.

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

Particulars	Current year (2017-18) *(₹ in lakhs)*	Previous year (2016-17) *(₹ in lakhs)*
Salary and allowances	105.71	95.90
Contribution to Provident Fund and other funds	16.42	11.97
Other benefits	39.35	48.83
Total	**161.48**	**156.70**

Note No. 31: Finance Costs

(₹ in lakhs)

Particulars	For the period ended 31-Mar-18	For the period ended 31-Mar-17
A. Interest Expenses		
i) Cash Credit from State Bank of India	617.98	164.24
ii) Interest on ECB Loan	1879.08	1966.69
iii) Bonds	43374.48	39390.25
iv) Exchange Rate Fluctuation	6758.18	(4659.84)
v) Kfw Loan	1576.93	1588.59
vi) Interest on Short term Borrowing	1865.92	1236.47
B. Finance Charges		
i) Guarantee fee on foreign Loan	564.97	605.66
ii) Commitment Fees	-	0.30
C. Other Borrowing Costs	52.38	37.22
Total	**56689.92**	**40329.58**
Amount transferred to IEDC	**49787.04**	**37338.19**
Amount carried forward to Statement of Profit & Loss	**6902.88**	**2991.39**

Tuirial Hydro Electric Project (2X30 MW) is located in Kolasib district of the State of Mizoram. Unit 1 and Unit 2 of the project have completed its trial run operation on the 29th Oct '17 and 29th Jan'18 respectively. However, declaration of "Date of commercial operation (COD)" by the appropriate authority is pending due to non-completion of certain works necessary for proper communication link, which is essential for process of power scheduling, requisition etc.

Borrowing cost amounting to ₹1,313.83 lakh for Unit 1 and Unit 2 of the project on completion of its trial run operation, has been charged off to the "Statement of Profit and Loss Account" for the period ended 31.03.2018 pending declaration of COD, as capitalization of borrowing cost ceases when substantially all the activities necessary to prepare the asset for its intended use or sale are completed.

The average rate of borrowing cost for Tuirial HEP is @ 8.34% for the FY 2017-18.

Note No. 32: Depreciation

(₹ in lakhs)

Particulars	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
PPE Depreciation (Note No- 2)	19610.28	16923.01
Intangible Assets (Note No-4A)	75.04	30.98
Adjustments	-	366.22
Sub total	**19685.32**	**17320.21**
Amount transferred to IEDC	1379.69	1281.53
Carried forward to Statement of Profit & Loss	**18305.63**	**16038.68**

Note No. 33: Other Expenses

(₹ in lakhs)

Particulars	Note No	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
GENERATION EXPENSES			
Repairs & maintenance :			
a) Roads & buildings		1096.54	1018.34
b) Power house		5123.62	4217.79
c) Hydraulic works		370.75	309.90
d) Line & sub-stations		292.07	106.57
e) Others		642.56	401.65
f) Stores & spares (against Grant-in-Aid)		86.98	20.31
Sub Total		7612.52	6074.56
ADMINISTRATION EXPENSES			
a) Travelling expenses		272.08	240.07
b) Advertisement expenses		84.88	77.45
c) Insurance charges		616.95	606.75
d) Rents		3.98	3.11
e) Rates & taxes		30.58	33.26
f) Entertainment expenses		1.40	0.77
g) General expenses	35	6684.52	6136.72
h) Publicity expenses		15.98	51.24
i) Legal charges		83.07	58.22
j) Filing fees to CERC		88.43	60.41
k) NERLDC Fees & Charges		373.08	527.19
l) Research & Development Expenses			56.41
m) Corporate Social Responsibility & SD		532.35	607.58
o) RRAS- Expenditure		11.32	43.05
p) Interest to beneficiary states			16.86
q) Trading Expenses		0.24	979.58
r) Energy Savings Certificate (PAT)		355.25	-
s) Share of General establishment	36	3309.86	3022.77
Sub Total		12463.97	12521.44
Other Expenses			
Lubricants, oil etc		94.96	120.79
Electricity Duty		15.40	15.94
U I Charge		99.34	135.30
Transmission Charges		12.18	25.53
Provision for Write off		388.72	470.40
Prepayment Amortisation		193.83	168.56
Sub Total		804.43	936.52
Total		**20880.92**	**19532.52**

Corporate Social Responsibility and Sustainable development

a) Gross amount required to be spent by the Company during the year: ₹855.44 lakhs

b) Amount spent during the year on: *(₹ in lakhs)*

Particulars	In Cash	Total
i Construction / acquisition of any asset	388.57	388.57
ii On Purposes other than (i) above	143.78	143.78
Total	532.35	532.35

Note No. 34: Payment to Auditors

(₹ in lakhs)

Particulars	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
Statutory Audit fees	16.34	11.21
Tax audit fees	0.53	0.58
Cost Audit Fees	1.63	1.38
Other expenses	5.54	3.34
Total	**24.04**	**16.51**

Note No. 35: General Expenses

For the period ended : ***(₹in Lakh)***

Particulars	Operation & Maintenance		General Administration		Project (Under Construction)		Total	
	March'18	March'17	March'18	March'17	March'18	March'17	March'18	March'17
Transport expenses	839.47	649.87	162.16	176.99	594.96	604.01	1596.59	1430.87
Printing & stationery	30.68	23.88	24.83	44.73	14.73	19.19	70.24	87.80
Postage & telegram	1.35	1.48	4.25	7.31	2.27	2.95	7.86	11.74
Medical expenses	638.48	711.01	234.34	244.65	377.09	430.78	1249.91	1386.44
Medical expenses to Retd. Employees	-	-	853.02	389.67	-	-	853.02	389.67
Licence & registration	10.82	14.96	0.95	-	26.26	58.88	38.04	73.84
Paper & periodicals	0.53	0.68	1.98	2.81	0.18	1.63	2.69	5.12
Uniforms & liveries	5.22	4.81	0.92	0.86	0.61	2.09	6.74	7.76
Honorarium	2.58	0.01	2.57	4.54	-	-	5.15	4.55
Electric & water charges	268.62	242.27	89.19	76.41	1336.52	965.46	1694.32	1284.14
Bank charges	33.77	13.09	1.32	0.56	2.00	1.92	37.09	15.57
Social welfare	847.90	670.87	44.93	102.33	87.25	100.41	980.08	873.61
Consultancy charges	55.48	69.18	146.78	254.96	6.31	61.34	208.57	385.48
Security arrangement	2676.08	2327.59	162.63	131.22	389.89	505.00	3228.60	2963.81
Training expenses	159.73	130.05	-	-	-	-	159.73	130.05
Staff recruitment expenses	0.10	-	23.90	25.33	0.01	-	24.01	25.33
Hospital facilities	17.04	13.50	0.00	-	3.62	6.60	20.66	20.10
Subscription & membership fees	4.47	10.05	9.07	31.69	-	-	13.54	41.74
Communication expenses	39.75	43.22	192.61	329.69	147.43	92.66	379.78	465.57
Office furnishing	0.13	9.68	0.62	1.77	1.20	3.51	1.95	14.96
Miscellaneous expenses	564.17	80.21	105.75	117.35	79.28	99.17	749.20	296.73
I.B. expenses	56.28	28.45	74.20	52.39	110.10	91.47	240.57	172.31
Laboratory & meter testing charges	0.06	-	-	-	5.97	7.60	6.03	7.60
Environment & Ecology	65.20	39.24	-	-	-	-	65.20	39.24
Photographic records	-	0.35	1.29	1.56	-	0.03	1.29	1.94
Loss of Stock/Advance written off	118.34	0.42	-	-	0.80	1.99	119.14	2.41
I T Expenses	134.55	116.47	154.22	167.52	76.65	90.92	365.42	374.91
Losses of Stores/obsolete/ condemnation	57.19	-	-	-	-	-	57.19	-
Loss on sale of fixed Assets	5.55	882.38	0.15	7.19	0.20	0.99	5.90	890.56
Compensation	50.98	53.00	-	-	26.00	39.00	76.98	92.00
Total	**6684.52**	**6136.72**	**2291.67**	**2171.53**	**3289.32**	**3187.60**	**12265.50**	**11495.85**

Note No. 36: Incidental Expenditure of Corporate office

(₹in Lakh)

Particulars	Note No.	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
Administration & other Expenses			
Travelling expenses		147.30	189.34
Rent		113.09	88.80
Rates & taxes		11.71	4.37
General expenses	35	2291.67	2171.53
Repairs & maintenance		195.20	147.71
Audit fees & expenses	34	24.04	16.51
Legal expenses		18.36	11.98
Insurance charges		36.79	12.25
Entertainment expenses		0.29	0.04
Advertisement expenses		4.13	20.95
Contribution to Chief Relief Fund		208.66	-
Publicity expenses		237.98	339.45
Board meeting expenses		20.64	19.84
Total		**3309.86**	**3022.77**
Expenditure charged to Profit & Loss Account	33	3309.86	3022.77

Note No. 37: Incidental Expenditure during Construction

(₹in Lakh)

Particulars	Note No.	For the period ended 31-Mar-2018	For the period ended 31-Mar-2017
GENERAL ADMINISTRATION			
A. Employees benefit Expenses	30	**19523.26**	**14512.31**
B. Interest and Finance expenses capitalized	31	**49787.04**	**37338.19**
C. Depreciation	32	**1379.69**	**1281.53**
D. Administration & other expenses			
Travelling expenses		203.23	248.66
Rents		16.46	17.87
Rates & taxes		34.15	1.56
General expenses	35	3289.32	3187.60
Repairs & maintenance		673.21	482.76
Environment & Ecology		2.57	6.89
Energy Conservation expenses		0.00	0.38
Legal expenses		72.36	83.29
Insurance charges		1541.09	1524.25
Entertainment expenses		0.11	0.09
Tender expenses		30.71	18.87
Sub total (D)		**5863.21**	**5572.22**
Total (A + B + C + D)		**76553.20**	**58704.25**
Less : Non-operating receipts			
i) Interest on advances from Suppliers/Contractors		517.89	381.38
ii) Others		297.28	55.40
Sub total		**815.17**	**436.78**
Net Expenditure		75738.03	58267.47
Expenditure transferred to Capital Work-in-Progress	3	**75738.03**	**58267.47**

Note No. 38: Property Plant & Equipment

(₹in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 01.04.2017	Addi-tions	Adjust-ments	Carrying Amount 31.03.2018	01.04.2017	Deprecia-tion	Adjust-ment	Up to 31st Mar 2018	31.03.2018	31.03.2017
A) ASSETS										
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES:										
Building and civil engineering works containing generation plant & equipment, main plant	54126.77	119.36	(7.23)	54238.90	17104.09	1522.96	-	18627.05	35611.85	37022.68
Hydraulic works including Dams Dykes,Reservoirs & Tunnels	166654.78	0.88	-	166655.66	82102.46	3772.55	-	85875.01	80780.65	84552.32
Plant & Machinery in Generating Station	68077.86	701.97	(54.41)	68725.42	31664.31	2205.57	-	33869.88	34855.54	36413.55
Transformer having a rating of 100 K.V. ampere and above	9735.09	53.47	(13.12)	9775.44	3489.92	361.66	-	3851.58	5923.86	6245.17
Sub-station equipment and other fixed apparatus	728.44	12.95	-	741.39	420.83	14.94	-	435.77	305.62	307.61
Switchgear including cable connections	18792.57	1703.42	(54.33)	20441.66	8170.63	563.23	(30.22)	8703.64	11738.02	10621.94
Transmission Lines	976.23	-	(13.37)	962.86	623.00	15.71	-	638.71	324.15	353.23
PV modules including Mounting structures	3127.35	-	(260.88)	2866.47	378.79	135.43	-	514.22	2352.25	2748.56
Inverters including Battery Bank (O & M)	290.77	-	(24.41)	266.36	35.27	12.56	-	47.83	218.53	255.50
Gas Turbine	138230.61	5927.97	(1274.66)	142883.92	82009.34	3552.19	(1116.54)	84444.99	58438.93	56221.27
Gas Booster Station	23040.63	280.95	-	23321.58	14676.48	842.15	-	15518.63	7802.95	8364.15
Gas Pipeline	36.60	-	-	36.60	32.95	-	-	32.95	3.65	3.65
Gas Steam Turbine	110218.61	108.45	-	110327.06	40272.49	3916.16	-	44188.65	66138.41	69946.12
Gas Cooling Tower	4006.85	53.04	-	4059.89	2357.96	124.52	-	2482.48	1577.41	1648.89
Make-up Water System	5849.42	24.37	(37.79)	5836.00	2223.03	210.79	-	2433.82	3402.18	3626.39
Sub -Total	**603892.58**	**8986.81**	**(1740.19)**	**611139.20**	**285561.55**	**17250.42**	**(1146.76)**	**301665.21**	**309473.99**	**318331.03**

NEEPCO

(₹in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 01.04.2017	Additions	Adjust-ments	Carrying Amount 31.03.2018	01.04.2017	Deprecia-tion	Adjust-ment	Up to 31st Mar 2018	31.03.2018	31.03.2017
II GENERAL ASSETS										
(FOR PROJECTS UNDER OPERATION)										
Buildings	10478.72	380.66	(0.32)	10859.06	4039.84	349.65	-	4389.49	6469.57	6438.88
Furniture & Fixtures	694.47	30.13	(18.42)	706.19	452.96	19.71	(17.46)	455.21	250.98	241.51
Roads, Bridges, Culverts & Helipads	4066.01	76.66	-	4142.67	1756.30	114.72	-	1871.02	2271.65	2309.71
Vehicles	549.97	-	(97.08)	452.89	362.97	18.19	(87.37)	293.79	159.10	187.00
Railway Siding	10.65	-	-	10.65	8.27	0.19	-	8.46	2.19	2.38
Electrical Installation	1070.13	19.64	-	1089.77	686.88	24.83	-	711.71	378.06	383.25
Temporary Buildings/Erections	2446.87	-	-	2446.87	2446.87	-	-	2446.87	-	-
Hospital Equipment	23.92	3.44	(0.30)	27.06	11.53	1.14	(0.28)	12.39	14.67	12.39
Tools & Plants	3700.82	102.80	(1190.24)	2613.38	2829.13	55.17	(1133.90)	1750.40	862.98	871.69
Office Equipment	362.59	29.11	(13.01)	378.69	195.20	9.50	(10.82)	193.88	184.81	167.39
I T Equipment	887.71	82.35	-	970.06	762.21	72.52	-	834.73	135.33	125.50
Other Equipment	896.68	118.94	(47.33)	968.29	469.48	39.83	(41.82)	467.49	500.80	427.20
Water supply, sewerage & drainage	1118.93	1.37	-	1120.30	498.28	45.00	-	543.28	577.02	620.65
Plant & Machinery in Generating Station (Diesel Power House)	475.63	-	-	475.63	394.51	2.51	-	397.02	78.61	81.12
Communication Equipment	227.07	3.30	(0.33)	230.04	133.64	9.15	(0.30)	142.49	87.55	93.43
Lightning Arrestor (Pole Type	-	-	-	-	-	-	-	-	-	-
Magazine Building)	142.00	-	-	142.00	120.56	0.54	-	121.10	20.90	21.44
Telephone Line	103.69	-	-	103.69	92.05	0.07	-	92.12	11.57	11.64
Solar Panel	87.69	30.70	-	118.39	0.49	5.74	-	6.23	112.16	87.20
Cellular Line	-	-	-	-	-	-	-	-	-	-
Fixed Assets of Minor value	47.57	3.71	(0.39)	50.89	47.56	3.71	(0.39)	50.88	0.01	0.01
Energy Conservation Equipment	-	4.13	-	4.13	-	0.20	-	0.20	3.93	-
Free hold	1442.93	656.68	-	2099.61	-	-	-	-	2099.61	1442.93
Sub -Total	**28834.05**	**1543.62**	**(1367.42)**	**29010.25**	**15308.73**	**772.37**	**(1292.34)**	**14788.76**	**14221.49**	**13525.32**
TOTAL (A)	**632726.63**	**10530.43**	**(3107.61)**	**640149.45**	**300870.28**	**18022.79**	**(2439.10)**	**316453.97**	**323695.48**	**331856.35**

(₹in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 01.04.2017	Additions	Adjust-ments	Carrying Amount 31.03.2018	01.04.2017	Deprecia-tion	Adjust-ment	Up to 31st Mar 2018	31.03.2018	31.03.2017
B) ASSETS										
(FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)										
Building	7278.62	1116.10	(0.48)	8394.24	1829.65	293.02	(0.12)	2122.55	6271.69	5448.97
Furniture & Fixtures	977.04	25.83	(11.59)	991.28	555.07	45.94	(10.05)	590.96	400.32	421.97
Roads,Bridges,Culverts & Helipads	3270.51	331.16	(1414.91)	2186.76	519.28	70.31	(167.48)	422.11	1764.65	2751.23
Vehicles	161.01	82.93	(19.52)	224.42	88.23	18.62	(16.73)	90.12	134.30	72.78
Electrical Installations	488.75	48.12	-	536.87	297.94	20.30	-	318.24	218.63	190.81
Temporary Buildings/ Erections	1923.74	183.78	-	2107.52	1923.74	183.78	-	2107.52	-	-
Hospital Equipment	12.87	-	-	12.87	5.56	0.60	-	6.16	6.71	7.31
Tools & Plants	3519.16	3.76	(0.55)	3522.37	1516.32	131.48	-	1647.80	1874.57	2002.84
Office equipment	618.23	4.38	(9.62)	612.99	427.17	19.78	(8.24)	438.71	174.28	191.06
I T Equipment	1540.47	61.72	(19.89)	1582.30	1397.53	106.46	(19.52)	1484.47	97.83	142.94
Water Supply,sewerage & drainage	716.80	102.00	(0.09)	818.71	149.83	27.06	-	176.89	641.82	566.97
Plant & Machinery in Generating Station (Diesel Power House)	176.23	-	-	176.23	134.35	3.31	-	137.66	38.57	41.88
Weigh Bridge	13.34	-	-	13.34	9.24	0.45	-	9.69	3.65	4.10
Solar panel	7.14	-	-	7.14	0.38	0.42	-	0.80	6.34	6.76
Communication Equipment	179.69	8.56	-	188.25	111.34	6.80	-	118.14	70.11	68.35
Plant & Machinery	351.62	-	-	351.62	13.38	18.50	-	31.88	319.74	338.24
Transmission Line	6752.18	128.36	(2267.22)	4613.31	3288.95	331.29	(1156.96)	2463.28	2150.03	3463.23
Transformer having a rating of 100 KV & Above	171.77	156.42	-	328.19	73.52	32.10	-	105.62	222.57	98.25
Substation Equipment	298.41	764.70	2267.22	3330.33	93.02	224.01	1156.96	1473.99	1856.34	205.39
Freehold	467.27	-	-	467.27	-	-	-	-	467.27	467.27
Telephone Line	1.19	-	-	1.19	0.06	0.08	-	0.14	1.05	1.13
Other Equipment	1010.16	114.32	(4.48)	1120.00	450.82	48.97	(3.54)	496.25	623.75	559.34
Assets Withdrawn from Active use	-	-	-	-	-	-	-	-	-	-
Fixed assets of Minor value	59.16	4.22	(0.29)	63.08	59.12	4.21	(0.29)	63.04	0.04	0.04
Cellular Phone	-	-	-	-	-	-	-	-	-	-
TOTAL (B)	**29995.36**	**3136.33**	**(1481.41)**	**31650.29**	**12944.50**	**1587.49**	**(225.97)**	**14306.02**	**17344.27**	**17050.86**
GRAND TOTAL (A + B)	**662721.99**	**13666.76**	**(4589.02)**	**671799.74**	**313814.78**	**19610.28**	**(2665.07)**	**330759.99**	**341039.75**	**348907.21**

Note No. 39: Earnings per Share

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

	Particulars	Year ended March 31, 2018	Year ended March 31, 2017
(a)	**Profit after tax & before regulatory Deferral Accounts (₹ in lakh)**	27170.98	22060.83
(b)	**Profit after tax & after regulatory Deferral Accounts (₹ in lakh)**	30305.53	22060.83
	Less: Amount to be paid for diluted portion (net of tax)		
	Profit attributable to ordinary shareholders - for Basic EPS	30305.53	22060.83
	Profit attributable to ordinary shareholders - for Diluted EPS	30305.53	22060.83
(c)	Weighted average no. of Ordinary Shares for Basic EPS	3452810400	3452810400
	Weighted average no. of Ordinary Shares for Diluted - EPS	3452810400	3452810400
(d)	Nominal value of Ordinary Shares (₹)	10	10
(e)	Earnings per equity share before regulatory Deferral Accounts :		
	(i) Basic (in ₹)	0.79	0.64
	(ii) Diluted (in ₹)	0.79	0.64
(f)	Earnings per equity share after regulatory Deferral Accounts :		
	(i) Basic (in ₹)	0.88	0.64
	(ii) Diluted (in ₹)	0.88	0.64

Note No. 40: Contingent Liabilities and Commitments (to the extent not provided for)

(₹in Lakh)

Particulars	As at 31-Mar-18	As at 31-Mar-17
Contingent liabilities :		
Claims against the Company not acknowledged as debt in respect of:		
- Capital Works	159047.88	149358.36
- Land compensation cases	3583.24	3416.74
- Disputed Income tax demand	161.97	48.15
- Others	4.80	8.76
Total	**162797.89**	**152832.01**
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	26373.90	147309.55
Other Commitment	Nil	Nil

(i) Claims against the company not acknowledged as debts as on March 31, 2018 include demand from the Income tax authorities for payment of tax of ₹161.97 lakhs upon completion of their tax assessment for the A.Y. 2011-12 amounting to ₹0.49 lakhs, A.Y. 2012-13 amounting to ₹1.21 lakhs, A.Y. 2013-14 amounting to ₹63.34 lakhs and for the year 2015-16 amounting to ₹96.93 lakhs and demand from Customs, Excise and Service Tax Appellate Tribunal (CESTAT) for payment of ₹4.80 lakhs in respect of Service Tax.

(ii) There are few cases pending before the Arbitration Tribunal / Courts, for which amount of claims are yet to be ascertained.

(iii) 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.

(iv) 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.

(v) During the financial year 2017-18, reduction in contingent liabilities amounts to ₹29786.82 lakh and addition to the same amounts to ₹39752.70 lakh.

Note No. 41: 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. 42: 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, 2018

(₹in Lakhs)

As at March 31, 2018	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					33607.92	33607.92	33607.92
Trade receivables					45836.76	45836.76	45836.76
Investments					3223.09	3223.09	3223.09
Loans					1101.64	1101.64	1101.64
Other financial assets					6214.92	6214.92	6214.92
Total					**89984.33**	**89984.33**	**89984.33**
Financial liabilities							
Trade and other payables					20337.18	20337.18	20337.18
Borrowings					650906.68	650906.68	650906.68
Other financial liabilities					47886.67	47886.67	47886.67
Total					**719130.53**	**719130.53**	**1438261.06**

(₹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	26928.01
Trade receivables					44108.15	44108.15	44108.15
Investments					10428.74	10428.74	10428.74
Loans					1204.23	1204.23	1204.23
Other financial assets					4938.16	4938.16	4938.16
Total					**87607.29**	**87607.29**	**175214.58**
Financial liabilities							
Trade and other payables					12361.37	12361.37	12361.37
Borrowings					592567.78	592567.78	592567.78
Other financial liabilities					32046.54	32046.54	32046.54
Total					**636975.69**	**636975.69**	**1273951.38**

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.

(₹in Lakhs)

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(i) Investments	3223.09	-	-	3223.09
(ii) Trade receivables	45836.76	-	-	45836.76
(iii) Cash and Cash equivalents	33607.92	-	-	33607.92
(iv) Loans	1101.64	-	-	1101.64
(v) others	6214.92	-	-	6214.92
Total financial assets measured at fair value	**89984.33**	**-**	**-**	**89984.33**
Financial liabilities measured at fair value				
(i) Borrowings	650906.68	-	-	650906.68
(ii) Trade & Other payable	20337.18	-	-	20337.18
(iii) Other financial liabilities	47886.67	-	-	47886.67
Total financial liabilities measured at fair value	**719130.53**	**-**	**-**	**719130.53**

(₹in Lakhs)

Particulars	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	44108.15	-	-	44108.15
(iii) Cash and Cash equivalents	26928.01	-	-	26928.01
(iv) Loans	1204.23	-	-	1204.23
(v) others	4938.16	-	-	4938.16
Total financial assets measured at fair value	**87607.29**	**-**	**-**	**87607.29**
Financial liabilities measured at fair value				
(i) Borrowings	592567.78	-	-	592567.78
(ii) Trade & Other payable	12361.37	-	-	12361.37
(iii) Other financial liabilities	32046.54	-	-	32046.54
Total financial liabilities measured at fair value	**636975.69**	**-**	**-**	**636975.69**

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, 2018 and March 31, 2017.

c) Transfer of financial assets

The Company has during the financial year transferred in terms of Share Purchase Agreement drawn on 24th October 2017, the Corporation's investment (40%) in Joint Venture of M/s. WARNEEP Solar Pvt. Limited to M/s. WAAREE Energies Limited, the other Joint Venture Partner. The sale proceeds has been accounted in the books of NEEPCO on 11th December 2017. Accordingly the investment of ₹8200.00 lakhs has been reduced as on 31.03.2018.

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.

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.

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 credit worthiness as well as concentration risks.

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 Lakh)

Particulars	As at March 31, 2018				
	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	665960.10	665960.10	34821.69	279286.76	351851.65
Trade payables	6060.73	6060.73	6060.73	-	-
Other financial liabilities					
Total non- derivative financial liabilities	672020.83	672020.83	40882.42	279286.76	351851.65
Derivative financial liabilities					

(₹in Lakh)

Particulars	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	603085.57	603085.57	43618.72	214774.88	344691.97
Trade payables	5285.97	5285.97	5285.97	-	-
Other financial liabilities					
Total non- derivative financial liabilities	608371.54	608371.54	48904.69	214774.88	344691.97
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.

Note No. 43: Related party disclosures

The required information with respect to Related Party Disclosure as per Ind AS-24 is given as under:

A. Joint Ventures:

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 A G West Kharkongor	Chairman & Managing Director
2.	Sri D V Singh *	Chairman & Managing Director w.e.f. 22nd August 2017 to 11th October 2017
3.	Sri Satyabrata Borgohain	Director (Personnel)
4.	Sri V K Singh	Director (Technical)
5.	M. Shiva Shunmuganathan	Director (Finance) (w.e.f. 27th September 2017)

* Entrusted the additional charge of Chairman & Managing Director, NEEPCO Ltd during the period of leave of Sri A G West Kharkongor.

a) Parent entities

NEEPCO is controlled by the Hon’ble President of India. Government of India holds 100% ownership interest in NEEPCO including and as on March 31, 2018

(₹in Lakh)

Particulars	31-Mar-18	31-Mar-17
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	9214.00	11017.00

b) Key management personnel compensation

Particulars	31-Mar-18	31-Mar-17
Salary and allowances	125.25	158.08
Contribution to Provident Fund and other funds	19.67	14.45
Other benefits	53.67	12.33
Total	**198.59**	**184.86**

c) Transaction with related parties

The following transactions occurred with related parties:

Particulars	31-Mar-18	31-Mar-17
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-18	31-Mar-17
Trade payable (purchases of goods and services)	Nil	Nil
Associates	Nil	Nil
Joint venture	Nil	Nil
Total payable to related parties	Nil	Nil
Trade receivables (sale of goods and services)	Nil	Nil
Associates	Nil	Nil
Joint venture	Nil	Nil
Total receivables from related parties	Nil	Nil

e) Loan to/from related parties

Particulars	31-Mar-18	31-Mar-17
Loans to key management personnel		
Beginning of the year	Nil	Nil
Loans advanced	Nil	Nil
Loan repayments received	Nil	Nil
Interest charged	Nil	Nil
Interest received	Nil	Nil
End of the year	Nil	Nil

f) Loans to associates

Particulars	31-Mar-18	31-Mar-17
Loans to associates		
Beginning of the year	Nil	Nil
Loans advanced	Nil	Nil
Loan repayments received	Nil	Nil
Interest charged	Nil	Nil
Interest received	Nil	Nil
End of the year	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, repayable in monthly installments. 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 repayable in cash.

Note No. 44: 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.

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

Note No. 45: Statement showing status of RECs as on 31.03.2018 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.

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
Number of RECs for which eligible	19584	12954	5978
Number of RECs applied for	19584	12954	5978
Number of RECs issued	13365	10994	Nil
Number of RECs placed for trading at exchange	NIL	NIL	NIL
Number of RECs sold	NIL	NIL	NIL

NEEPCO has drawn agreement with M/s. NVVN for trading of REC. Sale of RECs at power exchanges was kept suspended as per order of the Hon'ble Supreme Court of India, which has been resumed on 25.04.2018 on the basis CERC letter no. Petition No. 2/SM/2701 dt 23rd April 2018 addressed to IEX and PXIL.

Note No. 46: Regulatory Deferral Accounts Balances

Nature of Rate Regulated Activities

The company is primarily engaged in the business of generation and sale of electricity. The tariff based on which the Company bill to its beneficiaries for electricity sold to them is determined by the Central Electricity Regulatory Commission (CERC) in compliance to the CERC (Terms and Conditions of Tariff) Regulations, as applicable from time to time.

The said regulations allow the Company to recover its costs for providing the goods or services plus a fair return.

Recognition and measurement

Ministry of Labour and Employment vide their Gazette notification dated the 29th March 2018 has notified the Payment of Gratuity (Amendment) Act, 2018 (12 of 2018) and thus has increased the limit of gratuity up to ₹20 (Twenty) lakh from the existing ₹10 (Ten) lakh.

Regulation 8 (3) of the CERC (Terms and conditions of Tariff) Regulations 2014 provides that "The Commission shall carry out truing up of tariff of generating station based on the performance of following Uncontrollable Parameters:

i) Force Majeure;

ii) Change in Law; and

iii) Primary Fuel Cost.

The increase in gratuity expenses due to enhancement of limit up to ₹20.00 lakh as per the Payment of Gratuity (Amendment) Act, 2018 falls under the category of "Change in law", Expenses/income recognized in the Statement of Profit & Loss to the extent recoverable from the beneficiaries in subsequent period as per CERC Tariff Regulations have been recognized as "Regulatory Deferral Account Balances". Such recognition has resulted in additional profit of ₹4793.47 lakhs.

The regulatory deferral accounts debit balance recognized in the books to be recovered from the beneficiaries in future periods is as follows:

(₹in Lakh)

Particulars	As on 31.03.2018	As on 31.03.2017	As on 31.03.2016
A. Opening Balance	-	-	-
B. Addition during the year	4793.47	-	-
C. Amount Collected / refunded during the year	-	-	-
D. Regulatory Deferral Account Balances recognized in the Statement of Profit & Loss (B-C)	4793.47	-	-
E. Closing Balance (A+D)	**4793.47**	-	-

Rate of return/Discounting rate considered for recognition of Regulatory Deferral Account Balance is "Zero" **Risk/ uncertainty associated with future recovery of Regulatory Deferral Account Balances**

- **Demand risk**: Recovery of regulatory deferral balances are subjected to billing to its beneficiaries and accordingly associated with related normal risks, such as, attitude of the customers towards settlement of their dues, availability of alternate source of supply etc.
- **Regulatory risk**: Changes, if any, in Tariff Regulations on allow ability of such cost through tariff.

Period over which expected to recover

The Company expects to recover the carrying amount of regulatory deferral debit account balances over a period of 4(four) years.

Note No. 47: 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. 48: Cut-off Date

The Company has taken all known ascertained liabilities pertaining to the year upto 31.03.2018 taking into consideration 5th April, 2018 as the cut-off date.

Note No. 49: Impairment loss

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

Note No. 50: Previous year figures

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

Note No. 51: Disclosure as per Schedule III of Companies Act 2013 (As on 31.03.2018)

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

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 assets	Amount (₹ in lakh)	As % of consolidated net profit or loss	Amount (₹ in lakh)
1	2	3	4	5
Parent:				
NEEPCO Ltd	99.48	613093.61	99.93	29554.72
Joint Ventures (AS per proportionate consolidation /Investment as per equity method):				
KSK Dibbin Hydro Power	0.52	3223.09	0.07	19.95

In terms of our report of even date

For **M/s. S P A N & Associates**
Chartered Accountants
F.R.N. 302192E

For and on behalf of the Board of Directors

Date: **12-06-2018**
Place: **New Delhi**

C. Sharma
Company Secretary

M. Shiva Shunmuganathan
Director (Finance) - cum - CFO
DIN: 07551379

A.G. West Kharkongor
Chairman & Managing Director
DIN: 03264625

T. K. Das
Partner
Membership No. 053080

Annexure - 6C

Sub: Management Reply to the Report on the Internal Financial Controls under section 143 (3)(i) of the Companies Act 2013 to the Independent Auditors Report (Annexure C) on the Standalone and Consolidated Financial Statements for the Financial year 2017-18.

Statutory Auditors / Observation	Reply of the Management
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.	The Information Technology (I.T.) Application System presently NEEPCO using for its Financial Accounting and Stores Accounting Modules is MATFIN. NEEPCO is in the process of finalization of ERP implementing Agency for which NIT has already been floated. With implementation of ERP, the weakness in I.T. System as reported by the Auditors will be mitigated and will enable to provide complete information consistent with the financial reporting objectives to the stakeholders.

For and on behalf of the Board of Directors

M. Shiva Shunmuganathan
Director (Finance) - cum - CFO
DIN: 07551379

A.G. West Kharkongor
Chairman & Managing Director
DIN: 03264625

ANNEXURE-7

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 2018

The preparation of financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2018 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 12 June 2018.

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 2018. 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

3/8/18

(Suparna Deb)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata
Date: 03 August 2018

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 2018

The preparation of consolidated financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2018 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 12 June 2018.

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 2018. 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 company M/s. KSK Dibbin Hydro Power Private Limited being private entity, 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 this company. 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

3/8/18

(Suparna Deb)
Director General of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata
Date: 03 August 2018

Annexure - 8A

Form No. MR-3
Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018

[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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **North Eastern Electric Power Corporation Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the 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, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31 March 2018** ('Audit period') 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2018 according to the provisions of:

i. The Companies Act, 2013 (the Act) and the rules made there under;

ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.

v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

   (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

   (b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;

vi. Other laws specifically applicable to the Company as per the certificate placed at the Board Meetings by the Company Secretary.

vii. I have also examined compliance with the applicable clauses of the following:

   (a) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board & General Meetings.

   (b) Debt Listing Agreement entered into by the Company with BSE Limited.

   (c) Guidelines for Corporate Governance for CPSEs issued by the Department of Public Enterprises, Govt. of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

a) *The Company did not appoint any Women Director as required under section 149(1) of the Act.*

b) *The company has an old Information Technology (IT) system and infrastructure which is unable to cater the emerging needs and complete information consistent with financial reporting objectives and may be unable to meet the safety and security threats which may arise in due course of time. The above observations has also been made in the Audit conducted by SPAN & Associates, Statutory Auditors of the company and AKS Information Technology Services Ltd., Information Technology Auditors.*

c) *The company has spent ₹1.28 crores less than the prescribed CSR expenditure. However, the reasons for such underutilization has been mentioned in the Annual report of the Company.*

d) *The company has held all the title deeds of immovable properties registered in its name except one freehold land measuring 183.19 hectares, valued at ₹4.52 crores. The same is not yet registered in its name and is pending. However, as per Section 187 of the Companies Act, 2013 all investments made in any property, shares or securities shall be made and held by the company in its own name.*

e) *The company has two separate wings for data back-up at its registered corporate office address, which is not as per the Information Technology Act, 2000.*

f) *The company has its own security policy and procedures as prescribed by ISO:IEC 27001 International Standard. However, as pointed out in the IT security Audit report, the compliance is not at par with the policy.*

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except for the non-appointment of Women Director in the Board of the company. 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 notices were 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 decisions at Board Meetings and Committee Meetings as represented by the management were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I 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.

I further report that during the audit period the following events may have major bearing on company's affairs:

(a) The company has issued non-convertible debentures aggregating to ₹1500/- crores for its short term and long term requirements.

Place : Guwahati
Date : 2nd August 2018

For **Narayan Sharma & Associates**
Company Secretaries

Narayan Sharma
(Proprietor)
FCS No. 5117 C P No.:3844

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

Annexure - A

To,

The Members
North Eastern Electric Power Corporation Limited
Brookland Compound Lower New Colony,
Dist. East Khasi Hills
Shillong-793003

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place : Guwahati
Date : 2nd August 2018

For **Narayan Sharma & Associates**
Company Secretaries

Narayan Sharma
(Proprietor)
FCS No. 5117 C P No.: 3844

Annexure - 8B

Reply to the Secretarial Auditors' Observations raised in the Secretarial Audit Report for the year 2017-18

Sl. No	Secretarial Auditors' Observation	Reply/Explanation of the Management
1	*The Company did not appoint any Women Director as required under Section 149(1) of the Act.*	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 Women 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 to the appointment of a Women Director.
2	*The Company has an old information Technology (IT) system and infrastructure which is unable to cater the emerging needs and complete information consistent with financial reporting objectives and maybe unable to meet the safety and security threats which may arise in due course of time. The above observations has also been made in the audit conducted by SPAN & Associates, Statutory Auditors of the Company and AKS Information Technology Services Ltd., Information Technology Auditors.*	The Corporation is currently using an application (MATFIN) for Materials and Financial system which was introduced in the year 1998. To cater to the emerging needs and to have an integrated modern day solution covering most of the key business areas of the organization, the Corporation has decided to implement an ERP solution. The process for the same has already been started. The new proposed system would ensure adherence to safety and security standards to a large extent
3	*The Company has spent Rs.1.28 crores less than the prescribed CSR expenditure. However, the reasons for such underutilization has been mentioned in the Annual Report of the Company*	The reason for under spending of CSR outlay is mainly due to delay / non-receipt of adequate proposals which can be covered under the approved CSR Policy. As a result, an amount of ₹1.28 Cr. out of the total budgeted amount of ₹8.55 Cr. remained unallocated. Further, unspent amount on projects under implementation amounted to ₹1.63 Cr.
4	*The Company has held all the title deeds of immovable properties registered in its name except one freehold land measuring 183.19 hectares, valued at ₹4.52 crores. The same is not yet registered in its name and is pending. However, as per Section 187 of the Companies Act, 2013 all investments made in any property, shares or securities shall be made and held by the company in its own name*	The land measuring 183.19 hectares, valued at ₹4.52 crores which was acquired for the KHEP Stage-II is under litigation for enhancement of unit rates for compensation to the land owners and this is pending in the Land Tribunal Court at Jowai, West Jaintia Hills district, Meghalaya. The Land Owner have received compensation under protest preferring to seek legal help vide Section 18 of the Land Acquisition Act 1894 for enhancement of the unit rate fixed by the D.C. Jaintia Hills. There are 303 Land Owners and the case being heard in the court has taken considerable time to finalise the judgement. The Title Deed for the said land would be finalized on completion of the court case.

5	*The Company has two separate Wings for data back-up as its registered corporate office address, which is not as per the Information Technology Act,2000*	Currently, the backup in Shillong is being taken in Tape Drives and also in a storage media different from the MATFIN server. The IT Department is exploring to enhance the existing backup system by keeping a copy of backup set of the present system in an alternate geographical seismic zone (preferable New Delhi) in addition to the backup set already available at Shillong.
6	*The company has its own security policy and procedures as prescribed by ISO: IEC 27001 International standard. However, as pointed out in the IT security Audit report, the Compliance is not at par with the policy.*	Several Security Procedures as defined in the policy has already been implemented. However, continual efforts are being made to review for full compliance of the policy and procedures as defined in the NEEPCO Information Security Manual and as per the observations of the recently conducted IT Security Audit.

For and on behalf of the Board of Directors

(A. G. West Kharkongor)
Chairman & Managing Director
DIN : 03264625

Dated: 16-08-2018
Place: Guwahati

ANNEXURE-9

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

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 2017-18 are as under:

(i) Steps taken or Impact on Energy Conservation:

NEEPCO has taken several initiatives to conserve energy in its power stations and offices by adopting energy conservation measures such as setting up of solar PV system across various locations including installing solar water heating systems, chemical treatment of cooling (circulating) water to enhance efficiency of Steam Turbine, etc. Some of the steps taken by the Company for utilizing alternate source of energy:

a) During the FY 2017-18, NEEPCO has invested approximately ₹5.0 Crore for replacing conventional luminaries with LED ones. 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 has been considerably reduced with stabilization of combined cycle operation.

(ii) Steps taken by the Company for utilizing alternate sources of Energy:

a. Installation of 5 kWp Solar PV plant and 500 litres Solar Hot water system in the Guest House of Kopili HEP.

b. Installation of 6 kWp roof top solar PV system and 1000 LPD Solar Hot Water system each at Guest House 1 and Guest House 2 at AGBPP.

c. Use of energy saving LED luminaires in office buildings, street lighting, Powerhouses and other locations.

(iii) Capital Investment on Energy Conservation Equipment:

For the above energy conservation steps, the Corporation has made considerable investment during the year, which has resulted in substantial saving in energy consumption.

B. TECHNOLOGY ABSORPTION:

(i) **Efforts made towards technology absorption:**

Early Flood Warning System for 3 x 135 MW Ranganadi HEP: In order to arrive at a long term sustainable solution in regard to flood early warning system, state of the art hydro -meteorological monitoring system consisting of 17 nos. of Automatic Rain Gauge Stations (ARGS) and Doppler based digital water level recorder (DWLR) are in the process of installation in Ranganadi Catchment with the assistance of the North Eastern Space Application Centre (NESAC), Department of Space, Government of India. The ARGS and DWLR sensors are equipped with near real time data reception facility / system and collected data will be transmitted via INSAT series of Satellites under the existing National level ISRO AWS network of MOSDAC with data reception facility at Space Application Centre (SAC), Ahmedabad. The data from SAC shall be transmitted to NESAC and NEEPCO through FTP. The data shall also be transmitted as SMS/packet data (to any pre-configured mobile) using GSM/GPRS networks.

Up-gradation of Control System of 135 MW Agartala Gas Turbine Combined Cycle Power Plant (AGTCCPP): The Control system of Gas Turbine Units – III & IV were up-graded from Mark-V control to Mark VI-e control system.

(ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**

The Flood Early Warning System for 3 x 135 MW Ranganadi HEP will go a long way in predicting floods and accordingly warn the downstream population much ahead, so that adequate disaster mitigation measures can be taken to avoid losses of lives and property.

Up-gradation of the control system of Gas Turbine Units in AGTCCPP shall result in lesser outages through better condition monitoring and control of the units. This will ultimately benefit the Plant to meet the annual generation targets effectively.

(iii) **Imported Technology (imported during the last three years reckoned from the beginning of the financial year):**

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.

2017-18:

- There has been no import of any foreign technology during the year.

(iv) **Expenditure incurred on Research and Development:**

Total expenditure against R&D during the year 2017-18 is ₹27.00 Lakh.

C. FOREIGN EXCHANGE EARNING & OUTGO

Foreign Exchange Earning & Outgo	
Particulars	**Amount in Rs. in crores**
Foreign Exchange Earning	Nil
Foreign Exchange Outgo	147.93
Note : The above figures represents actual inflow & actual outflow in foreign currency during the year 2017-18	

For and on behalf of the Board of Directors

(A. G. West Kharkongor)
Chairman & Managing Director
DIN: 03264625

Dated: 16-08-2018
Place: Guwahti

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 of operation 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.

As the power Plants of NEEPCO are spread across the North East Region of the Country, NEEPCO's reach is very widespread leading to huge community coverage. The focus is on providing good health, quality education, clean drinking water, and sanitation and environment sustainability.

CSR Committee:

A. Board Level Committee as on 31-03-2018:

1. Shri A.G. West Kharkongor, Chairman & Managing Director - Chairman.
2. Shri Satyabrata Borgohain, Director (Personnel) - Member.
3. Shri V.K. Singh, Director (Technical) - Member.
4. Dr. Amitabha De, Independent Director - Member.
5. Shri Gopal Krishan Agarwal, Independent Director - Member.
6. Dr. Hari Narayan Borkataky - Independent Director - Member.

B. 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: (₹ In Cr.)

Sl. No.	Year	Net Profit (PBT)
1	2014-15	420.27
2	2015-16	445.48
3	2016-17	374.73
Total		**1240.48**
Average Net Profit		413.49
2% of Average Net Profit		8.27
Carried over unspent amount from CSR Budget 2016-17		0.28
Total CSR Budget for the year 2017-18		8.55

CSR & S Budget for the FY 2017-18:

₹8.55 Cr. i.e. 2% of avg. PBT i.e. ₹8.27 Cr. + ₹0.28 Cr. unspent amount of 2016-17.

CSR & S Expenditure (utilization):

Amount utilized:	₹5.64 Cr.
Project under implementation:	₹1.63 Cr.
Total:	**₹7.27 Cr.**

Details of CSR spent during the financial Year:

a) Total amount to be spent for the financial year: ₹8.55 Crore.

b) Amount unspent if any: ₹1.28 Crore.

c) Manner in which the amount spent during the financial year is detailed below: -

Sl. No.	Heads	Expenditure (₹ Crore)
1	Promoting Education	2.48
2	Preventive Health Care	0.85
3	Swachh Bharat Abhiyan	0.18
4	Entrepreneurship Development Programme	0.21
5	Rural Area/ Other Area Development	1.74
6	Third party evaluation carried out by Omeo Kumar Das Institute of Social Change & Development	0.18
	Total	**5.64**

Reasons for not spending the amount:

The reason for under spending of CSR outlay is mainly due to delay/non receipt of adequate proposals which can be covered under the approved CSR policy. As a result, an amount of ₹1.28 Cr. out of the total budgeted amount of ₹8.55 Cr. remained unallocated. Further, unspent amount on projects under implementation amounted to ₹1.63 Cr.

Responsibility Statement:

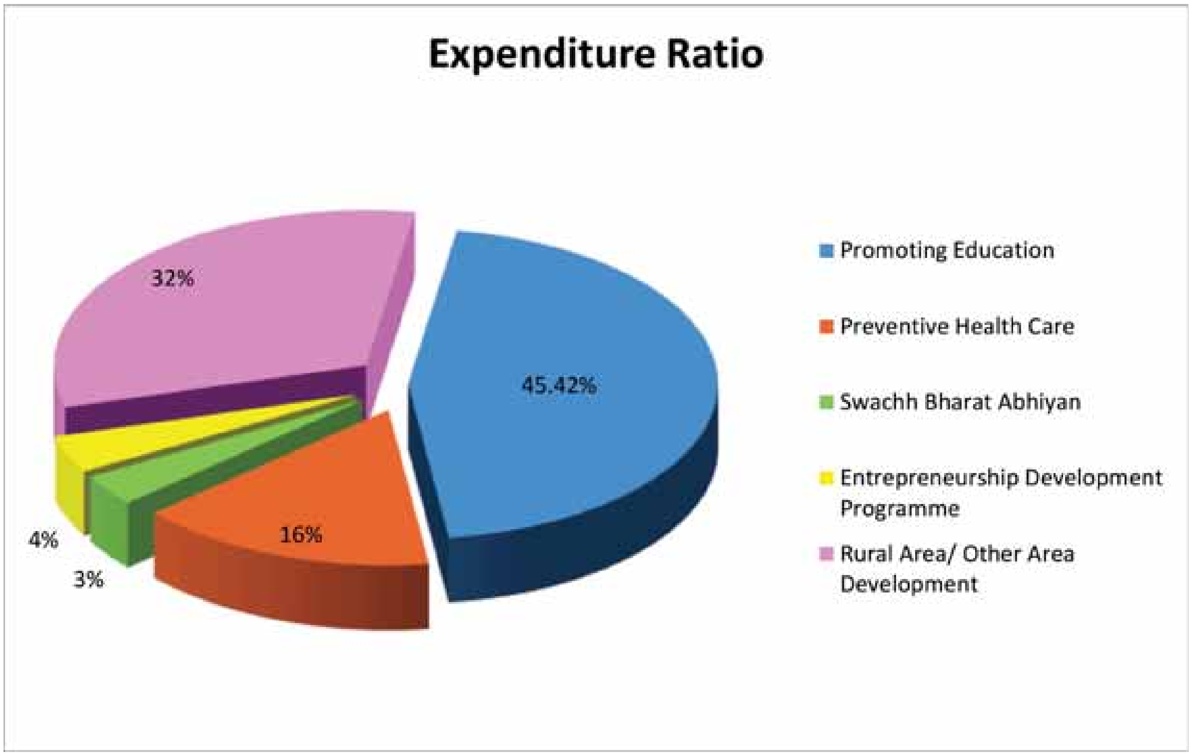
It ensured that, implementation and monitoring of CSR&S activity is in compliance with CSR objectives, Policy of the company and other various Government guidelines.

For and on behalf of the Board of Directors

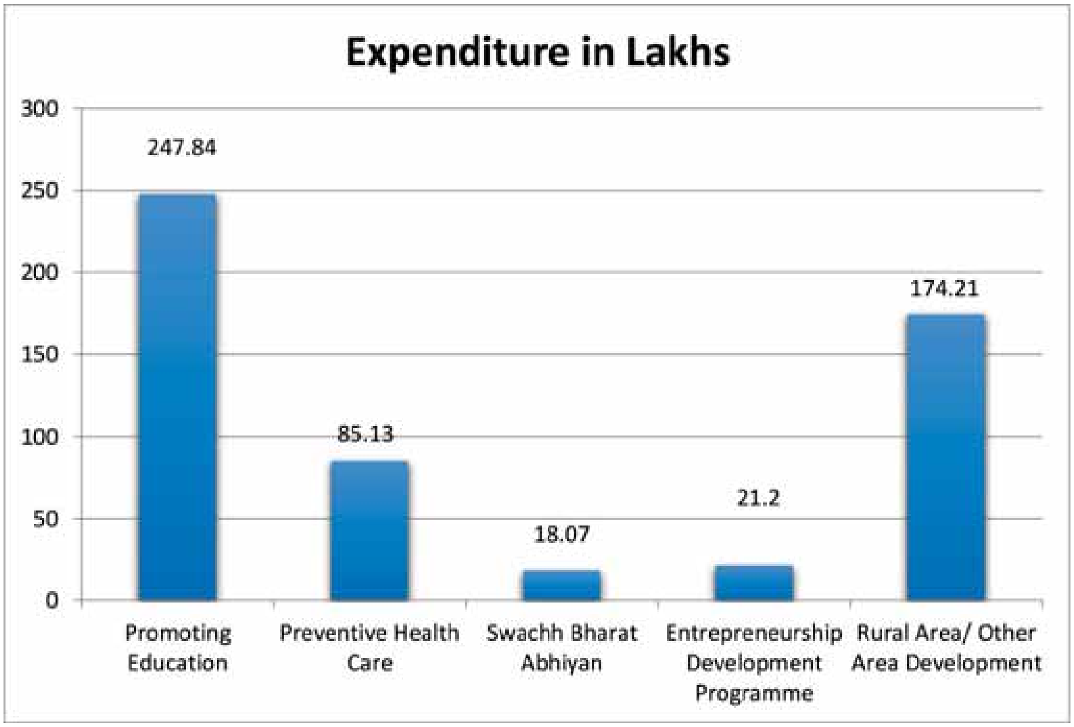
(A. G. West Kharkongor)
Chairman & Managing Director
DIN: 03264625

Dated: 16-08-2018
Place: Guwahati

CSR Expenditure ratios during 2017-18



CSR Expenditure during 2017-18

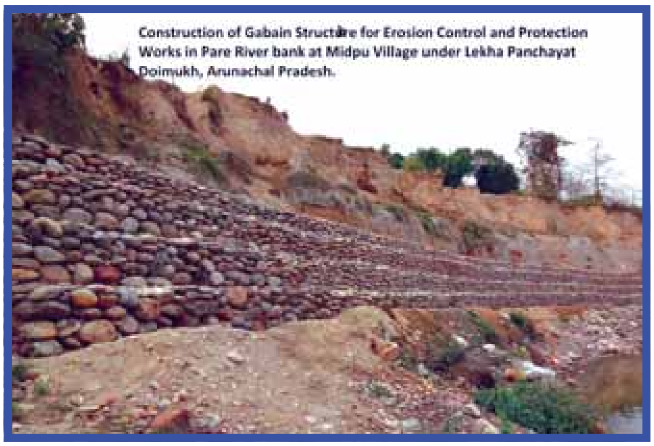


Glimpses of CSR activities during 2017-18

Medical Camp at Tripura

Distribution of cleaning materials to North Hlimen Village, Mizoram

Donation of Ambulance to local NGO at Shillong



Construction of Gabion Structure at Arunachal Pradesh

North Eastern Electric Power Corporation Limited
(A Miniratna Category - I, Government of India Enterprise)
Regd. Office: Brookland Compound, Lower New Colony, Shillong - 793 003, Meghalaya
Phone: 0364-2222094, 2222070; Fax: 0364-2226417
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