



**NORTH EASTERN ELECTRIC POWER CORP. LTD.**

**ANNUAL REPORT 2019-20**

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**Dear Members,**

On behalf of the Board of Directors, it is my privilege to present the 44<sup>th</sup> Annual Report on the performance of your Corporation during the Financial year ended on 31<sup>st</sup> March 2020, along with the audited Statement of Accounts, Auditors Report and Review of the Accounts by the Comptroller & Auditor General India for the period.

**FINANCIAL PERFORMANCE**

The performance of the Corporation for the financial year ended 31<sup>st</sup> March 2020 and 31<sup>st</sup> March 2019 are summarized below:

**PERFORMANCE AT A GLANCE**

(Rs. In Crore)

Sl. No	Items	2019-20	2018-19 *
A	Revenue from Operation	2127.50	2028.18
B	Other Income	40.31	57.34
C	Total Revenue	2167.81	2085.52
D	Profit before depreciation, interest and tax	781.17	926.17
E	Depreciation	343.03	356.78
F	Profit after depreciation but before interest and tax	438.14	569.39
G	Interest and finance charges	173.10	144.88
H	Profit before tax (Incl. Movement of Regulatory Deferral Accounts Balance)	265.04	424.51
I	Tax Expenses	99.20	213.45
J	Profit after Tax	165.84	211.06
K	Other Comprehensive Income	(3.17)	2.12
L	Total Comprehensive Income	162.67	213.18
M	Interim Dividend	-	68.00
N	Proposed final dividend	25.00	39.00
O	Dividend Distribution Tax		13.98
P	Dividend Distribution Tax payable on Proposed Dividend		8.02
Q	Transfer to Bond Redemption Reserve	-	79.87
R	Share Capital	3609.81	3609.81
S	Reserve & Surplus	2795.04	2679.37
T	Net Worth ( R + S )	6404.85	6289.18
U	Gross Block	10022.66	9899.14
V	Capital Employed	4906.09	5993.88
W	Number of Employees	2170	2346
X	Financial Ratios ::		
	Gross Operating Margin	740.86	868.83
	Net Profit to Net Worth (%)	2.59%	3.36%
	PAT /Total Employment (Rs.) in lakhs)	7.64	9.00
	Debt Equity Ratio	1.13	1.08



Liquidity (ratio)	0.42	0.66
Current Ratio	0.47	0.74
Sales Turnover/ Net Block (%)	34.40 %	32.03%
Debtor Turnover Ratio ( days)	112	98
Earnings per Share (Rs.)	0.46	0.59

\* Restated

## REVENUE

The Gross Revenue of the Corporation for the year 2019-20 is Rs.2167.81 Crore (previous year Rs.2085.52 Crore).

## PROFIT BEFORE AND AFTER TAX

The Corporation earned a profit before tax of Rs.265.04 Crore as against of Rs.424.51 Crore of previous year and the profit after tax amounts to Rs.165.84 Crore as against previous year figure of Rs.211.06 Crore.

## DIVIDEND

The Company has not paid any interim dividend for the financial year 2019-20. Your Directors have recommended a final dividend of Rs.25.00 crore for the year 2019-20. The total dividend payout for the year amounts to Rs.25.00 crore i.e. Rs.0.07 per equity share. The dividend pay-out represents 15.07% 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 31.03.2020 stood at Rs.5000.00 Crore and the Paid up Capital was Rs.3609.81 Crore (Previous year Rs.3609.81 Crore).

### B. BORROWINGS

The Corporation mobilised a loan of Rs.1314.50 Crore from various domestic agencies during the financial year 2019-20.

### C. NET WORTH

The Net Worth of the Corporation excluding capital reserve as on 31<sup>st</sup> March, 2020 was Rs.6404.85 Crore against Rs.6289.18 Crore as on 31<sup>st</sup> March, 2019 representing a growth of 1.84 %.

### D. GROSS OPERATING MARGIN

The Gross Operating Margin of the Corporation as on 31<sup>st</sup> March, 2020 was Rs.740.86 Crore against Rs.868.83 Crore as on 31<sup>st</sup> March, 2019.



**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 2019-20.

**F. MANAGEMENT COMMENTS ON STATUTORY AUDITOR'S REPORT**

The Statutory Auditor of the company has submitted the report on the Financial Statements of the Company for the financial year 2019-20. The report of the Statutory Auditor dated the 23<sup>rd</sup> June 2020 is given at **ANNEXURE 6A** (for Stand-alone Financial statements) and **ANNEXURE 6B** (for Consolidated Financial Statements). On the Statutory Auditors Report relating to "Emphasis of Matters", the Management's reply is given in **ANNEXURE-6C**.

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

The Comptroller & Auditor General of India has conducted supplementary audit of the financial statements (Stand alone as well as Consolidated) of the Company for the FY 2019-20 under Section 143 (6) (a) of the Companies Act, 2013. Comments of the C&AG on the financial statements of your Company are given at **ANNEXURE 7** for Stand-alone Financial statements and for Consolidated Financial Statements. The Management's Reply to the Comments of the Comptroller & Auditor General of India is given in **ANNEXURE-7A**.

**H. COST AUDIT**

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by all operating stations of your Company. M/s. Bandyopadhyaya Bhaumik & Co, Guwahati was appointed under section 148 of the Companies Act, 2013 as Cost Auditor for the financial year 2019-20 for conducting cost audit of cost accounting records of the Company. The Cost Audit for the year 2019-20 has been completed. The Cost Audit Report for the financial year ended March 31, 2020 shall be filed within the prescribed time under the Companies (Cost Records & Audit) Rules, 2014.

**I. 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 2019-20. The Secretarial Audit Report in Form No.MR-3 for the financial year ended 31<sup>st</sup> March 2020 as audited by M/s. Narayan Sharma & Associate, 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 2019-20 is enclosed as **ANNEXURE – 8B**.

**PLANTS UNDER OPERATION:****POWER GENERATION:**

The MoU "Very Good (VG)" power generation target for the year 2019-20 was fixed as 8484 MU including 2100 MU of Kameng HEP. Generation achieved during the year 2019-20 is 6387.29 MU including 26.45 MU infirm power from Kameng HEP. Unit # 1 and Unit # 2 of 4 x 150 MW Kameng HEP were synchronized with the grid on 26.01.2020 & 12.01.2020 respectively. Table below highlights the comparative achievements of FY 2019-20 vis-à-vis FY 2018-19.

Power Station	Generation Target (MU) FY2019-20 for "V-Good" MOU rating	Actual Generation (MU) FY 2019-20	Actual Generation (MU) FY 2018-19	Actual Plant Availability Factor (%) FY 2019-20	Actual Plant Availability Factor (%) FY 2018-19
AGBPP (291 MW)	1600	1704.03	1639	69.44	64.20
AGTCCPP (135 MW)	617	806.91	651	74.97	60.15
TGBPP (101 MW)	650	713.46	681	87.53	79.27
<b>Thermal Total</b>	<b>2867</b>	<b>3224.40</b>	<b>2971</b>		
Kopili H E Plant* (275 MW)	1300	1010.92	1327	83.24	83.95
Doyang H E Plant (75 MW)	260	180.92	231	65.63	59.74
Ranganadi H E Plant (405 MW)	1300	1289.42	1052	84.73	82.50
Tuirial H E Plant (60 MW)	200	177.01	169	75.04	51.01
Pare H E Plant-(110 MW)	450	471.52	347	88.98	85.74
Kameng H E Project ** (300 MW)	2100	26.45	0	-	-
<b>Hydro Total</b>	<b>5610</b>	<b>3156.24</b>	<b>3126</b>		
Monarchak Solar (5 MW)	7	6.65	7	15.08	16.17
<b>NEEPCO Total</b>	<b>8484</b>	<b>6387.29</b>	<b>6104</b>		-
APAF Target (%) 2019-20 for "Very Good" MOU rating	80.01				
Actual APAF (%) achieved during 2019-20	79.61				

\* Cumulative generation and PAF of Kopili Power Station are up to 07.10.2019.

\*\*Generation Data is subject to final Tariff Order of Hon'ble CERC.

**HYDRO ELECTRIC PLANTS:****A) 275 MW Kopili Hydro Electric Plant (KHEP), Assam:**

Kopili Hydro Electric Plant Power Stations	Installed Capacity (MW)	Generation in MU			NAPAF (%)	APAF (%)
		Design	MoU (VG)	Actual		
Kopili Power Station	200 (4x 50)	1186.14	980	717	69	93.44
Khandong Power Station	50 (2 x 25)	277.65	220	190	67	55.05
Kopili Stage-II	25 (1 x 25)	86.30	100	104	69	57.97
<b>Total</b>	<b>275</b>	<b>1550.09</b>	<b>1300</b>	<b>1011</b>		

**Note:** The APAF achieved during the year 2019-20 by Kopili was 93.44% (Cumulative up to 07.10.2019) against NAPAF of 69%.

- Rupture of penstock on 07.10.19 (4:50 AM) led to massive flooding of the Kopili Power House and Switchyard.
- Inspection of the Power House complex was carried out immediately after the water receded. All the floors, from EOT Crane beam (at EL 277M) to Valve Gallery (at EL 259.69M) were filled with debris, mixture of sand, soil, boulders, clay and water. The entire switchyard was covered with debris with an average height of around 10 ft. The generator transformers were totally covered with debris up to fire wall level.
- Excavators, Dumpers and labourers were engaged round the clock for cleaning operations mainly inside the floors of the Power House.
- Restoration of the plant as a part of Restoration, Renovation & Modernization was initiated. Subsequent to easing of restrictions related to pandemic lockdown, works in various fronts has been re-activated within the provisions of the Standard Operating Procedure (SoP) issued by Govt. of India. Status of works for the year are as under:
  - Dismantling work of Penstock-I is in progress.
  - Work order for "Dismantling, cleaning & shifting of miscellaneous equipment's" has been placed.
  - Order for Supply, Delivery, and Installation & commissioning at site of 132/33KV, 3-phase, 5MVA Transformer has been placed.
  - LOI for Supply, installation & commissioning of 220V, 425AH Exide make Plant type Lead Acid Battery Bank has been placed.
  - Order for "Restoration of Switchyard rain water Drainage System" has been placed.
  - Order for Construction of stone masonry retaining wall at various locations has been placed.
  - Tender for Design, Fabrication, Supply, Erection, and Testing & Commissioning of Umrong Penstock & Steel Liner in Umrong system of KHEP has been floated on 23.04.2020.

**B) 75 MW Doyang Hydro Electric Plant (DHEP), Nagaland:**

Doyang H E Plant	Installed Capacity (MW)	Generation in MU			NAPAF (%)	APAF (%)
		Design	MoU (VG)	Actual		
	75 (3 x 25)	227.24	260	180.92	70	65.63

Generation & APAF of Doyang H. E. Plant was less due to less river inflow.

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

Ranganadi H E Plant	Installed	Generation in MU			NAPAF	APAF
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	Capacity (MW)	Design	MoU (VG)	Actual	(%)	(%)
	405 (3 x 135)	1509.66	1300	1289.42	88	84.73

Generation and APAF achieved from Ranganadi H. E. Plant was less due to planned shutdown of all the 3 (three) units w.e.f. 09.02.2019 to 28.04.2019 for Reservoir cleaning, MIV Disc Seal replacement and commissioning of Surge Shaft Gate and less river inflow.

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

Tuirial H E Plant	Installed Capacity (MW)	Generation in MU			NAPAF (%)	APAF (%)
		Design	MoU (VG)	Actual		
	60 (2 x 30)	250.63	200	177.01	85	75.04

Generation and APAF achieved from Tuirial H. E. Project was less due to less availability of reservoir water and shutdown of Unit # 2 w.e.f. 27.10.2019 to 12.11.2019 for Generator Transformer problem.

The Revised Cost Estimate at November, 2017 price level was vetted by the Central Electricity Authority (CEA) on 08.03.2019 for Rs. 1175.35 Crore. Further, the CEA vetted the IDC & FC of Tuirial HEP on 05.04.2019 for Rs. 68.80 Crore (Rs. 68.61 Cr, IDC + Rs. 0.19 Cr, FC). The Revised Cost Committee (RCC) on 04.10.2019 recommended the followings cost for consideration of PIB:

- Total completion cost of the Project amounting to Rs 1422.47 Cr including IDC & FC of Rs 69.37 Cr for calculation of energy tariff.
- Indexed capital cost of the Project amounting to Rs 1244.15 Cr including IDC & FC of Rs 68.80 Cr for release of equity by Government of India as per the decision of CCEA.

#### E) 110 MW Pare Hydro Electric Project (PHEP), Arunachal Pradesh:

Pare H E Plant	Installed Capacity (MW)	Generation in MU			NAPAF (%)	APAF (%)
		Design	MoU (VG)	Actual		
	110 (2 x 55)	506.42	450	471.52	85	88.98

Although the MoU target was achieved, generation of Pare HEP was less than the Design Energy due to less availability of reservoir water following planned shutdown of Ranganadi HEP units.

The CEA total vetted cost for the project including IDC & FC stands at Rs.1640.31 Crore. The RCC in its meeting held on 06.08.2019 recommended the following expenditure for finalization of Revised Cost Estimate at completion with time overrun of 70 months for consideration of PIB as follows:

- Total completion cost of the Project amounting to Rs.1656.74 Crore (Rs.1640.31 Cr vetted cost + Rs.16.43 Cr notional FERV) including IDC and FC of Rs.238.04 Cr for calculation of energy Tariff.
- Capital cost of the Project amount to Rs.1640.31 Crore including IDC and FC of Rs.238.04 Cr for release of equity by Gol in line with CCEA stipulation.
- Grant of Rs.300 Cr. for reducing the Tariff to an affordable limit. The RCC suggested that NEEPCO, should request for it separately for consideration of the Competent Authority. Accordingly, request for grant of Rs.300 Crore has been submitted to the MoP, Government of India for bringing the tariff to an affordable level.

**THERMAL PLANTS:****A) 291 MW Assam Gas Based Combined Cycle Power Plant (AGBPP), Assam:**

Assam Gas Based Combined Cycle Power Plant	Installed Capacity (MW)	Generation in MU			NAPAF (%)	APAF (%)
		Design	MoU (VG)	Actual		
	291 (6 x 33.5 + 3 x 30)	1746	1600	1704.03	72	69.44

Assam Gas Based Combined Cycle Power Plant	Gas Supplier	Contracted Quantity (MMSCMD)	Average Gas supply (MMSCMD)		
			2017-18	2018-19	2019-20
	M/s OIL	1.40	1.20	1.24	1.30

In order to maintain generation from the Plant at 85% - 90% PLF, around 1.65 MMSCMD of gas is required. The Ministry of Power has already taken up with the MoP&NG for enhancement of gas allocation from existing resources. However, 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.

**B) 135 MW Agartala Gas Turbine Combined Cycle Power Plant (AGTCCPP), Tripura:**

Agartala Gas Turbine Combined Cycle Power Plant	Installed Capacity (MW)	Generation in MU			NAPAF (%)	APAF (%)
		Design	MoU (VG)	Actual		
	135 (4 x 21+2 x 25.5)	810	617	806.91	85	74.97

Agartala Gas Turbine Combined Cycle Power Plant	Gas Supplier	Contracted Quantity (MMSCMD)	Average Gas supply (MMSCMD)		
			2017-18	2018-19	2019-20
	M/s GAIL	0.75	0.52	0.50	0.62

As per the Gas Sales and Transportation Contract with M/s GAIL, 0.75 MMSCMD of gas is to be supplied by M/s ONGC for operation of the 135 MW AGTCCPP. There is an improvement in gas supply since April, 2019, however, due to forced outage of GTG # 4 w.e.f. 30.06.2019 to 29.09.2019 for Load Gear Box problem, the quantum of gas drawn by AGTCCPP was less.

**C) 101 MW Tripura Gas Based Combined Cycle Power Plant (TGBPP), Tripura:**

Tripura Gas Based Power Plant	Installed Capacity (MW)	Generation in MU			PLF (%)	APAF (%)
		Design	MoU (VG)	Actual		
	101 (1 x 65.42+1 x 35.58)	733.24	650	713.46	80.42	87.53

Tripura Gas Based Power Plant	Gas Supplier	Contracted Quantity (MMSCMD)	Average Gas supply (MMSCMD)		
			2017-18	2018-19	2019-20



	M/s ONGC	0.50	0.40	0.43	0.42
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The CEA vetted the RCE amounting to Rs.1062.24 Crore on 14.06.2017 (Hard Cost Rs.919.00 Cr + IDC, FC FERV Rs.143.24 Crore). In the last RCC meeting held on 26.09.2018, NEEPCO was asked to submit justification for increase in establishment cost with supporting documents. As the fixed cost of the project can be ascertained only subsequent to completion of the Performance Guarantee Test, NEEPCO informed the MoP on 05.04.2019 that the reconciliation with BHEL is likely to be completed very soon. PG test is completed and reconciliation with BHEL is nearing completion, apart from some minor issues. The fixed cost and other related information shall be submitted to the RCC in its final shape.

#### **RENEWABLE ENERGY PLANT:**

##### **A) 5 MW<sub>p</sub> Grid Interactive Solar PV Power Plant at TGBPP Site, Tripura:**

The energy generated from the plant during 2019-20 was 6.65 MU against MoU" very good" target of 7.00 MU with Capacity Utilization Factor (CUF) of 15.08 %.

#### **ANALYSIS OF GENERATION:**

Generation achieved during the year 2019-20 was 6387.29 MU against 6103.82 MU achieved during 2018-19. The increase in generation with respect to the previous year is 4.64%. There was an increase in installed capacity in the year 2019-20 by 20.60 % w.r.t. installed capacity of previous year.

#### **Renewable Energy Initiative:**

##### **A) 200 MW Solar PV Power Project at Dhenkanal, Odisha:**

In-principle approval of State Agencies of Odisha was obtained for setting up the project. In-principle approval of the MoP for start of project related works is awaited.

##### **B) Ultra-Mega Renewable Energy Power Park (UMREPP):**

NEEPCO was allotted the state of Odisha for development Solar Park of 1800 MW capacity under Ultra Mega Renewable Energy Power Park (UMREPP) Scheme of MNRE. A proposal was submitted to Govt of Odisha for formation of SPV/JV with Government of Odisha's nominated agency for development of UMREPP. Consultations/discussions were held with the Govt. of Odisha for their affirmation on the development of the Solar Park as JVC with NEEPCO.

During the meeting held on 18.11.2019 under the Chairmanship of Hon'ble Minister (I/C), Power and NRE, Odisha requested that instead of NEEPCO, NTPC may take up this task. Further, during the meeting held on 09.12.2019, the Hon'ble Minister (I/C), Power and NRE, advised NEEPCO to identify best suitable location for setting up of UMREPP in other states. It was also suggested that the existing MoU between NEEPCO and SJVNL may be explored for development of UMREPP. Identification of suitable location for setting up of UMREPP in other states is in process.

In the minutes of meeting held on 12.06.2020 under the Chairmanship of Hon'ble Minister (I/C), Power & NRE at MNRE, New Delhi, it has been recorded that, the land in Odisha was not found suitable for setting up of UMREPP & Exemption from setting up of UMREPP was also sought.

#### **ONGOING PROJECT:**

##### **A) 600 MW Kameng H.E. Project (KaHEP), Arunachal Pradesh:**

- All major works required for commissioning of the project in March'2018 were completed by the last week of Feb'2018 and two hydro generating turbines of 150 MW each (Unit - I & Unit - II) were put on trial mechanical run on 08.03.2018 and 10.03.2018 respectively. However, leakages in the penstocks were noticed on 12th March 2018 and as a result penstock rectification works had to be undertaken.

- Rectification works of Penstock-I feeding two units of 150 MW each (unit-I & II) was completed on 09.10.2019. Rectification works of Penstock – II, feeding other two units of 150 MW each (unit-III & IV) are in progress. Cumulative progress of the rectification works as on July' 2020 is 88%.
- The estimated date of completion of Units - III and IV depends on the completion of remedial works of Penstock - II which was suspended w.e.f. 23rd March, 2020 due to country wide lockdown. Works resumed w.e.f. 23rd April 2020.
- Rectification works of Penstock – II was earlier scheduled to be completed by May 2020. The manpower available as on date of declaration of the "Lockdown" is being engaged for continuing the ongoing rectification activities. However, those workmen of the contractors who were away to their homes etc., on the day of the lockdown have not been able to return to work.
- Moreover, strictures imposed by the local bodies are hampering the movement of Labour, equipments and manpower, etc. thereby adversely affecting rectification activities.
- Considering the present rate of work progress, Penstock – II is expected to be ready by October 2020 for commissioning of Units - III and IV (150 MW each).
- On completion of Penstock-I rectification works, 150 MW each of Unit-I & II was synchronized with grid on 26.01.2020 & 12.01.2020 respectively. On successful completion of 12 hours full load operation, the units were declared as commissioned on 10.02.2020 & 03.02.2020 respectively. Issues/ problems which were subsequently identified in the units were attended and finally Unit-I & II were declared for commercial operation on 17.06.2020 and 01.07.2020 respectively.

The Revised Cost Estimate at six different price levels (Dec'10 PL; Dec'11 PL, Dec'14 PL, Mar'15 PL, Sept'18 PL & June'19 PL) were submitted to the CEA / MoP from time to time. Out of which, RCE's at Dec'11 & Mar'15 PL were vetted by CEA but it could not be taken up to the PIB/CCEA stage for approval as the price levels have become more than 6 months old during its course of examination at various departments. Latest RCE at June'19 PL amounting to Rs.7927.34 Cr (including IDC & FC-Rs.2480.22 Cr) was submitted to the CEA on 30.08.2019. The CEA vetted the time overrun of the project (97 months against 124 months) excluding time overrun period of penstocks rectification works. Additional information with justification was submitted to the CEA for consideration and to allow time overrun of 124 months as indicated in RCE. However, the CEA returned the RCE on 24.01.2020 requesting to submit the RCE proposal at March'18 PL considering the vetted time-overrun. The same is being processed.

The cumulative expenditure incurred up to 31st March, 2020 was Rs.7945.62 Crore, out of which an amount of Rs.685.18 Crore was spent during 2019-20.

#### OTHER PROJECTS:

##### **A) Pradhan Mantri Sahaj Bijli Har Ghar Yojana–Saubhagya:**

NEEPCO is carrying out Rural Electrification works in the State of Tripura under the "Pradhan Mantri Sahaj Bijli Har Ghar Yojana–Saubhagya" scheme on behalf of TSECL, Tripura. TSECL issued the sanction order on 27.07.2018. NEEPCO in turn issued order to the Contractor on 27.07.2018. The works are being undertaken in the two Districts of Sepahijala and South Tripura. The estimated cost for the works in Sepahijala and South Tripura District is Rs.39.97 Cr. and Rs.54.96 Cr. respectively.

A delay has occurred as the works of the SAUBHAGYA Scheme was declared stands closed w.e.f. 31.03.2019 communicated by REC vide letter dated 04.04.2019. Works restarted w.e.f. Sept'19.

#### **Achievement as on 31.03.2020:**

Sl. No	Description	Unit	Sepahijala District			South Tripura District		
			Target as per LOA	Revised	Achievement	Target as per LOA	Revised	Achievement
01	Service Connection	Nos.	5529	5547	5366	7057	5486	6242

02	Distribution TR Installation	Nos.	172	172	172	195	144	144
03	LT Stringing 1Ph	CKM	432.95*	406.33	415.21	572.80*	450.30	417.56
04	LT Stringing 3Ph	CKM	22.52*	18.65	21.56	77.00*	48.94	51.07
05	HT Stringing Line	CKM	98.65	56	53.50	141.81	73.80	71.55
06	Pole Erection – Steel	Nos.	8254	8254	7652	10263	8439	7933
07	Pole Erection – PSC	Nos.	7047	7047	5651	10343	7370	6636

\*with 5% sag.

Note: In South Tripura District, the scope is revised, as it was decided in a meeting with TSECL in presence of REC, that they would cover two Blocks viz Rajnagar & Hrishyamukh out of eight Blocks.

### UPCOMING PROJECTS:

#### Under S&I SCHEME: (Ownership Basis)

S.N.	Project	Status
<b>HYDRO</b>		
1.	Wah Umiam St-III HEP (85 MW), Meghalaya	<ul style="list-style-type: none"> <li>MoA was signed between NEEPCO &amp; Govt. of Meghalaya on 20<sup>th</sup> April 2012.</li> <li>DPR is under scrutiny at CEA. Clearances from all departments have been obtained except for Legal Clearance from Legal Directorate, CEA and Financial Aspects from F&amp;CA Directorate, CEA. TEC is expected shortly.</li> <li>MoEF&amp;CC recommended Environmental Clearance and shall be issued after Forest Clearance Stage-I (FC-I).</li> <li>Matter was taken up with the Forest and Environment Dept., GoM for Compensatory Afforestation necessary for FC-I. As the degraded forest land required for the purpose could not be arranged, the matter has been taken up with Hon'ble Minister, Forest &amp; Environment, GoM.</li> <li>Efforts for land acquisition are being made with concerned Authorities which have been obstructed due to local opposition, law &amp; order issues in the district and the state etc.</li> <li>Meghalaya PWD completed identification of the landowners along with measurement of the area to be acquired for the approach road. Cost estimate with incorporation of solatium amounts to be paid to the land owners is awaited from the PWD.</li> <li>Efforts were initiated for identification of beneficiaries and finalization of PPA including cross border trading for sale of power from the project. Response is awaited.</li> </ul>
2.	Wah Umiam St-I HEP (50 MW), Meghalaya	<ul style="list-style-type: none"> <li>These projects are located on the upstream of the Wah Umiam Stage-III HEP and were allotted on 12.03.2019. Thus, the whole Umiew basin has now been allotted to NEEPCO for development.</li> <li>MoAs are under finalization.</li> </ul>
3.	Wah Umiam St-II HEP (100 MW), Meghalaya	



**Under S&I SCHEME: (Ownership Basis)**

S.N.	Project	Status
		<ul style="list-style-type: none"> <li>Pre-Feasibility Report (PFR) shall be finalized and preparation of DPR shall be taken up after signing of the MoAs.</li> </ul>

**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
<b>HYDRO</b>		
1.	Dibbin HEP (120 MW), Arunachal Pradesh.	<ul style="list-style-type: none"> <li>Shareholders' Agreement (SHA) was signed between NEEPCO and KSK Energy Ventures Ltd. on 12.06.2014.</li> <li>A meeting to discuss complete takeover of Dibbin HEP by NEEPCO was held at Shillong on 18th November 2015.</li> <li>Consideration of e-flow as per post TEC Basin Study Report brings down the Design Energy from 371 MU to 295 MU.</li> <li>Efforts were made to make the project viable with waiver/ staggering of free power and grant which however, did not materialise.</li> <li>Meanwhile, the CEA examined the project again in consideration of e-flow as per the Basin Study Report and intimated that the installed capacity gets revised to 80 MW with the hydrology as per DPR. However, the installed capacity may change based on the site-specific e-flow study subject to approval by MoEF &amp; CC.</li> <li>Not much headway could be made on this project due to substantial reduction in annual generation assessed by the CEA earlier due to post TEC basin study report.</li> <li>Under the above circumstances, NEEPCO felt that the proposal to acquire the project on ownership basis with TEC parameter unaltered may not be prudent anymore. Hence, NEEPCO vide its letter to Commissioner (Power) dated 05.05.2020 communicated the withdrawal of its intent to acquire 120 MW Dibbin HEP, on ownership basis</li> </ul>
2.	Siang Upper Stage-II HE Project (3750 MW), Arunachal Pradesh.	<ul style="list-style-type: none"> <li>MoA with the Govt. of Arunachal Pradesh was signed on 28th May'13 for development of the Project in Joint Venture between NEEPCO, NHPC and the State Govt.</li> <li>All activities on the project are presently on hold as per the advice of MoP vide letters dated 18.11.2015 and 02.02.2016 till a decision is taken in regard to development of Siang Upper Stage I &amp; II HE Projects (6000 &amp; 3750 MW) in single stage or two stages.</li> <li>NEEPCO was advised in March 2017 for investigation to be carried out in a manner which would facilitate consideration of a single Siang Multi-Purpose Storage Project (to be developed as a National Project) and reiterated that S&amp;I works cannot be carried out by the PSUs as the cost of investigation is likely to exceed Rs.1000 Crore.</li> <li>Presently, the MoP is in discussions/ assessment involving</li> </ul>

		some of the major stakeholders including the State Govt., on development of a single stage project.
3.	Kurung HEP (330 MW), Arunachal Pradesh	<ul style="list-style-type: none"> <li>MoA with the Govt. of Arunachal Pradesh was signed on 27<sup>th</sup> Jan'15 for development of the Project in Joint Venture.</li> <li>ToR clearance obtained and PFR prepared.</li> <li>Proposal for approval of expenditure for pre-investment activities submitted to MoP was considered in the meeting of the Delegated Investment Board (DIB) held on 18.01.2018.</li> <li>As decided in the DIB meeting, revisit of certain MoA clauses was taken up with GoAP.</li> <li>As expressed by GoAP during discussions, the issue may be resolved in a joint meeting with MoP, Gol.</li> </ul>

### RESEARCH & DEVELOPMENT (R&D):

#### 1) Project undertaken during the year:

"Design of an Automated Communication System through cloud computing using sensor based automated input for efficient operation in Ranganadi H.E. Plant with due emphasis on downstream concern up to confluence with Subansiri river".

The work was awarded on 09.01.2020 with a time of completion as 36 (thirty-six) months. The work is in progress.

#### 2) Total expenditure against Research & Development for the year 2019-20 is Rs.1.26 Crore.

### E-Governance / IT Initiatives (2019-2020)

The IT Department is committed to continuous improvement by upgradation of its infrastructure, services and technological skills for advancement of business goals.

The Corporate Website [www.neepco.co.in](http://www.neepco.co.in) has been awarded the STQC Website Quality Certificate for Quality Level 1 by the Government of India, Ministry Of Electronics and Information Technology, Standardization Testing and Quality Certification Directorate on the 22<sup>nd</sup> of Nov 2019.

Initiative has been taken to automate the core activities and functionalities of the Corporation. To achieve this, improvement of communications to all remote projects, sites and offices of the Corporation via IP Telephony has also been taken up with a view to utilize the existing MPLS (Multiprotocol Label Switching) Link as an alternative to VSAT communication and mobile connectivity where link is not present.

Ongoing IT initiatives have also been extended during the period like improvement of the prevalent Information and Communication Technology (ICT) infrastructure, extension of structured LAN, furthering of Software Developmental Works for uniformity of Attendance of all Employees, etc., and extending Video Conferencing facility to all the projects.

IT initiatives were also taken to abide by the Government of India Digital Initiatives, acquisition of Best Standard Practices in IT spheres of Work, like formulation and revision of Policies, Server Room consolidation etc.

As part of the ongoing process, to secure and protect the Corporate Network and information from potential threats and vulnerabilities, upgradation of the Corporate Firewall to a High Availability Next Gen Firewall with robust End Point Security Protection was also completed during the period.

Material Classification and Codification work for all projects except KaHEP, TRHEP and PaHEP has been completed.

All the prerequisites for implementation of ERP had been completed. As per the chartered roadmap for ERP implementation process, the AS-IS study is completed. The next phase of ERP implementation works comprising of finalizing the To-Be Processes and the Preparation of Business Blue Print is in progress. To familiarize the employees on the ERP implementation, a Monthly Newsletter is being issued on a monthly basis.

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

The total value of goods and services procured from MSEs (Including MSEs owned by SC/ST and women entrepreneurs) are as shown below.

Sl. No.	Description	2017-18	2018-19	2019-20
1	Total procurement in Rs. Crore.	150.81	184.06	218.56
2	Total procurement from MSEs in Rs. Crore	19.09	13.02	9.40
3	Total procurement from MSEs owned by SC/ST entrepreneurs in Rs. Crore.	0.50	0.63	2.96
4	Total procurement from MSEs owned by women entrepreneurs in Rs. Crore.	0.00	0.20	0.20
5	Percentage of procurement from MSEs out of total procurement.	12.66%	7.08%	4.30%
6	Percentage of procurement from MSEs owned by SC/ST entrepreneurs out of total procurement.	0.33%	0.34%	1.35%
7	Percentage of procurement from MSEs owned by women entrepreneurs out of total procurement.	--	0.11%	0.09%

#### Right to Information (RTI):

NEEPCO has implemented the Right to Information Act, 2005, to promote accountability, transparency and efficiency. The Corporation has been linked to the online system of RTI request & Appeal Management Information Systems, "RTIMIS" portal. Through this portal, on-line RTI applications to the corporation are directly marked to the designated Nodal Office, RTI who then forwards the same to the respective CPIOs. The company has designated the First Appellate Authority, Nodal officer, Public Information Officer (PIO) and respective Central Public Information Officer (CPIO), and details are uploaded in the company's website.

RTI applications received and disposed during the financial year 2019-2020 are shown hereunder:

Compliance of the RTI Act, during the year 2019-2020	
Number of applications/appeals received	109
Number of applications/appeals disposed	98

#### Risk Management Policy:

The Risk Management Policy (RMP) was introduced in the Corporation in May 2011. Thereafter, the Risk Management Policy was reviewed considering the dynamic business environment. The present policy is effective from 15<sup>th</sup> Feb 2016. The Audit Committee in the meeting held on 10.05.2018 had desired that "at the time of Risk Review, analysis should be made on likelihood of the risk of the Corporation". Accordingly, the Board of Directors in its 251<sup>st</sup> Board Meeting held on 10.05.2019 approved the Amended Risk Management Policy and the same was issued in the month of May 2019.

In order to achieve the key business objectives, the policy establishes a structured and disciplined approach to Risk Management, including development of the Risk Register to guide decisions on risk related issues. Software Tool for online monitoring of status of Risks of various projects/plants/units was developed and is now established.

As a measure to ensure proper monitoring, head of departments/projects/ power stations submit status report of risks and mitigation measures on quarterly basis to the Chief Risk Officer (CRO), who is the Nodal Officer of all Risk related matters, for reporting it to the Risk Management Committee

(RMC). The CRO alongwith the other members of the RMC biannually identify the risks and decide upon the key risks which are reported to the Risk Review Committee (RRC). The RRC annually apprise the same after scrutiny to the Audit Committee (AC) on the key risks faced by the organization and the mitigation measures taken. The AC presents the relevant findings to the Board of Directors for approval/guidance/advice.

Meeting of Risk Review Committee comprising of the 3(three) functional Directors are held from time to time to identify and decide upon the key risks and mitigation measures

### HUMAN RESOURCE DEVELOPMENT (HRD)

Training and Development can contribute enormously towards employee's performance, productivity and motivation for overall organizational growth. Training is an indispensable function which is needed to learn, maintain and upgrade knowledge and skills throughout employee's working life. As such, HRD department has been working towards facilitating the employees with quality training opportunities so as to help them acquire new skills, sharpen existing ones, help them to discharge present job responsibilities and also prepare them for future job roles. Apart from honing functional competencies, emphasis has also been laid to facilitate the employees with behavioural and management development programmes.

During the FY 2019-20, customized programmes for work life balance and leadership development for our women employees have been organised for empowering our women employees, While the work life balance programmes provided our women employees with insights into finding solutions to maintain healthy work life balance, the leadership development programmes enlightened our women officials with the enhanced capabilities , relational skills and leadership traits required to take on their leadership roles and purposeful career development.

Also, capability development programs for executives to build their technical & Managerial competencies for higher positions with special focus on Web learning have been organised during the year. These web learning programmes organised during the year proved to be a flexible and cost effective learning medium which enabled employees to participate in the training by maintaining balance between learning and working.

### HRD Highlights:

#### Details of training imparted to employees during the year:

*(Total numbers of employees participating in training)*

Grade Wise	Type of training			Total
	In-house training	External Training (Within India)	Overseas Training	
Executive	188	10	--	198
Supervisor	89	--	--	89
Workman	168	1	--	169
Total	445	11	--	456

Category of Employees	Type of training			Total
	In-house training	External Training (Within India)	Overseas Training	
Employees of ST Category	183	5	--	188
Employees of SC Category	42	1	--	43
Employees of OBC Category	70	--	--	70
Women Employees	243	2	--	245

Total Training man-days	778
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### Apprenticeship Training :

In compliance of the Apprentices Act, 1961 & amendments and as per guidelines and notifications received from Competent Authority from time to time, utmost emphasis has been given for enabling eligible students to undergo apprenticeship training at NEEPCO. Status of Apprenticeship training is as under:

Target band of percentage of apprentices to be imparted apprenticeship training	Percentage of apprentices imparted apprenticeship training at NEEPCO during FY-2019-20
2.5% to 15% of total manpower strength of the establishments including contractual staff.	5.5% achieved.

### MoU target for the year 2019-20 :

For the Training related HRM parameters, the target for "Excellent rating" have been successfully achieved.

Performance Criteria	Unit	MoU Target	STATUS
Initiatives for women employees for work life balance as well as leadership development	No. of initiatives	Excellent= 10, Very Good=9, Good=8, Fair=7 Poor=6	10 nos. of initiatives executed. Target for "Excellent rating" achieved
Capability development programs for executives to build their technical & managerial competencies for higher positions with special focus on Web learning Programme(s).	No. of programmes	Excellent= 6, Very Good=5, Good=4, Fair=3, Poor=2	6 nos. of programmes executed. Target for "Excellent rating" achieved

### MANPOWER STRENGTH

The manpower strength as on 01.04.2019 was 2334 employees excluding CVO. During the year no employee was recruited, whereas 164 employees had separated as per details below:

ATTRITION DURING THE YEAR	
REASON	NO. OF EMPLOYEES
Expired	18
Resigned	3
Dismissed	1
Voluntarily Abandoned	1
Premature Retirement	1
Superannuated	140
<b>TOTAL</b>	<b>164</b>

RECRUITMENT DURING THE YEAR	
No. of Employees	NIL

The Manpower Strength as on 31<sup>st</sup> March, 2020 was 2170 employees, excluding CVO as per details below:

LEVEL (as on 31.03.2020)	NO. OF EMPLOYEES
Board Level	3
Executives	816
Supervisor	258
Workmen	805
Work-charged	288
<b>Total</b>	<b>2170</b>

GENDER (as on 31.03.2020)	NO. OF EMPLOYEES
Male	1804
Female	366
Transgender	0
<b>Total</b>	<b>2170</b>

CATEGORY (as on 31.03.2020)	NO. OF EMPLOYEES
General	778
Scheduled Caste	165
Scheduled Tribe	785
Other Backward Class	390
Differently Abled	47
Ex-serviceman	5
<b>TOTAL</b>	<b>2170</b>



## CORPORATE COMMUNICATION

Corporate Communication (CC) is working effectively to project the image of the Corporation through print and electronic media and through our association with appropriate agencies to promote goodwill with our stakeholders.

CC handles all social media handles in Facebook, Twitter, YouTube and Instagram to disseminate information regarding the activities of the Corporation while seeking to make the Corporation's mission and vision better known and appreciated. We had also recently opened a LinkedIn account to connect on the world's most extensive professional network.

CC continued to publish the Corporation's quarterly and monthly in-house journals "NEEPCO NEWS" and "News Flash", respectively and other publications as required from time to time.

CC is also executing all campaigns of the Government of India, including Swachh Bharat, BEE Painting Competition on Energy Conservation and other specific campaigns, including Saubhagya.

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

Since the outbreak of the COVID-19 pandemic, Corporate Communication has been working to create awareness, share information and suggestions to our employees and stakeholders through social media posts and appropriate audio-visuals.

## INDUSTRIAL RELATIONS

The Industrial Relations function aims at maintaining cordial and healthy relationship between Management and Employees and the industrial relations in the corporation remained convivial throughout the year. The meetings and discussions are conducted between Unions/Associations from time to time and meetings of bipartite forums such as NEEPCO National Bipartite Committee (NNBC) & NEEPCO Project Bipartite Committee (NPBC) were carried out on various issues concerning unionized employees, policy matters and improving the working condition of workers. The Suggestions generated out of the discussions were carried forward in a realistic manner. During the year 2019-2020 there was zero man-day loss due to any industrial relation issue.

## CELEBRATION OF NEEPCO EMPLOYEE'S DAY

The NEEPCO Employee's Day coinciding with International Labour Day was commemorated on 01-05-2019 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 health centers / dispensaries in its plants and also in its Construction Projects manned by qualified doctors and paramedical staff who provide medical treatment not only to the employees (including those indirectly engaged by the Corporation) but also provide free consultation to people of the neighboring villages as a social service measure. In addition to the Corporation's health centers / 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 and their dependents, the facility of cashless treatment is also available in several empanelled hospitals of the Corporation.

## EDUCATION

The Corporation continued to provide schooling facilities at Project sites as a welfare measure for the wards of the employees, where no schooling facilities are available in the neighborhood. In addition to the wards of the NEEPCO employees, a good number of children from neighboring villages / localities are also admitted in these schools. NEEPCO had been sponsoring 5(five) Vivekananda Kendra

Vidyalaya (VKV) Schools in 4(four) of its O&M plants and 1(one) construction project. The Vivekananda Kendra Siksha Prachar Vibhag (VKSPV) is the nodal agency for managing these schools. These are all CBSE affiliated English medium schools with good academic standards. Further, to encourage the meritorious wards of NEEPCO employees scholarships amounting to Rs.26,16,000/- were released for the year of 2019-20 under the NEEPCO Meritorious Scholarship scheme,.

## PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

In order to ensure safe working space for women and to build enabling work environment that respect women's right to equality of status and opportunity, an **Internal Complaints Committee (ICC)** has been constituted as per the mandate of Prevention of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. The ICC has been envisaged to receive complaints on sexual harassment at the workplace from an aggrieved woman, as well as to inquire into and make recommendations to the employer on the action required pursuant to its inquiry of such complaint made.

## 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 Plant/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, 28 (Twenty eight) Hindi workshops were organized and 370 officers & employees were trained in these workshops. Training materials were provided to the employees during the Workshop. In the House Journal - 'NEEPCO NEWS' valuable information relating to use of Hindi were provided. A monthly 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.

Rajbhasha (Hindi) Pakhwara was observed and "Hindi Divas" was celebrated at the Corporate office as well as in the Plants/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 winners and participants. Hindi patrika "NEEPCO JYOTI", "Ratandeep", "PanyorPravah", "AalokJyoti", "Aarohi", "Kopili Darpan", "NEEPCO Tarang", " VIDYUT PRABHA", "KAMENG DHARA" & "DOYANG PATRIKA" were published respectively from HQ, Co-ordination office NEW DELHI, RHEP, TGBP, AGBPP, KHEP, Guwahati, AGTCCPP, KaHEP & DHEP. A trilingual (Hindi-English & Regional languages) dictionary containing popular words & day to day use in official words was prepared and published on Hindi Divas for familiarizing employees with regional languages. 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, numbers of officers / employees were awarded Cash Award for writing noting/drafting in Hindi.

NEEPCO participates in all OLIC meetings organised regularly at different places under whose jurisdiction NEEPCO establishment lies. In these meetings reviews are made on the Implementation work of Rajbahasha and valuable suggestions are exchanged for its effective implementation.

The Corporate HQ, Shillong was awarded Third Prize by Town Official Language Implementation Committee (TOLIC), Shillong during the year. Other offices of the corporation were also commended by their respective TOLIC forum & other institutions for commendable works done in the Implementation of official Language Policy in respective establishment.

## 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 as and when occasion arises. By conducting such coaching camps and encouraging interested employees to attend such coaching camps for participating in team / Individual events, the Corporation is continuously inculcating a sense of team work and solidarity amongst the employees throughout the organization with a willingness to learn and excel.

#### GROUP PERSONAL ACCIDENT INSURANCE SCHEME:

The Group Personal Accident Insurance Scheme was renewed for one year w.e.f. 1st March 2020 to 28th February 2021.

#### RULES AND POLICIES:

The Management brought into effect the following HR policies / schemes during the year 2019-2020 :

1. The Rule 6.7.4.0 of the NEEPCO Medical Attendance Rules was amended w.e.f 20.09.2019 for enhancing the onetime contribution to Rs.7500/-for becoming a member of the Post-Retirement Medical Benefits Scheme (PRMBS) in respect of Executives for bringing about parity with Workman & Supervisory category of employees.
2. **Re-designation of different grades of Executives:** The existing designation of different grades of Executives were revised to bring them at par with that of systems adopted by other CPSEs and as per the DPE guidelines.
3. **Sabbatical Leave:** Sabbatical Leave facility for a minimum period of two years which is extendable upto five years. was introduced to provide employees in Executive Cadre with the opportunity to avail this facility in pursuit of various familial & social obligations or take up entrepreneurial or self-development ventures to fulfil their aspirations. This was also considered as an instrument for reducing the manpower cost of the expenditure.
4. **Post-Retirement Medical Benefit Trust:** A Post-Retirement Medical Benefit Trust was formed along with Trust Rules so that the contributions made by the Corporation towards the Fund for extending the post retirement medical benefit as specified in the prescribed scheme in terms of DPE guidelines can be managed and extended to the eligible superannuated employees.
5. **Equal Opportunity Policy:** NEEPCO Equal Opportunity Policy was framed and introduced during the year extending equal and special benefits to Persons with Disabilities in all areas of employment.

Further, as per the guidelines of the Government of India, posts were identified for PWD category with Autism, Intellectual Disabilities, Specific Learning Disabilities, Mental Illness; Multiple Disabilities with Blindness, Low Vision, Locomotors Disability with Cerebral Palsy, Dwarfism, Acid Attack Victims and Muscular Dystrophy .

6. **Engagement of Apprentices:** As per the prescribed annual targets for engagement of Apprentice in the Corporation, the following numbers of Technician Apprentices and Trade Apprentices were selected and engaged in the Corporation.
  - a. **Technician Apprentices** : Diploma engineers(Electrical / Mechanical) – 28 (twenty-eight) numbers; Diploma Engineers(Civil) - 6 (six)
  - b. **Trade Apprentices (ITI passed):** Electrician 5, Boiler Attendant – 4(four), Lineman – 3(three).
7. **Standard Operating Procedure (SOP) for Prevention and Control of spread of COVID-19 Pandemic** in the workplaces and Township Colony of Corporation was developed for uniform adoption across the Organisation in terms of various instructions/Guidelines issued by the Government.



## TERMINAL BENEFIT SETTLEMENT CELL

Terminal Benefit Settlement Cell of the Human Resource Department has been playing its role to settle all terminal claims of separated employees in an expeditious manner subject to receipt of claim documents as per time schedule of quality objective to achieve the desired target of the HR Department. 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 financial year 2019-20, numbers of Gratuity cases settled in respect of retired / resigned /expired employees and amounts involved on Gratuity / PRMB / financial benefit / NEEPCO Employees Family Economic Rehabilitation Scheme, Memento (Gold Coin), Certificate of Appreciation, NEEPCO Employees Defined Contribution Superannuation Scheme, NEEPCO Employees' Social Security Scheme and NEEPCO Group Accident Insurance Scheme are as detailed below:

### DETAILS OF GRATUITY SETTLED & PENDING CASES AS ON 31-03-2020

Category	Nos. of employee separated	Retirement Including pre-matured retirement (in nos.)	Resignation (in Nos.)	Death (in Nos.)	Dismissal/ Voluntary abundant (in Nos.)	Amount (in Rs.)
Executive	61	54	01 + 02	03	1	Rs.11,25,26,863/-
Supervisor	20	18	--	02	--	Rs.3,71,81,730/-
Workmen	83	69	--	13	1	Rs.12,13,23,041/-
<b>Total</b>	<b>164</b>	<b>141</b>	<b>03</b>	<b>18*</b>	<b>2</b>	<b>Rs.27,10,31,634/-</b>

- N.B.: a) The above list is including W/C employee.  
b) 2 Nos. resignation case is yet to be accepted.  
c) \* Out of 18 (nos.) death cases, 1 (one) case was settled during the year 2020-21

Amount expended against following head		
Sl. No.	Head	Amount in Rs.
1	Post-Retirement Medical Benefits	3,65,05,756.00
2	NEEPCO Employees Family Economic Rehabilitation Scheme	32,40,479.00
3	Memento( 05 grams Gold Coin)	26,21,441.00
4	Certificate of Appreciation	83,570.00
5	NEEPCO Employees Defined Contribution Superannuation Scheme	46,36,50,249.00
6	NEEPCO Employees' Social Security Scheme	60,00,000.00
7	NEEPCO Group personal Accident Insurance Scheme	38,74,726.00

## NEEPCO VIGILANCE ACTIVITIES

During the period from 01/04/2019 to 31/3/2020, NEEPCO Vigilance Department has 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 have been taken up for prompt investigation and the same have been disposed off in accordance with the time frame prescribed by the CVC. 3 (Three) no. of complaints which were investigated by the Vigilance Department have been disposed off during the year.

Apart from investigation of complaints received from various sources, the Vigilance Department has verified 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 has given several advices by



way of preventive vigilance which have led to systemic improvements in Technical as well as Personnel Department. During this period 77 (Seventy Seven) numbers of routine inspections have been conducted by the site vigilance officials at different plants/projects besides some CTE type inspections. Apart from that certain systemic improvement suggestions were also given as required.

Further, CTE/CVC has carried out intensive examination on two major works in respect of Tuirial HEP, Mizoram and Pare HEP, Arunachal Pradesh. The paras raised by the CTE have been attended by the Vigilance Wing from time to time and so far an amount of Rs.2,65,37,559/- only has already been recovered from the Contractors in Tuirial HEP, Mizoram and Pare HEP, A.P. For improving of vigilance administration/functioning, leveraging technology, implementation of e-procurement, e-payment, registering online vigilance complaints and uploading of Annual Immovable Property Returns (AIPRs) of Executives in the NEEPCO's website have been implemented. All the important CVC circulars and OMs issued during this period have also been circulated to all concerned with a view to follow up the action and improve overall system in the Corporation.

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 period under report 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 up based on decision taken in the meetings. The "Vigilance Awareness Week, 2019" was observed in the Corporation w.e.f. 28.10.2019 to 02/11/2019 in a befitting manner by organizing various programme as per the CVC's guidelines.

## **BOARD MEETING**

A total of 8 Meetings of the Board of Directors were held during the year 2019-20.

## **INDEPENDENT DIRECTORS**

All the Independent Directors have furnished a declaration at the time of their appointment and also annually as regards fulfillment of the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013. The declarations were placed before the Board.

## **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 5<sup>th</sup> 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 31<sup>st</sup> March, 2020:

1. Shri Vinod Kumar Singh, Chairman & Managing Director.
2. Shri M. Shiva Shunmuganathan, Director (Finance) & Chief Financial Officer.
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 Company has developed a well-defined Internal Control framework identifying the key controls activities.

The effectiveness of the control system is monitored by a Board-level Audit Committee and an Independent Internal Audit Department. Regular and exhaustive internal audits covering all projects & offices are conducted by experienced firms of Chartered Accountants, who have been engaged for the said purposes, in coordination with the Company's own Internal Audit Department. The Internal Auditors reviews & evaluates the adequacy and effectiveness of internal control system of the Company and report on the same.

A summary of Audit Observations and Action Taken Notes (ATNs) are placed before the Audit Committee at regular intervals and accordingly its recommendations & directions are complied with.

## 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 26<sup>th</sup> November, 2008 and the terms of reference is as per section 178 of the Companies Act, 2013, read with the notification dated 5<sup>th</sup> June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated 26<sup>th</sup> November, 2008. The Nomination & Remuneration Committee as on 31<sup>st</sup> March, 2020 are as follows:

Name	Chairman/ Member	Category (Independent / Executive)
Prof. Bupinder Zutshi	Chairman	Independent
Smt. Mala Sinha	Member	Independent
Shri Saikhom Tikendra Singh	Member	Independent
Shri Raj Pal	Member	Non-Executive
Shri Anil Kumar	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.

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

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

## MATERIAL CONTRACTS / RELATED PARTY TRANSACTION

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

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

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

### CORPORATE GOVERNANCE

The Corporation firmly believes in the importance of good Corporate Governance in the conduct of its affairs. It stresses in increasing efficiency along with adequate control systems in its operations. An Audit Committee regularly reviews all financial statements before placing 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 31<sup>st</sup> March, 2020 are as follows:

Sl. No.	Name	Chairperson / Member	Category (Independent / Executive)
1	Smt. Mala Sinha	Chairperson	Independent
2	Prof. Bupinder Zutshi	Member	Independent
3	Dr. Hari Narayan Borkataky	Member	Independent
4	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:

- In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at 31<sup>st</sup> March, 2020 and of the profit of the company for the period ended on that date;
- 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 ceased to be Director from the Board of NEEPCO:

1. Shri A. G. West Kharkongor, Chairman & Managing Director w.e.f. 31.08.2019
2. Dr. Amitabh De, Independent Director w.e.f. 16.11.2019
3. Shri Gopal Krishan Agarwal, Independent Director w.e.f. 16.11.2019
4. Shri Vijay Kumar Gupta, Independent Director w.e.f. 16.11.2019
5. Shri Lalduhzuala Sailo, Official Part Time Director w.e.f. 25.01.2020
6. Shri M. Shiva Shunmuganathan, Director (Finance) w.e.f. 02.04.2020
7. Shri Anand Kumar Gupta, Nominee Director of NTPC w.e.f. 31.07.2020.
8. Prof. Bupinder Zutshi, Independent Director w.e.f. 07.09.2020.
9. Dr. Hari Narayan Borkataky, Independent Director w.e.f. 07.09.2020.

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

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

1. Shri Lalduhzuala Sailo, Official Part Time Director w.e.f. 04.04.2019
2. Smt. Mala Sinha, Independent Director w.e.f. 11.07.2019
3. Shri Anand Kumar Gupta, Nominee Director of NTPC w.e.f. 23.04.2020
4. Shri Anil Kumar Gautam, Nominee Director of NTPC w.e.f. 23.04.2020
5. Shri Hemanta Kumar Deka, Director (Technical) w.e.f. 06-07-2020.
6. Shri Ujjwal Kanti Bhattacharya, Nominee Director of NTPC w.e.f.31.08.2020

Shri Anil Kumar Gautam, Nominee Director of NTPC holds office upto this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from NTPC, proposing his candidature for the office of Director liable to rotation.

Shri Hemanta Kumar Deka, Director (Technical), NEEPCO holds office upto this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from the Director himself, proposing his candidature for the office of Director liable to rotation.

Shri Ujjwal Kanti Bhattacharya, Nominee Director of NTPC holds office upto this Annual General Meeting but is eligible for appointment. The Company has received a requisite notice in writing from NTPC, proposing his candidature for the office of Director liable to rotation.

In accordance with Section 152 of the Companies Act, 2013 and the provisions of the Articles of Association of your Company, Shri Vinod Kumar Singh, Chairman & Managing Director (DIN:07471291), shall retire by rotation at the Annual General Meeting of your Company and, being eligible, offers himself for re-appointment.

## FIXED DEPOSITS

The Company has not accepted any fixed deposit during the financial year ended 31<sup>st</sup> March, 2020.

**REPORTING OF FRAUD**

The Statutory Auditor, Secretarial Auditor and C&AG have not reported any instances of fraud committed against the Company by its officers or employees as specified under section 143(12) of the Companies Act, 2013.

**COMPLIANCE OF SECRETARIAL STANDARDS**

The Company has complied with the provisions of the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

**PARTICULARS OF EMPLOYEES**

During the year 2019-20 there was no employee who was in receipt of remuneration for that year which, in the aggregate, was not less than Rs.102.00 lakh or if employed for a part of financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs.8.50 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 2019-20 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 2019-20.

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.

The Directors would also like to express their gratitude to the support and guidance from the holding Company, NTPC Limited.

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**

VINOD  
KUMAR  
SINGH

(Vinod Kumar Singh)  
Chairman & Managing Director  
DIN: 07471291

Place: New Delhi  
Date: 15.09.2020





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**ANNEXURE -1**

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
**As on the financial year ended on 31-03-2020**

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 BSE Limited
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Equity – Not applicable. Bonds – Karvy Fintech Pvt. Ltd. Karvy Selenium Tower B, Plot number 31 & 32, Financial District Gachibowli Hyderabad 500 032
viii)	Web Address	www.neepco.co.in

**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	100%

**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)



#### 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	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF									
b) Central Govt.	-	3609810400	3609810400	100%	-	-	-	-	(-) 100%
c) State Govt.									
d) Bodies Corp	-	-	-	-	3609810400	-	3609810400	100%	(+) 100%
e) Banks / FI									
f) Any other									
<b>Sub-total (A) (1)</b>	-	3609810400	3609810400	100%	3609810400	-	3609810400	100%	
<b>(2) Foreign</b>									
a) NRIs – Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other									
<b>Sub-total (A)(2)</b>									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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)									
<b>Sub-total (B)(1)</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakh									
iii) Individual shareholders holding nominal share capital in excess of Rs.1 lakh									
<b>Sub-total (B)(2)</b>									
<b>Total Public shareholding (B)=(B)(1)+(B)(2)</b>									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	-	3609810400	3609810400	100%	3609810400	-	3609810400	100%	-



**(ii) Shareholding of Promoters**

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% changes in shareholding during 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	
The President of India along with its Nominee shareholders	3609810400	100%	-	-	-	-	(-) 100%
NTPC Limited along with its Joint holders	-	-	-	3609810400	100%	-	(+) 100%

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)****FORMER PROMOTER: PRESIDENT OF INDIA**

PRESIDENT OF INDIA	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reason
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
At the beginning of the year	01.04.2019	360,98,10,400	100%	360,98,10,400	100%	
Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	27.03.2020	360,98,10,400	100%	-	-	Transfer to NTPC Limited
At the End of the year	31.03.2020	-	-	-	-	

**NEW PROMOTER: NTPC LIMITED**

NTPC LIMITED	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reason
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
At the beginning of the year	01.04.2019	-	-	-	-	
Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	27.03.2020	360,98,10,400	100%	360,98,10,400	100%	Transfer from President of India
At the End of the year	31.03.2020	360,98,10,400	100%	360,98,10,400	100%	





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

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

## 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 Vinod Kumar Singh	100	0.00	01-04-2019	-		100	0.00
				27-03-2020	Decrease	Transfer	0	0.00
				31-03-2020	-		0	0.00
2	Shri Anil Kumar	100	0.00	01-04-2019	-		100	0.00
				27-03-2020	Decrease	Transfer	0	0.00
				31-03-2020	-		0	0.00
3	Shri M. Shiva Shunmuganathan	100	0.00	01-04-2019	-		100	0.00
				27-03-2020	Decrease	Transfer	0	0.00
				31-03-2020	-		0	0.00
4	Shri Raj Pal	100	0.00	01-04-2019	-		100	0.00
				27-03-2020	Decrease	Transfer	0	0.00
				31-03-2020	-		0	0.00
5	Shri Chiranjeeb Sharma Company Secretary	0	0.00	01-04-2019	-		0	0.00
				31-03-2020	-		0	0.00
7	Shri A. G. West Kharkongor ##	100	0.00	01-04-2019	-		100	0.00
				29-01-2020	Decrease	Transfer	0	0.00
				31-03-2020	-		0	0.00

#Held on behalf of the President of India.

## Ceased from Directorship during the year



## VI.INDEBTEDNESS

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

Rs. in Lakhs

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	614072.52	91135.03		705207.55
ii) Interest due but not paid				
iii) Interest accrued but not due	18450.97	373.61		18824.58
<b>Total (i+ii+iii)</b>	632523.49	91508.64		724032.13
<b>Change in Indebtedness during the financial year</b>				
<b>Addition ::</b>				
Principal	123411.37	18600.84		142012.21
Interest accrued but not due	6647.57	361.00		7008.57
<b>Reduction ::</b>				
Principal	32335.14	11300.04		43635.18
Interest accrued but not due	18450.97	373.61		18824.58
<b>Net Change</b>	79272.83	7288.19		86561.02
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	705148.75	98435.83		803584.58
ii) Interest due but not paid				
iii) Interest accrued but not due	6647.57	361.00		7008.57
<b>Total (i+ii+iii)</b>	711796.32	98796.83		810593.15

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD				Total Amount
		Shri A. G. West Kharkongor	Shri V. K. Singh	Shri M. Shiva Shunmuganathan (CFO)	Shri Anil Kumar	
1	Gross salary	2567614	4838702	5430280	5190071	18026667
	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					
	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					
	<b>Total(A)</b>	2567614	4838702	5430280	5190071	18026667
	Ceiling as per the Act					

### B. Remuneration to other directors:

(Amount in Rs.)

	Particulars of Remuneration	Name of the Directors							Total Amount in Rs.
		Dr. Amitabha De	Prof. Bipinder Zutshi	Shri Gopal K. Agarwal	Dr. Hari Narayan Borkatky	Shri Saikhom Tikendra Singh	Shri Vijay Kumar Gupta	Smt. Mala Sinha	
1	<b>Independent Directors</b>								
	- fee for attending board / committee meetings	300000	240000	260000	300000	220000	240000	140000	1700000
	• Commission								
	• Others, please specify								
	<b>Total(1)</b>								
2	<b>Other Non-executive Directors</b>								
	• Fee for attending board / committee meetings								
	• Commission								
	• Others, please specify								
	<b>Total (2)</b>								
	<b>Total (B) = (1+2)</b>								
	<b>Total Managerial Remuneration</b>								
	<b>Overall ceiling as per the act</b>								

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

Sl. No.	Particulars of remuneration	Key Managerial Personnel			
		CEO	Company Secretary Shri Chiranjeeb Sharma	CFO	Total
1.	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961		37, 57,644		37,57,644
	(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				
	<b>Total</b>				

**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)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers in default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

**ANNEXURE – 2**

<b>Form AOC - I</b>		
Part "B": Associates and Joint Ventures		
Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures		
	<b>NAME OF JOINT VENTURES</b>	<b>KSK DIBBIN HYDRO POWER PVT. LTD.</b>
1	Latest audited Balance Sheet Date	31.03.2020
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 Rs.)	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 Rs.)	10791,54,160.00
6	Profit / Loss for the year in Rs.	
	i. Considered in Consolidation	438159
	ii. Not Considered in Consolidation	1022371

**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.**

Nil

## 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 31<sup>st</sup> March, 2020, the Board of Directors of the Company ("the Board") consists of 8 (eight) Directors, including 3 (three) whole-time Directors, 1 (one) Government part-time Directors representing the Government of India and 4 (four) 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 31<sup>st</sup> March, 2020 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	1	Nil	Nil
Shri Vinod Kumar Singh DIN : 07471291	Chairman & Managing Director	Nil	1	Nil	Nil
Shri M. Shiva Shunmuganathan DIN : 07551379	Director (Finance)	Nil	Nil	Nil	Nil
Shri Anil Kumar DIN: 08376723	Director (Personnel)	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 Lalduhzuala Sailo\$ # DIN :08468136	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
Smt. Mala Sinha \$ DIN : 07979556	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.

# Ceased during the year.

\$ Appointed during the year.

### (ii) Non-Executive Director's Compensation & Disclosures:

The Company has paid sitting fee to Independent Director.

### (iii) Board Meetings, Committee Meetings & Procedures:

- 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.
- 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.
- 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	250 <sup>th</sup> BM	03.04.2019	11	11
2	251 <sup>st</sup> BM	10.05.2019	11	11
3	252 <sup>nd</sup> BM	20.06.2019	12	11
4	253 <sup>rd</sup> BM	29.08.2019	13	10
5	254 <sup>th</sup> BM	24.09.2019	12	10
6	255 <sup>th</sup> BM	12.11.2019	12	10
7	256 <sup>th</sup> BM	07.12.2019	9	8
8	257 <sup>th</sup> BM	12.02.2020	8	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 2019-20		
	Board Meeting held during tenure	Board Meeting attended	Last AGM
Shri A. G. West Kharkongor #	4	4	NA
Shri Vinod Kumar Singh	8	7	Yes
Shri M. Shiva Shunmuganathan	8	8	Yes
Shri Anil Kumar	8	8	Yes
Shri Raj Pal	8	7	Yes
Shri Lalduhzuala Sailo \$ #	5	0	No
Dr. Amitabha De #	6	6	Yes
Shri Gopal Krishan Agarwal #	6	5	Yes
Shri Vijay Kumar Gupta #	6	6	Yes
Prof. Bupinder Zutshi	8	8	Yes
Dr. Hari Narayan Borkataky	8	8	Yes
Shri Saikhom Tikendra Singh	8	8	Yes
Smt. Mala Sinha \$	5	4	No

\$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 and has been re-constituted as and when required. The constitution of Audit Committee as on 31<sup>st</sup> March, 2020 were as follows:

Sl. No.	Name	Chairperson / Member	Category (Independent / Executive)
1	Smt. Mala Sinha	Chairperson	Independent
2	Prof. Bupinder Zutshi	Member	Independent
3	Dr. Hari Narayan Borkataky	Member	Independent
4	Shri Vinod Kumar Singh	Member	Director (Technical)

The Audit Committee met 6 (six) times during the year 2019-20. 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	Smt. Mala Sinha, Independent Director §	2	2
2	Prof. Bupinder Zutshi, Independent Director §	1	1
3	Dr. Hari Narayan Borkataky, Independent Director §	1	1
4	Shri Vinod Kumar Singh, Director (Technical)	6	6
5	Shri Gopal Krishan Agarwal, Independent Director	5	5
6	Dr. Amitabha De, Independent Director	5	5
7	Shri Vijay Kumar Gupta, Independent Director #	5	5

§ Nominated to be a member of the Audit Committee during the year.

# Ceased to be a member of the Audit Committee during the year.

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

#### Terms of Reference of the Audit Committee are as follows:

- 1) To assist the Board in its oversight functions relating to:
  - a) quality and integrity of disclosures contained in the audited and unaudited financial statements;
  - b) compliance with legal and regulatory requirements;
  - c) qualifications, experience, performance and independence of external auditors;
  - d) integrity of the internal controls established from time to time; and
  - e) Investments of the Company.
- 2) To investigate into any matter in relation to the items specified in Section 177 of the Companies Act, 2013 or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the Company and seek external professional advice, if necessary.
- 3) To investigate any activity within its terms of reference.
- 4) To seek information from any source including employees.
- 5) To obtain outside legal or other professional advice, if necessary.
- 6) To secure attendance of outsiders with relevant expertise, if it considers necessary.
- 7) To protect whistle blowers.
- 8) The role of the Audit Committee shall include the following:
  - a) Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are correct, sufficient and credible.
  - b) Reviewing with the management, the quarterly / half yearly financial statements before submission to the Board for approval.
  - c) Reviewing with the management, annual financial statements and auditors report thereon before submission to the Board for approval, with particular reference to:
  - d) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (3)(c) of Section 134 of the Companies Act, 2013;
  - e) Changes, if any, in accounting policies and practices and reasons for the same;
  - f) Major accounting entries involving estimates based on the exercise of judgment by management;
  - g) Significant adjustments made in the financial statements arising out of audit findings;
  - h) Compliance with accounting standards issued by the Institute of Chartered Accountants of India;
  - i) Compliance with legal requirements relating to financial statements;
  - j) Disclosure of any related party transaction; and
  - k) Qualifications in the draft audit report.

## 9) Audit(s)

### a) **Internal Audit:**

- Reviewing, with the management, performance of internal auditors (external firms) and adequacy of internal control systems.
- Reviewing the adequacy of internal audit (in house) function, if any, including the structure of internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of such audit.
- Discussion with internal auditors on any significant findings and follow up thereon.
- Recommending to the Board appointment and fixation of fees for Internal Auditors for Audit and other services if any.

### b) **Statutory Audit & Branch Audit:**

- Discussion with Statutory Auditors & Branch Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- Discussion with Statutory Auditors & Branch Auditors on any significant findings and follow up thereon.
- Recommending to the Board the fixation of Statutory and Branch Audit Fees.
- Approval of payment to statutory auditors for any other services (other than audit) rendered by them.
- Recommend the 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.

### c) **Cost Audit & Tax Audit:**

Recommending to the Board, the appointment, re-appointment and if required, replacement or removal of cost auditors and tax auditors and fixation of Audit fees and other terms of appointment.

- 10) Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- 11) Review the Cost Audit Report along with full information and explanation on every reservation or qualification contained therein and recommend the report to the Board for consideration
- 12) Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- 13) Review with the independent auditors the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- 14) Consider and review the following with the independent auditors and management:
  - a) The adequacy of internal controls including computerized information system controls and security, and
  - b) Related findings and recommendations of the Independent auditor and internal auditor, together with the management responses.
- 15) Consider and review the following with the management, internal auditor and the independent auditor:
  - a) Significant finding during the year, including the status of previous audit recommendations
  - b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- 16) Government audit- To review the follow up action on the audit observations of the C&AG audit.
- 17) Reviewing the findings of any internal investigations by the internal auditors/statutory auditors/other agencies 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.
- 18) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 19) To review the functioning of the Whistle Blower Mechanism.

- 20) To review the follow-up action taken on the recommendations of committee on public undertakings (COPU) of the Parliament.
- 21) Review and pre-approve all related party transactions in our Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- 22) Review the Company's financial policies, commercial policies and risk management policies.
- 23) Evaluation of internal financial controls and risk management system.
- 24) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 25) Scrutiny of inter-corporate loans and investments.
- 26) Valuation of undertakings or assets of the Company, wherever it is necessary.
- 27) Approval or any subsequent modification of transactions of the Company with related parties.
- 28) Review the following information:
  - a) The management discussion and analysis of financial condition and results of operations;
  - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
  - c) Management letter / letters of internal control weaknesses issued by the statutory auditors;
  - d) Internal audit reports relating to internal control weaknesses;
  - e) The appointment, removal and terms of remuneration of internal auditors/chief internal auditor; and
  - f) Certification / declaration of financial statements by the chief executive/chief finance officer.
- 29) To call for 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 to discuss any related issue with the internal and statutory auditors and the management of the Company.
- 30) Review of the quarterly statement for deviation including report of monitoring agency, if applicable submitted to Stock Exchanges.
- 31) Appointment of the registered valuer and prescribing the terms and conditions as per section 247 of the Companies Act, 2013
- 32) Advise and evaluate on maintaining a proper system for storage, retrieval, display or printout of the electronic records.
- 33) Consult with the Internal Auditor for formulation of the scope, functioning, periodicity and methodology for conducting the internal audit.
- 34) 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.
- 35) 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. Review contracts awarded on nomination / offer basis in terms of guidelines issued by the CVC / DPE/ other authorities, from time to time.
- 36) Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/or other Committees of Directors.

## 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 26<sup>th</sup> November, 2008 and the terms of reference is as per section 178 of the Companies Act, 2013, read with the notification dated 5<sup>th</sup> June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated 26<sup>th</sup> November, 2008. The constitution of Nomination & Remuneration Committee as on 31<sup>st</sup> March, 2020 are as follows:



Sl. No.	Name	Chairman/ Member	Independent/ Executive
1	Prof. Bupinder Zutshi	Chairman	Independent
2	Smt. Mala Sinha	Member	Independent
3	Shri Saikhom Tikendra Singh	Member	Independent
4	Shri Raj Pal	Member	Official Part Time Director
5	Shri Anil Kumar	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.

During the year 1 (one) Meeting of the Nomination & Remuneration Committee was held on 12-02-2020. The Company Secretary acts as the Secretary to the Committee.

Sl. No.	Name of the Director	Meetings held during respective tenure of members	Meetings attended
1	Prof. Bupinder Zutshi	1	1
2	Smt. Mala Sinha	1	1
3	Shri Saikhom Tikendra Singh	1	1
4	Shri Raj Pal	1	1
5	Shri Anil Kumar	1	1

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The constitution of Corporate Social Responsibility Committee as on 31<sup>st</sup> March, 2020 are as follows:

Sl. No.	Name of the Director & Category	Chairman/ Member	Independent/ Executive
1	Shri Vinod Kumar Singh, Chairman & Managing Director & Director (Technical)	Chairman	Executive
2	Dr. H. N. Borkataky	Member	Independent Director
3	Shri Saikhom Tikendra Singh	Member	Independent Director
4	Shri Anil Kumar, Director (Personnel)	Member	Executive

The Corporate Social Responsibility Committee met 4 (four) 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 Vinod Kumar Singh	4	3
2	Shri Anil Kumar	4	4
3	Dr. Hari Narayan Borkataky	4	4
4	Shri Saikhom Tikendra Singh	1	1
5	Shri A. G. West Kharkongor #	2	2
6	Dr. Amitabha De #	3	3
7	Shri Gopal Krishan Agarwal #	3	2

# Ceased during the year.

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

## 7. DIRECTORS REMUNERATION

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

Details of remuneration of Functional Directors of the Company during the year 2019-20 are given below:

Amount in Rs.						
No.	Name	Designation	Salary & Allowances	Cont. to PF & Other Funds	Other Benefits	Total
1	Shri V. K. Singh	Director (Technical) upto 31-08-2019 & CMD w.e.f. 01-09-2019	40,89,232	4,97,924	2,51,546	48,38,702
2	Shri M Shiva Shunmuganathan	Director (Finance)	45,58,528	5,04,256	3,67,496	54,30,280
3	Shri Anil Kumar	Director (Personnel)	43,00,641	4,75,719	4,13,711	51,90,071
4	Shri A. G. West Kharkongor	CMD upto 31-08-2019	21,24,395	2,33,037	2,10,182	25,67,614
Total			150,72,796	17,10,936	12,42,935	180,26,667

## 8. DISCLOSURES:

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

## 9. GENERAL BODY MEETING

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

Financial Year	AGM No.	Date	Time	Location
2016-17	41 <sup>st</sup> AGM	22.09.2017	05.30 PM	New Delhi
2017-18	42 <sup>nd</sup> AGM	24.09.2018	04.00 PM	New Delhi
2018-19	43 <sup>rd</sup> AGM	24.09.2019	05.00 PM	New Delhi

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

AGM No.	Date of AGM	Special Resolution passed
41 <sup>st</sup> AGM	22.09.2017	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
42 <sup>nd</sup> AGM	24.09.2018	Nil
43 <sup>rd</sup> AGM	24.09.2019	To create security by way of mortgage and / or hypothecation of the assets of the corporation for long term borrowings of Rs.1750 crore during 2020-21

## 10. SHAREHOLDERS INFORMATION:

Since inception NEEPCO was a Wholly Owned Government of India Enterprise and the President of India and its nominees held 100% (Hundred Percent) equity shares of the Company. However, the Ministry of Power, Govt. of India vide its letter dated 02-12-2019 communicated to NEEPCO that the CCEA had given its 'in principle' approval for strategic sale of the entire Government of India's existing paid up capital in NEEPCO to NTPC along with the transfer of management control.





Pursuant to the said decision of the Government of India, the Share Purchase Agreement between the President of India (Seller) and NTPC Limited (Buyer) was signed on 25-03-2020.

In pursuance to the Share Purchase Agreement dated 25-03-2020, the entire shares of NEEPCO held in the name of President of India (i.e. Government of India) and its nominee shareholders, have now been transferred to NTPC Limited and its nominee shareholders on 27-03-2020.

NTPC Limited along with 6 other shareholders jointly holds 100% shares of NEEPCO w.e.f. 27-03-2020.

#### 11. NAME OF DEBENTURE TRUSTEES WITH CONTACT DETAILS

Axis Trustee Services Ltd. 2 <sup>nd</sup> Floor, Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg Worli, Mumbai 400 025 Tele No: 022-24252525 / 43252525 Email : rohit.jhamnani@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
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For and on behalf of the Board of Directors

VINOD KUMAR SINGH  
Chairman & Managing Director

(Vinod Kumar Singh)  
Chairman & Managing Director  
DIN: 07471291

Place: New Delhi  
Date: 15.09.2020

## ANNEXURE-4

### MANAGEMENT DISCUSSION AND ANALYSIS REPORT

#### INDUSTRY STRUCTURE AND DEVELOPMENTS:

The power sector is a major driver of Indian economy. 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 developed countries and the lowest even among the BRICS countries. With the growth in economy, 100% electrification, housing for all and introduction of electrical vehicles in the country, the energy demand in the country is likely to increase creating opportunities for the power sector companies.

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

As of 31<sup>st</sup> March 2020, the total installed capacity of India stood at 370.05 GW. Capacity addition during the year 2019-20 stood at 7065 MW, against the target of 12186 MW, which is 19.3% more as compared to the capacity added in the year 2018-19. Out of 7065 MW of capacity added during the year 2019-20, 6765 MW is thermal power and 300 MW is hydro power.

The power generation in the country in 2019-20 was 1252.61 BU registering a growth of 0.26% over the previous year. In terms of Power Supply Position (Demand/Availability) in the country, the deficit was 0.5% during 2019-20, while the shortfall in the NE Region was 3.7% during the same period. In terms of Peak Demand/Peak Met, the deficit in the country in 2019-20 was 0.7%, while that in the NE Region was 3.7%. [Data source: CEA Executive Summary, March 2020]

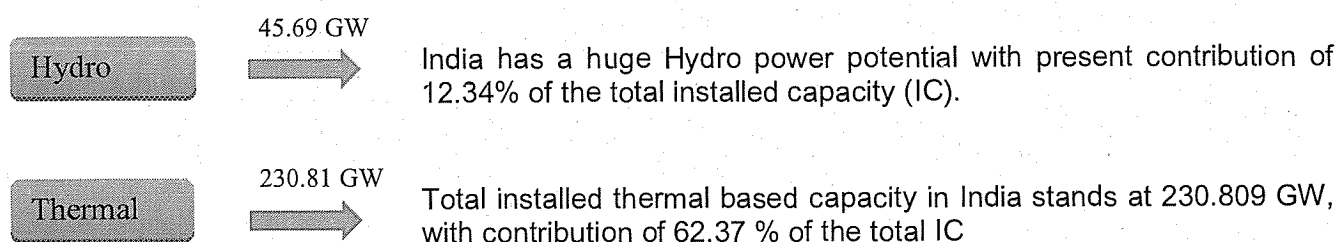
NEEPCO began with the successful implementation of the 50 MW Khandong Power Station which was commissioned in 1984 as a part of the 275 MW integrated Kopili H.E Plant. Currently, NEEPCO is operating six Hydro, three Thermal and one Solar Power Plant spread over the North Eastern Region (NER) of India with a total installed capacity of 1757 MW in which the share of Hydro, Thermal and Solar sector are 1225 MW, 527 MW and 5 MW<sub>p</sub> respectively. Further, one ongoing project upon completion will enhance the installed capacity by another 300 MW, thereby raising the total installed capacity to 2057 MW.

#### ➤ Key Features of Indian Energy Sector:

- Energy intensity of the Indian economy increasing with rapid economic growth.
- High level of import dependence.
- Huge investment required.
- Government initiatives to augment supply along with private sector participation.
- Move towards energy markets and market driven pricing.
- Independent regulatory set-up across the energy chain integral part of policy.
- Increasing awareness of environmental issues

#### ➤ Overview of the Indian Energy Sector:

- Sources of Power with share in total Capacity:



### Renewable

86.75 GW



Wind and solar energy constitute a major portion of India's renewable sector with 23.44% of the total IC.

### Nuclear

6.78 GW



With one of the largest reserves of thorium, India has a huge potential in nuclear energy, contributing 1.83 % of the total IC.

#### • Electricity Generation (BU):

Particulars	Year	Thermal	Hydro	Nuclear	Renewable	Bhutan Import	All India
Electricity Generation (BU)	2018-19	1072.00	135.00	37.70	117.00	4.40	1366.10
	2019-20	1044.44	155.97	46.38	127.12	5.81	1379.73

#### • Generating Capacity Addition (MW).

Particulars	Year	Thermal	Hydro	Nuclear	Renewable	All India
Capacity Addition (MW)	2018-19	5532	140	0	8621	5672
	2019-20	6765	300	0	9627	7065

[Data source: CEA Executive Summary]

## SWOT MATRIX

### INTERNAL

#### **Strength**

1. Sole ownership and demonstrated support from the Government over the years.
2. Strategically located and a major power generating company in the North East.
3. Cost Plus nature of the company's operation leading to steady business returns.
4. Low Regulatory risk with tariff notification for the period 2019-24.
5. In-house knowledge bank created through design, execution and operation of hydro, thermal, renewable projects in the region.
6. Pool of skilled manpower from the region are well versed with the topography and socio-economic conditions of the region.
7. Diverse experience in hydro, thermal and solar projects.
8. Long term relation with Original Equipment Manufacturers aids in getting assistance on priority.

### EXTERNAL

#### **Threats**

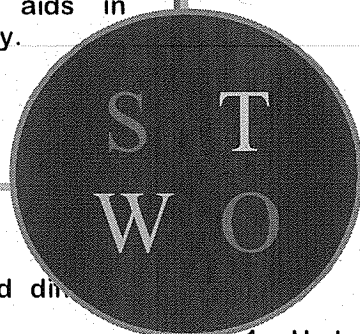
1. Socio -Political issues, law and order.
2. Opposition from local people/ groups mainly in Hydro projects.
3. Poor surface communication infrastructure and communication bottlenecks.
4. Shorter working season in the NER due to prolonged Monsoons.
5. Non-payment of dues by the beneficiaries against sale of power (Outstanding dues).
6. Dishonoring of PPAs by DISCOMS.
7. Short supply of gas for thermal power plants.

#### **Weakness**

1. Geographical isolation and difficult terrain.
2. Environment & Forest clearances require constant persuasions.
3. The Young Himalayan Geology is a major challenge.
4. Land Acquisition / Resettlement & Rehabilitation problems.
5. Stipulations on e-flow, NPV, Compensatory Afforestation, transmission line etc.
6. Lack of experienced contractors in the NER.
7. Unstable tele-connectivity. Fast track technology adoption is a challenge.
8. Contract implementation & settlement of disputes with contractors leading to many arbitration proceedings.

#### **Opportunities**

1. Hydro Share is a mere 12.34 % of the Nations power generation mix, which is required to be enhanced with increasing use of variable forms of generation such as solar for better grid stability.
2. Potential for renewable power generation in the country as on 31.03.2019 is estimated at 1097.46 GW.
3. Harnessing the untapped Hydro Potential of the North Eastern Region.
4. Multipurpose utilization of the Hydro projects as flood moderation component in severely hit flood prone areas of North East India.



Approval of various measures to promote the Hydro Power Sector by the Government of India will spur development of hydro power projects. NEEPCO with its prominence in the NE region is keen in developing more hydro power projects. The process of identification of viable hydro projects for development in the region is in progress.

#### RISKS AND CONCERNS:

- Protracted time is consumed in the process of allotment of new project and finalization of MoAs.
- Lengthy Land acquisition procedure for initiation & implementation of hydro projects.
- There is severe impact on the commercial viability of hydro power projects with the prevailing norms regarding release of environmental flow (e-flow) and payment of Net Present Value (NPV) towards diversion of forest land. Payment of NPV is in addition to the Compensatory Afforestation to be done over double the forest land under diversion.
- Realization of dues in time from the beneficiaries against the sale of power.
- Unresolved commercial disputes leading to prolonged Arbitration proceedings with various contractors.
- Having a correct Man/MW ratio in core/support services.
- Subterranean geological surprises leading to time and cost overrun in implementation of hydro projects.
- Acidic condition of the reservoir water of Kopili HE Plant due to Acid Mine Drainage at the catchment areas, is causing frequent shutdown of plant, consequential huge expenditures for rectification/renovation works.
- Law and Order issues, deployment of adequate & appropriate manpower, lack of infrastructure at sites is leading to time and cost overrun.

#### 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.
- To take advantage of the following measures approved by the Government to promote Hydro Power Sector:
  - Declaring Large Hydro Power Projects (>25MW) as Renewable Energy source.
  - Hydro Power Purchase Obligation (HPO) as a separate entity within non-solar Renewable Purchase Obligation to cover large Hydro Projects commissioned after notification of these measures.
  - Tariff rationalization measures including providing flexibility to the developers to determine tariff by back loading of tariff after increasing project life to 40 years, increasing debt repayment period to 18 years and introducing escalating tariff of 2%.
  - Budgetary support for funding flood moderation component for storage hydropower projects on case to case basis.
  - Budgetary support to cost of enabling infrastructure, i.e. roads / bridges. The grant will be limited to Rs. 1.5 Cr per MW for projects up to 200 MW and Rs. 1.0 Cr. per MW for projects for above 200 MW.

The detail guidelines are under formulation by the Govt. in consultation with the major stakeholders.

- Govt. of Arunachal Pradesh is in process of terminating a number of private sector projects in Arunachal Pradesh and their re-allotment to CPSUs.
- Consistent persuasion by the Ministry of Power, for re-allotment of the major private sector projects with stalled/ dismal/ no progress.

#### STRATEGY:

- To take up with the Government / stakeholders for preferential promotion of Hydro Projects.
- Infuse investment in hydro projects in NE Region with the State Government taking the responsibility for security and infrastructure issues.
- To explore long term loans with repayment period of 18-20 years at affordable rates from banks and financial institutions.

- Incorporation of Geo-technical baseline report in tender documents.
- Better contract management through selection of competent vendors for execution of contract.
- Engage local community as stakeholders to address R&R issues.
- Sharing of free power with Riparian states through policy intervention of Government of India.
- Exploration of Hydro projects within and outside the country.
- Exploring for acquisition of new Pumped Storage Projects across the country
- A number of private sector projects in Arunachal Pradesh are in process for termination and re-allotment to CPSUs. NEEPCO has been pursuing for allotment of some selected projects in specific basins for sole development or for development in joint venture with other CPSUs.

#### **OUTLOOK FOR THE FUTURE:**

Another 300 MW will be added to the National Grid in the financial year 2020-21. NEEPCO is committed to bring about a significant socio-economic development by implementing Power Projects in the NE Region in a planned and sustainable manner. Pre-investment activities of Wah Umiam Stage-III HE Project (85 MW) in the State of Meghalaya has already been initiated. The DPR for the Project is under scrutiny at CEA/CWC for accord of Techno- Economic clearance which is expected shortly. With allotment received from Govt. of Meghalaya for two new projects viz. Wah Umiam Stage-I HE Project (50 MW) and Wah Umiam Stage-II HE Project (100 MW), the whole Wah Umiam basin is now under development by NEEPCO. The MoAs for both these projects are under finalization.

Further, possibilities of setting up of hydro projects in the State of Arunachal Pradesh through ownership or joint venture mode are being explored. The already allotted projects, viz. 330 MW Kurung HEP and 3750 MW Siang Upper Stg-II HEP are under consideration of the Government for certain approval/ decision, although works for 3750 MW Siang Upper St-II HEP are put on hold with directions from the MoP, pending decision to develop the same as a National project along with Siang Upper Stage-I HEP. Further, NEEPCO has been pursuing with the State Govt. as well as the MoP, Gol for allotment of some new projects proposed on some contemplated basins.

#### **ENVIRONMENTAL CONSERVATION, RENEWABLE ENERGY USE AND R&D DEVELOPMENTS:**

The issue of environmental protection and sustainable development of natural resources to preserve the fragile ecological balance for future generations is of vital importance in the North Eastern Region of India. The NE Region is endowed with enormous hydro power potential, which needs to be harnessed in a planned and sustainable manner.

NEEPCO strictly follows and adheres to all policies and guidelines of the Ministry of Environment, Forest and Climate Change (MoEF&CC), Govt. of India (Gol) with regard to identification and mitigation of Environmental impacts of power projects, with due consideration to the distinctive environmental condition of the North East. In order to achieve the objective of sustainable development, Environmental Impact Assessment (EIA) is carried out for each project. All environmental aspects are suitably addressed in the Environment Impact Assessment & Environment Management Plans reports which are appraised by the Ministry of Environment, Forest and Climate Change (MoEF&CC), Govt. of India (Gol) while according Environment Clearance to a project.

#### **ENVIRONMENT AND ECOLOGY ASPECTS:**

Suitable measures are adopted to negate any adverse effect on environment and ecology during execution, 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.



The various works / initiatives undertaken are as shown below:

Plant/Project	Environmental Works/Initiatives
Hydro	<ul style="list-style-type: none"> <li>• 3295 saplings planted during the year 2019-20.</li> <li>• Catchment Area Treatment (CAT) including creation of green belt.</li> <li>• Maintenance of a Plant resource center (Botanical garden) and Green Park at Kopili HEP.</li> <li>• Conservation of Aquatic Ecosystems (NPCA) in Doyang catchment area, executed jointly by Doyang Plantation Division and Wokha Forest Division Nagaland.</li> <li>• Management of Domestic, Industrial and E-waste.</li> <li>• Engineering measures like construction of 300 nos. of check dams and gully plugging at DHEP.</li> <li>• Water quality, Air quality and Noise level are being monitored at various locations.</li> <li>• Release of adequate water to sustain aquatic life &amp; ecology in the downstream river even in lean season by embedded e-flow pipes of 40 cm dia. in the dam of Pare HEP.</li> <li>• Bio- Diversity Plan: Necessary fund has been released to state Forest Department, Govt. of Arunachal Pradesh for plantation of Lagerstromima Minuticarpa which is a rare and endangered species in Pare HEP.</li> <li>• Proposal for utilization of Bichom reservoir for propagation and production of fish varieties suitable for the region is initiated.</li> <li>• Study on biodiversity and the habitat conservation to obtain information on micro flora and fauna. Identification of migratory routes of wildlife in Kameng HEP and Tuirial HEP.</li> </ul>
Thermal	<ul style="list-style-type: none"> <li>• 990 saplings planted during the year 2019-20.</li> <li>• Online monitoring system of stack emission for measuring NO<sub>x</sub>, SO<sub>x</sub> particulate matter and discharge effluent is in operation and it is linked with CPCB server.</li> <li>• Dry low NO<sub>x</sub> (DLN) burners are incorporated in the gas turbines for limiting NO<sub>x</sub> emissions at TGBPP.</li> <li>• Ambient Air quality &amp; Noise level of various location of Thermal plants area are being measured on Quarterly /Monthly basis.</li> <li>• Development of green belt, control of air pollution, rain water harvesting and Waste Management are in place.</li> <li>• A Hazardous Waste Pit is developed as per guidelines of PCB and related rules for disposing those wastes which cannot be disposed through authorized recycler at AGBPP.</li> <li>• All liquid effluent generated is being treated and used for ground water recharging. Further, arrangement to capture the storm water for ground water recharging is under process at AGTCCPP.</li> <li>• Disposal of effluent after treatment is strictly in place in all the Thermal Plants.</li> </ul>

### REHABILITATION AND RESETTLEMENT ASPECTS:

Resettlement and Rehabilitation (R&R) Plan forms a part of the Environmental Impact Assessment and Management Plan Reports (EIA and EMP) and is assessed and approved by the Expert Appraisal Committee (EAC) of Ministry of Environment, Forest and Climate Change (MoEF&CC) for according Environmental Clearance to the project. The R&R Plan for project affected families for ongoing project has been prepared based on National Policy for Rehabilitation and Resettlement, 2003 and as per National Rehabilitation and Resettlement Policy, 2007 (NRRP-2007). For new and upcoming projects, the provisions of the R&R Plan would be according to the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and its amendments to be issued from time to time. The R&R Plan is implemented in association with the concerned State Government, representatives from project affected families and other stakeholders in the area.

A detailed socio-economic survey is conducted before formulation of R&R Plan for the project affected families (PAFs) in order to assess the socio-economic and socio-cultural set-up of the affected families and local people. In future, in addition to Socio-economic aspects, a separate chapter on

socio-cultural aspects based on Ethnography study of the area will be included. For effective implementation & monitoring of R&R Plan of a project, NEEPCO in consultation with the concerned State Government forms a Project R&R Committee headed by Administrator for R&R (rank of District Collector of the concerned State Government) and Head of the Project being the Member Secretary of the Committee.

Plant / Project	R&R Works/Initiatives
Pare HEP Papum Pare District, Arunachal Pradesh.	<ul style="list-style-type: none"> <li>• Full compensation to all 277 affected families.</li> <li>• Cooperation and support extended to the Deputy Commissioner, Papum Pare District (Administrator for R&amp;R) for implementation of R&amp;R scheme. Representative of project affected families (PAF) from SC/ST category and a woman beneficiary were included in the R&amp;R implementation committee.</li> <li>• 32 local tribal people against C&amp;D category jobs have been recruited.</li> <li>• Offering scholarships to the eligible candidates from the project affected families.</li> <li>• Conducting capacity building training programmes for unemployed educated youths.</li> <li>• 50 candidates from PAF have been given vocational training and contractual employment.</li> <li>• Cluster development livelihood programme on mushroom cultivation for 50 families residing in the vicinity of the project has been implemented.</li> <li>• R&amp;R scheme for 35 PAF has been implemented at the cost of Rs 18.2 Crore.</li> </ul>
KaHEP West Kameng District, Arunachal Pradesh.	<ul style="list-style-type: none"> <li>• Full compensation to all 99 affected families released.</li> <li>• R&amp;R for Bichom Village: 86 families shifted to the newly constructed houses.</li> <li>• R&amp;R for Yayung Village: 13 families shifted to the newly constructed houses.</li> <li>• Scholarships are offered to the eligible candidates from the project affected families.</li> <li>• Candidates from PAF have been given vocational training under CSR scheme.</li> <li>• Local area development by awarding contractual petty works on nomination basis to the PAF contractors.</li> </ul>
RHEP Lower Subansiri District, Arunachal Pradesh.	<ul style="list-style-type: none"> <li>• Employment to 108 land effected people.</li> <li>• Shifting of 27 families residing in Chun &amp; Rub village to Potin duly developing the new rehabilitation site with water supply, approach road, school building, teacher's quarters and construction of hutments. Construction of water storage tank &amp; supply line at Rub Village under CSR-CD scheme is in progress.</li> </ul>
DHEP, Nagaland	<ul style="list-style-type: none"> <li>• Imparted training in 20 modules in 20 villages.</li> <li>• Imparted knowledge in development of micro enterprises for economic opportunities through a system of revolving fund in 20 villages.</li> <li>• Imparted Training on Backyard piggery rearing to 25 beneficiaries from educated unemployed youths with special emphasis on the women folk under CSR&amp;S scheme with technical and logistic support from the Dept. of Veterinary, Govt of Nagaland. During the programme 50 weaner piglets were also distributed to the beneficiaries.</li> <li>• Conducted free medical &amp; health check-up camps at Pangti and old changsu village, Wokha under CSR-S scheme. Altogether 243 Nos patients were examined, and medicines were distributed as per the ailments.</li> <li>• Awarded meritorious scholarship to economical backward eligible candidates from project affected families.</li> <li>• Provided physiotherapy equipment to District Hospital Wokha under CSR-S scheme.</li> <li>• Imparted training on Backyard Piggery rearing for 16 beneficiaries from project affected families at Asha Village, Wokha, under CSR&amp;S scheme with technical and logistic support from the Dept of Veterinary, Govt of Nagaland. During the programme 32 piglets were also distributed.</li> <li>• Other initiatives and work include construction of village infrastructure. Toilets and other need-based facility.</li> </ul>

## FINANCIAL DISCUSSION AND ANALYSIS

A detailed discussion and analysis on financial statements is furnished below. The following paragraphs are with reference to "Notes to the Stand-alone Financial statement" of NEEPCO for the year ended 31.03.2020.

Restatement of Financial Statements for the year ended 31.03.2019 and as on 01.04.2018

During the Financial Year 2019-20, NEEPCO Ltd (the Company) has restated its Financial Statements for the FY 2018-19 & earlier years retrospectively in Compliance to "Ind AS 8 – Accounting Policies, Changes in Accounting Estimates & Errors". The said restatement was carried due to reason as stated below:

During the FY 2019-20, the Company changes its Accounting Policy on "Foreign Currency Transaction" on exchange variation as follows:

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising out on settlement or translation of monetary items are recognized in the profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31-03-2016 are adjusted to the carrying cost of property, plant and equipment.

Accordingly, the Company has presented a third balance sheet at the beginning of the preceding period (i.e., as on 01.04.2018) in compliance to "Ind AS 1 - Presentation of Financial statements" for comparative information due to retrospective restatement in addition to the Balance sheet, Statement of Profit and loss, Cash flow and Statement of Changes in Equity and related notes for the year ended 31.03.2019 and 31.03.2020.

### Financial position

The items of the Balance Sheet are as discussed under:

#### 1. Property, Plant & Equipment (PPE), Capital Work-in- Progress, Intangible assets and Intangible assets under development

The PPE, Intangible assets, Capital work-in-progress and Intangible assets under development of the Company are detailed as under:

₹ in lakhs

Particulars	As at March 31		% Change
	2020	2019	
Gross block of PPE (Note-2)	1,002265.61	989914.11	1.25%
Net block of PPE (Note-2)	609778.57	623441.52	(2.19%)
Capital work-in-progress (Note-3)	774042.04	707423.18	9.42%
Net block of Intangible assets (Note-4A)	684.95	30.20	2168.05%
Intangible assets under development (Note-4)	501.44	82.50	507.81%
Net block of Right to use' assets(Note-4A)	7914.68	9746.28	(18.79%)

During the year, net increase in gross block of PPE is ₹ 12351.50 lakhs (1.25%) over the previous year. The major reasons for the said increase is due to capitalisation of major assets including capital spares and de-cap of Kopili HEP (200MW) damaged assets resulted from its penstock

rupture. Due to accident occurred in Kopili HEP (200 MW) for penstock rupture on 07.10.2019, damaged assets valued ₹ 19971.31 (gross value) lakh has been withdrawn (de-capitalized) from PPE during the FY2019-20. Further, net block has decreased by ₹ 13662.95 lakhs (2.19%), Capital work-in-progress has increased by ₹ 66618.86 lakhs (9.42%), Intangible assets under development increased by ₹ 418.94 lakh (507.81%) and Intangible assets decreased by ₹ 1176.85 lakhs (12.04%). Main reason for increase in CWIP is due to Kameng HEP. Further, Intangible assets under development has been increased due to procurement of License fee for transactional users etc. for ERP implementation.

## 2. Investments in subsidiary & joint venture companies (note-5)

(₹ in lakhs)

Particulars	As at March 31	
	2020	2019
Investment in Joint ventures	2793.00	2793.00
<b>Total</b>	<b>2793.00</b>	<b>2793.00</b>

Investment in the joint venture companies is as under:

(₹ in lakhs)

Name of Company	Amount
KSK Dibbin Hydro Power	2793.00

The Corporation invested an amount of ₹ 2793.00 lakh (₹ 2793.00 lakhs as on 31<sup>st</sup> March, 2019), being 30% shareholding of NEEPCO in the JV Company as per agreement.

## 3. Non-current financial assets (note-6 to note-8)

Non-current financial assets mainly comprise of loans & advance to employees, advance tax and capital advances.

(₹ in lakhs)

Particulars	As at March 31		% Change
	2020	2019	
Loan to Employees (Note-6)	58.69	95.93	(38.82)%
Other non-current assets (Note-8)	18666.80	19115.01	(2.34)%
<b>total</b>	<b>18725.49</b>	<b>19210.94</b>	<b>(2.53)%</b>

Loans to employees includes interest bearing computer advance & interest free furniture advance whereas 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) and advance tax refundable.

The advance to contractor unsecured, considered good after adjustment of doubtful debts amounts to ₹ 15558.61 lakh as compared to the previous year's amount of ₹ 15571.95 lakh. Advance Tax refundable has decreased by ₹ 434.87 lakhs and stood at ₹ 3108.19 lakhs as on 31<sup>st</sup> March 2020 as against ₹ 3543.06 lakhs as on 31<sup>st</sup> March 2019.

## 4 Current assets (note-9 to note-15)

The current assets as at 31 March 2020 and 31 March 2019 and the changes therein are as follows:

(₹ in lakhs)

Particulars	As at march 31		y o y	% Change
Current assets	2020	2019	Change	
Inventories (Note-9)	12077.36	10158.75	1,918.61	18.89%
Trade receivables (Note-10)	66226.10	63453.60	2772.50	4.37%
Cash & cash equivalents (Note-11)	187.24	6900.43	(6713.19)	(97.29)%
Bank balances other than cash and cash equivalents (Note-12)	318.15	2957.44	(2639.29)	(89.24)%
Others (Note-13)	27685.99	9066.79	18619.20	205.36%
Current tax assets (Note-14)	2230.49	Nil	2230.49	100%
Other current assets (Note-15)	2850.81	2540.21	310.60	12.23%
<b>Total current assets</b>	<b>111576.14</b>	<b>95077.22</b>	<b>16498.92</b>	<b>17.35%</b>

#### (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 ₹ 12077.36 lakh and ₹ 10158.75 lakh as on 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 respectively.

#### (b) Trade Receivables

Trade receivables are dues receivable from the beneficiaries for sale of electricity. The Trade Receivables as on 31<sup>st</sup> March, 2020 were ₹ 66226.10 lakh as compared to ₹ 63453.60 lakh as on 31<sup>st</sup> March, 2019, i.e., an increase of 4.37% during the year.

#### (c) Cash & Cash Equivalents and Bank balances other than Cash & Cash equivalent

It consists of (i) current accounts maintained with the Bank, (ii) Stamps in hand (iii) Short Term Deposits and (iv) Restricted money on the Balance Sheet date. As on 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 the Cash & Cash Equivalents (including Bank balances other than Cash & Cash equivalent) of the Corporation are ₹ 505.39 lakh (which includes Restricted money amounting to ₹ 318.15 lakh) and ₹ 9857.87 lakh (which includes Restricted money amounting to ₹ 2957.44 lakh) respectively, which means an decrease by 94.87%. Main reason for significant decrease in balances are reduction of deposit in Current Account maintained with banks and settlement of dues under SAUGHAGYA Scheme.

#### (d) Others

Others includes balances on account 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 31<sup>st</sup> March, 2020, amount stood at ₹ 27685.99 lakh as against ₹ 9066.79 lakh on 31<sup>st</sup> March 2019. There is a net increase of ₹ 18619.20 lakh (205.36%) in FY 2019-20 mainly due to increase in Unbilled revenue (₹ 15332.56 lakh) for Deferred tax recoverable, March 2020 energy billing, FERV recoverable, Electricity Duty recoverable, Effective Tax rate recoverable etc. Further, Deferred foreign currency fluctuation assets has been increased by ₹ 3845.82 lakh.

### (e) Current Tax assets (Net with Liabilities)

Advance tax paid during the year along with tax deducted source are shown under Current Tax Assets. As on 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 the current tax assets of the Corporation are ₹ 6509.02 lakh and ₹ 7921.45 lakh respectively.

Current tax Liabilities has gone down to ₹ 4278.53 lakh in 2019-20 from ₹ 10974.41 lakh in 2018-19 due to reduction in Profit Before Tax as enumerated above and also for availing MAT credit amounting to ₹ 1124.69 lakhs.

### (f) Other Current Assets

Other Current Assets consists of prepaid expenses, advance to Suppliers & contractor and Asset held for Disposal. NEEPCO's other current assets (net of provision) as on 31<sup>st</sup> March, 2020 and 31<sup>st</sup> March, 2019 are ₹ 2850.81 lakh and ₹ 2540.21 lakh respectively.

## 5. Regulatory Deferral Accounts (Net) - Note-16

Regulatory deferred accounts debit balance as on 31<sup>st</sup> March 2020 & 31<sup>st</sup> March 2019 amounts to ₹ 79861.53 lakhs and ₹ 73650.03 lakhs respectively. Regulatory deferred accounts debit balance consists of Employees benefit expenses for gratuity amounting to ₹ 4793.47 lakhs, Depreciation rate variation for Tuirial Hydro Electric Project amounting to ₹ 9842.54 lakhs, Deferred Tax adjustment against deferred tax liabilities amounting to ₹ 23056.57 lakhs, Deferred Tax Recoverable amounting to ₹ 41254.63 & Exchange Difference on foreign loan amounting to ₹ 914.32 lakhs.

Regulatory deferred accounts credit balance on account Estimated impact of add cap on AFC (tariff) for 2014-19 as on 31<sup>st</sup> March 2020 is "Nil", since the same has been reversed during the year.

(₹ in lakhs)

Particulars	Regulatory deferral Account debit Balances
A. Opening balance as on 1 April 2019	73650.03
B. Addition during the year	9151.83
C. Adjustments during the year	Nil
D. Amount realized/adjustment during the year	(2940.33)
<b>f. Closing balance as on 31 march 2020 (A+B+C+D)</b>	<b>79861.53</b>

## 6. Total Equity (Note- 17 & 18)

The total equity of the Corporation as on 31<sup>st</sup> March 2020 & as on 31<sup>st</sup> March 2019 amounts to ₹ 640484.95 lakhs and ₹ 628917.57 respectively.

Particulars	total equity (₹ in lakhs)
Opening balance as on 1 April 2019	628917.57
Profit for the year	16584.12
Other comprehensive income	(317.48)
Dividend and Dividend Tax paid	(4701.66)
F.V. adjustment	2.40
<b>Balance as on 31 march 2020</b>	<b>640484.95</b>



**a) Equity Share Capital**

Equity Share Capital of the Corporation as on 31<sup>st</sup> March 2020 is ₹ 360981.04 lakhs, which is same as on 31<sup>st</sup> March 2019.

**b) Other Equity**

NEEPCO's other equity consists of General reserve, Retained earnings & Bond redemption reserve. The other equity as on 31<sup>st</sup> March, 2020 was ₹ 279503.91 lakhs as compared to ₹ 267936.53 lakh as on 31<sup>st</sup> March, 2019. Category-wise break-up as follows:

₹ in lakh

Particulars	As on 31 <sup>st</sup> March, 2020	As on 31 <sup>st</sup> March, 2019
General Reserve	197691.68	197691.68
Retained Earnings	16758.06	5190.68
Bond Redemption Reserve	65054.17	65054.17
<b>Total</b>	<b>279503.91</b>	<b>267936.53</b>

**7. Non-current and current liabilities:****Long term borrowings:**

Total borrowing as at 31 March 2020 were ₹ 746783.43 lakhs in comparison to ₹ 733644.17 lakhs as at 31 March 2019. Current maturities out of long-term borrowings have been shown under current liabilities. Details of the total borrowings are as under:

(₹ in lakhs)

Particulars	As at march 31	
	2020	2019
Non-current borrowings (Note-19) incl. RTU-Assets under lease	614359.39	661882.06
Current maturities of non-current borrowings (Note-23) incl. RTU- Assets under lease	109434.04	15088.86
<b>Total borrowings*</b>	<b>723793.43</b>	<b>676970.92</b>

- Include adjustment for transaction costs on borrowings as per Ind-AS



A summary of the borrowing outstanding is given below:

(₹ in lakhs)

Particulars	Non-Current Financial Liabilities (note-19)		Other Current Financial Liabilities (note-23)		Total borrowings		% Change
	2020	2019	2020	2019	2020	2019	
Secured borrowings							
Bonds	474532.41	555385.63	95850.00	3850.00	570382.41	559235.63	1.99
Term loan	40000.00	0.00	0.00	0.00	40000.00	0.00	100
Foreign currency loan (ECB)	21264.86	26606.05	7731.58	7094.21	28996.44	33700.26	(13.96)
sub-total	535797.27	581991.68	103581.58	10944.21	639378.85	592935.89	7.83
unsecured							
Foreign currency Loan (Kfw)	49052.81	50769.94	5260.36	4144.65	54313.17	54914.59	(1.10)
Gol Sub-ordinate loan	29122.66	29120.44			29122.66	29120.44	
Others	386.65		592.10		978.75	0.00	100
Sub-total	78562.12	79890.38	5852.46	4144.65	84414.58	84035.03	0.45
Total	614359.39	661882.06	109434.04	15088.86	723793.43	676970.92	6.92

### Other non-current Liabilities

#### (a) Long term Provisions:

Long Term Provisions of ₹ 18963.18 lakh as on 31<sup>st</sup> March, 2020 (previous year ₹ 15780.51 lakh) include Provisions for Employee Benefits (Leave Encashment ₹ 12234.08 lakh, Post-Retirement Medical Benefits ₹ 6587.61 lakh and Award of Gold Coin ₹ 141.49 lakh) which are expected to be settled beyond 12 months from the date of Balance Sheet. Impact of Gratuity provision for the year has been considered as "Current liability" as per valuation report of the Actuary.

#### (b) Deferred Tax liabilities/(Asset)

Deferred Tax Liabilities (Net) as on 31<sup>st</sup> March, 2020 amounts to ₹ 59528.96 lakh as compared to ₹ 61850.12 lakh as on 31<sup>st</sup> March, 2019. Decrease in deferred Tax Liability is due to increase in Deferred Tax Asset on account of increase in provision for write off.

### Other Current Liabilities

#### (a) Trade & Other Payables

Trade & Other Payables include the amount due on account of goods purchased or services received in the normal course of business including MSME and amount payable to beneficiaries. The trade payables as on 31<sup>st</sup> March, 2020 were ₹ 9690.70 lakh as compared to ₹ 7585.63 lakh as on 31<sup>st</sup> March, 2019.

#### (b) 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, payable for employee's benefits, advance received from REC for Deen Dayal Upadhyaya Gram Jyoti Yojana which are to be paid within 12 months from the date of Balance Sheet. Other Financial Liabilities as on 31<sup>st</sup> March, 2020 amounted to ₹ 132424.04 lakh as compared to ₹ 71762.11 lakh as on 31<sup>st</sup> March, 2019. The increase in other financial liabilities by 84.53 % is primarily due to increase in current maturity of long term debt by ₹. 93753.08 lakh, interest accrued but not due decreased by ₹ 11816.01 lakh and Others (such as, Payable for capital expenditures, Employees benefits etc.) decreased by ₹ 21275.14 lakh.

### 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 31<sup>st</sup> March, 2020 amounted to ₹ 13684.18 lakh as compared to ₹ 16051.36 lakh as on 31<sup>st</sup> March, 2019. The decrease in other financial liabilities by 14.75 % is primarily on account of decrease in direct & indirect tax payables, decrease in Other Statutory Dues and minor increase in advance from contractors & others.

### (c) Provisions

Short Term Provisions as on 31<sup>st</sup> March, 2020 was ₹ 2776.88 lakh as compared to ₹ 2218.31 lakh in the previous FY. These include Provision for Employee Benefits (Gratuity ₹ 1306.11 lakh, Medical benefit for retired employees ₹ 438.34 lakh, Leave Encashment ₹ 1017.56 lakh, and other retiring benefit ₹ 14.87 lakh) which are expected to be settled within 12 months from the date of Balance Sheet. Increase in Short Term Provisions during FY 2019-20 is mainly due to Employees leave encashment and Post-Retirement benefits.

### 8. Deferred Revenue (Note-26)

Deferred revenue consists of two items detailed as under:

Deferred revenue on account of	(₹ Lakhs)	
	As at March 31	
	2020	2019
Government grants	27614.95	29208.21
Deferred foreign currency fluctuation liabilities	5580.71	488.81
<b>Total</b>	<b>33195.66</b>	<b>29697.02</b>

### 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 14<sup>th</sup> January 2011, an amount of ₹30000.00 lakh 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 ₹ 30000.00 lakh are included in Grant in Aid which is subjected to amortization during normative useful life of the project since its commissioning.

During the current year, Repairs & Maintenance has been debited and Stock of Spares has been credited by an amount of ₹ 9.26 lakhs (previous year ₹ 11.11 lakhs) for spares purchased out of Grant-in-aid received from the Central Government. In addition, amortization of Grant in Aid relating to Tuirial HEP during the year amounts to ₹ 1593.26 lakh. An equivalent amount has been recognized as income in the statement of Profit & Loss.

Further, "Deferred foreign currency fluctuation liability" has been recognized in books of the Company ₹ 5580.71 lakh as on 31.03.2020 (₹ 488.81 lakh as on 31.03.2019) on accounts of FERV relating to foreign loan (ECB from SBI Singapore and KfW, Germany) drawn prior to 01.04.2016.

## Result from Operations:

### I. Total revenue (Note-27 & Note-28)

(₹ in lakh)

Sl.	Particulars	FY 2019-20	FY 2018-19	Change
1	Sale of energy	203567.75	194729.10	4.54%
2	Sale of energy through trading	2161.49	2107.98	2.54%
3	Electricity duty receivable	1046.06	Nil	100%
4	DSM receivable	2976.07	2492.11	19.42%
5	RRAS receivable	488.94	929.19	(47.38)%
6	CERC filling fee recovery	145.41	79.53	82.84%
7	FERV recoverable/payable (Net)	32.55	183.84	(82.29)%
8	NERLDC Fees & other charges	738.24	445.53	65.70%
9	Grant in aid	1593.26	1851.15	(13.93)%
	<b>Revenue from operation</b>	<b>212749.77</b>	<b>202818.43</b>	<b>4.90%</b>
10	<b>Other income</b>	<b>4031.07</b>	<b>5733.89</b>	<b>(29.70)%</b>
	<b>Total Revenue</b>	<b>216780.84</b>	<b>208552.32</b>	<b>3.95%</b>

### Revenue from operation:

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. In addition, the Company resorted to Power trading through M/s PTC (I) Ltd on regulation of power supply to MeECL during the year. Total revenue from operations during 2019-20 is ₹ 212749.77 lakh, which constitutes 98.14 % the total revenue for the year.

The Corporation achieved a generation of 6360.85 MU during the year as compared to total generation of 6103.82 MU during the previous year from its total installed capacity of 1457 MW.

### Other non-operating Income

'Other non-operating income' mainly comprises interest on investment, delay payment surcharge, provision written back, income on sale of investment and miscellaneous income.

Other non-operating Income is ₹ 4031.07 lakh during the FY 2019-20 as compared to ₹ 5733.89 lakh in FY 2018-19. The decrease in other income is mainly due to decrease in Delay payment surcharge, Interest on Investment, Income from Sale of Investment and Misc. receipts.

During the 2019-20, the Corporation received an amount of ₹ 3465.46 lakh on account of delay payment surcharge as against ₹ 4828.50 lakh during 2018-19, Decrease in Income on sale of investment ₹ 535.78 lakh and others (Misc. receipts, Interest on investment, Dividend earned from Mutual fund, Liability written back and disposal of PPE) – net increase amounts to ₹ 196.00 lakh

## II. Expenditure (Note-29 to Note-33)

The total expenditure in FY 2019-20 increased by 11.30 % 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)

Particulars	2019-20	2018-19	Increase/ (Decrease)	Change (%)
Cost of materials consumed	69001.25	56199.59	12801.66	22.78%
Employee benefit expense	39225.27	49931.14	(10705.87)	(21.44)%
Finance costs	17309.98	14488.06	2821.92	19.48%
Depreciation and amortization expense	34302.60	35677.60	(1375.00)	(3.85)%
Other expenses	41069.27	24207.72	16861.55	69.65%
<b>Total expenses</b>	<b>200908.37</b>	<b>180504.11</b>	<b>20404.26</b>	<b>11.30%</b>

### Cost of Material Consumed

Cost of material consumed consists of cost of gas and transportation expenses thereon. The gas price fixed by the Ministry of Petroleum and Natural Gas (MoPNG), Government of India is applicable for the thermal generating stations of NEEPCO, except TGBPP for which price is governed by agreement drawn with M/s ONGC for supply of fuel. Increase in fuel cost by Rs. 12801.66 lakh is attributable to increase in Domestic Gas Price for the FY 2019-20 to USD 3.69 and USD 3.23 per MMBTU (on GCV basis) for the period of Apr'19 to Sep'19 and Oct'19 to Mar'20 respectively as against previous year rates of USD 3.06 & USD 3.36 respectively. Thus, fuel price per mmbtu during the FY 2019-20 increased (average) by 7.80% against the previous year. In addition to the increase in landing cost of fuel, increased in cost of fuel occurred due to drawal of fuel (gas) by the generating stations during the current year exceeding the previous year.

Expenditure on fuel (gas) constituted 34.34 % of the total expenditure during the current year as against 31.13 % during the previous year.

### Employees' Remuneration and Benefits

Employees' remuneration and benefits includes salaries and wages, allowances, incentives, contribution to Provident Fund, other welfare expenses and provision for Gratuity, leave encashment and Pension fund. These expenses accounted for approximately 19.52 % of NEEPCO's total expenditure during the year as compared to around 27.66 % in the previous year. Decrease in employee's expenses on account of salary & wages during the year is mainly due to recognition of pay parity impact during the previous year (FY 2018-19) for the entitled Executives for the period of 01.01.2007 to 31.03.2019 as per Cabinet approval of the Govt. of India.

### Finance Costs

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

During the year, finance Cost (revenue account) increased by 19.48 % to ₹ 17309.98 lakh from ₹ 14488.06 lakh in the previous year, mainly due to increase in Short Term & Working Capital Demand loan and increase in Exchange rate fluctuation. Finance cost accounted for approximately 8.62 % of NEEPCO's total expenditure during the year as compared to around 8.03 % in the previous year.

### 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 07<sup>th</sup> March, 2019, except for few assets as per approved Accounting Policy of the Company. During the FY2019-20, depreciation decreased by 3.85 % to ₹ 34302.60 lakh during the



current year as against ₹ 35677.60 lakh in FY 2018-19, mainly due to increase of normative useful life for hydro-electric generating stations to 40 years as against 35 years till 2018-19. Depreciation accounted for approximately 17.07 % of NEEPCO's total expenditure during the year as compared to around 19.77 % in the previous year.

### **Other Expenses**

Other expenses (which includes generation and administration expenses) consists primarily of repair and maintenance of plant and machinery, buildings, etc., share of general establishment expenses, NERLDC fees and charges, Corporate Social Responsibility expenses, security and insurance expenses, transport expenses, write offs etc. These expenses represented approximately 20.44% of NEEPCO's total expenditure during the year as compared to 13.41% in FY 2018-19. In absolute terms, these expenses increased by ₹ 16861.55 lakh (i.e. 69.65 %) from the previous year mainly due to increase in Repair & Maintenance expenses by ₹ 2752.74 lakhs, Insurance expenses by ₹ 1130.22 lakhs, Interest to beneficiaries ₹ 1200.57 lakhs, Kopili Damaged assets ₹ 10120.81 lakhs, Electricity Duty ₹ 1399.19 lakhs and Other (net) by ₹ 258.02 lakhs.

### **Regulatory Income/Expense**

During the current financial year, the Corporation has recognised an amount of ₹10632.09 lakhs (previous year ₹ 14403.36 lakhs) as income in the Statement of Profit & Loss. Regulatory income/(expenses) recognized in Books of the Company for the FY 2019-20 on account of the following factors:

#### **(i) Depreciation - Tuirial HEP**

During determination of Annual Fixed Cost (AFC) of the Tuirial Hydro Electric Project (TrHEP) of North Eastern Electric Power Corporation Ltd (NEEPCO) for the period of 30.10.2017 to 31.03.2019 by the Central Electricity Regulatory Commission (CERC) vide their order issued on 09.10.2018, the Hon'ble Commission has allowed depreciation @2% while determining tariff based on the petition submitted by NEEPCO for the said purposes in line with the decision of the Public Investment Board (PIB) of the Govt. of India during meeting held on 04.06.2010 for considering Revised Cost Estimate (RCE) of the project (TrHEP).

The rates and methodology as per the CERC Tariff Regulations based on which depreciation for TrHEP has been calculated and charged to the Statement of Profit & Loss of NEEPCO for the period under consideration vary from that allowed to recover through tariff as per the CERC order. Due to higher rate of depreciation as per the CERC regulations, depreciation charged to the Statement of Profit & loss Account for the first 12 (twelve) years of operation the generating stations (TrHEP) since its "Date of Commercial Operation (COD)" will be more than that of the depreciation recoverable through tariff, which will be reversed in future during its remaining period of normative useful life. Accordingly, the lower depreciation realized as "Revenue" for the generating station during the earlier period of its operation will be recovered/adjusted during later period.

In view of above, the difference of depreciation to the extent recoverable/adjustable in future period has been recognized on an undiscounted basis as "Regulatory deferral account debit/credit balances" by credit/debit to the "Movement of Regulatory Deferral Account Balances". The difference of depreciation to the extent recoverable/adjustable in future period has been recognized on an undiscounted basis amounting to ₹ 4118.37 lakhs as "Regulatory Income".

#### **(ii) Deferred Tax adjustment against deferred tax liabilities**

Deferred tax accrued during the year on income generated from sale of electricity and further adjustable/reversal in future periods when the related deferred tax liability will form a part of current tax & recoverable from the beneficiaries amounting to ₹ 4119.14 lakhs has

been accounted as "Deferred tax adjustment against deferred tax liability", which has been recognized as "Regulatory income".

**(iii) Deferred tax recoverable from beneficiaries**

As per Regulation 67 of the CERC (Terms and Conditions of Tariff Regulations) 2019, Deferred tax liabilities for the period upto 31st March, 2009 whenever they materialize shall be recoverable directly by the generating companies or transmission licensees from the then beneficiaries or long term customers, as the case may be. Till 31st March, 2019 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as "Regulatory Deferral Accounts balances". The same has been reviewed during the FY 2019-20 in line with Ind AS 114 and an amount of ₹ 2940.33 has been recognised as Regulatory Expense.

**(iv) Exchange differences on Foreign Currency Monetary items**

Para 28 of the Ind AS 21- "The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise. Further, para D13 AA of the Ind AS 101 – "First-time Adoption of Indian Accounting Standards" provides for a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss. Regulation 69 of the CERC (Terms and Conditions of Tariff) regulations provides that every generating company and the transmission licensee shall recover the foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.

In view of the above, exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent period as per the relevant CERC Tariff regulations are recognized on an undiscounted basis as "Regulatory deferral accounts debit/credit balances" and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries. Accordingly, an amount of ₹ 914.32 lakhs has been recognised as Regulatory Income during the year.

**(v) Estimated impact on AFC (tariff)**

An amount of ₹ 4420.59 lakhs was recognized by NEEPCO as "Regulatory deferral accounts credit balance" during the previous year (FY 2018-19) based on revised (estimated) Annual Fixed Cost (AFC) for its 05 (five) projects under operation, namely, Ranganadi HEP, Doyang HEP, Kopili HEP, Assam Gas based Power Plant and Agartala Gas Turbine Power Plant for the period of 2014-19 on accounts of variation of capital expenditure actually incurred by the Company during the said period in comparison to the projected add cap allowed by the Central electricity Regulatory Commission (CERC). The said amount has been materialized during the current year (FY 2019-20) and accordingly reversed.

**Profit before Tax**

The profit of the Company before tax and exceptional items is tabulated below;

(₹ in lakhs)

Particulars	FY 2019-20	FY 2018-19
Total revenue	216780.84	208552.32
<b>less:</b>		
Expenditure related to operations	149295.79	130338.45
Finance cost	17309.98	14488.06
Depreciation, amortization and impairment expenses	34302.60	35677.60
<b>Profit before tax (Excl. Movement in Regulatory Deferral Accounts Balances)</b>	<b>15872.47</b>	<b>28048.21</b>

**Details of tax provision**

(₹ in lakhs)

Particulars	FY 2019-20		
	Current Tax	Deferred Tax	Total
Provision for financial year 2019-20	2256.37	(2150.63)	105.74
Adjustments for earlier years	7447.67	-	7447.67
Net provision as per Statement of Profit and Loss	9704.04	(2150.63)	7553.41

(₹ in lakhs)

Particulars	FY 2018-19		
	Current Tax	Deferred Tax	Total
Provision for financial year 2018-19	6454.37	12206.97	18661.34
Adjustments for earlier years		-	
Net provision as per Statement of Profit and Loss	6454.37	12206.97	18661.34

**Profit after tax**

The profit of the Company after tax is tabulated below:

(₹ in lakh)

Particulars	FY 2019-20	FY 2018-19
<b>Profit before Tax (Excl. Movement in regulatory deferral account balances)</b>	15872.47	28048.21
Less: Tax expense	7553.41	18661.34
Add: Movement in regulatory deferral account balances (net of tax)	8265.06	11719.15
<b>Profit after tax</b>	<b>16584.12</b>	<b>21106.02</b>

**Other Comprehensive Income**

The Other Comprehensive Income net of tax for the financial year 2019-20 is (-) ₹ 317.48 lakh in comparison to ₹ 212.06 lakh in the financial year 2018-19.

**Cash flows**

Cash & cash equivalents and cash flows on various activities are given below:

(₹ in lakh)

Particulars	FY 2019-20	FY 2018-19
Opening cash & cash equivalents	6900.43	33049.07
Net cash from operating activities	12254.32	53702.71
Net cash used in investing activities	(33411.03)	(58599.55)
Net cash flow from financing activities	14443.52	(21251.80)
Closing cash & cash equivalents	187.24	6900.43

Statement of Cash flow comprises of cash flow from Operating activities, Investing activities and Financing activities.

NEEPCO's net cash flow from operating activities is ₹ 12254.32 lakh during the FY 2019-20 as compared to ₹ 53702.71 lakh in the previous FY. The net cash from operating activities has been arrived at after adjusting the non-cash items viz. Depreciation of ₹ 34302.60 lakh, Interest cost of ₹ 16240.54 lakh, Movement in Regulatory Deferral Accounts Balances of ₹ 10632.09 lakhs, Foreign exchange loss of ₹ 1069.44 lakh, Loss on Sale of Assets(net) of ₹ 2.27 lakhs, Provision written off amounting to ₹ 10953.08 lakhs, Deferred revenue of ₹ 3498.64 lakhs, Provision written back of ₹ 154.22 lakhs and Interest /Investment income of ₹ 39.08 lakh. The changes in the current assets and current liabilities impacting the current period cash flow amounted to ₹ 56780.55 lakh (i.e. a decrease in the working capital as the net effect of decrease in inventories, trade receivables, other financial assets, loans & advances and increase in other financial liabilities & provisions). Income tax payment of ₹ 12710.87 lakh was also made during the year.

NEEPCO's net cash outflow from investing activities is ₹ 33411.03 lakh during the FY 2019-20 as against ₹ 58599.55 lakh in the previous FY. It includes purchase of property, plant & equipment of ₹ 36089.40 lakh, Interest income on investment of ₹ 39.08 lakhs and change in Bank balance other than cash and cash equivalents ₹ 2639.29 lakh.

In FY 2019-20, NEEPCO's net cash flow from financing activities is ₹ 14443.52 lakh. The Corporation has raised funds of ₹ 107533.27 lakh through PSU bonds and short term borrowings and also effected loan repayment and interest payments to the tune of ₹ 15398.54 lakh and ₹ 72297.78 lakh respectively. During the year the Corporation has paid final dividend for 2018-19 amounting to ₹ 3900.00 lakh, dividend tax paid on the final dividend amounts to ₹ 801.66 lakh and payment of finance lease obligations amounting to ₹ 691.77 lakh.

**Off-Balance Sheet Items****Contingent Liabilities:**

The components of Contingent Liabilities for the FY 2019-20 and 2018-19 are as follows:

(₹ in lakh)

Particulars	2019-20	2018-19
Claims against the Company not acknowledged as debt in respect of:		
Capital Works	153671.00	219371.00
Land Compensation cases	4818.00	7762.00
Disputed Income Tax demand	44506.69	17213.12
Others	22.48	7.66
<b>Total</b>	<b>203018.17</b>	<b>244353.78</b>

## Commitments

(₹ in lakh)

Particulars	2019-20	2018-19
Estimated amount of contract remaining to be executed on capital contracts and not provided for	22394.77	43799.02

## Financial review of Joint Venture Companies

As on 31<sup>st</sup> March 2020, 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 (JV) Company are incorporated in India. Consolidated Financial Statements for the year ended 31.03.2020 has been prepared based on the un-audited accounts of the said JV Company using equity method of accounting.

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

(₹ in lakh)

Particulars	For the year ended 31 <sup>st</sup> March,2020	For the year ended 31 <sup>st</sup> March,2019
Total revenue	216780.84	208552.32
Total expenses	200908.37	180504.11
Share of Profit of Joint Ventures	4.38	9.99
Profit before Rate regulated activities & Tax	15876.85	28058.20
Movement in Rate Regulated Activities (net of Tax)	8265.06	11719.15
Other Comprehensive Income	(317.48)	212.06
Total Comprehensive Income	16269.65	21324.95
Total equity	640835.54	629265.15



**Human Resources and HRD**

As on 31.03.2020, the Corporation had 2170 employees including 3 Board Level Executives (excluding CVO). Out of which 816 are Executives, 258 are Supervisors and 805 are Workmen.

Analysis of Age Profile of regular employees and its findings are as under:

Age Group	Total	Percentage of employees
Upto 30 years	86	4.56%
31 - 40 years	217	11.53%
41-50 years	512	27.20%
51-60 years	1067	56.69%

Superannuation profile in the next 5(five) years:						
Cadre	2020-21	2021-22	2022-23	2023-24	2024-25	TOTAL
Executive	34	47	55	55	54	245
Supervisor	11	12	20	15	31	89
Workmen	57	42	41	37	48	225
<b>TOTAL</b>	<b>102</b>	<b>101</b>	<b>116</b>	<b>107</b>	<b>133</b>	<b>559</b>

The above findings indicate that 56% of manpower in the Corporation are in the age brackets of 51 years and above and about 559 numbers of employees will be superannuating by the year March, 2025. This figure suggests that the attrition rate in the Corporation is very high and needs immediate attention.

Total Medical expenditure incurred for the FY 2019-20 is Rs.1451.77 Lakhs against Rs.1467.72 Lakhs in the previous FY i.e 2018-19, which indicates decrease of 1%.

During the year 2019-20, a total 456 no's of employees participated in training and total training man days achieved was 778.

Customized programmes for work life balance and leadership development for our women employees have been organised for empowering our women employees. Also, capability development programs for executives to build their technical & Managerial competencies for higher positions with special focus on Web learning have been organised during the year.

The meetings and discussions are conducted between Unions / Associations of employees from time to time and meetings of NEEPCO National Bipartite Committee (NNBC) & NEEPCO Project Bipartite Committee (NPBC) were carried out for deliberating on various issues concerning improvement of work-life of employees, policy matters. The Suggestions generated out of the discussions were carried forward in a realistic manner. Throughout the year, the Industrial Relations remained congenial and zero man-day loss could be achieved.

**For and on behalf of the Board of Directors**

VINOD  
KUMAR SINGH  
SINGH

Digitally signed  
by VINOD  
KUMAR SINGH  
Date:  
2020.09.16  
11:57:47 +05'30'

**(Vinod Kumar Singh)**  
**Chairman & Managing Director**  
**DIN: 07471291**

**Place: New Delhi**  
**Date: 15.09.2020**

Annexure - 5

**Narayan Sharma**

B.Com (Hons.), F.C.S

**ANNEXURE 000064**

**Narayan Sharma & Associates**

Master Enclave, Udayachal Path, Besides IOCL Petrol Pump  
Christianbasti, G.S. Road, Dispur, Guwahati-781005  
Phone : +91 361 2343127, +91 9435018319  
E-mail : csnarayansharma@gmail.com

To,  
The Members  
North Eastern Electric Power Corporation Limited  
Brookland Compound, Lower New Colony  
Dist. East Khasi Hills,  
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 2020**, 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.

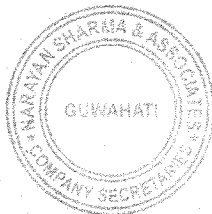
The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of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

Place: Guwahati  
Date: 28<sup>th</sup> July, 2020

For **Narayan Sharma & Associates**  
*Practicing Company Secretaries*



**CS Narayan Sharma**  
Proprietor  
FCS-5117, CP No. 3844  
UDIN: F005117B000517695



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## Independent Auditors' Report

To the Members of North Eastern Electric Power Corporation Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying Standalone Financial Statements of North Eastern Electric Power Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2020, 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 notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Financial Statements give the information required by the Companies Act 2013 ('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 31<sup>st</sup> March 2020, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**S P A N & ASSOCIATES**  
Chartered Accountant

Page 1 of 15



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**Phone : 033-2423-5104/5099/5087 | Tele Fax : 91-33-2423-5086**

**E-mail : sga1969@dataone.in/spanca1979@gmail.com | Website : www.spanca.in**



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### Emphasis of Matters

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

1. Note No. 39 (I) in respect of sudden rupturing of penstock of Kopili Hydro Electric Power Unit, resulting in assets worth Rs. 101.20 crores getting damaged and the unit currently being in shut down condition.
2. Note No. 45 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.

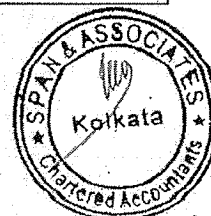
Our report is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Standalone Financial Statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below as the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b><i>Evaluation of Uncertain Arbitration Cases, Court Cases and Litigations</i></b></p> <p>The Company has material uncertain claims against the Company pending matters before arbitration or other judicial forums; the consequential and possible effect thereof has been based on the management's assessment of the probability of the occurrence of the liability.</p> <p>Refer Notes 37 to the Standalone Financial Statements</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>We have obtained details of Arbitration cases, Court Cases and Pending litigations for the year ended March 31, 2020 from management, and the status thereof. We involved our team members to challenge the management's underlying assumptions in estimating the litigation cases and the possible outcome of the disputes. Our team also considered legal precedence and other rulings in evaluating management's position on these pending litigations and Arbitration cases. Additionally, we considered the effect of new information in respect of these cases to evaluate whether any change was required to management's position on these uncertainties.</p>



<p>2</p>	<p><b>Recognition of Income from Regulatory Deferral Account Balances in accordance with IND AS 114 and CERC Regulations</b></p> <p>Regulatory Deferral Income has been recognised as per the provisions of IND AS 114 and CERC Regulations, in respect of the following -</p> <ul style="list-style-type: none"> <li>a) Difference in Rate of Depreciation as per CERC Regulations charged to P&amp;L and Depreciation allowed to be recovered through tariff, for Turial Hydro Electric Project (TrHEP) - Rs. 41.18 crores</li> <li>b) Deferred tax adjustment against deferred tax liability for O&amp;M Plants on account of Deferred tax accrued during the year capable of adjustment/reversal in future periods - Rs. 41.19 crores</li> <li>c) Exchange differences arising from settlement / translation of monetary item denominated in Foreign currency to the extent recoverable from the beneficiaries in subsequent periods - Rs. 9.14 crores</li> <li>d) Recognition of Deferred Tax recoverable on materialization, from Beneficiaries - (Rs. 29.40)</li> <li>e) Modification of Annual Fixed Costs on account of variation of Additional Capital Expenditure as allowed by CERC Regulations for O&amp;M Projects and as actually billed - Rs. 44.20 crores</li> </ul> <p>Refer Note 16 of Standalone Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Accounting Policy for recognition of Regulatory Deferral Account balances in accordance with IND AS 114 was examined. We have reviewed the nature of regulatory activities, its recognition and subsequent measurement. Also, we have involved our team to analyse the risks and uncertainties associated with future recovery of the same and the time frame within which it is expected to be recovered.</p> <p>We have tested the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against.</p> <p>Further, we have obtained and understood the amount recoverable in terms of CERC Regulations apart from assessing, testing and evaluating the reasonableness thereof keeping in view the significant judgements applied by the management for such assessments.</p>
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3.	<p><b>Recoverability of Capital Expenditure through tariff on start of Commercial Operation of Kameng Project</b></p> <p>As on 31<sup>st</sup> March 2020, total balance of Capital Work-In-Progress for Kameng Project lying in the books of NEEPCO amounts to Rs.7,684.53 crores.</p> <p>The aforesaid amount includes significant expenditures in the form of Incidental Expenditure during Construction (IEDC) charged under the head Capital Work in Progress.</p> <p>Analysis will be carried out by CERC to determine, whether price and cost overrun will be included, for determination of Tariff by CERC, once Kameng project is capitalised. As the Actual Capital Cost of the project has exceeded Indexed Projected Cost, it may result in probable Impairment.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have analysed the process of allocation of expenses for construction projects, to Incidental Expenditure during Construction. Further, detailed checking was carried out to verify the correctness of allocation of Outlays for Capital Work in Progress. Also, design of Internal Controls relating to expenses to be charged off to IEDC / CWIP was evaluated.</p> <p>The Assessment of indicators of Impairments could be carried out post capitalization of the project and its successful COD.</p>
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Our report is not modified in respect of these matters.

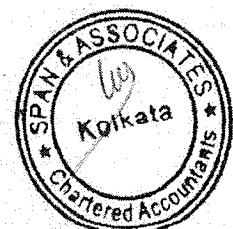
#### Information Other than the Standalone Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Director's Report including Director's Responsibility Report and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon. The Other Information as stated above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during audit or otherwise appears to be materially misstated.

When we read the Other Information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.



## Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Standalone Financial Statements that give a true and fair view of the financial position, financial performance 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.

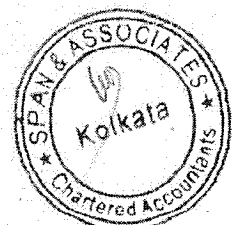
This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments 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 Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

## Auditors' Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Our Audit being carried out Offsite, based on documents /information being procured electronically due to compulsion imposed from outbreak of Covid19, our work may have inherent Risk and limitations. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.



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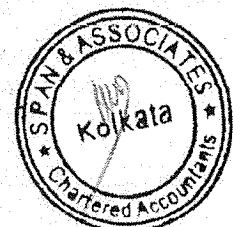
As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**S P A N & ASSOCIATES**  
Chartered Accountant

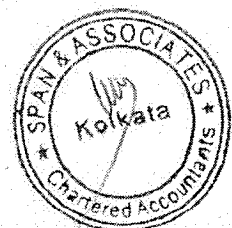


We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### 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 Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;



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- 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 Financial Statements - *Refer to Note 37 to the Standalone 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.

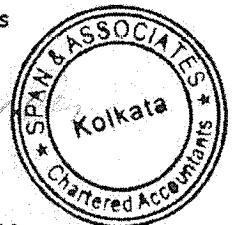
Place: Kolkata  
Date: 23<sup>rd</sup> June 2020

For S P A N & ASSOCIATES  
Chartered Accountants  
F.R.N.: 302192E

*T. K. DAS*  
T. K. DAS  
Partner

Membership No.: 053080

UDIN: 20053080 AAAA13J8039



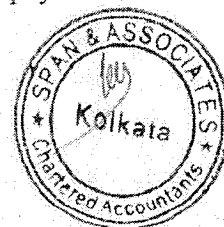


## Annexure A to the Independent Auditors' Report

(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 in some cases not maintained proper records related to situation of fixed assets available with it.
- (b) There is a regular programme of physical verification of all fixed assets on an annual basis, by the Management. Though, no material discrepancies were noticed on such verification, in our opinion, the details and records maintained in Physical Verification Report, needs improvement having regard to the size of the Company and the nature of its assets.
- (c) The title deeds of all the immovable properties are held in the name of the Company except in case of (i) KHEP, where land measuring 183.19 hectares, valued at Rs. 452 lakhs is under litigation and (ii) Guwahati, where the mutation of 33.19 acres of freehold land, valued at Rs. 441 lakhs is pending.
- (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, Goods and Service Tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities, with the exception for those dues, where-in our opinion and according to the information and explanations given to us, the last date of payment has



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either been extended or the payment could not be made due to movement restrictions resulting from COVID-19. There are no undisputed dues outstanding as on 31st March 2020 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.

(b) The disputed statutory dues aggregating to Rs. 44,506.69 lakhs that have not been deposited on account of matters pending before appropriate authorities are detailed below:

Name of the statute	Nature of Dues	Amount (Rs. In Lakh)	A.Y. to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	80.27	2010-11	ITAT
Income Tax Act, 1961	Income Tax	93.72	2011-12	ITAT
Income Tax Act, 1961	Income Tax	3,821.33	2012-13	High Court, Meghalaya
Income Tax Act, 1961	Income Tax	121.46	2012-13	ITAT
Income Tax Act, 1961	Income Tax	213.21	2013-14	ITAT
Income Tax Act, 1961	Income Tax	2,142.97	2013-14	High Court, Meghalaya
Income Tax Act, 1961	Income Tax	10,872.61	2014-15	ITAT
Income Tax Act, 1961	Income Tax	11,381.61	2015-16	High Court, Meghalaya
Income Tax Act, 1961	Income Tax	9,112.52	2016-17	High Court, Meghalaya
Income Tax Act, 1961	Income Tax	6,659.74	2012-13 to 2016-17	High Court, Meghalaya
<b>Total</b>		<b>44,499.44</b>		

The Company also has a disputed Statutory Dues under Service Tax for Rs. 7.25 lakhs at CESTAT, Kolkata.

- (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 Bonds, Grants and Other 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 material frauds by the Company or any material 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. 42 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.

Place: Kolkata  
Date: 23<sup>rd</sup> June 2020

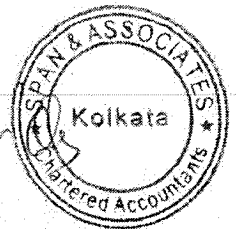
For S P A N & ASSOCIATES  
Chartered Accountants  
F.R.N.: 302192E

*Vahan Kumar*  
T. K. DAS

Partner

Membership No.: 053080

UDIN: 20053080AAAABJ8039



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## Annexure B to the Independent Auditors' Report

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

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the Implications of processing of Accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has old information technology (IT) application system which is unable to cater the emerging needs, process all accounting transactions and complete information consistent with financial reporting objectives.	Not Ascertainable
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on our Audit and according to the information and explanations given to us, no such restructuring of existing loan or waiver / write off of debts / loans / interest etc. were made by lender to the Company, due to the Company's inability to repay the loan. However, the Company has availed the facility of moratorium on Principal Repayment of Rs. 100 crores, in lieu of RBI Circular No. RBI/2019-2020/186 dated 27 <sup>th</sup> March 2020, on term loans availed from Canara Bank.	Nil
3.	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its terms and conditions? List the case of deviations.	Based on our Audit and according to the information and explanations given to us, the Company has accounted for and utilized the funds received for specific schemes from Central / State agencies as per the terms and conditions of the Schemes.	Nil

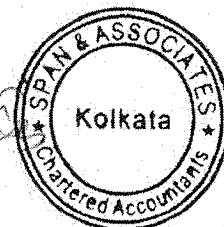
Place: Kolkata  
Date: 23<sup>rd</sup> June 2020

For S P A N & ASSOCIATES  
Chartered Accountants  
F.R.N.: 302192E

*T. K. DAS*  
T. K. DAS  
Partner

Membership No.: 053080

UDIN: 20053080 AAAABJ8039



S P A N & ASSOCIATES  
Chartered Accountant

## 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 31<sup>st</sup> March 2020 in conjunction with our audit of the Standalone Financial Statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

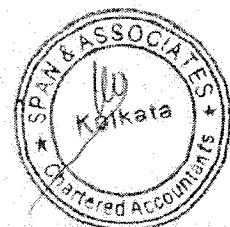
The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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.

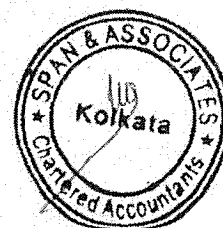
### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March 2020:

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.



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In our opinion, the company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March 2020.

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 31<sup>st</sup> March 2020 Standalone Financial Statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

Place: Kolkata

Date: 23<sup>rd</sup> June 2020

For S P A N & ASSOCIATES

Chartered Accountants

F.R.N.: 302192E

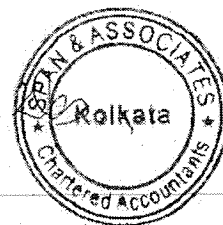
*T. K. DAS*

T. K. DAS

Partner

Membership No.: 053080

UDIN: 20 053080 AAAA BJ 8039



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## NORTH EASTERN ELECTRIC POWER CORPORATION

## Balance Sheet as at 31.03.2020

( ₹ in lakhs )

Sl No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019 *	As at 1 <sup>st</sup> April 2018 *
	<b><u>ASSETS</u></b>				
1	<b><u>Non-Current assets</u></b>				
	(a) Property, Plant and Equipment	2	609778.57	623441.52	346809.85
	(b) Capital work -in- Progress	3	774042.04	707423.18	937019.39
	(c) Intangible assets under Development	4	501.44	82.50	82.50
	(d) Intangible assets	4A	684.95	30.20	53.01
	(e) Right to Use Assets	4A	7914.68	9746.28	6420.98
	(f) Investment in subsidiary and Joint Venture companies	5	2793.00	2793.00	2793.00
	(g) Financial Assets				
	Loans	6	58.69	95.93	107.20
	(h) Deferred Tax Asset (Net)	7			
	(i) Other Non-current Assets	8	18666.80	19115.01	18565.37
	<b>1. Total Non-Current Assets</b>		<b>1414440.17</b>	<b>1362727.62</b>	<b>1311851.30</b>
2	<b><u>Current assets</u></b>				
	a ) Inventories	9	12077.36	10158.75	8068.87
	b ) Financial Assets				
	( i ) Trade receivables	10	66226.10	63453.60	45836.76
	( ii ) Cash and Cash equivalents	11	187.24	6900.43	33049.07
	( iii ) Bank balances other than (ii) above	12	318.15	2957.44	558.85
	( iv ) Others	13	27685.99	9066.79	2972.06
	c ) Current Tax Assets (Net)	14	2230.49	0.00	
	d ) Other Current assets	15	2850.81	2540.21	1881.03
	<b>2. Total Current Assets</b>		<b>111576.14</b>	<b>95077.22</b>	<b>92366.64</b>
3	<b>3 . Regulatory deferral accounts debit balances</b>	16	<b>79861.53</b>	<b>73650.03</b>	<b>54826.08</b>
	<b>Total Assets ( 1 + 2 + 3 )</b>		<b>1605877.84</b>	<b>1531454.87</b>	<b>1459044.02</b>

Sl No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019 *	As at 1 <sup>st</sup> April 2018 *
	<b><u>EQUITY AND LIABILITIES</u></b>				
4	<b><u>Equity</u></b>				
	( a ) Equity Share Capital	17	360981.04	360981.04	345281.04
	( b ) Other Equity	18	279503.91	267936.53	259694.00
	( c ) Share Application money pending Allotment				9600.00
	<b>4. Total Equity</b>		<b>640484.95</b>	<b>628917.57</b>	<b>614575.04</b>
	<b><u>Liabilities</u></b>				
5	<b>Non-Current Liabilities</b>				
	<b>a ) Financial Liabilities</b>				
	( i ) Borrowings	19	614359.39	661882.06	630906.68
	( ii ) <u>Trade payables</u>				
	(a) Total outstanding dues of micro enterprises and small enterprises				
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises				
	b ) Provisions	20	18963.18	15780.51	20226.57
	c ) Deferred tax liabilities ( Net )	7	59528.96	61850.12	51642.59
	d ) Other non-current liabilities		0.00	0.00	
	<b>5. Total Non-Current Liabilities</b>		<b>692851.53</b>	<b>739512.69</b>	<b>702775.84</b>
6	<b><u>Current liabilities</u></b>				
	<b>a ) Financial liabilities</b>				
	( i ) Borrowings	21	80769.90	28236.63	20000.00
	( ii ) <u>Trade Payables</u>				
	(a) Total outstanding dues of micro enterprises and small enterprises		206.99	277.15	129.55
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	22			
	( iii ) Other financial liabilities	23	9483.71	7308.48	8646.37
	b) Other current liabilities	24	13684.18	16051.36	16245.69
	c) Provisions	25	2776.88	2218.31	3894.31
	d) Current tax liabilities (net)	14	0.00	3052.96	2772.09
	<b>6. Total Current Liabilities</b>		<b>239345.70</b>	<b>128907.00</b>	<b>111135.94</b>
7	<b>7. Deferred Revenue</b>	26	<b>33195.66</b>	<b>29697.02</b>	<b>30557.20</b>
8	<b>8. Regulatory deferral accounts credit balances</b>	16	<b>0.00</b>	<b>4420.59</b>	<b>0.00</b>
	<b>Total Equity and Liabilities ( 4 + 5 + 6 + 7 + 8 )</b>		<b>1605877.84</b>	<b>1531454.87</b>	<b>1459044.02</b>

\* Restated - Refer Note 39 (IV)

Summary of significant accounting policies - Note no.1

The accompanying notes 1 to 47 form an integral part of these financial statements

Date: 23-06-2020		For and on behalf of the Board of Directors		In terms of our report of even date	
Place SHILLONG				For M/S S P A N & Associates	
CHIRA NUEB SHARM A		ANIL KUMA R		Chartered Accountants F.R.N.302192E	
C Sharma		Anil Kumar		TAPAN	
Company Secretary		Director (Finance)		T K Das KUMAR	
				PartnerDAS	
				Membership No-053080	

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**Statement of Changes in Equity****A. Equity Share Capital**Period ended 31<sup>st</sup> March 2020

( ₹ in lakhs )

Balance at at 01.04.2019	Changes in equity share capital	Balance as at 31.03.2020
1	2	3
360,981.04		360,981.04

Period ended 31<sup>st</sup> March 2019

( ₹ in lakhs )

Balance at at 01.04.2018	Changes in equity share capital	Balance as at 31.03.2019
1	2	3
845,281.04	15,700.00	360,981.04

**B. Other Equity**Period ended 31<sup>st</sup> March 2020

( ₹ in lakhs )

Particulars	Balance as at 01.04.2019	Changes in accounting policy or prior period errors	Restated balance as at 01.04.2019	Total Comprehensive income for the year	Dividends	Trasfer to/from retained earnings	Fair Value /Other Adjustment	Balance as at 31.03.2020
	1	2	3	4	5	6	7	8
Retained Earnings	5190.68		5190.68	16266.64	(4701.66)		2.40	16758.06
General Reserve	197691.68		197691.68					197691.68
Bond Redemption	65054.17		65054.17			0.00		65054.17

Period ended 31<sup>st</sup> March 2019

( ₹ in lakhs )

Particulars	Balance as at 01.04.2018	Changes in accounting policy or prior period errors	Restated balance as at 01.04.2018	Total Comprehensive income for the year	Dividends	Trasfer to/from retained earnings	Fair Value /Other Adjustment	Balance as at 31.03.2019
	1	2	3	4	5	6	7	8
Retained Earnings	5858.68	(923.44)	4935.24	21318.08	(13863.86)	(7987.09)	788.31	5190.68
General Reserve	197691.68		197691.68					197691.68
Bond Redemption Reserve	57067.08		57067.08			7987.09		65054.17

For and on behalf of the Board of Directors			In terms of our report of even date		
Date: 23-06-2020	CHIRAN J. SHARMA	ANIL KUMAR	VINOD KUMAR SINGH	For M/S SPAN & Associates	
Place SHILLONG	EEB	KUMAR	SINGH	Chartered Accountants	
	SHARMA			F.R.N.302192E	TAPAN KUMAR DAS
	C Sharma	Anil Kumar	Vinod Kumar Singh		Partner
	Company Secretary	Director (Finance)	Chairman & Managing Director		Membership No-053080

## PARTII- STATEMENT OF PROFIT AND LOSS

Statement of Profit and Loss

(₹ in lakhs)

Sl No.	Particulars	Notes	For the period ended 31st-Mar-20	For the period ended 31st-Mar-19 *
I	Revenue from Operations	27	212749.77	202818.43
II	Other Income	28	4031.07	5733.89
III	<b>Total Income (I + II)</b>		<b>216780.84</b>	<b>208552.32</b>
IV	<b>Expenses</b>			
(a)	Cost of materials consumed	29	69001.25	56199.59
(b)	Employee benefit expense	30	39225.27	49931.14
(c)	Finance costs	31	17309.98	14488.06
(d)	Depreciation and amortization expense	32	34302.60	35677.60
(e)	Other expenses	33	41069.27	24207.72
	<b>Total expenses (IV)</b>		<b>200908.37</b>	<b>180504.11</b>
V	<b>Profit / (loss) before exceptional items, Rate Regulated Activities and tax (III - IV)</b>		<b>15872.47</b>	<b>28048.21</b>
VI	Exceptional Items			
VII	Tax Expense:			
	(i) Current tax		2256.37	6454.37
	Earlier years		7447.67	
	<b>Net Current Tax</b>		9704.04	6454.37
	(ii) Deferred tax		(2150.63)	12206.97
	<b>Tax Expense</b>		<b>7553.41</b>	<b>18661.34</b>
VIII	<b>Profit / (loss) before Rate Regulated Activities (V -VII)</b>		<b>8319.06</b>	<b>9386.87</b>
IX	Net movement in regulatory deferral account balances (Net of tax)	16	8265.06	11719.15
X	<b>Profit / (loss) after tax &amp; regulatory account balance (VIII + IX)</b>		<b>16584.12</b>	<b>21106.02</b>
XI	Profit / (loss) from discontinued operations		0.00	0.00
XII	Tax expense of discontinued operations			
XIII	<b>Profit / (loss) for the year from Discontinued operations (XI - XII)</b>		0.00	0.00
XIV	<b>Profit / (loss) for the year/period (X +XIII)</b>		<b>16584.12</b>	<b>21106.02</b>



SI No.	Particulars	For the period ended 31st-Mar-20	For the period ended 31st-Mar-19
XV	<b>Other comprehensive income</b>		
A	(i) Items that will not be reclassified to profit and loss		
	(a) Remeasurements of the defined benefit plans	(488.01)	325.96
	(b) Others (specify nature)	(488.01)	325.96
	(ii) Income tax relating to items that will not be reclassified to profit and loss	(170.53)	113.90
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		
	<b>Total other comprehensive income XV = (A+ B)</b>	<b>(317.48)</b>	<b>212.06</b>
XVI	<b>Total comprehensive income for the period (XIV + XV)</b>	<b>16266.64</b>	<b>21318.08</b>
	Earnings per equity share (for continuing operation before regulatory Deferral Accounts) :		
	(1) Basic (in Rs.)	0.23	0.26
	(2) Diluted (in Rs.)	0.23	0.26
XVII	Earnings per equity share (for continuing operation after regulatory Deferral Accounts) :		
	(1) Basic (in Rs.)	0.46	0.59
	(2) Diluted (in Rs.)	0.46	0.59

\* Restated - Refer Note 39 (IV)

The accompanying notes 1 to 47 form an integral part of these financial statements

Date: 23-06-2020 Place: SHILLONG		For and on behalf of the Board of Directors		In terms of our report of even date For M/S S P A N & Associates Chartered Accountants F.R.N.302192E	
CHIRANJEEB SHARMA	Digitally signed by CHIRANJEEB SHARMA Date: 2020.06.23 17:42:58 +05'30'	ANIL KUMAR	Digitally signed by ANIL KUMAR Date: 2020.06.23 17:34:46 +05'30'	VINOD KUMAR SINGH	Digitally signed by VINOD KUMAR SINGH Date: 2020.06.23 17:29:40 +05'30'
C Sharma		Anil Kumar		Vinod Kumar Singh	
Company Secretary		Director (Finance)		Chairman & Managing Director	
				T K Das	Digitally signed by TAPAN KUMAR DAS Date: 2020.06.23 20:07:37 +05'30'
				Partner	R DAS
					Membership No-053080

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

Particulars	₹ in lakhs	
	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	15,872.47	28,048.21
Add: Net Movements in Regulatory deferral account balances (Net of tax)	8,265.06	11,719.15
Add: Tax on net Movements in Regulatory deferral account balances	2,367.03	2,684.21
	<u>10,632.09</u>	<u>14,403.36</u>
Profit before tax including movements in regulatory deferral account balances	26,504.56	42,451.57
Adjustment for:		
Depreciation, amortisation and impairment expense	34,302.60	35,677.60
Provisions/Write off	10,953.08	3,085.78
Regulatory Deferral account credit balances	(4,420.59)	4,420.59
Regulatory Deferral account debit balances	(6,211.50)	(18,823.95)
Deferred Revenue	3,498.64	(860.18)
Foreign exchange loss/(gain)	1,069.44	(631.92)
Finance costs	16,240.54	15,119.98
Interest/income from term deposits/bonds/investments	(39.08)	(131.02)
Provisions Written back	(154.22)	(3.87)
Profit on de-recognition of property, plant and equipment	(3.55)	(0.24)
Loss on de-recognition of property, plant and equipment	5.82	46.41
	<u>55,241.18</u>	<u>37,899.18</u>
Operating profit before working capital changes	81,745.74	80,350.75
Adjustment for:		
Trade Receivables	(2,772.50)	(17,616.84)
Inventories	(1,618.34)	(2,092.12)
Trade payables, provisions, other financial liabilities and other liabilities	(33,945.36)	10,661.20
Loans, other financial assets and other assets	(18,444.35)	(7,292.28)
	<u>(56,780.55)</u>	<u>(16,340.04)</u>
Cash generated from operations	24,965.19	64,010.71
Income tax (paid)/refunded	<u>(12,710.87)</u>	<u>(10,308.00)</u>
Net cash from/(used in) operating activities - A	<u>12,254.32</u>	<u>53,702.71</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equivalent & intangible assets	(36,089.40)	(56,331.98)
Interest/income on term deposits/bonds/ investment received	39.08	127.92
Dividend Received	-	3.10
Change in Bank balance other than cash and cash equivalents	2,639.29	(2,398.59)
Net cash from/(used in) investing activities - B	<u>(33,411.03)</u>	<u>(58,599.55)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	-	6,100.00
Proceeds from non-current borrowings	55,000.00	45,933.99
Repayment of non-current borrowings	(15,398.54)	(15,267.25)
Proceeds from current borrowings	52,533.27	8,236.63
Payment of finance lease obligations	(691.77)	-
Interest paid	(72,297.78)	(53,177.25)
Dividend paid	(3,900.00)	(10,714.06)

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Tax on Dividend	(801.66)	(2,363.86)
<b>Net cash from/(used in) financing activities - C</b>	<b>14,443.52</b>	<b>(21,251.80)</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(6,713.19)</b>	<b>(26,148.64)</b>
Cash and cash equivalents at the beginning of the year (see Note 1 and 2 below)	6,900.43	33,049.07
Cash and cash equivalents at the end of the year (see Note 1 and 2 below)	187.24	6,900.43

\* please refer note no. 11 & 12

Notes:

- 1 Cash and Cash equivalent consists of cheques, drafts, stamps in hand, balances with bank, and deposits with original maturity of upto three months.
- 2 Reconciliation of Cash and Cash Equivalents:  
Cash and Cash equivalents as per note no. 11
- 3 Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

For the year ended 31 March 2020

₹ in lakhs

Particulars	Non-current borrowings**	Finance lease obligation	Current borrowings
Opening balance as at 1st April 2019	677,211.28	-	28,236.63
Cash Flows during the year	55,000.00	(691.77)	62,533.27
Principal repayment during the period	(15,398.54)		(10,000.00)
Non-Cash Changes due to :			
Acquisition under finance lease		1,670.52	
Variations in exchange rate	6,193.88		
Transaction cost on borrowings	(191.94)		
<b>Closing balance as at 31st March 2020</b>	<b>722,814.68</b>	<b>978.75</b>	<b>80,769.90</b>

For the year ended 31 March 2019

₹ in lakhs

Particulars	Non-current borrowings**	Finance lease obligation	Current borrowings
Opening balance as at 1st April 2018	646,200.44		20,000.00
Cash Flows during the year	45,933.99		8,236.63
Principal repayment during the period	(15,267.25)		
Non-Cash Changes due to :			
Acquisition under finance lease	-		
Variations in exchange rate	584.45		
Transaction cost on borrowings	(240.35)		
<b>Closing balance as at 31st March 2019</b>	<b>677,211.28</b>	<b>-</b>	<b>28,236.63</b>

\*\* includes current maturity of long term borrowings

Date: 23-06-2020 Place: SHILLONG		For and on behalf of the Board of Directors		In terms of our report of even date For M/S S P A N & Associates Chartered Accountants	
CHIRAN J. Dasgupta EBB SHARMA 174013 +0530'	ANIL KUMAR Digitally signed by ANIL KUMAR Date: 2020.06.23 13:33:56 +05'30'	VINOD KUMAR SINGH Digitally signed by VINOD KUMAR SINGH Date: 2020.06.23 13:34:45 +05'30'	F.R.N.302192E	TAPAN KUMAR DAS Digitally signed by TAPAN KUMAR DAS Date: 2020.06.23 20:01:55 +05'30'	
C Sharma Company Secretary	Anil Kumar Director (Finance)	Vinod Kumar Singh Chairman & Managing Director	TK Das Partner	R DAS	
			Membership No-053080		

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**NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES 2019-20****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 Enterprise (CPSE), is a wholly owned Subsidiary of NTPC Ltd 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. The Company has its 11 (eleven) generating stations, which are under commercial operation, with 7 (seven) hydro, 3 (three) thermal and 1(one) solar power stations having total capacity of 1457 MW. Out of 1457 MW, Kopili (4 X 50 MW) power station is under shut down from 07th of October 2019 due to rupturing of the penstock. In addition 01 (one) hydro project, namely, Kameng HEP (600 MW) is in advanced stage of completion for its commercial operation.

NEEPCO has its debt (Bond XI issue to XXI 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 (upto 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 Deferred tax liabilities are classified as non-current.

**V. Use of estimates and management judgments**

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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, even if 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 relating 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 from 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 An intangible asset is recognized if and only if it is probable that the expected future economic benefit that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.



3.2 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.

3.3 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.

3.4 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."

3.5 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 (Personal Computers and Laptops including Peripherals) are depreciated in a period of 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. The amortisation period and the amortisation method of intangible assets with a finite useful life is reviewed at each financial year and adjusted prospectively, wherever required.
- iii. "Land-right to use" is fully amortized over the period of useful life of the project, from its "Date of commercial operation".
- (iv) Leasehold Lands are amortised over the period of lease or useful life of the project, whichever is lower, from its "Date of commercial operation". Leasehold Land, in case of administrative offices, are amortised over the lease period.
- v. 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.
- vi. Cost of major repairing and overhauls are depreciated over their useful lives where it is probable that future economic benefits will be available.
- vii. 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.
- viii. Assets/procured installed, whose individual cost is Rs. 5000/- or less but more than Rs. 750/- (hereinafter is called Assets of minor value) and assets (excluding immovable assets) whose written down value is Rs. 5000/- or less at the beginning of the year are full depreciated during the year leaving a nominal balance of Rs. 1/- only.
- ix. Low value items, which are in the nature of the assets (excluding immovable assets) and value up to Rs. 750/- are not capitalized and charged off to revenue during the year.
- x. Depreciation of Corporate/Administrative office assets and general assets of projects under construction are charged following the rates notified vide CERC tariff regulations.

#### **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:

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- (i) NRV is recoverable principally through a sale transaction rather than through continuing use;
  - (ii) Such assets are available for immediate sale in its present conditions;
  - (iii) 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.

6.3 Impairment losses recognised in prior periods are assessed at each reporting period date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimated recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

## **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 Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising out on settlement or translation of monetary items are recognized in the profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31-03-2016 are adjusted to the carrying cost of property, plant and equipment.

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 In compliance MCA notification, the Company has adopted Ind AS 116 "Leases" with effect from 01.04.2019 and applied to all lease contracts existing on 1 April 2019. Consequently, the Company recorded the lease liability at the present value of remaining lease payments discounted at the incremental borrowing rate applicable at the date of initial application and the right of use assets at its carrying amount, discounted at the Company's incremental borrowing rate at the date of initial application.

## **11. Inventories**

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

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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.

12.3 Trade Receivable represents the Company's right to an amount of Consideration that is unconditional (i.e. only the passage of time is required before payment of the Consideration is due)

## **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 Other Financial Assets (Contract Assets)**

Accounts Receivables is the right to consideration in exchange for goods or services, transferred to the Customer. If the Company performs by transferring the goods or services to a Customer before the Customer pays consideration or payment is due, Accounts Receivables (in the nature of Contract Asset) is recognised for the Earned Consideration that is conditional.

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)**

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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 substantially all the activities necessary to prepare the qualifying assets for their intended use are completed.

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 When the benefit of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expenses is recognized immediately in statement of profit and loss.

16.4 Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under performance related pay if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

16.5 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.



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## 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 include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which likely to give future economic benefits in the form of set off against future income tax liability. MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

- 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 Operations

#### a) Revenue from Sale of Power

- i. The Company has applied IND AS 115, Revenue from Contracts with Customers for the first time for annual reporting period commencing 1st April 2018, under Modified Retrospective Method. IND AS 115 establishes a five-step model to account for revenue arising from Contracts with Customers and requires that revenue be recognised at an amount that reflects the Consideration to which an Entity expects to be identical in exchange for transferring goods or services to the Customer.
- ii. Revenue is recognised on transfer of control over the products or services to a Customer, based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services.
- iii. Sale of Power 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. Further for projects for which neither tariff approved by the CERC nor any provisional tariff agreed by the beneficiaries, sale of energy is accounted for on the basis of Annual Fixed Cost (AFC) submitted before the CERC through Tariff Petition. Revenue from sale of power includes sales delivered to customers but not yet billed, commonly referred to as unbilled revenue.
- iv. The incentives/disincentives are recognized based on norms notified by the Central Electricity Regulatory Commission. Accordingly, Rebate for prompt settlement of outstanding receivables (settlement discounts) are netted off with revenue.
- v. 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

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vi. Exchange difference arising from settlement /translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC tariff Regulations are accounted for as "Regulatory deferred account balances" and adjusted from the year in which the same becomes recoverable/payable.

vii. Rebate allowed to beneficiaries for timely payments are deducted from the emouant of revenue

**b) Revenue from DSM, RRAS and NERLDC Fees**

i. Revenue from DSM is recognised based on the weekly Accounts issued by the North Eastern Regional Power Committee (NERPC) which is governed by the Central Electricity Regulatory Commission (Deviation Settlement Mechanism) Regulations 2014 and amendments thereto.

ii. Revenue from RRAS is recognised based on the weekly Accounts issued by the North Eastern Regional Power Committee (NERPC) which is governed by the Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations 2015 and amendments thereto.

iii. NERLDC Fees and charges are recognised as revenue as claimed on Beneficairies for reimbursement, governed by CERC (Terms & Conditions of Tariff) Regulations 2019 and amendments thereto.

**18.2 Other Income**

i. Dividend income from investments are recognized when the right to receive the dividend is established.

ii. 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.

iii. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

iv. Surcharge on late payment /overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

**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 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.

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Note no. 2 :: Property, Plant and Equipment

( ₹ in lakhs )

Particulars	Note No	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April 2018
Freehold Land		2600.25	2600.25	2566.88
Right to Use (Leasehold Land)		6019.26	6208.16	6417.05
Buildings		15489.33	14947.57	13960.11
Plant & Equipments		573219.41	590163.03	313632.31
Furniture & Fixture		627.68	654.85	651.29
Vehicles		1173.72	256.93	293.40
Office Equipment	38	2161.31	1957.37	1887.08
Others :::				
Electrical Equipment		643.44	586.14	596.68
Road , Bridges, Culvert, Helipad		3830.45	3397.78	4036.30
Tools & Plants		3985.19	2641.59	2737.55
Misc . Equipment		28.53	27.85	31.20
<b>Total</b>		<b>609778.57</b>	<b>623441.52</b>	<b>346809.85</b>

As at 31<sup>st</sup> March 2020

( ₹ in lakhs )

Particulars	Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	Total
Gross Block as at April 1, 2019	2600.25	27536.86	930952.72	1762.85	677.30	6467.57	1662.44	5640.34	6224.92	180.70	6208.16	989914.11
Additions	0.00	1460.53	25863.62	44.11	1463.50	517.21	116.34	644.03	1635.10	9.97	81.28	31835.69
Disposals/Adjustment	0.00	(186.90)	(2121.462)	(9.41)	(9.00)	(122.69)	(50.88)	(155.65)	(249.68)	(3.05)	2517.69	(19484.19)
Reclassified as held for sale												
<b>Gross Block as at March'31, 2020</b>	<b>2600.25</b>	<b>28810.49</b>	<b>935601.72</b>	<b>1797.55</b>	<b>2131.80</b>	<b>6862.09</b>	<b>1727.90</b>	<b>6128.72</b>	<b>7610.34</b>	<b>187.62</b>	<b>8807.13</b>	<b>1002265.61</b>
Impairment as at April 1, 2019												
Other re-classifications												
Impairment as at March'31, 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Accumulated Depreciation as at April 1, 2019	0.00	12589.29	340789.69	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	0.00	366472.59
Charge for the period	0.00	889.00	32584.63	62.99	545.81	306.76	50.24	159.02	204.50	8.94	270.17	35082.06
Disposals	0.00	(157.13)	(10992.01)	(1.12)	(8.10)	(116.18)	(42.08)	(103.31)	(162.68)	(2.70)	2517.70	(9067.61)
Other re-classifications												0.00
<b>Accumulated depreciation as at March'31, 2020</b>	<b>0.00</b>	<b>13321.16</b>	<b>362382.31</b>	<b>1169.87</b>	<b>958.08</b>	<b>4700.78</b>	<b>1084.46</b>	<b>2298.27</b>	<b>3625.15</b>	<b>159.09</b>	<b>2787.87</b>	<b>392487.04</b>
Total accumulated depreciation and impairment as at June 30, 2018	0.00	13321.16	362382.31	1169.87	958.08	4700.78	1084.46	2298.27	3625.15	159.09	2787.87	392487.04
<b>Net block as at March'31, 2020</b>	<b>2600.25</b>	<b>15489.33</b>	<b>573219.41</b>	<b>627.68</b>	<b>1173.72</b>	<b>2161.31</b>	<b>643.44</b>	<b>3830.45</b>	<b>3985.19</b>	<b>28.53</b>	<b>6019.26</b>	<b>609778.57</b>

000100

As at March 31, 2019

( ₹ in lakhs )

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Heli-pad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	Total
Gross Block as at April 1, 2018	2566.88	25746.71	619996.89	1697.46	677.31	6155.50	1626.63	6329.43	6135.75	182.02	6417.05	677531.63
Additions	33.37	1792.36	311552.11	69.96	0.00	373.88	35.81	406.21	91.78	13.48		314368.96
Disposals/Adjustment	0.00	(2.21)	(596.28)	(4.57)	(0.01)	(61.81)	0.00	(1095.30)	(2.61)	(14.80)	(208.89)	(1986.48)
Reclassified as held for sale												
Gross Block as at March 31, 2019	2600.25	27536.86	930952.72	1762.85	677.30	6467.57	1662.44	5640.34	6224.92	180.70	6208.16	989914.11
Impairment as at April 1, 2018												
Other re-classifications												
Impairment as at March 31, 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation as at April 1, 2018	0.00	11786.60	306364.58	1046.17	383.91	4268.62	1029.95	2293.13	3398.20	150.62		330721.78
Charge for the period	0.00	802.81	34743.25	66.08	36.46	311.72	46.37	163.70	187.06	3.26		36360.71
Disposals	0.00	(0.12)	(318.14)	(4.25)	0.00	(70.14)	(0.02)	(214.27)	(1.93)	(1.03)		(609.90)
Other re-classifications												
Accumulated depreciation as at March 31, 2019	0.00	12589.29	340789.69	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	0.00	366472.59
Total accumulated depreciation and impairment as at March 31, 2019	0.00	12589.29	340789.69	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	0.00	366472.59
Net block as at March 31, 2019	2600.25	14947.57	590163.03	654.85	256.93	1957.37	586.14	3397.78	2641.59	27.85	6208.16	623441.52

As at March 31, 2018

( ₹ in lakhs )

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Heli-pad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	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		662721.99
Additions	656.68	1783.92	9381.83	55.96	82.93	422.68	67.75	407.82	106.56	15.49	6417.05	19398.66
Disposals/Adjustment	0.00	(0.89)	(1740.19)	(30.01)	(116.60)	(94.65)	0.00	(1414.91)	(1190.79)	(0.98)		(4589.02)
Reclassified as held for sale												
Gross Block as at March 31, 2018	2566.88	25746.71	619996.89	1697.46	677.31	6155.50	1626.63	6329.43	6135.75	182.02	6417.05	677531.63
Impairment as at April 1, 2017												
Other re-classifications												
Impairment as at March 31, 2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Accumulated Depreciation as at April 1, 2017	0.00	10888.21	289680.71	1008.03	451.20	4039.50	984.82	2275.58	4345.45	141.28		313814.78
Charge for the period	0.00	898.51	17830.63	65.65	36.81	313.16	45.13	185.03	186.65	10.50		19572.07
Disposals	0.00	(0.12)	(1146.76)	(27.51)	(104.10)	(84.24)	0.00	(167.48)	(1133.90)	(0.96)		(2665.07)
Other re-classifications												
Accumulated depreciation as at March 31, 2018	0.00	11786.60	306364.58	1046.17	383.91	4268.42	1029.95	2293.13	3398.20	150.82	0.00	330721.78
Total accumulated depreciation and impairment as	0.00	11786.60	306364.58	1046.17	383.91	4268.42	1029.95	2293.13	3398.20	150.82	0.00	330721.78
Net block as at March 31, 2018	2566.88	13960.11	313632.31	651.29	293.40	1887.08	596.68	4036.30	2737.55	31.20	6417.05	346809.85

000101

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, 2020.

ii. The Corporation has spent an amount of ₹ 21732.70 lakhs (previous year ₹ 21536.66 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 Twenty first issue valuing ₹ 570550.00 lakhs having Charge ID with ROC are 100334035 for ₹ 15000.00 Lakhs, 100239598 for ₹ 30000.00 Lakhs, 100179561 for ₹ 30000.00 Lakhs, 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 ₹ 4350.00 lakhs, 10411581 for ₹ 7200.00 lakhs, 10411580 for ₹ 4000.00 lakhs and Secured, Medium & Short Term Loan amounting to ₹ 80000.00 lakhs. 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 ₹ 45149.26 lakhs (previous year ₹ 40053.80 lakhs) has been transferred to IEDC (Ref. Note No-34). The foreign exchange borrowings are un-hedged.

v. Due to mishap occurred in Kopili HEP (200 MW) during October 2019, the asset damaged are valued at Gross Block ₹ 19971.31 lakhs, Accumulated Depreciation ₹ 98950.50 lakhs and Net Block ₹ 10120.81 lakhs.

vi. The net carrying amount of plant and machinery comprises of:

₹ In lakhs

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Assets held under Finance Leases			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Net carrying amount	-	-	-
Owned assets	609778.57	623441.52	346809.85
Net carrying amount	609778.57	623441.52	346809.85

vii. Deduction/adjustments from gross block and Depreciation for the year includes

₹ In lakhs

Particulars	Gross Block		Depreciation	
	for the year ended		for the year ended	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Disposal of assets	(120.98)	(440.50)	(110.89)	(207.08)
Retirement of assets	(21888.58)	(900.69)	(11482.09)	(112.98)
Cost adjustments including exchange difference				
Assets capitalised with retrospective effect/ Write back of excess capitalisation		492.54		
Others	760.85	(1137.84)	2517.72	(289.84)
Total	(21248.72)	(1986.48)	(9075.27)	(609.90)



000102

## Note no. 3 Details of CWIP

( ₹ in lakhs )

Particulars	As at 1 <sup>st</sup> April 2019	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Building	939.32	383.18	24.35	(798.33)	548.52	939.32	1253.35
Roads, Bridges, Culverts & Helipads	21687.22	825.14	139.38	(595.83)	22055.91	21687.22	23903.28
Electrical Installation	130.43	1.09	(26.11)	(104.32)	1.09	130.43	79.11
Water Supply, Sewerage & Drainage	69.86	38.65	0.41	(55.14)	53.78	69.86	44.59
Hydraulic works incldg Dams, Dykes etc.	247685.77	3609.46	1849.64	(1213.78)	251931.09	247685.77	364199.94
Other Civil works	21.42	68.97	(1.06)	(3.47)	85.86	21.42	16.9
Power house	20429.05	1197.43	(40.62)	(376.14)	21209.72	20429.05	43900.74
Switch Yard including cable connection	9436.72	248.52	0.00	0.00	9685.24	9436.72	12128.95
Environment & Echology	12964.25	164.68	0.00	(45.00)	13083.93	12964.25	17159.77
Transmission Lines							523.67
Transformer having a rating of 100KV ampere and above	10799.93	111.27	(7.38)	0.00	10903.82	10799.93	9913.54
Survey & Investigation	3767.40	99.49	(16.47)	0.00	3850.42	3767.40	3785.46
Communication equipment	2.48	0.00	(2.48)	0.00	0.00	2.48	0.71
Steam Turbine	0.00	17.11	0.00	(17.11)	0.00		
Plant & Machinery in Generating station	44805.87	2751.04	28.75	(128.08)	47457.58	44805.87	78415.54
Gas Booster Station	77.80	4150.77	(98.96)	(4129.61)	0.00	77.80	390.00
Incidental Expenditure during Construction	339056.56	60432.38	(752.28)		398736.66	339056.56	382957.43
	711874.08	74099.18	1097.17	(7466.81)	779603.62	711874.08	938672.98
Less : Provision for write off	5376.08	668.45			6044.53	5376.08	2689.10
Construction Store (net of provisions)	925.18	30.43	(472.66)		482.95	925.18	1035.51
<b>TOTAL</b>	<b>707423.18</b>	<b>73461.16</b>	<b>624.51</b>	<b>(7466.81)</b>	<b>774042.04</b>	<b>707423.18</b>	<b>937019.39</b>

## Note no. 4 Intangible Assets Under Development

( ₹ in lakhs )

Particulars	As at 1 <sup>st</sup> April 2019	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Upfront Premium including Processing fee	10082.50			0.00	10082.50	10082.50	10082.50
Software	0.00	418.94	0.00	0.00	418.94	0.00	0.00
	10082.50	418.94	0.00	0.00	10501.44	10082.50	10082.50
Less : Provision for write off	10000.00				10000.00	10000.00	10000.00
<b>Total</b>	<b>82.50</b>	<b>418.94</b>	<b>0.00</b>	<b>0.00</b>	<b>501.44</b>	<b>82.50</b>	<b>82.50</b>

000103

Provision for write off

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Building (Head quarter)	0.27	0.27	
Building (Tuirial HEP)	130.23	133.30	133.30
Water Supply, Sewerage & Drainage (Tuirial HEP)	20.04	20.04	20.04
Environment & Echology (Tipaimukh HEP)	25.33	25.33	25.33
<u>Survey &amp; Investigation</u>			
Tipaimukh HEP	138.23	138.23	138.23
Siang HEP	246.45	246.45	246.45
Salim HEP	4.48	4.48	
Tuivai HEP	2282.69	2254.01	
Garo Hills Thermal Project	10.71	10.71	
Margerita HEP	5.45	5.45	
Rokhia & Baramura GT Power Plant	28.70	28.70	
Gumti HEP	58.55	58.55	
WK hills HEP	4.95	4.95	
Leh & Kargil HEP	44.95	44.95	
KHEP	17.33		
Kiling HEP	69.67		
Bandu HEP	0.59		
Rangit HEP	20.01		
<u>Incidental Expenditure during Construction</u>			
Tipaimukh HEP	1695.53	1694.77	1694.77
Bichom Basin	253.52	253.52	
Kiling HEP	524.93		
Siang HEP	461.92	452.37	430.98
<b>Total</b>	<b>6044.53</b>	<b>5376.08</b>	<b>2689.10</b>

Note no. 4A Intangible Assets

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Carrying amounts of :			
Software	684.95	30.20	53.01
Right to use (Forest Land)	7,914.68	9,746.28	6,420.98
<b>Total</b>	<b>8,599.63</b>	<b>9,776.48</b>	<b>6,473.99</b>

As at 31<sup>st</sup> March 2020

( ₹ in lakhs )

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2019	247.93	9,836.06	10,083.99
Additions	712.28		712.28
Adjustment for the period	(7.66)	(1,756.87)	(1,764.53)
<b>Gross Block as at March 31, 2020</b>	<b>952.55</b>	<b>8,079.19</b>	<b>9,031.74</b>
Accumulated Impairment as at April 1, 2019			
Charge for the period			
<b>Accumulated Impairment as at March 31, 2020</b>			
Accumulated amortisation as at April 1, 2019	217.73	89.78	307.51
Charge for the period	57.53	74.73	132.26
Adjustment for the period	(7.66)	-	(7.66)
<b>Accumulated amortisation as at March 31, 2020</b>	<b>267.60</b>	<b>164.51</b>	<b>432.11</b>
<b>Total accumulated amortisation and impairment as at March 31, 2020</b>	<b>267.60</b>	<b>164.51</b>	<b>432.11</b>
<b>Net block as at March 31, 2020</b>	<b>684.95</b>	<b>7,914.68</b>	<b>8,599.63</b>

As at March 31, 2019

( ₹ in lakhs )

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2018	237.42	6,420.98	6,658.40
Additions	10.51	3,415.08	3,425.59
<b>Gross Block as at March 31, 2019</b>	<b>247.93</b>	<b>9,836.06</b>	<b>10,083.99</b>
Accumulated Impairment as at April 1, 2018			
Charge for the period			
<b>Accumulated Impairment as at March 31, 2019</b>			
Accumulated amortisation as at April 1, 2018	184.41	-	184.41
Charge for the period	33.32	89.78	123.10
<b>Accumulated amortisation as at March 31, 2019</b>	<b>217.73</b>	<b>89.78</b>	<b>307.51</b>
<b>Total accumulated amortisation and impairment as at March 31, 2019</b>	<b>217.73</b>	<b>89.78</b>	<b>307.51</b>
<b>Net block as at March 31, 2019</b>	<b>30.20</b>	<b>9,746.28</b>	<b>9,776.48</b>

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 subsidiary and Joint Venture companies

(₹ in lakhs)

Particular	As at 31 <sup>st</sup> March,2020		As at 31 <sup>st</sup> March,2019		As at 1 <sup>st</sup> April 2018	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Quoted Investments						
<b>TOTAL AGGREGATE QUOTED INVESTMENTS (A)</b>						
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
- of joint ventures - jointly controlled entities						
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000	2793.00	27930000	2793.00	27930000	2793.00
<b>TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)</b>	<b>27930000</b>	<b>2793.00</b>	<b>27930000</b>	<b>2793.00</b>	<b>27930000</b>	<b>2793.00</b>
Other Investment	-	-	-	-	-	-
<b>TOTAL other investment (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS (A) + (B) + (C)</b>	<b>27930000</b>	<b>2793.00</b>	<b>27930000</b>	<b>2793.00</b>	<b>27930000</b>	<b>2793.00</b>
Less : Aggregate amount of impairment in value of investments						
- of joint ventures - jointly controlled entities						
<b>TOTAL IMPAIRMENT VALUE (D)</b>						
<b>TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D)</b>		<b>2793.00</b>		<b>2793.00</b>		<b>2793.00</b>

**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		
	31.03.2020	31.03.2019	01.04.2018
KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at 31 <sup>st</sup> March,2020	As at 31 <sup>st</sup> March,2019	As at 1 <sup>st</sup> April 2018
(a) Unquoted			
Aggregate carrying amount of unquoted investments	2,793.00	2,793.00	2,793.00
<b>Total carrying amount</b>	<b>2,793.00</b>	<b>2,793.00</b>	<b>2,793.00</b>

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

NEEPCO is under the process of exploring various scopes & opportunities for ensuring viability of M/s KSK Dibbin hydro Power Pvt Ltd, the Joint Venture Company, including engagement of legal expert to protect the Corporation's (NEEPCO's) interest for the investment made. The Company is also exploring various alternatives to revive the project. In view of the above, the Management consider the investment as "good" and no provision for impairment is considered necessary.

## Note no. 6 Loans

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Loans and Advances to employees</b>			
- Secured, considered good	-	-	-
- Unsecured, considered good	58.69	95.93	107.20
- Doubtful	-	-	-
Less : Allowance for bad and doubtful advances	-	-	-
<b>TOTAL</b>	<b>58.69</b>	<b>95.93</b>	<b>107.20</b>

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

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

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

## Note no.- 7 Deferred tax balances

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Regulatory Income / (Expense)</b>	10632.09	14403.36	1816.98
Tax rate	34.944%	34.944%	34.608%
DTL / (DTA)	3715.28	5033.11	628.82
Deferred Tax Liability	76916.47	73786.12	64781.77
From OCI	(170.53)	113.90	125.63
Less : Deferred Tax Asset	17216.98	12049.90	13264.81
Add: DTL / (DTA) for Regulatory Income/Expense	3715.28	5033.11	628.82
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	3715.28	5033.11	628.82
<b>Net Defer Tax (Asset)/ Liability</b>	<b>59528.96</b>	<b>61850.12</b>	<b>51642.59</b>

## Deferred Tax as on 31.03.2020

( ₹ in lakhs )

Deferred Tax Reconciliation	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	Effect in PL
Deferred Tax Liability as per Ind AS	(76916.47)	(73900.02)	3016.45
Deferred Tax Asset as per Ind AS	17216.98	12049.90	(5167.08)
Net Deferred Tax Liability	(59699.49)	(61850.12)	(2150.63)
Less : Deferred tax adjustment against DTL	3715.28	5033.11	1317.83
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	3715.28	5033.11	1317.83
Net (Liability)/Asset as per Ind AS	(59699.49)	(61850.12)	(2150.63)
<b>Effect in PL</b>			<b>(2150.63)</b>

## Deferred Tax as on 31.03.2019

( ₹ in lakhs )

Deferred Tax Reconciliation	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	Effect in PL
Deferred Tax Liability	(73786.12)	(62794.06)	10992.06
Deferred Tax Asset as per Ind AS	12049.90	13264.81	1214.91
Net Deferred Tax Liability	(61736.22)	(49529.25)	12206.97
Add: DTL / (DTA) for Regulatory Income/Expense	5033.11	1229.83	(3803.28)
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	5033.11	1229.83	(3803.28)
Net (Liability)/Asset	(61736.22)	(49529.25)	12206.97
<b>Effect in PL</b>			<b>12206.97</b>

## Deferred Tax as on 31.03.2018

( ₹ in lakhs )

Deferred Tax Reconciliation	As at March 31, 2018	As at March 31, 2017	Effect in PL
Deferred Tax Liability	(64,781.77)	(61,365.85)	3415.92
Deferred Tax Asset as per Ind AS	13264.81	10,072.91	(3191.90)
Net Deferred Tax Liability	(51516.96)	(51292.94)	224.02
Add: DTL / (DTA) for Regulatory Income/Expense	1229.83	2,690.91	1461.08
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	1229.83	2690.91	1461.08
Net (Liability)/Asset	(51516.96)	(51292.94)	224.02
<b>Effect in PL</b>			<b>224.02</b>



(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2020 is as follows:

( ₹ in lakhs )

2019-20 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	73900.02	3016.45	76916.47
Employees Benefits	(11662.52)	4065.67	(7596.85)
Provisions for Others	(387.38)	(9232.75)	(9620.13)
Deferred Tax Recognised in OCI	-		(170.53)
<b>Total</b>	<b>61850.12</b>	<b>(2150.63)</b>	<b>59528.96</b>

(iii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2019 is as follows:

( ₹ in lakhs )

2018-19 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	62794.06	10992.06	73786.12
Employees Benefits	(12739.20)	1076.68	(11662.52)
Provisions for Others	(525.61)	138.23	(387.38)
Deferred Tax Recognised in OCI			113.90
<b>Total</b>	<b>49529.25</b>	<b>12206.97</b>	<b>61850.12</b>

MAT credit available for the Company as on 01.04.2019 amounts to ₹ 4796.42 lakhs, being the amount as per computation of tax credit under Sec 115 JAA for the A/Y 2019-20. Balance MAT credit available as on 31.03.2020 amounts to ₹ 3671.73 lakhs.

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## Note no. -8 Other non-current assets

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Capital Advances</b>			
<b>Secured :</b>	=	=	=
<b>Un-Secured :</b>			
Covered By Bank Guarantee		290.72	726.17
Others	15558.61	15281.23	14253.69
Considered Doubtful	41.28	41.28	41.28
Less: Allowances for bad & doubtful advances	<u>41.28</u>	<u>41.28</u>	41.28
Advance tax refundable	3108.19	3543.06	3552.14
Advance towards Land			33.37
<b>Total</b>	<b>18666.80</b>	<b>19115.01</b>	<b>18565.37</b>

(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) Tax refundable relates to FY 2008-09 to 2013-14 & FY 2018-19 amounting to ₹7.75 lakhs, ₹ 116.66 lakhs, ₹ 414.29 lakhs, ₹ 71.99 lakhs, ₹ 49.97 lakhs, ₹ 48.04 lakhs & ₹ 2399.49 lakhs respectively for which appeals are pending with Income Tax Authorities.

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Operational stores ::</b>			
Stores & Spares	11098.09	9633.36	
Consumables	210.94	202.44	
Others	768.33	322.95	
Obsolete/ Scrap	<u>822.95</u>	<u>521.48</u>	
	12900.31	10680.23	8591.35
Less :: Provision for obsolete/ unservicable Items	<u>822.95</u>	<u>521.48</u>	522.48
<b>Total Inventories</b>	<b>12077.36</b>	<b>10158.75</b>	<b>8068.87</b>
<b>Included above, goods-in-transit</b>			
Stores & Spares	644.71	39.36	0.70
<b>Total Goods in transit</b>	<b>644.71</b>	<b>39.36</b>	<b>0.70</b>

Secured, Working Capital Demand Loan of ₹ 25769.90 lakhs was drawn against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal.

## Note no. - 10 Trade receivables

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Trade Receivables considered good - Secured	-	-	-
Trade Receivables considered good - Unsecured	66226.10	63453.60	45836.76
Trade Receivables - credit impaired	-	-	-
Allowance for doubtful debts	-	-	-
<b>TOTAL</b>	<b>66226.10</b>	<b>63453.60</b>	<b>45836.76</b>

- (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) Secured, Working Capital Demand Loan of ₹ 25769.90 lakhs was drawn against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal.
- (v) Change in trade receivables

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Opening Balance	63653.60	45836.76	44108.15
Add:: Net Revenue Recognised but not realised during the year	2572.50	17816.84	1728.61
Closing Balance	66226.10	63653.60	45836.76

- (v) Trade receivables are further analysed as :

(₹ in lakhs)

As at March 31, 2020	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	14330.35	-	14330.35
More than 45 days upto six months	6942.72	-	6942.72
More than six months	44953.03	-	44953.03
<b>TOTAL</b>	<b>66226.10</b>	<b>0.00</b>	<b>66226.10</b>

(₹ in lakhs)

As at March 31, 2019	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	25958.89	-	25958.89
More than 60 days upto six months	10575.67	-	10575.67
More than six months	26919.04	-	26919.04
<b>TOTAL</b>	<b>63453.60</b>	<b>0.00</b>	<b>63453.60</b>

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2020 to be ₹ 66226.10 lakhs (March 31, 2018: ₹ 63453.60 lakhs), which is the fair value of trade receivables after allowance for credit losses. The Company's exposure to customers is diversified and except MeECL (Meghalaya), no single customer contributes to more than 10% of outstanding dues (i.e. more than 45 days) accounts receivable as at March 31, 2020.

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period	Nil	Nil
Additions during the period		
Utilised during the period		
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>

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.

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**Note no.- 11 Cash and Cash Equivalents**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	186.60	6899.80	11998.27
(ii) In Deposit Account (original maturity less than 3 months)			21050.00
(b) Cheques, drafts on hand			
(c) Cash in hand			
(d) Others	0.64	0.63	0.80
<b>Cash and cash equivalents as per balance sheet</b>	<b>187.24</b>	<b>6900.43</b>	<b>33049.07</b>
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account			
(ii) In Deposit Account			
<b>Total</b>	<b>187.24</b>	<b>6900.43</b>	<b>33049.07</b>

**Note no. -12 Bank balances other than Cash and cash equivalents**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Restricted Money	318.15	2957.44	558.85
<b>Total</b>	<b>318.15</b>	<b>2957.44</b>	<b>558.85</b>

**(i) Breakup of Restricted Money**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Margin Money against LC	104.40	387.47	
DDUGVY scheme of GOI	160.87	174.94	
SAUBHAGYA scheme of GOI	52.88	2395.03	
<b>Total</b>	<b>318.15</b>	<b>2957.44</b>	

(ii) Bank balances other than Cash & cash Equivalent consists of restricted money for project relating to Deen Dayal Upadhyaya Gram Jyoti Yojana(DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme) and margin money against LC provided to Bank.

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

## Note no.- 13 Others

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>a) Accounts Receivables</b>			
- Secured, considered good			
- Unsecured, considered good	1347.02	1345.29	1894.81
- Doubtful			
Unbilled Revenue	23614.29	8281.73	
Deferred Foreign Currency Fluctuation Assets	2051.34	(1794.48)	(685.16)
Advances to staff	114.04	507.06	994.44
Interest accrued on loans and deposits	473.44	625.30	665.11
Security Deposits	85.86	101.89	102.86
<b>TOTAL</b>	<b>27685.99</b>	<b>9066.79</b>	<b>2972.06</b>

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Interest accrued on deposits and loans</b>			
Unsecured, considered good	473.44	625.30	665.11
Unsecured, considered doubtful			
Less: Allowance for credit losses			
<b>Other financial assets</b>			
Advances to staff	114.04	507.06	994.44
Security Deposits	85.86	101.89	102.86

(i) Unbilled Revenue comprises of Energy bills for the month of March 2020 amounting to ₹ 14834.69 lakh, AGBP Open Cycle Billing amounting to ₹ 20.03 lakh, NERLDC fees & charges recoverable amounting to ₹ 28.36 lakh, Deferred Tax recoverable amounting to ₹ 1281.85 lakhs, Electricity duty recoverable amounting to ₹ 1046.06 lakh, Effective tax rate (FY 2016-17) ₹ 5123.77 lakhs, PTC for professional charges ₹ 0.91 lakhs, FERV recoverable ₹1278.62 lakhs.

(ii) Accounts Receivables consists of excess GST paid ₹ 1.74 lakhs and amount receivable from REC towards implementation of DDUGJY scheme amounting to ₹1345.29.

(iii) Interest on Deposits and Loans include Interest on STDR and Interest accrued on Advances to Contractors.

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

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

(vi) 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.

(vii) Changes in Account Receivables

(₹ in lakhs)

Particulars	As at March 31,2020	As at March 31,2019	As at 1 <sup>st</sup> April 2018
Opening Balance	1345.29	1894.81	1894.81
Add : Addition during the year	22871.75	7732.21	
Less : Realised / Billed during the year	22870.02	8281.73	
Closing Balance	1347.02	1345.29	1894.81

## Note no.- 14 Current tax assets and liabilities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Current tax assets</b>			
Benefit of tax losses to be carried back to recover taxes paid in prior periods			
Advance tax paid including TDS	6509.02	7921.45	9297.15
<b>(i) Sub Total (Current Tax Assets)</b>	<b>6509.02</b>	<b>7921.45</b>	<b>9297.15</b>
<b>Current tax liabilities</b>			
Current year	3381.06	6454.37	11978.94
Adjustment for earlier years	(344.87)	1835.83	986.17
Pertaining to regulatory deferral account balances	2367.03	2684.21	1040.50
Less :: MAT credit entitlement	1124.69		1936.37
<b>(ii) Sub Total (Current Tax Liabilities)</b>	<b>4278.53</b>	<b>10974.41</b>	<b>12069.24</b>
<b>Current tax Assets &amp; Liabilities (Net) (i) - (ii)</b>	<b>2230.49</b>	<b>(3052.96)</b>	<b>(2772.09)</b>

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 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Prepaid Expenses including prepaid insurance	2158.09	1875.07	962.63
Advances to Suppliers & Contractors	574.34	635.69	833.97
Less : Allowances for doubtful	56.51	47.41	47.41
Scrap /Obsolete assets	10368.59	352.38	335.69
Less : Provisions	10368.59	352.38	335.69
	0.00	0.00	0.00
Assets held for disposal	174.89	76.86	131.84
<b>Total</b>	<b>2850.81</b>	<b>2540.21</b>	<b>1881.03</b>

(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.

(iii) Assets held for disposal consists of following items

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
Plant & Equipments	306.25	105.69	591.51
Vehicles	8.71	8.71	48.31
Office Equipment			0.53
Tools & Plants	56.20	56.20	55.66
Misc . Equipment		2.56	2.56
<b>Gross value of Assets held for disposal</b>	<b>371.16</b>	<b>173.16</b>	<b>698.57</b>
Less: Provision	196.27	96.30	566.73
<b>NRV for Assets held for disposal</b>	<b>174.89</b>	<b>76.86</b>	<b>131.84</b>

Note- 16 Regulatory Deferral Accounts Debit Balance

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
<b>Regulatory deferral account Debit balance</b>			
<b>(i) Employees benefit expenses - gratuity</b>			
Opening Balance	4793.47	4793.47	
Addition during the period			4793.47
<b>Closing balance</b>	<b>4793.47</b>	<b>4793.47</b>	<b>4793.47</b>
<b>ii) Depreciation - Tuirial HEP</b>			
Opening Balance	5724.17	0.00	
Addition during the period	4118.37	5724.17	
<b>Closing balance</b>	<b>9842.54</b>	<b>5724.17</b>	
<b>(iii) Deferred Tax adjustment against deferred tax liabilities</b>			
Opening Balance	18937.43	4002.42	5242.28
Addition during the period	4119.14	14935.01	(1239.86)
<b>Closing balance</b>	<b>23056.57</b>	<b>18937.43</b>	<b>4002.42</b>
<b>(iv) Deferred Tax Recoverable</b>			
Opening Balance	44194.96	46030.19	47766.82
Realized/Adjustment during the period	(2940.33)	(1835.23)	(1736.63)
<b>Closing balance</b>	<b>41254.63</b>	<b>44194.96</b>	<b>46030.19</b>
<b>(v) Exchange difference</b>	<b>914.32</b>		
<b>Regulatory deferral account Debit balance</b>	<b>79861.53</b>	<b>73650.03</b>	<b>54826.08</b>
<b>Regulatory deferral account Credit balance</b>			
<b>(i) Estimated impact on AFC (tariff)</b>			
Opening Balance	(4420.59)		
Addition during the period	4420.59	(4420.59)	
<b>Closing balance</b>	<b>0.00</b>	<b>(4420.59)</b>	<b>0.00</b>
<b>Regulatory deferral account Credit balance</b>	<b>0.00</b>	<b>(4420.59)</b>	<b>0.00</b>

Deferral Regulatory Account Balance has been adjusted in line with Accounting Policy No-7. Refer Note No.38 for detailed disclosure.

**Note- 17 Equity Share Capital**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March,2020	As at 31 <sup>st</sup> March,2019	As at 1 <sup>st</sup> April 2018
Equity Share Capital	360,981.04	360,981.04	345,281.04
<b>Total</b>	<b>360,981.04</b>	<b>360,981.04</b>	<b>345,281.04</b>

**Authorised Share Capital**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March,2020	As at 31 <sup>st</sup> March,2019	As at 1 <sup>st</sup> April 2018
5,00,00,00,000 nos. of equity shares of ₹ 10/- each (Previous year 5,00,00,00,000 nos. of equity shares of ₹ 10/- each)	500,000.00	500,000.00	500,000.00
<b>Issued and Subscribed capital comprises :</b>			
3,60,98,10,400 nos. (Previous period 3,60,98,10,400 nos.) of equity shares of ₹ 10/- each	360,981.04	360,981.04	345,281.04
<b>Total</b>	<b>360,981.04</b>	<b>360,981.04</b>	<b>345,281.04</b>

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

Particulars	As at March 31, 2020					
	Opening balance as on 01.04.2019		Movement during 2019-20		Closing Balance as on 31.03.2020	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Ordinary shares of ₹10 each	3,609,810,400	360,981.04	-	-	3,609,810,400	360,981.04
At beginning of the year	-	-	-	-	-	-
Shares allotted during the year	3,609,810,400	360,981.04	-	-	3,609,810,400	360,981.04

Particulars	As at March 31, 2019					
	Opening balance as on 01.04.2018		Movement during 2018-19		Closing Balance as on 31.03.2019	
	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs	No. of shares	₹ in Lakhs
Ordinary shares of ₹10 each	3,452,810,400	345,281.04	157,000,000	15,700.00	3,609,810,400	360,981.04
At beginning of the year	-	-	-	-	-	-
Shares allotted during the year	3,452,810,400	345,281.04	157,000,000	15,700.00	3,609,810,400	360,981.04

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

Particulars	As at March 31, 2020		As at March 31, 2019		As at 1 <sup>st</sup> April 2018	
	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	Nil	Nil	3,609,809,800	100	3452809800	100
<b>NTPC Ltd.</b>	<b>3,609,809,800</b>	<b>100</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

(iii) The Corporation has only one class of shares referred to as equity shares having a par value of ₹ 10/- wholly owned by NTPC Ltd. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

(iv) The Cabinet Committee on Economic Affairs, chaired by Prime Minister accorded in-principle approval for strategic disinvestment of Government of India shareholding of 100% in NEEPCO alongwith transfer of management control to an identified CPSE strategic buyer, namely NTPC.

Accordingly, acquisition of entire equity stake of Government of India in NEEPCO Ltd by NTPC Ltd completed on 27<sup>th</sup> March 2020 through share transfer in pursuant to share purchase agreement dt. 25<sup>th</sup> March 2020 between Government of India & NTPC Ltd. NTPC Ltd holds 100% ownership interest in NEEPCO Ltd including & as on 31<sup>st</sup> March 2020.



**Note no.- 18 Other equity**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
General Reserve	197691.68	197691.68	197691.68
Retained earnings	16758.06	5190.68	4935.24
Bond redemption reserve	65054.17	65054.17	57067.08
<b>Total</b>	<b>279503.91</b>	<b>267936.53</b>	<b>259694.00</b>

**18.1 General Reserve**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Balance at the beginning of the year/period	197691.68	197691.68	197691.68
<b>Balance at the end of the year/period</b>	<b>197691.68</b>	<b>197691.68</b>	<b>197691.68</b>

**18.2 Retained Earnings**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Balance at the beginning of the year/period	5190.68	4935.24	6575.15
Profit attributable to owners of the Company	16584.12	21106.02	26542.67
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(317.48)	212.06	237.37
FV loss adjustment	2.40	2.37	4.40
Payment of dividends on equity shares	(3900.00)	(11500.00)	9214.00
Excess provision written back		785.94	
Related income-tax on Dividend	(801.66)	(2363.86)	1875.75
Transfer to Bond Redemption Reserve		(7987.09)	17334.60
<b>Balance at the end of the year/period</b>	<b>16758.06</b>	<b>5190.68</b>	<b>4935.24</b>

Retained Earnings are the profit of the Company earned till date net of appropriation.

**18.3 Bond Redemption Reserve**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Balance at the beginning of the year/period	65054.17	57067.08	39732.48
Movement during the year/period	0	7987.09	17334.60
<b>Balance at the end of the year/period</b>	<b>65054.17</b>	<b>65054.17</b>	<b>57067.08</b>

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:-** Ministry of Corporate Affairs has notified amendment to Companies (Share Capital and Debentures) Amendment Rules, 2019 on 16 August 2019. As per the amendment, Debenture Redemption Reserve (DRR) is not required to be created in case of listed companies. Accordingly, the Company has not created any Bonds/Debenture Redemption Reserve during the year. Further, the outstanding balance of Bonds / Debenture Redemption Reserve created up to 31 March 2019 shall be written back as and when the respective bonds / debentures are redeemed.

**18.4 Share Application money pending allotment**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
Share application money pending allotment			9600.00

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**Non-current liabilities****Financial Liabilities**

Note no.- 19 Long term borrowings

( ₹ in lakhs )

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
<b>1. SECURED BORROWINGS</b>			
<b>A. PRIVATELY PLACED PSU BONDS</b>			
<b>i. Twenty first Issue</b>	15000.00		
Less : Bond expense amortisation	<u>27.14</u>		
<b>Bond - Twenty first Issue ( Net)</b>	14972.86		
8 years NEEPCO 8.69% Secured, Redeemable, Non-Convertible, Taxable Bonds of Rs.10,00,000 each, redeemable at 50% of face value on 26-09-2026, 26-09-2027 with Call Option on 26-09-2024, 26-03-2025, 26-09-2025, 26-03-2026, 26-09-2026 & 26-03-2027. The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunchal 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.			
<b>a. Twentieth issue</b>	30000.00	30000.00	
Less : Bond expense amortisation	<u>24.88</u>	<u>28.40</u>	
<b>Bond - Twentieth Issue ( Net)</b>	29975.12	29971.60	
7 years NEEPCO 9.50% Secured, Redeemable, Non-Convertible, Taxable Bonds of Rs.10,00,000 each, redeemable at 25% of face value on 29-05-2024, 29-11-2024, 29-05-2025 & 29-11-2025 with Call Option on 29-11-2023, 29-05-2024, 29-11-2024, 29-05-2025. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunchal 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).			
<b>b. Nineteenth issue</b>	30000.00	30000.00	30000.00
Less : Bond expense amortisation	26.92	29.48	31.67
<b>Bond - Nineteenth issue ( Net)</b>	29973.08	29970.52	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, Arunchal 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).			

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
<b>c. Eighteenth issue</b>	50000.00	50000.00	50000.00
<b>Less : Bond expense amortisation</b>	<u>28.84</u>	<u>32.73</u>	36.33
<b>Bond -Eighteenth issue ( Net)</b>	49971.16	49967.27	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).			
<b>d. Seventeenth issue</b>	30000.00	30000.00	30000.00
<b>Less : Bond expense amortisation</b>	5.22	15.10	24.24
<b>Bond -Seventeenth issue ( Net)</b>	29994.78	29984.90	29975.76
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).			
<b>e. Sixteenth Issue</b>	90000.00	90000.00	90000.00
<b>Less : Bond expense amortisation</b>	<u>54.59</u>	<u>58.66</u>	62.39
<b>Bond -Sixteenth ( Net)</b>	89945.41	89941.34	89937.61
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)			

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
<b>f. Fifteenth issue</b> 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
<b>g. Fourteenth issue</b> 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
<b>h. Thirteenth issue</b> 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).	4350.00	5800.00	7250.00
<b>i. Twelfth issue</b> 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).	7200.00	9600.00	12000.00

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
<b>j. Eleventh issue</b> 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
<b>Sub-total : Privately Placed PSU Bonds (A)</b>	<b>570382.41</b>	<b>559235.63</b>	<b>533095.37</b>
<b><u>B. SECURED TERM LOANS</u></b>			
<b><u>i. Rupee Loans:</u></b>			
<b><u>a. Medium Term Coporate Loan from Canara Bank</u></b> Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh. The loan is repayable in 16 structured quarterly installment after 1 year moratorium from first drawal.	40000.00		
<b><u>Foreign Currency Loan</u></b> <b>External Commercial Borrowing</b> [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 20 <sup>th</sup> March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 <sup>th</sup> June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	28996.44	33700.26	38360.41
<b>Sub- Total Secured Loans (B)</b>	<b>68996.44</b>	<b>33700.26</b>	<b>38360.41</b>
<b>Total : Secured Borrowings (A+B)</b>	<b>639378.85</b>	<b>592935.89</b>	<b>571455.78</b>
<b><u>2.UNSECURED BORROWINGS:</u></b>			
<b><u>(i) Rupee Loan</u></b>			
<b>Subordinate Loans from Government of India</b>	29196.42	29196.42	29196.42
<b>Less : Loan expense amortisation</b>	<u>73.76</u>	<u>75.98</u>	78.29
<b>Subordinate Loans from Government of India ( Net)</b>	29122.66	29120.44	29118.13
(Govt of India has sanctioned subordionate loan of ₹ 29196.42 lakhs at the interest trate 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) i.e from 30th January 2018.			

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Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
<b>(ii) Foreign Currency Loan</b>			
Loan from KfW, Germany	54263.75	54914.59	45153.27
Less :: Fair Value ( 80 million & 20 Million)	(49.42)		
Loan from KfW, Germany (Net)	54313.17		
(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 and 20 million EURO was sanctioned from KFW , Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 <sup>th</sup> December 2008 & 20th December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayble in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively. )			
<b>Total Unsecured Borrowing ( i + ii)</b>	<b>83435.83</b>	<b>84035.03</b>	<b>74271.40</b>
<b>3. Interest accrued but not due</b>	<b>7008.57</b>	<b>18824.58</b>	<b>17762.35</b>
<b>4. Lease Liability - Asset under Lease</b>	<b>978.75</b>		
<b>Total ( 1 + 2 + 3 + 4)</b>	<b>730802.00</b>	<b>695795.50</b>	<b>663489.53</b>
<b>Less : Current maturities of ( Refer Note 23)</b>			
Bonds	95850.00	3850.00	3850.00
Foreign Currency Loan - Secured	7731.58	7094.21	6670.92
Foreign Currency Loan - unsecured	5260.36	4144.65	4299.58
Interest accrued but not due	7008.57	18824.58	17762.35
Lease Liability - Asset under Lease	592.10		
<b>GRAND TOTAL : Non-Current Liabilities</b>	<b>614359.39</b>	<b>661882.06</b>	<b>630906.68</b>

The maturity profile of borrowings is as follows:

Contractual maturities	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
In one year or less or on demand	148,842.74	15088.86	14821.69
Between one & two years	83,673.24	109421.09	14821.69
Between two & three years	79,673.24	82643.49	106821.69
Between three & four years	73,890.14	78643.49	80821.69
Between four & five years	83,090.86	73019.79	76821.69
More than five years	253,836.39	318394.55	351851.65
<b>Total contractual cash flows</b>	<b>723006.61</b>	<b>677211.27</b>	<b>645960.10</b>
Less: Capitalisation of transaction costs	Nil	Nil	Nil
<b>Total Borrowings</b>	<b>723006.61</b>	<b>677211.27</b>	<b>645960.10</b>

## Note no.- 20 Long Term Provisions

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Provision for Gratuity	0.00	0.00	6563.29
Provision for Leave encashment	12234.08	10073.45	8478.08
Medical benefit for retired employees	6587.61	5550.27	5034.81
Other retirement benefits	<u>141.49</u>	<u>156.79</u>	150.39
Total	18963.18	15780.51	20226.57

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.

**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 ₹ 3491.81 lakhs (previous year ₹ 3461.83 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 ₹ 2410.17 lakhs (previous year ₹ 2360.57 lakhs).



## 2. Defined benefit plans

### a. Retiring gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 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. Transactions with LIC during the FY 2019-20 for assessing fund balance as on 31.03.2020 are as per books of NEEPCO.

Details of Funded Assets with LIC	₹ in lakhs
Opening Balance As on 01.04.2019 ( Credit)	18638.31
Transactions during the year (Net Debit)	1380.49
Interest earned during the year	1310.14
Closing Balance As on 31.03.2020 ( Credit)	18567.96

### 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. Other retirement benefit 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.

**Actuarial Valuation of Gratuity Liability****Scale of Benefit**

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

31-03-19	Actuarial Basis used in Valuation	31-03-20
7.43%	Interest Rate	6.75%
7.00%	Salary Inflation	6.50%
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

**Amt in ₹**

31-03-19	Results of Valuation	31-03-20
2019350713.00	Liability to be shown in Balance Sheet	1987406753.00
180485201.00	Charges to Profit/Loss for the Period	122323087.00
(24283974.00)	Other comprehensive Income	8287636.00

31-03-19	Changes in Present Value of Obligation as at	31-03-20
2090203056.00	Present value of obligation as on last valuation	2019350713.00
118670264.00	Current Service Cost	121733453.00
144156547.00	Interest Cost	126398240.00
N/A	Participant Contribution	N/A
-	Plan Amendments : Vested portion at the end of period (Past Service)	-
33377547.00	Actuarial gain/loss on obligations due to change in Financial Assumption	69957795.00
(67042176.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(56465061.00)
0.00	Actuarial gain/loss on obligations due to Other reason	0.00
300014525.00	Benefits Paid	293568387.00
2019350713.00	Present value of obligation as on valuation date	1987406753.00
2663410882.00	Accrued Gratuity	2616465081.00

31-03-19	Changes in Fair Value of Plan Assets as at	31-03-20
1108231632.00	Fair value of Plan Assets at Beginning of period	1863831199.00
82341610.00	Interest Income	125808606.00
982653137.00	Employer Contributions	155519514.00
300014525.00	Benefits Paid	293568387.00
(9380655.00)	Return on Plan Assets excluding Interest Income	5205098.00
1863831199.00	Fair value of Plan Assets at End of measurement period	1856796030.00

31-03-19	Reconciliation to Balance Sheet	31-03-20
(155519514.00)	Funded Status	(130610723.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
1863831199.00	Fund Asset	1856796030.00
2019350713.00	Fund Liability	1987406753.00

31-03-19	Plan Assumptions	31-03-20
7.43%	Discount Rate	6.75%
7.43%	Expected Return on Plan Asset	6.75%
7.00%	Rate of Compensation Increase(Salary Inflation)	6.50%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	9
10	Average Duration of Liabilities	9
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate	Superannuation at age-Male	Ultimate
60	Superannuation at age-Female	60
60	Early Retirement & Disablement (All Causes Combined)	60
0.100%	Above age 45	0.100%
0.06%	Between 29-45	0.06%
0.03%	below age 29	0.03%
0.01%	Voluntary Retirement	0.01%
Ignored		Ignored

31-03-19	Expense Recognized in statement of Profit/Loss as at	31-03-20
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118670264.00	Current Service Cost	121733453.00
61814937.00	Net Interest Cost	589634.00
180485201.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	122323087.00

31-03-19	Other Comprehensive Income	31-03-20
33377547.00	Actuarial gain/loss on obligations due to Unexpected Experience	69957795.00
(67042176.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(56465061.00)
(33664629.00)	Total Actuarial (gain)/losses	13492734.00
(9380655.00)	Return on Plan Asset, Excluding Interest Income	5205098.00
(24283974.00)	Balance at the end of the Period	8287636.00
(24283974.00)	15088.86	8287636.00

31-03-19		Sensitivity Analysis	31-03-20	
Increase	Decrease		Increase	Decrease
1958285547.00	2083788194.00	Discount Rate (-/+ 0.5%)	1926333743.00	2051898102.00
-3.024%	3.191%	%Change Compared to base due to sensitivity	-3.073%	3.245%
2031769720.00	2005881644.00	Salary Growth (-/+ 0.5%)	1999708801.00	1974289868.00
0.615%	-0.667%	%Change Compared to base due to sensitivity	0.619%	-0.660%
2019633422.00	2019068004.00	Attrition Rate (-/+ 0.5%)	1987625368.00	1987168264.00
0.014%	-0.014%	%Change Compared to base due to sensitivity	0.011%	-0.012%
2021349870.00	2017351556.00	Mortality Rate (-/+ 10%)	1989274915.00	1985518717.00
0.099%	-0.099%	%Change Compared to base due to sensitivity	0.094%	-0.095%

**Cash Flow**

	Rupees(INR)
Next Year Total (Expected)	1935627678.00
Minimum Funding Requirements	190194370.00

**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.

31-03-19	Actuarial Basis used in Valuation	31-03-20
7.43%	Interest Rate	6.75%
7.00%	Salary Inflation	6.50%
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

31-03-19	Results of Valuation	31-03-20
1037770270.00	Liability to be shown in Balance Sheet	1325163298.00
339507788.00	Charges to Profit/Loss for the Period	443429423.00

31-03-19	Changes in Present Value of Obligation as at	31-03-20
878233588.00	Present value of obligation as on last valuation	1037770270.00
77948339.00	Current Service Cost	230624494.00
58566829.00	Interest Cost	64783265.00
20242739.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	13987609.00
182749881.00	Actuarial gain/loss on obligations due to Unexpected Experience	134034055.00
179971106.00	Benefits Paid	156036395.00
1037770270.00	Present value of obligation as on valuation date	1325163298.00

31-03-19	Changes in Fair Value of Plan Assets as at	31-03-20
179971106.00	Benefits Paid	156036395.00

31-03-19	Reconciliation to Balance Sheet	31-03-20
N/A	Funded Status	N/A
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
1037770270.00	Fund Liability	1325163298.00

31-03-19	Plan Assumptions	31-03-20
7.43%	Discount Rate	6.75%

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-	Expected Return on Plan Asset	-
7.00%	Rate of Compensation Increase(Salary Inflation)	6.50%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	9
10	Average Duration of Liabilities	9
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate		Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60

31-03-19	Expense Recognized in statement of Profit/Loss as at	31-03-20
77948339.00	Current Service Cost	230624494.00
58566829.00	Net Interest Cost	64783265.00
202992620.00	Actuarial Gain loss	148021664.00
339507788.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	443429423.00

31-03-19		Sensitivity Analysis	31-03-20	
Increase	Decrease		Increase	Decrease
1000794515	1077081008	Discount Rate (-/+ 0.5%)	1276317779	1377255467
-3.563%	3.788%	%Change Compared to base due to sensitivity	-3.686%	3.931%
1076852698	1000680361	Salary Growth (-/+ 0.5%)	1376871170	1276225017
3.766%	-3.574%	%Change Compared to base due to sensitivity	3.902%	-3.693%
1038610864	10036929676	Attrition Rate (-/+ 0.5%)	1325163298	1325163298
0.081%	-0.081%	%Change Compared to base due to sensitivity	0.000%	0.000%
1043737449	1031803091	Mortality Rate (-/+ 10%)	1325017530	1325309066
0.575%	-0.575%	%Change Compared to base due to sensitivity	-0.011%	0.011%

**Actuarial Valuation of Post Retirement Medical Benefit Liability**

31-03-19	Actuarial Basis used in Valuation	31-03-20
7.43%	Interest Rate	6.75%
Not Considered	Medical Cost escalation Rate	Not Considered
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE		ULTIMATE
1.00%	Attrition Rate	1.00%

31-03-19	Results of Valuation	31-03-20
590281784.00	Liability to be shown in Balance Sheet	702595195.00
98635444.00	Charges to Profit/Loss Account for the Year	108305338.00
(8312225.00)	Other Comprehensive Income	40513829.00

31-03-19	Changes in Present Value of Obligation as at	31-03-20
536212608.00	Present value of obligation as on last valuation	590281784.00
60141685.00	Current Service Cost	69693387.00
38493759.00	Interest Cost	38611951.00
12080340.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	44463367.00
(20392565.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(3949538.00)
36254043.00	Benefits Paid	36505756.00
590281784.00	Present value of obligation as on valuation date	702595195.00

31-03-19	Changes in Fair Value of Plan Assets as at	31-03-20
36254043.00	Benefits Paid	36505756.00

31-03-19	Reconciliation to Balance Sheet	31-03-20
Unfunded	Funded Status	Unfunded
590281784.00	Fund Liability	702595195.00

31-03-19	Plan Assumptions	31-03-20
7.43%	Discount Rate	6.75%
10 yrs.	Average expected future service (Remaining working Life)	9 Years
IALM 2006-2008		IALM 2006-2008
Ultimate	Mortality Table	Ultimate
60	Superannuation at age-Male(for active staff)	60
60	Superannuation at age-Female(for active staff)	60

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31-03-19	Expense Recognized in statement of Profit/Loss as at	31-03-20
60141685.00	Current Service Cost	69693387.00
38493759.00	Net Interest Cost	38611951.00
98635444.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	108305338.00

31-03-19	Other Comprehensive Income	31-03-20
12080340.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	44463367.00
(20392565.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(3949538.00)
(8312225.00)	Total Actuarial (gain)/losses	40513829.00
(8312225.00)	Balance at the end of the Period	40513829.00
(8312225.00)	Net(Income)/Expense for the Period Recognized in OCI	40513829.00

31-03-19		Sensitivity Analysis	31-03-20	
Increase	Decrease		Increase	Decrease
562289810	620673546	Discount Rate (-/+ 50BP5)	669430960	738601176
-4.742%	5.149%	%Change Compared to base due to sensitivity	-4.720%	5.125%
596184602	584378966	Medical Cost (-/+ 1%)	709621147	695569243
1.000%	-1.000%	%Change Compared to base due to sensitivity	1.000%	-1.000%
583670628	597070025	Mortality Rate (-/+ 10 BPS)	694690999	710696118
-1.120%	1.150%	%Change Compared to base due to sensitivity	-1.125%	1.153%
590098797.00	590464771.00	Attrition Rate (-/+ 10BPS)	702370365.00	702813000.00
-0.031%	-0.031%	%Change Compared to base due to sensitivity	-0.032%	0.031%

**OTHER RETIREMENT BENEFIT**

31.03.2019	Actuarial Basis used in Valuation	31-03-20
7.43%	Interest Rate	6.75%
IALM 2006-2008	Mortality	IALM 2006-2008
10 per thousand p.a	Attrition Rate	10 per thousand p.a

Results of Valuation		
15740944.00	Liability to be shown in Balance Sheet	15636487.00

Note no.- 21	Current Liabilities		(₹ in lakhs )
Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Short Term Loan for construction Projects</b>			
Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh.- The short term loan has been sanctioned by Canara Bank , Shillong on 25 <sup>th</sup> February 2019 at the rate of MCLR 1 year with annual reset. The last MCLR is at the rate of 8.65% pa. The loan is available for drawal upto one year from the date of sanction. Each tranche of the loan availed shall be repaid within 12 months from the date of its availment.	40000.00	10000.00	
<b>Working capital Demand Loan</b>			
<b>(i) State Bank of India, Shillong</b>			
Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal- The <b>Cash Credit</b> has been sanctioned by SBI, Shillong on 20 <sup>th</sup> March 2020 at the rate of MCLR 1 months plus nil margin. The MCLR as on 30.03.2020 was at the rate of 7.90% pa. The tenor of the loan is upto 19 <sup>th</sup> March 2021.	4319.90		
Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal- The <b>working capital demand loan</b> has been sanctioned by SBI, Shillong on 20 <sup>th</sup> March 2020 at the rate of MCLR 3 months plus nil margin. The MCLR as on 31.03.2020 was at the rate of 7.50% pa. The tenor of the loan is upto 19 <sup>th</sup> March 2021.	21450.00	11136.63	20000.00
<b>(ii) Axis Bank, Shillong</b>			
Unsecured Working Capital Demand Loan was sanctioned by Axis Bank on 21 <sup>st</sup> December 2019 at the rate of 3M MIBOR plus spread. The last 3M MIBOR plus spread as on 31.12.2019 was as the rate of 7.45% pa. The tenor of the loan is upto 20 <sup>th</sup> December 2020.	13500.00	7100.00	
<b>(iii) ICICI Bank, Shillong</b>			
Unsecured Working Capital Demand Loan was sanctioned by ICICI Bank on 12 <sup>th</sup> November 2019 at the rate of last external benchmark link rate. The last external benchmark link rate as on 31.03.2020 was as the rate of 7.75% pa. The tenor of the loan is upto 24 <sup>th</sup> September 2020.	1500.00		
<b>Total</b>	<b>80769.90</b>	<b>28236.63</b>	<b>20000.00</b>

Note no.- 22 Trade Payables

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Total outstanding dues of micro enterprises and small enterprises	206.99	277.15	129.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	9483.71	7308.48	8,646.37
<b>Total</b>	<b>9690.70</b>	<b>7585.63</b>	<b>8775.92</b>

The trade payable includes payment for fuel cost for the month of 31st March 2020 and provisions made on contractors / suppliers for March 2020.

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
(a) Creditors for supplies and services	9690.70	7585.63	8775.92

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	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
i. The principal amount remaining unpaid to supplier as at the end of the year	206.99	277.15	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			

The amount payable to MSME as on 31st March 2020 is not outstanding for more than 45 days & accordingly no interest is due on the said outstanding amount.



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**Current Liabilities****Note no.- 23 Other Financial Liabilities**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>I. SECURED BORROWINGS</b>			
<b>A. PRIVATELY PLACED PSU BONDS</b>			
<b>a. Seventeenth issue</b> 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).	30000.00		
<b>b. Fifteenth issue</b> 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).	12000.00		
<b>c. Fourteenth issue</b> 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).	50000.00		
<b>d. Thirteenth issue</b> 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	1450.00	1450.00

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( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>e. Twelfth issue</b> 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	2400.00	2400.00
<b>B. SECURED TERM LOANS</b> <b>Foreign Currency Loan</b> <b>External Commercial Borrowing</b>  [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 20 <sup>th</sup> March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 <sup>th</sup> June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	7731.58	7094.21	6670.92
<b>Sub-Total</b>	103581.58	10944.21	10520.92
<b>II Unsecured Borrowings</b>			
<b>Foreign Currency Loan</b> <b>Loan from KfW, Germany</b> <b>(Guranteed by the Government of India)</b>  ( Loan of 80 million and 20 million EURO was sanctioned from KFW , Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 <sup>th</sup> December 2008 & 20 <sup>th</sup> December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayble in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively. )	5260.36	4144.65	4299.58
<b>Sub-Total</b>	5260.36	4144.65	4299.58
<b>Sub total of borrowings</b>	108841.94	15088.86	14820.50

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>III Interest accrued but not due on:</b>			
Bonds	6350.14	18367.64	17177.60
Loans from KfW	361.00	373.61	390.58
External Commercial Borrowing	25.48	50.15	58.28
Medium Term Loan	136.59		
Short term borrowing & Working Capital Loan	135.36	33.18	135.89
<b>Sub-total</b>	<b>7008.57</b>	<b>18824.58</b>	<b>17762.35</b>
<b>IV. Other liabilities</b>			
<u>Payable for Capital Expenditure</u>			
- micro and small enterprises	189.96	367.89	
- other than micro and small enterprises	11221.18	11384.82	15010.82
Payables for employees Benefits	2142.45	23312.26	11,561.26
Other Provisions	4.61	213.85	
Advance from Beneficiaries	2147.92		
Advance from REC for Deen Dayal Upadhaya Gram Jyoti Yogana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana	275.31	2569.85	293.00
Lease Liability - Asset under Lease	592.10		
<b>Sub-Total</b>	<b>16573.53</b>	<b>37848.67</b>	<b>26865.08</b>
<b>Total</b>	<b>132424.04</b>	<b>71762.11</b>	<b>59447.93</b>

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

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	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
i. The principal amount remaining unpaid to supplier as at the end of the year	189.96	367.89	-
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			

The amount payable to MSME as on 31<sup>st</sup> March 2020 is not outstanding for more than 45 days & accordingly no interest is due on the said outstanding amount.

**Note no.- 24 Other Current Liabilities**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Advances from Contractors & Others	11577.76	11402.67	13381.46
Other liability ( Deferred foreign currency fluctuation)	20.74	20.74	20.74
<b><u>Other Statutory Dues ::</u></b>			
Direct & Indirect Taxes Payables	749.06	2400.94	756.19
Other Statutory Dues ( CPF,LIP NESSS etc)	1336.62	2227.01	2087.30
<b>Total</b>	<b>13684.18</b>	<b>16051.36</b>	<b>16245.69</b>

(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 includes TDS on provision as on 31<sup>st</sup> March 2020 & indirect tax like GST deducted from works /supply bill of March 2020 not due and not deposited upto the reporting date.

(iii) 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 upto the reporting date.

**Note- 25 Provisions**

( ₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b><u>Employee benefits</u></b>			
Gratuity	1306.11	1560.89	3256.42
Medical benefit for retired employees	438.34	352.55	327.32
Leave encashment	1017.56	304.25	304.25
Other retirement benefits	14.87	0.62	6.32
<b>Total</b>	<b>2776.88</b>	<b>2218.31</b>	<b>3894.31</b>

Note- 26      Deferred Revenue		( ₹ in lakhs )	
Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
a ) Deferred Revenue arising from Government Grant	29208.21	31059.51	31146.03
Less : Adjusted during the year	1593.26	1851.15	86.98
Add : Amortised of Tuirial Grant in Aid	0.00	(0.15)	0.46
<b>Sub- total</b>	<b>27614.95</b>	<b>29208.21</b>	<b>31059.51</b>
b ) Deferred Foreign Currency Fluctuation liabilities	5580.71	488.81	(502.31)
<b>Total</b>	<b>33195.66</b>	<b>29697.02</b>	<b>30557.20</b>

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

NEEPCO's approved Accounting Policy includes policy of recognition and accounting of "Government grant" (para 15 of note 1 –Summary 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 ₹ 82.64 lakh has been treated as a govt. grant and recognized in the Books of NEEPCO accordingly.

**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 ₹ 9.26 lakhs ( Previous year ₹ 11.11 lakhs ) for spares purchased out of Grant-in-aid received from the Central Govt.

An equivalent amount has been recognized as income in the statement of Profit & Loss.

**Grant from Ministry of Development of North Eastern Region**

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 is subjected to amortisation during normative useful life of the project since its commissioning.

Note no.- 27

## Revenue from Operations

( ₹ in lakhs )

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Sale of Energy	203567.75	194729.10
Sale of Energy through trading	2161.49	2107.98
Electricity Duty receivable	1046.06	-
DSM receivable	2976.07	2492.11
RRAS receivable	488.94	929.19
<b>Others ::</b>		
CERC filling fee Recovery	145.41	79.53
FERV Recoverable/Payable (Net)	32.55	183.84
NERLDC Fees & Other Charges	738.24	445.53
<b>Sale of Electricity (Net )</b>	<b>211156.51</b>	<b>200967.28</b>
<b>Other operating Revenue ::</b>		
Grant in Aid	1593.26	1851.15
<b>Net Revenue from Operation</b>	<b>212749.77</b>	<b>202818.43</b>

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 ₹Nil (Previous year ₹ 8674.98) on account of earlier years sales arising out of finalization of tariff in current year.

c. In terms of regulation. 67 of the CERC (Terms and conditions of Tariff) Regulations, 2019, deferred tax liabilities for the period upto 31<sup>st</sup> 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 sales includes ₹1281.85 lakhs ( Previous year ₹1835.23 lakhs) as deferred tax materialisation.

d. Sale of energy is net of rebate to beneficiaries amounting to ₹ 1401.78 lakh (previous year ₹ 884.83 lakhs)

e. DSM and RRAS is accounted upto the period of the financial year 2019-20, as per the weekly statements issued by the NERPC.

f. During the year the Company realized Incentive of ₹ 108.18 lakhs, through energy charges on account of schedule energy exceeding its designed energy for Kopili Stage-II power plant.

g. On imposition of power regulation to MeECL (Meghalaya Energy Corporation Limited) for its allocated quantum of electricity, the same has been traded through PTC India Limited as well as Short term Open Access (STOA) and revenue realized there-on has been recognized accordingly.

## Note- 28 Other Income

( ₹ in lakhs )

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
<b>a) Other non-operating income (net of expenses directly attributable to such income)</b>		
Interest on Investment	39.08	81.88
Dividend Earned - Mutual Fund		3.10
Other Misc Receipts	419.03	573.48
<u>Liability/Provision written back</u>		
Obsolete spares	53.42	-
Others	100.80	3.87
Delayed Payment Surcharge	3465.46	4828.50
Income on Sale of Investment	-	535.78
Interest on advances from Suppliers/Contractors	-	46.04
<b>Sub Total</b>	<b>4077.79</b>	<b>6072.65</b>
<b>Other gains and losses</b>		
Gain /(loss) on disposal of PPE	3.55	0.24
	<b>4081.34</b>	<b>6072.89</b>
<b>Less : Transferred to Expenditure during construction</b>		
<b>Note 34</b>	50.27	339.00
<b>TOTAL</b>	<b>4031.07</b>	<b>5733.89</b>



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Note no.-29 Cost of Material Consumed ( ₹ in lakhs )		
Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Purchase of Gas	63787.18	52058.40
Transportation charges for Gas	5214.07	4141.19
<b>TOTAL</b>	<b>69001.25</b>	<b>56199.59</b>

Note- 30 Employees Remuneration and Benefit Expenses ( ₹ in lakhs )		
Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Salary & Wages	36608.63	50078.19
Contribution to Provident Fund	3340.19	3461.83
Gratuity	1223.26	1941.11
Employees Pension	2280.70	2360.57
Leave Encashment	4439.82	3477.04
Staff welfare expenses	1187.26	1077.24
Computer adv to emp. - fair valuation loss	0.54	1.37
Furniture adv to emp. - fair valuation loss	0.32	0.41
<b>Total</b>	<b>49080.72</b>	<b>62397.76</b>
<b>Amount transferred to IEDC - Note 34(A)</b>	<b>9855.45</b>	<b>12466.62</b>
<b>Carried forward to Statement of Profit &amp; Loss</b>	<b>39225.27</b>	<b>49931.14</b>

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 Benefit Expenses netted off with earlier provision written back amounting to ₹2808.35 lakhs.

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

Particulars	Current year (2019-20) ( ₹ in lakhs )	Current year (2018-19) ( ₹ in lakhs )
Salary and allowances	150.73	206.25
Contribution to Provident Fund and other funds	17.11	25.29
Other benefits	12.43	15.26
<b>Total</b>	<b>180.27</b>	<b>246.80</b>

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**Note- 31 Finance Costs**

( ₹ in lakhs )

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
<b>A. Interest Expenses</b>		
i) Interest on Cash Credit & Working capital demand loan	2634.30	951.90
ii) Interest on ECB Loan	1622.73	2012.18
iii) Bonds	51315.99	49194.18
iv) Exchange Rate Fluctuation	1069.44	(631.92)
v) Kfw Loan	1465.26	1546.90
vi) Interest on Short term Borrowing	3137.93	195.37
vii) Interest on Loans from G.O.I	291.96	340.76
viii) Interest on Income Tax of earlier years		324.57
ix) Interest Expense - Asset under Lease	133.31	
<b>B. Finance Charges</b>		
Guarantee fee on foreign Loan net of EIR	712.75	546.53
<b>C. Other Borrowing Costs</b>	75.57	61.39
<b>Total</b>	<b>62459.24</b>	<b>54541.86</b>
<b>Amount transferred to IEDC - Note 34(B)</b>	<b>45149.26</b>	<b>40053.80</b>
<b>Amount carried forward to Statement of Profit &amp; Loss</b>	<b>17309.98</b>	<b>14488.06</b>

**Note- 32 Depreciation**

( ₹ in lakhs )

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
PPE Depreciation( Note No- 2)	35082.06	36360.71
Intangible Assets ( Note No-4A)	132.26	123.10
<b>Sub total</b>	<b>35214.32</b>	<b>36483.81</b>
<b>Amount transferred to IEDC - Note 34 (C)</b>	<b>911.72</b>	<b>806.21</b>
<b>Carried forward to Statement of Profit &amp; Loss</b>	<b>34302.60</b>	<b>35677.60</b>

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Note no.-33

Other Expenses

(₹ in lakhs)

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
<b>GENERATION EXPENSES</b>		
Repairs & maintenance :		
Roads & buildings	1687.56	1403.74
Power house	7505.74	4895.38
Hydraulic works	703.24	564.02
Line & sub-stations	185.41	255.38
Others	728.11	936.95
Stores & spares (against Grant-in-Aid)	9.26	11.11
<b>Sub Total</b>	<b>10819.32</b>	<b>8066.58</b>
<b>ADMINISTRATION EXPENSES</b>		
Travelling expenses	477.85	606.23
Advertisement expenses	39.06	105.21
Insurance charges	3316.97	2186.75
Rents	137.12	118.34
Rates & taxes	168.86	439.60
Entertainment expenses	1.18	1.73
Audit fees & expenses	85.51	50.81
Transport expenses	1132.43	1905.70
Printing & stationery	72.34	91.71
Postage & telegram	6.86	7.43
Medical expenses	1451.77	1467.72
Licence & registration	39.09	24.78
Paper & periodicals	2.27	2.14
Uniforms & liveries	11.01	15.08
Honorarium	2.88	3.31
Electricity charges	1301.12	1765.17
Bank charges	15.06	7.02
Social welfare	892.86	1065.94
Consultancy charges	251.99	82.56
Contribution to Chief Minister Relief Fund		200.00
Security arrangement	4531.87	4004.46
Training expenses	85.90	84.69
Staff recruitment expenses	36.56	39.51
Hospital facilities	21.10	20.06
Subscription & membership fees	15.19	17.25
Communication expenses	416.30	371.59
Office furnishing	3.91	3.12
Miscellaneous expenses	233.98	356.22
I.B. expenses	292.43	285.78
Laboratory & meter testing charges	0.27	3.89

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Environment & Ecology	110.43	118.19
Photographic records	0.20	0.59
Loss of Stock/Advance written off	0.90	1.20
EDP Expenses	282.12	365.50
Loss on sale of fixed Assets	5.82	46.41
Employee Family Economic Rehab Scheme	44.90	5.32
Incidental Expenditure Saubhaghya	2.36	4.34
Assets written off Damaged/un-traceable	0.30	0.04
Compensation	139.60	48.46
Board meeting expenses	42.09	53.82
Publicity expenses	157.82	245.17
Legal charges	316.59	134.13
Filing fees to CERC	69.89	41.28
NERLDC Fees & Charges	627.47	483.22
Research & Development Expenses	31.61	12.44
Corporate Social Responsibility & SD	989.10	463.09
RRAS- Expenditure	811.07	12.64
Interest to beneficiary states	1200.57	0.00
Trading Expenses	218.69	213.21
Energy Conservation expenses	0.42	2.60
Tender expenses	14.95	13.10
<b>Sub Total</b>	<b>20110.64</b>	<b>17598.55</b>
<b>Other Expenses</b>		
Lubricants, oil etc.	143.68	172.46
Electricity Duty	1415.56	16.37
DSM payable	2157.34	104.74
Transmission Charges	35.87	29.84
Provision for Write off	10953.08	3085.78
Prepayment Amortisation		279.43
<b>Sub Total</b>	<b>14705.53</b>	<b>3688.62</b>
	<b>45635.49</b>	<b>29353.75</b>
<b>Less : Trasferred to Expenditure during Construction Note No -34 (D)</b>	<b>4566.22</b>	<b>5146.03</b>
<b>Total</b>	<b>41069.27</b>	<b>24207.72</b>

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
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**Details in respect of Audit Expenses**

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Statutory Audit fees	17.91	18.35
Cost Audit Fees	2.31	2.15
Internal Audit Fees	56.40	21.66
Other expenses	8.89	8.65
<b>Total</b>	<b>85.51</b>	<b>50.81</b>

Internal Audit fees includes an amount of ₹ 17.41 lakhs relating to earlier years.

**Provision for write off**

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Assets	10267.96	31.91
Inventories	3.96	146.58
Advance Tax		220.60
<b>S&amp;I Projects ::</b>		
Tipaimukh HEP	10.40	
Siang Upper Stage II	9.55	21.38
Kopili HEP CWIP	17.33	
500MW GaroHills Thermal		10.71
660Mw Margharita		5.45
Rokia & Barmura GT		28.7
Gumti H. E. Project		58.55
240 MW West Khasi Hills		9.43
Ultra-Mega Solar Power in Leh &Khargil( J &K)		44.94
Bichom Basin		253.52
Tuivai	28.68	2254.01
Bandu HEP	0.59	
Kiling HEP	594.60	
Rangit HEP	20.01	
<b>Total</b>	<b>10953.08</b>	<b>3085.78</b>

Note no.- 34

**INCIDENTAL EXPENDITURE DURING CONSTRUCTION****000141**

(₹ in lakhs)

Particulars	Note No.	For the period ended 31-Mar-20	For the period ended 31-Mar-19
<b><u>A. Employees benefit Expenses</u></b>			
Salary & Wages		7555.41	10275.03
Contribution to Provident Fund		536.08	564.26
Gratuity		219.26	320.99
Employees Pension		367.63	402.27
Leave Encashment		1170.35	889.13
Staff welfare expenses		6.72	14.59
Computer adv to emp. - fair valuation loss		0.00	0.26
Furniture adv to emp. - fair valuation loss		0.00	0.09
<b>Total (A)</b>	<b>30</b>	<b>9855.45</b>	<b>12466.62</b>
<b><u>B. Interest and Finance expenses capitalized</u></b>			
Bonds		41937.16	39814.68
Exchange Rate Fluctuation			(238.40)
KfW Loan			212.64
Interest on Short term Borrowing		3137.93	153.29
Guarantee fee on foreign Loan			74.87
<b>Other Borrowing Costs</b>		<b>74.17</b>	<b>36.72</b>
<b>Total (B)</b>	<b>31</b>	<b>45149.26</b>	<b>40053.80</b>
<b><u>C. Depreciation</u></b>	<b>32</b>	<b>911.72</b>	<b>806.21</b>
<b><u>D. Administration &amp; other expenses</u></b>			
Travelling expenses		127.82	147.31
Rents		4.75	5.73
Rates & taxes		6.82	21.07
Transport expenses		256.33	475.06
Printing & stationery		11.16	17.35
Postage & telegram		1.09	1.34
Medical expenses		303.11	356.64
Licence & registration		12.11	6.06
Paper & periodicals		0.14	0.31
Uniforms & liveries		0.37	0.17
Honorarium		0.08	0.06
Electric & water charges		933.06	1532.27
Bank charges		0.45	0.59
Social welfare		19.18	87.33
Consultancy charges		24.08	20.55
Security arrangement		551.48	615.29
Hospital facilities		1.70	2.04
Communication expenses		20.09	53.01

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Office furnishing		0.47	2.75
Miscellaneous expenses		74.44	64.81
I.B. expenses		51.28	55.28
I T Expenses		32.91	62.28
Loss on sale of fixed Assets		0.02	0.62
Repairs & maintenance		181.68	281.46
Environment & Ecology		0.00	24.08
Energy Conservation expenses		0.42	2.60
Legal expenses		11.30	34.96
Insurance charges		1924.69	1261.91
Entertainment expenses		0.24	0.00
Tender expenses		<u>14.95</u>	<u>13.10</u>
Sub total (D)		<u>4566.22</u>	<u>5146.03</u>
Total ( A + B + C + D )		60482.65	58472.66
Less : Non-operating receipts			
i) Interest on advances from Suppliers/ Contractors		0.00	46.04
ii) Others		50.27	<u>292.96</u>
Sub total		<u>50.27</u>	<u>339.00</u>
Net Expenditure		60432.38	58133.66
Expenditure transferred to Capital Work-in-Progress	3	60432.38	58133.66



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Note no. - 35  
Property Plant & Equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 <sup>st</sup> April 2019	Additions	Adjustment	Carrying Amount 31st March 2020	01.04.2019	Depreciation	Adjustment	Upto 31st March 2020	31.03.2020	31.03.2019	31.03.2018
A) ASSETS											
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES :											
Building and civil engineering works containing generation plant & equipment, main plant	92457.21	1202.42	(711.65)	92947.98	21545.88	2644.00	(499.01)	23690.87	69257.11	70911.33	35498.43
Hydraulic works including Dams											
Dykes, Reservoirs & Tunnels	366013.88	3058.28	(3557.70)	365514.46	101147.55	13829.96	(2155.61)	112821.90	252692.56	264866.33	80780.65
Plant & Machinery in Generating Station	128402.00	1351.34	(12891.21)	116862.13	39126.07	4328.26	(5409.82)	38044.51	78817.62	89275.93	34855.54
Transformer having a rating of 100 K.V. ampere and above	9890.29	86.00	(1526.62)	8449.67	4233.20	284.97	(888.18)	3629.99	4819.68	5657.09	5913.04
Sub-station equipment and other fixed apparatus	1039.79	0.00	(158.97)	880.82	575.27	29.46	(141.38)	463.35	417.47	464.52	305.61
Switchgear including cable connections	26231.89	452.82	(571.63)	26113.08	9604.73	956.10	(330.78)	10230.05	15883.03	16627.16	11713.10
Transmission Lines	3443.22	0.00	(34.35)	3408.87	915.28	146.73	(30.43)	1031.58	2377.29	2527.94	324.15
PV modules including Mounting structures	2906.27	0.00	0.00	2906.27	690.80	169.44	0.00	860.24	2046.03	2215.47	2352.25
Inverters including Battery Bank ( O & M )	270.08	0.00	0.00	270.08	64.25	15.75	0.00	80.00	190.08	205.83	218.53
Gas Turbine	147967.88	14829.79	(667.01)	162130.66	88475.60	4478.11	(562.85)	92390.86	69739.80	59492.28	58318.20
Gas Booster Station	23049.49	3204.03	(1020.05)	25233.47	16207.98	927.37	(918.05)	16217.30	9016.17	6841.51	7802.95
Gas Pipeline	36.60	0.00	0.00	36.60	32.94	0.00	0.00	32.94	3.66	3.66	3.65
Gas Steam Turbine	110644.47	1563.26	(55.08)	112152.65	48048.35	4003.63	(49.58)	52002.40	60150.25	62596.12	65771.80
Gas Cooling Tower	4068.72	7.29		4076.01	2615.05	134.49	0.00	2749.54	1326.47	1453.67	1577.41
Make-up Water System	5873.44	45.74		5919.18	2643.67	213.04		2856.71	3062.47	3229.77	3391.74
Sub -Total	922295.23	25800.97	(21194.27)	926901.93	335926.62	32161.31	(10985.69)	357102.24	569799.69	586368.61	308827.05

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Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 <sup>st</sup> April 2019	Additions	Adjustments	Carrying Amount 31st March 2020	01.04.2019	Depreciation	Adjustment	Upto 31st March 2020	31.03.2020	31.03.2019	31.03.2018
<b>II GENERAL ASSETS (FOR PROJECTS UNDER OPERATION)</b>											
Buildings	14109.28	1051.96		15161.24	5093.26	491.54	0.00	5584.80	9576.44	9016.02	6469.57
Right to use Leased Asset		13.69		13.69		4.69		4.69	9.00		
Furniture & Fixtures	872.75	37.95	(7.85)	902.85	559.66	24.69	(0.62)	583.73	319.12	313.09	250.98
Roads,Bridges,Culverts & Helipads	4768.83	147.91	(155.65)	4761.09	2131.27	123.42	(103.31)	2151.38	2609.71	2637.56	2271.65
Vehicles	489.56	42.62	0.00	532.18	336.95	15.76	0.00	352.71	179.47	152.61	159.10
Right to use Leased Asset		974.18		974.18		347.30		347.30	626.88		
Railway Siding	10.65	0.00	0.00	10.65	8.64	0.09	0.00	8.73	1.92	2.01	2.19
Electrical Installation	1283.92	12.02	(50.88)	1245.06	818.09	31.14	(42.08)	807.15	437.91	465.83	378.06
Temporary Buildings/Erections	3087.28	0.00	(130.74)	2956.54	3087.28	0.00	(130.74)	2956.54	0.00	0.00	0.00
Hospital Equipment	36.94	3.93	(0.64)	40.23	17.17	2.39	(0.30)	19.26	20.97	19.77	14.67
Tools & Plants	4279.09	1625.92	(235.72)	5669.29	2802.97	114.31	(151.90)	2765.38	2903.91	1476.12	862.98
Office Equipment	473.88	45.19	(1.41)	517.66	238.81	17.23	(1.41)	254.63	263.03	235.07	184.81
I T Equipment	1254.77	128.09	(37.50)	1345.36	1115.38	86.49	(37.26)	1164.61	180.75	139.39	135.33
Other Equipment	1276.85	250.07	(36.28)	1490.64	639.23	59.98	(31.38)	667.83	822.81	637.62	500.80
Water supply, sewerage & drainage	1501.73	78.25	(56.18)	1523.80	659.93	57.84	(26.39)	691.38	832.42	841.80	577.02
Plant & Machinery in Generating Station (Diesel Power House)	650.59	55.51	(17.76)	688.34	524.93	6.67	(4.42)	527.18	161.16	125.66	78.61
Communication Equipment	251.79	7.92		259.71	154.85	7.58	0.00	162.43	97.28	96.94	87.55
Lightning Arrestor (Pole Type Magazine Building)	189.43	0.00	(2.59)	186.84	115.84	3.08	(1.90)	117.02	69.82	73.59	20.90
Telephone Line	103.69	0.00	(11.78)	91.91	92.18	0.05	(10.60)	81.63	10.28	11.51	11.57
Solar Panel	119.86	0.00		119.86	17.86	6.99	0.00	24.85	95.01	102.00	112.16
Fixed Assets of Minor value	59.40	4.77	(0.37)	63.80	59.22	4.92	(0.36)	63.78	0.02	0.18	0.01
Energy Conservation Equipment	4.13	0.00	0.00	4.13	0.42	0.22		0.64	3.49	3.71	3.93
Free hold	2099.61	0.00	0.00	2099.61	0.00	0.00	0.00	0.00	2099.61	2099.61	2099.61
Right to Use (Leasehold Land)	6208.16	81.28	1759.59	8049.03	0.00	244.90	2349.23	2594.13	5454.90	6208.16	6417.04
<b>Sub -Total</b>	<b>43132.19</b>	<b>4561.26</b>	<b>1014.24</b>	<b>48707.69</b>	<b>18473.94</b>	<b>1651.28</b>	<b>1806.56</b>	<b>21931.78</b>	<b>26775.91</b>	<b>24658.25</b>	<b>20638.53</b>
<b>TOTAL (A)</b>	<b>965427.42</b>	<b>30362.23</b>	<b>(20180.03)</b>	<b>975609.62</b>	<b>354400.56</b>	<b>3381.259</b>	<b>(9179.13)</b>	<b>379034.02</b>	<b>596575.60</b>	<b>611026.86</b>	<b>329465.58</b>

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Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 <sup>st</sup> April 2019	Additions	Adjustments	Carrying Amount 31 <sup>st</sup> March 2020	01.04.2019	Depreciation	Adjustment	Upto 31 <sup>st</sup> March 2020	31.03.2020	31.03.2019	31.03.2018
<b>B) ASSETS</b>											
<b>(FOR PROJECTS UNDER CONSTRUCTION &amp; OTHER OFFICES)</b>											
Building	6815.04	206.97	0.01	7022.02	2127.58	234.79	0.00	2362.37	4659.65	4687.46	6271.69
Right to use Leased Asset		102.64		102.64		82.11		82.11	20.53		
Furniture & Fixtures	890.11	6.16	(1.56)	894.71	548.34	38.30	(0.50)	586.14	308.57	341.77	400.32
Roads,Bridges,Culverts & Helipads	871.51	496.12		1367.63	111.29	35.60	0.00	146.89	1220.74	760.22	1764.65
Vehicles	187.74	0.00	(9.00)	178.74	83.42	14.31	(8.10)	89.63	89.11	104.32	134.30
Right to use Leased Asset		446.70		446.70		168.44		168.44	278.26	0.00	0.00
Electrical Installations	378.53	104.32		482.85	258.21	19.10	0.00	277.31	205.54	120.32	218.63
Temporary Buildings/Erections	1487.08	0.00	0.00	1487.08	1487.08	0.00	0.00	1487.08	0.00	0.00	0.00
Hospital Equipment	5.27	0.00	0.00	5.27	3.59	0.22	0.00	3.81	1.46	1.68	6.71
Tools & Plants	1945.83	9.18	(13.96)	1941.05	780.36	90.19	(10.78)	859.77	1081.28	1165.47	1874.57
Office equipment	582.60	5.05		587.65	425.14	16.29	0.00	441.43	146.22	157.46	174.28
I.T. Equipment	1403.48	65.15	(34.58)	1434.05	1296.00	68.27	(34.49)	1329.78	104.27	107.48	97.83
Water Supply,sewerage & drainage	536.44	7.02	0.01	543.47	134.16	18.03	0.00	152.19	391.28	402.28	641.82
Plant & Machinery in Generating Station (Diesel Power House)	37.88	7.14		45.02	19.17	2.35	0.00	21.52	23.50	18.71	38.57
Weigh Bridge	0.00	0.00	0.00	0.00	(0.00)	0.00	0.00	(0.00)	0.00	0.00	3.65
Solar panel	7.14	0.00	0.00	7.14	1.41	0.42	0.00	1.83	5.31	5.73	6.34
Communication Equipment	179.33	4.53	0.00	183.86	121.79	8.02	0.00	129.81	54.05	57.54	70.11
Plant & Machinery	1.16	0.00	0.00	1.16	1.04	0.00	0.00	1.04	0.12	0.12	319.74
Transmission Line	4301.59	0.00	0.00	4301.59	2545.64	227.12	0.00	2772.76	1528.83	1755.95	2150.03
Transformer having a rating of 100 KV & Above	317.91	0.00	0.00	317.91	111.88	16.60	0.00	128.48	189.43	206.03	222.57
Substation Equipment	3031.92	0.00	0.00	3031.92	1525.30	160.09	0.00	1685.39	1346.53	1506.62	1856.34
Freehold	500.64	0.00	0.00	500.64	0.00	0.00	0.00	0.00	500.64	500.64	467.27
Right to Use (Leasehold Land)	0.00		758.10	758.10	0.00	25.27	168.47	193.74	564.36	0.00	1.05
Telephone Line	1.19	0.00	0.00	1.19	0.21	0.08	0.00	0.29	0.90	0.98	623.75
Other Equipment	939.99	11.21	(1.14)	950.06	426.19	42.55	(1.04)	467.70	482.36	513.80	0.00
Fixed assets of Minor value	64.31	1.27	(2.04)	63.54	64.23	1.32	(2.04)	63.51	0.03	0.08	0.04
<b>TOTAL (B)</b>	<b>24486.69</b>	<b>1473.46</b>	<b>695.84</b>	<b>26655.99</b>	<b>12072.03</b>	<b>1269.47</b>	<b>111.52</b>	<b>13453.02</b>	<b>13202.97</b>	<b>12414.66</b>	<b>17344.27</b>
<b>GRAND TOTAL (A + B)</b>	<b>98991.14</b>	<b>31835.69</b>	<b>(19484.19)</b>	<b>100265.61</b>	<b>366472.59</b>	<b>35082.06</b>	<b>(9067.61)</b>	<b>392487.04</b>	<b>609778.57</b>	<b>623441.52</b>	<b>346809.85</b>

The conveyancing of the title to 33.19 acre of freehold land at Guwahati valued ₹ 4.41 crore purchased by NEEPCO Ltd. from Assam Tea Corporation Ltd is awaiting completion of mutation process, for which application already submitted to concerned department of the Govt. of Assam. In addition, land measuring 183.19 hectare acquired for Kopili Stage II valued ₹ 4.52 crore in under litigation due to the claim lodged by the 303 land owners with respect to enhancement of land compensation and the matter is pending before the Special Judge (Judicial), West Jaintia Hills, Meghalaya. 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. Depreciation is calculated from 01st day of the month following capitalization. For information on Property, Plant and Equipment pledged as security, please refer to note 2 (iii) of the Financial statements.

**Note no.- 36 EARNINGS PER SHARE**

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

		( ₹ in lakhs )	
	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a)	Profit after tax & before regulatory Deferral Accounts ( ₹ in lakhs )	8319.06	9386.87
(b)	Profit after tax & after regulatory Deferral Accounts ( ₹ in lakhs )	16584.12	21106.02
	Less: Amount to be paid for diluted portion (net of tax)		
	Profit attributable to ordinary shareholders - for Basic EPS	16584.12	21106.02
	Profit attributable to ordinary shareholders - for Diluted EPS	16584.12	21106.02
(c)	Weighted average no. of Ordinary Shares for Basic EPS	3609810400	3584117249
	Weighted average no. of Ordinary Shares for Diluted - EPS	3609810400	3584117249
(d)	Nominal value of Ordinary Shares (₹)	10	10
(e)	Earnings per equity share before regulatory Deferral Accounts :		
	(i) Basic (in ₹ ) ( Not Annualised)	0.23	0.26
	(ii) Diluted (in ₹ )	0.23	0.26
(f)	Earnings per equity share after regulatory Deferral Accounts :		
	(i) Basic (in ₹ ) ( Not Annualised)	0.46	0.59
	(ii) Diluted (in ₹ )	0.46	0.59

**Note no.- 37 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

		( ₹ in lakhs )	
Particulars		As at	
		31-Mar-20	31-Mar-19
<b>Contingent liabilities :</b>			
Claims against the Company not acknowledged as debt in respect of:			
- Capital Works		153671.00	219371.00
- Land compensation cases		4818.00	7762.00
- Disputed Income tax demand		44506.69	17213.12
- Others		22.48	7.66
<b>Total</b>		<b>203018.17</b>	<b>244353.78</b>
<b>Commitments :</b>			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)		22394.77	43799.02
Other Commitment		Nil	Nil

(i) Claims against the company not acknowledged as debts as on March 31, 2020 include demand from the Income tax authorities for payment of tax of ₹ 44506.69 lakhs upon completion of their tax assessment for the A.Y. 2010-11 amounting to ₹ 80.27 lakhs, A.Y. 2011-12 amounting to ₹ 93.72 lakhs, A.Y. 2012-13 amounting to ₹ 3942.79 lakhs, A.Y. 2013-14 amounting to ₹ 2356.18 lakhs, A.Y. 2014-15 amounting to ₹ 10872.61 lakhs, A.Y. 2015-16 amounting to ₹ 11381.61 lakh, A.Y. 2016-17 amounting to ₹ 9112.52 lakh, Cases pending before High Court, Meghalaya amounting to ₹ 6659.74 lakh and demand from Customs, Excise and Service Tax Appellate Tribunal (CESTAT) for payment of ₹ 7.25 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.

**Note no. 38 Movement in 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**

- During determination of Annual Fixed Cost (AFC) of the Turrial Hydro Electric Project (TrHEP) of North Eastern Electric Power Corporation Ltd (NEEPCO) for the period of 30.10.2017 to 31.03.2019 by the Central Electricity Regulatory Commission (CERC), order for which issued on 09.10.2018, the Hon'ble Commission has allowed depreciation @2% based on the petition submitted by NEEPCO for the said purposes in line with the decision of the Public Investment Board (PIB) of the Govt. of India during meeting dated 04.06.2010 held for considering RCE of the project (TrHEP).
- The rates and methodology as per the CERC tariff regulations based on which depreciation for TrHEP has been calculated and charged to the Statement of Profit & Loss of NEEPCO for the period under consideration vary from that allowed to recover through tariff as per the CERC order. Due to higher rate of depreciation as per the CERC regulations, depreciation charged to the Statement of Profit & Loss Account for the first 12 (twelve) years of operation TrHEP since its Date of Commercial Operation (COD) will be more than that of the depreciation recoverable through tariff, which will be reversed in future periods during remaining period of normative life of the generating station. Accordingly, the lower depreciation realized as "Revenue" for the generating station during the earlier period of its operation will be recovered/adjusted during later period.
- In view of above, the difference of depreciation to the extent recoverable/adjustable in future period has been recognized on an undiscounted basis as "Regulatory deferral account debit/credit balances" by credit/debit to the "Movement of Regulatory Deferral Account Balances".

• "Regulatory deferral account debit balances" recognized on account of the above during the period ended 31.03.2020 is as follows:

Particulars	Amount (₹ in lakhs)
Depreciation as per CERC Schedule of rates	6895.01
Depreciation @2% as allowed by CERC vide the tariff order dated 09.10.2018	2776.64
<b>Difference (Recognized as "Regulatory Deferral balances")</b>	<b>4118.37</b>

Regulatory Deferral Account balances in respect of Employees benefits expenses for Gratuity:

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 upto ₹ 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 true 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 upto ₹20.00 lakh as per the Payment of Gratuity (Amendment) Act, 2018 falls under the category of "Change in law",

Accordingly, an amount of ₹ 4793.47 lakh to the extent expected as recoverable from the beneficiaries in subsequent period as per CERC Tariff Regulations have been recognized as "Regulatory Deferral Account Balances" as on 31.03.2020 in books of NEEPCO. No movement on the aforesaid balances have occurred during the year ended 31.03.2020.

**Regulatory Deferral Accounts Balances in respect of deferred adjustment on Deferred Tax Liabilities for projects under operation:**

NEEPCO has long term Power Purchase Agreement (PPA) with the States of the North Eastern Region (referred to as the 'Beneficiaries') for selling electricity generated from its generating stations in operations. Tariff for generating stations of NEEPCO are determined by the Central Electricity Regulatory Commission (CERC) in compliance to their notified tariff regulations issued from time to time. As per the CERC Tariff Regulations 2014, ROE is grossed up with effective tax rate as applicable for the respective financial year. Accordingly, deferred tax accrued during the year on income generated from sale of electricity and further adjustable/reversal in future periods when the related deferred tax liability will form a part of current tax & recoverable from the beneficiaries has been accounted as "Deferred tax adjustment against deferred tax liability", which has been recognized as "Regulatory income" and presented as a movement in "Regulatory Deferral Accounts Balance" as a separate line item in compliance to the relevant provisions of Ind AS 114.

**Regulatory Deferral Account balances due to reclassification of deferred tax recoverable from beneficiaries**

As per Regulation 67 of the CERC (Terms and Conditions of Tariff Regulations) 2019, Deferred tax liabilities for the period upto 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the then beneficiaries or long term customers, as the case may be. Till 31st March, 2019 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as "Regulatory Deferral Accounts balances". The same has been reviewed during the FY 2019-20 in line with Ind AS 114 and has been reclassified as Regulatory Deferral Account balance. The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

		<i>Rs. In lakh</i>
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2019	44194.96
B	Addition during the year (assets +)/ liability (-)	0.00
C	Amount collected (-)/refunded (+) during the year	2940.44
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	(2940.33)
E	Closing balance as on 31.03.2020 (A+D)	41254.63

**Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items**

Para 28 of the Ind AS 21- "The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise. Further, para D13 AA of the Ind AS 101 – "First-time Adoption of Indian Accounting Standards" provides for a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss. Regulation 69 of the CERC (Terms and Conditions of Tariff) regulations provides that every generating company and the transmission licensee shall recover the foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.

In view of the above, exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from Or payable to the beneficiaries in subsequent period as per the relevant CERC Tariff regulations are recognized on an undiscounted basis as "Regulatory deferral accounts debit/credit balances" and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

		<i>Rs. In lakh</i>
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2019	0.00
B	Addition during the year (assets +)/ liability (-)	914.32
C	Amount collected (-)/refunded (+) during the year	0.00
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	914.32
E	Closing balance as on 31.03.2020 (A+D)	914.32

Regulatory deferral accounts debit balance - Note 16 recognized :

The regulatory assets recognized in the books to be recovered from the beneficiaries in future periods are as follows:

( ₹ in lakhs )		
Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
A. Opening Balance	69229.44	54826.08
B. Movements during the year due to		
(i) Turial Depreciation - ₹ 4118.37 lakhs		
(ii) Deferred Tax Adjustment against Deferred Tax Liability - ₹ 4119.14 lakhs		
(iii) Impact on AFC - ₹ 4420.59 lakhs		
(iv) Deferred Tax Recoverable - ₹ (2940.33) Lakhs		
(v) Exchange difference - ₹ 914.32 lakhs	10632.09	14403.36
C. Amount Collected / refunded during the year	0	0
D. Regulatory Deferral Account Balances recognized in the Statement of Profit & Loss (B-C)	10632.09	14403.36
E. Closing Balance (A+D)	79861.53	69229.44

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 allowability of such cost through tariff.

Period over which expected to recover

i, **Employees benefit expenses:** The Company expects to recover the carrying amount of regulatory deferral debit account balances over a period of 3(three) years.

ii, **Depreciation:** The Company is expected to recover/adjust the carrying amount of the regulatory deferral account balances over the period of normative useful life of the generating station.

iii, **Deferred Adjustment on Deferred Tax Liability on O&M Plants:** The Company is expected to recover/adjust the carrying amount of the regulatory deferral account balances over the period of normative useful life of the generating station.

### **Note No. 39 Additional disclosures**

#### **I. Disclosure on Kopili HEP (50X4 MW):**

(i) Penstock I - feeding 02 (two) units (50 MW each) of Kopili Hydro Power Station, Umrongso, Assam of the Company got ruptured on 07.10.2019 following a Load through off and tripping of Unit -I (50 MW). 03 (three) other units were in full load during the mishap. Rupture happened at three locations of Penstock including at location immediately downstream of Valve House. Penstock protection valve closing mechanism was damaged in the incident and therefore, the Valve could not be closed to isolate the Penstock, consequently thereafter, the Power House was flooded upto EOT Crane beam level within a very short period. At present, Kopili (4 X 50 MW) system in shutdown condition. As on date of mishap the carrying cost of the value of assets stood at ₹ 17375.32 lakhs, estimated value (Carrying cost) of the assets damaged due to aforesaid mishap amounts to ₹ 10120.81 lakhs as per internally assessed by NEEPCO, resulting in loss of revenue by the aforesaid amount during the current financial year. The carrying amount of total assets of Kopili HEP (200 MW) as on 31.3.2020 stand at ₹ 7279.32 lakhs.

(ii) The Corporation has lodged initial claim to the underwriter for an amount of ₹ 250.00 crore. Further action on this matter in under process with the underwriter.

#### **II. 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.

#### **III. Disclosure as per Ind AS 116 'Leases**

##### **(A) Transition to Ind AS 116**

(a) Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019, using the modified retrospective method. On the date of initial application, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and the Right-of-Use Asset at its carrying amount as if the Standard had been applied since the commencement date of the lease, but discounted at the incremental borrowing rate at the date of Initial application. In absence of any recognizable difference between the initial recognition of Lease liability and RoU Assets on adoption of this Standard, no adjustment were made to Retained Earnings as on 01st April 2019.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

(b) The Company has applied the following practical expedients on initial application of Ind AS 116:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) Excluded the initial direct costs, if any, from the measurement of the right-of-use asset at the date of initial application.

(c) On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 is 8.69 %.

**(B) Company as Lessee**

(i) The Company's significant leasing arrangements are in respect of the following assets:

(a) Premises for guest houses/ transit camps which are not non-cancellable and are usually renewable on mutually agreeable terms.

(b) The Company has taken electrical vehicles on operating lease for a period of five years, which can be further extended at mutually agreed terms. Lease rentals are subject to escalation of 10% per annum.

(c) The Company has taken certain vehicles (other than electrical) on lease for periods more than 12 months.

(ii) The following are the carrying amounts of lease liabilities recognised and the movements during the period:

*Rs. In lakh*

Particulars	For the Year ended 31 March 2020
Opening Balance	0.00
- Additions in lease liabilities	1537.21
- Interest cost during the year	133.31
- Payment of lease liabilities	691.77
Closing Balance	978.75
Current	592.10
Non Current	386.65

(iii) The following are the carrying amounts of "Right to use Leased Assets" as on 31.03.2020:

Particulars	For the Year ended 31 March 2020
Opening Balance	0.00
- Additions in lease liabilities	1537.21
- Amortization during the period	602.54
Closing Balance	934.67



(iv) The following are the amounts recognised in profit or loss:

Particulars	For the Year ended 31 March 2020
Depreciation expense for right-of-use assets	602.54
Interest expense on lease liabilities	133.31
Expense relating to short-term leases	0.00

(v) Details of Contractual Maturities of Lease Liabilities are:

Particulars	₹ In lakh	
	As at 31 March 2020	As at 31 March 2019
Less than one year	592.10	
Between one and two years	286.72	
Between two and three years	70.94	
Between three and four years	13.07	
Between four and five years	10.41	
More than five years	5.52	
Total	978.75	

#### IV. Note on Re-statement of Financial Statements:

During the Financial Year 2019-20, NEEPCO Ltd (the Company) has restated/modified its Financial Statements for the FY 2018-19 & earlier years retrospectively in Compliance to "Ind AS 8 – Accounting Policies, Changes in Accounting Estimates & Errors". The said restatement/modification was carried out on account of changes in Accounting Policy on "Foreign Currency Transaction" on exchange variation as follows:

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising out on settlement or translation of monetary items are recognized in the profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31-03-2016 are adjusted to the carrying cost of property, plant and equipment.

Accordingly, the Company has presented a third balance sheet at the beginning of the preceeding period (i.e., as on 01.04.2018) in compliance to "Ind AS 1 - Presentation of Financial statements" for comparative information due to retrospective restatement in addition to the Balance sheet, Statement of Profit and loss, Cash flow and Statement of Changes in Equity and related notes for the year ended 31.03.2019 and 31.03.2020.

Impact of the aforesaid modification in policy are as follows:

i. **As on 01.04.2018**

Carrying cost of Property Plant and Equipment credited by ₹ 646.94 lakh

Deferred Foreign Currency Fluctuating Assets credited by ₹ 685.16 lakh

Deferred Foreign Currency Fluctuating Liability debited by ₹ 646.94 lakh

Current tax liabilities credited by ₹ 238.28 lakh

Net worth reduced by ₹ 923.44 lakh

ii. **FY 2018-19**

Carrying cost of Property Plant and Equipment debited by ₹ 1250.26 lakh

Deferred Foreign Currency Fluctuating assets credited by ₹ 1109.32 lakh

Deferred Foreign Currency Fluctuating Liability credited by ₹ 1011.86 lakh

Revenue from operation (FERV recoverable) debited by ₹ 2121.18 lakh

Finance cost – Exchange rate variation credited by ₹ 1216.38 lakh

PPE Depreciation credited by ₹ 33.88 lakh

## V. COVID-19 disclosure

A. Due to outbreak of COVID-19 globally and in India, the Company has made initial assessment of likely adverse impact on business and financial risks.

The Company is in the business of generation and sale of electricity, which is an essential service as emphasized by the Ministry of Power, Government of India. The Company has ensured the availability of its power plant to generate power and has continued to supply power during the period of lockdown, Reduction in generation resulting in business loss is remote.

B. (i) The Company received notices of force majeure from some of the Distribution Companies (DISCOMs) in April 2020, raising issues like allowing them for delayed payment of energy bills etc. due to the operation of force majeure clause of the Power Purchase Agreements (PPA). It was clarified to all such DISCOMs that the said situation is not covered under force majeure clause considering electricity falls under essential services. Regular persuasion is being done with the beneficiaries for getting timely payments of their dues.

ii) Ministry of Power (MoP) vide letter dated 28 March, 2020 directed CERC to reduce the rate of late payment surcharge (LPS) for the payments which become delayed beyond a period of 45 days (from the date of presentation of the bill) during the period from 24 March 2020 to 30 June 2020, to contain the impact of COVID-19. On the directions of MOP, CERC issued order dated 3 April 2020 (with further clarifications on 6 April 2020), whereby it was directed that LPS shall apply at a reduced rate of 12% instead of normal rate of 18% on payments becoming overdue during the said period. Due to the above, there is no impact on the profits for the year ended 31 March 2020. However, the LPS for the year 2020-21 is expected to be lower by around Rs. 0.88 Crore.

iii) In respect of renewable energy power station under operation, there is no impact due to Covid-19 as the station has been accorded must run status by Ministry of New and Renewable Energy (MNRE).

(iv) MoP vide communication dated 15 May 2020 and further clarification dated 16 May 2020, has informed that in light of the announcements under the Atmanirbhar Bharat special economic and comprehensive package including liquidity infusion by PFC/REC of Rs. 90,000.00 crores to DISCOMs against receivables and loans to be given against State Guarantees for exclusive purpose of discharging liabilities of DISCOMs to power generating companies and also giving rebate to DISCOMs by Central Power Generating Companies for passing on to the final consumers, it has been decided that all Central Public Sector Generation Companies may consider to offer following rebate to DISCOMs for the lockdown period:

- Deferment of capacity charges for power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments.

- Rebate of about 20-25% on power supply billed (fixed cost) to DISCOMs.

Keeping in view the above, the Company proposes to allow rebate @ 25% to DISCOMs for the lockdown period during the year 2020-21. This is likely to result in reduction in revenue from operations for the year period during the year 2020-21. This is likely to result in reduction in revenue from operations for the year 2020-21 by around Rs. 42.67 crore.

The Company believes that the impact is likely to be short term in nature. Moreover, the above referred economic and comprehensive package is expected to improve the realisation of the company against the outstanding dues of DISCOMs due to liquidity infusion.

C. In case of thermal stations, the Company does not foresee any eventuality and corresponding adverse financial impact on account of any unfulfilled minimum off take commitments under the fuel supply agreements.

D. Further, the Reserve Bank of India, vide Circular dated 27 March 2020 has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till 31 May 2020. This will largely mitigate the stress on cash flows, if any, during the period of COVID-19. Pursuant to the above, the company had sought moratorium on payment of instalment amounting to Rs. 100.00 crore and interest payments falling due from 30 March 2020 to 31 May 2020 on term loans availed from Canara Bank. Accordingly, the instalment amounting to Rs. 100.00 crore due on 30 April, 2020 was deferred by the bank. However, the bank has not deferred payment of interest on these loans and the company has continued to pay the interests as and when falling due. Additionally, in view of the Press Release brought out by the RBI on 22<sup>nd</sup> May 2020, the Company has applied for deferment of instalments of Rs 100.00 Crore each falling due 09.07.2020 and 30.07.2020 by 3 months, for which confirmation from the bank is awaited.

The management does not anticipate any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

## VI. Disclosure on Vivad Se Vishwas Scheme:

During the year, the GOI has introduced Vivad se Vishwas Scheme (VsVs) through 'The Direct Tax Vivad Se Vishwas Act, 2020'.

The Company has decided to settle some of its pending Income Tax disputes by opting for the VsVs scheme. The Company has included the impact of the scheme for ₹ 7447.67 lakhs, which has already been paid, in the Statement of Profit & Loss as Current Tax for the Previous Years. Further, the company is in the process of completion of procedural formalities under the scheme.

**Note no.- 40 Capital Management**

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

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

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

**Note no.- 41 Disclosure on Financial Instruments**

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

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

**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, 2020 & March 31, 2019.

( ₹ in lakhs )

As at March 31, 2020	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
<b>Financial assets</b>							
Cash and bank balances					505.39	505.39	505.39
Trade receivables					66226.10	66226.10	66226.10
Loans					172.73	172.73	172.73
Other financial assets					27571.95	27571.95	27571.95
<b>Total</b>					<b>94476.17</b>	<b>94476.17</b>	<b>94476.17</b>
<b>Financial liabilities</b>							
Trade and other payables					9690.70	9690.70	9690.70
Borrowings					803584.58	803584.58	803584.58
Other financial liabilities					23968.75	23968.75	23968.75
<b>Total</b>					<b>837244.03</b>	<b>837244.03</b>	<b>837244.03</b>

21000

000154

( ₹ in lakhs )

As at March 31, 2019	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
<b>Financial assets</b>							
Cash and bank balances					9857.87	9857.87	9857.87
Trade receivables					63453.60	63453.60	63453.60
Loans					602.99	602.99	602.99
Other financial assets					8559.73	8559.73	8559.73
<b>Total</b>					<b>82474.19</b>	<b>82474.19</b>	<b>82474.19</b>
<b>Financial liabilities</b>							
Trade and other payables					7585.63	7585.63	7585.63
Borrowings					705207.55	705207.55	705207.55
Other financial liabilities					56673.25	56673.25	56673.25
<b>Total</b>					<b>769466.43</b>	<b>769466.43</b>	<b>769466.43</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, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
( i ) Trade receivables	66226.10	-	-	66226.10
( ii ) Cash and Cash equivalents	505.39	-	-	505.39
( iii ) Loans	172.73	-	-	172.73
( iv ) others	27571.95	-	-	27571.95
<b>Total financial assets measured at fair value</b>	<b>94476.17</b>	<b>-</b>	<b>-</b>	<b>94476.17</b>
<b>Financial liabilities measured at fair value</b>				
( i ) Borrowings	803584.58	-	-	803584.58
( ii ) Trade & Other payables	9690.70	-	-	9690.70
( iii ) Other financial liabilities	23968.75	-	-	23968.75
<b>Total financial liabilities measured at fair value</b>	<b>837244.03</b>			<b>837244.03</b>
( ₹ in lakhs )				
Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
( i ) Trade receivables	63453.60	-	-	63453.60
( ii ) Cash and Cash equivalents	9857.87	-	-	9857.87
( iii ) Loans	602.99	-	-	602.99
( iv ) others	8559.73	-	-	8559.73
<b>Total financial assets measured at fair value</b>	<b>82474.19</b>	<b>-</b>	<b>-</b>	<b>82474.19</b>
<b>Financial liabilities measured at fair value</b>				
( i ) Borrowings	705207.55	-	-	705207.55
( ii ) Trade & Other payables	7585.63	-	-	7585.63
( iii ) Other financial liabilities	56673.25	-	-	56673.25
<b>Total financial liabilities measured at fair value</b>	<b>769466.43</b>			<b>769466.43</b>

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

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

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

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and March 31, 2019.

#### Transfer of financial assets

There have been no transfers of financial assets during the 2019-20.

**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:

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

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 creditworthiness 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.

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.

Particulars	As at March 31, 2020 ( ₹ in lakhs )				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
<b>Non- derivative financial liabilities</b>					
Borrowings	803584.58	803584.58	229612.64	320327.48	253836.39
Trade payables	9690.70	9690.70	9690.70		
Other financial liabilities	23968.75	23968.75	23376.65	592.10	
<b>Total non- derivative financial liabilities</b>	<b>837244.03</b>	<b>837244.03</b>	<b>262679.99</b>	<b>320919.58</b>	<b>253836.39</b>
<b>Derivative financial liabilities</b>					
Particulars	As at March 31, 2019 ( ₹ in lakhs )				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
<b>Non- derivative financial liabilities</b>					
Borrowings	705207.55	705207.55	15088.86	371964.49	318394.55
Trade payables	7585.63	7585.63	7585.63		
Other financial liabilities	56673.25	56673.25	56673.25		
<b>Total non- derivative financial liabilities</b>	<b>712793.18</b>	<b>712793.18</b>	<b>22674.49</b>	<b>371964.49</b>	<b>318394.55</b>
<b>Derivative financial liabilities</b>					

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.- 42****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 V K Singh	Chairman & Managing Director w.e.f. 1 <sup>st</sup> September 2019
2 Sri A G West Kharkongor	Chairman & Managing Director upto 31 <sup>st</sup> August 2019
3 Sri V K Singh	Director ( Technical)
4 Sri M Shiva Shunmuganathan	Director (Finance) upto 2 <sup>nd</sup> April 2020
5 Sri Anil Kumar	Director (Personnel) holding additional charge of D(F) w.e.f 2.4.2020

**a) Parent entities**

Government of India holds 100% ownership interest in NEEPCO Ltd till 26<sup>th</sup> March 2020. However, acquisition of entire equity stake of Government of India in NEEPCO Ltd by NTPC Ltd completed on 27<sup>th</sup> March 2020 through share transfer in pursuant to share purchase agreement dt. 25<sup>th</sup> March 2020 between Government of India & NTPC Ltd. NTPC Ltd holds 100% ownership interest in NEEPCO Ltd including & as on 31<sup>st</sup> March 2020.

		( ₹ in lakhs )	
Particulars		31-Mar-20	31-Mar-19
<i>Sales and purchase of goods and services</i>			
sale of goods to associates		Nil	Nil
purchase of raw materials		Nil	Nil
<i>Other transactions</i>			
Dividend paid to Ministry of Power, Govt of India		3900.00	11500.00
Paid to NTPC Ltd towards consultancy		81.58	-

**b) Key management personnel compensation**

Particulars	31-Mar-20	31-Mar-19
Salary and allowances	140.78	146.11
Contribution to Provident Fund and other funds	16.00	17.19
Other benefits	9.16	9.58
<b>Total</b>	<b>165.94</b>	<b>172.88</b>

**c) 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 instalments. No goods were sold to associates during the year based . All other transactions were made on normal commercial terms and conditions .

All outstanding balances are unsecured and are repayable in cash

d) Apart from the above there were no other related party transaction during the FY 2019-20.

**Note No. - 43****Operating Segment**

a. Electricity generation is the principal activity of the Corporation. Other operation like interest income does not form a reportable segment as per the Accounting Standard 108.

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

**Note No. 44 Disclosure on Inventories**

(a) Amount of inventories consumed and recognised as expense during the year is as under

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Fuel Cost	63787.18	52058.40
Others ( included in Note 33 - Other expenses)	2186.52	3497.93
<b>Total</b>	<b>65973.70</b>	<b>55556.33</b>

**Note no. 45 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. 46 Impairment loss**

Property Plant and Equipment has been tested for impairment where indicators of impairment existed. Based on the assessment, the Company do not recognize any impairment impact during the current year and also during the year ended March 31, 2020.

**Note No. 47 Previous year figures**

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

For and on behalf of the Board of Directors			In terms of our report of even date For M/S S P A N & Associates Chartered Accountants F.R.N.302192E	
Date: z Places	CHIRA NJEEB SHAR MA C Sharma Company Secretary	ANIL KUMAR Anil Kumar Director (Finance)	VINOD KUMAR SINGH Vinod Kumar Singh Chairman & Managing Director	TAPAN KUMAR DAS T K Das Partner Membership No-053080





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## Independent Auditors' Report

To the Members of North Eastern Electric Power Corporation Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

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"), which comprise the Consolidated Balance Sheet as at 31<sup>st</sup> March 2020, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Financial Statements').

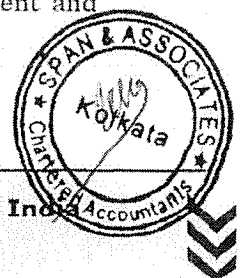
In our opinion and to the best of our information and according to the explanations given to us and due consideration of Unaudited separate Ind AS financial statement of the joint venture entity referred to below in the Other Matters Paragraph, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013 ('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 position of the Company as at 31<sup>st</sup> March 2020, its financial performance including Consolidated other comprehensive income, its Consolidated Cash flows and the Consolidated Statement of changes in equity for the year ended on that date.

#### Basis for Opinion

We have conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**S P A N & ASSOCIATES**  
Chartered Accountant

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**E-mail : sga1969@dataone.in/spanca1979@gmail.com | Website : www.spanca.in**

### Emphasis of Matters

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

1. Note No. 39 (I) in respect of sudden rupturing of penstock of Kopili Hydro Electric Power Unit, resulting in assets worth Rs. 101.20 crores getting damaged and the unit currently being in shut down condition.
2. Note No. 45 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.

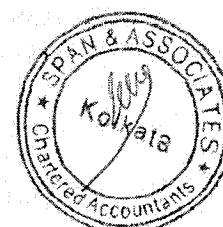
Our report is not modified in respect of these matters.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Consolidated Financial Statements of the current period. These matters were addressed in the context of our audit of the Consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below as the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p><b><i>Evaluation of Uncertain Arbitration Cases, Court Cases and Litigations</i></b></p> <p>The Company has material uncertain claims against the Company pending matters before arbitration or other judicial forums; the consequential and possible effect thereof has been based on the management's assessment of the probability of the occurrence of the liability.</p> <p>Refer Notes 37 to the Consolidated Financial Statements</p>	<p><b><i>Principal Audit Procedures</i></b></p> <p>We have obtained details of Arbitration cases, Court Cases and Pending litigations for the year ended March 31, 2020 from management, and the status thereof. We involved our team members to challenge the management's underlying assumptions in estimating the litigation cases and the possible outcome of the disputes. Our team also considered legal precedence and other rulings in evaluating management's position on these pending litigations and Arbitration cases. Additionally, we considered the effect of new information in respect of these cases to evaluate whether any change was required to management's position on these uncertainties.</p>



2	<p><b>Recognition of Income from Regulatory Deferral Account Balances in accordance with IND AS 114 and CERC Regulations</b></p> <p>Regulatory Deferral Income has been recognised as per the provisions of IND AS 114 and CERC Regulations, in respect of the following –</p> <ol style="list-style-type: none"> <li>Difference in Rate of Depreciation as per CERC Regulations charged to P&amp;L and Depreciation allowed to be recovered through tariff, for Turial Hydro Electric Project (TrHEP) – Rs. 41.18 crores</li> <li>Deferred tax adjustment against deferred tax liability for O&amp;M Plants on account of Deferred tax accrued during the year capable of adjustment/reversal in future periods – Rs. 41.19 crores</li> <li>Exchange differences arising from settlement / translation of monetary item denominated in Foreign currency to the extent recoverable from the beneficiaries in subsequent periods – Rs. 9.14 crores</li> <li>Recognition of Deferred Tax recoverable on materialization, from Beneficiaries – (Rs. 29.40)</li> <li>Modification of Annual Fixed Costs on account of variation of Additional Capital Expenditure as allowed by CERC Regulations for O&amp;M Projects and as actually billed – Rs. 44.20 crores</li> </ol> <p>Refer Note 16 of Consolidated Financial Statements</p>	<p><b>Principal Audit Procedures</b></p> <p>Accounting Policy for recognition of Regulatory Deferral Account balances in accordance with IND AS 114 was examined. We have reviewed the nature of regulatory activities, its recognition and subsequent measurement. Also, we have involved our team to analyse the risks and uncertainties associated with future recovery of the same and the time frame within which it is expected to be recovered.</p> <p>We have tested the design and operating effectiveness of controls as established by the management for accrual of income and determination of the amounts recoverable there against.</p> <p>Further, we have obtained and understood the amount recoverable in terms of CERC Regulations apart from assessing, testing and evaluating the reasonableness thereof keeping in view the significant judgements applied by the management for such assessments.</p>
3	<p><b>Recoverability of Capital Expenditure through tariff, on start of Commercial Operations of Kameng Project</b></p> <p>As on 31<sup>st</sup> March 2020, total balance of Capital Work-In-Progress for Kameng Project lying in the books of NEEPCO amounts to Rs.7,684.53 crores.</p> <p>The aforesaid amount includes significant expenditures in the form of Incidental Expenditure during Construction (IEDC) charged under the head Capital Work in Progress.</p>	<p><b>Principal Audit Procedures</b></p> <p>We have analysed the process of allocation of expenses for construction projects, to Incidental Expenditure during Construction. Further, detailed checking was carried out to verify the correctness of allocation of Outlays for Capital Work in Progress. Also, design of Internal Controls relating to expenses to be charged off to IEDC / CWIP was evaluated.</p>



Analysis will be carried out by CERC to determine, whether price and cost overrun will be included, for determination of Tariff by CERC, once Kameng project is capitalised. As the Actual Capital Cost of the project has exceeded Indexed Projected Cost, it may result in probable Impairment.	The Assessment of indicators of Impairments could be carried out post capitalization of the project and its successful COD.
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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 has been furnished to us, by the management. The Consolidated Financial Statement reflect Investments carried at Rs. 3237.46 lakhs in the Consolidated Balance Sheet as at March 31, 2020 and Share of Profit of Joint Venture at Rs. 4.38 lakhs on the Consolidated Profit & Loss, based on such Unaudited Financial Statements of such Joint Venture as at 31<sup>st</sup> March 2020, accounted for under the Equity Method. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of Section 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on such Unaudited Ind AS financial statements.

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

### Information Other than the Consolidated Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Director's Report including Director's Responsibility Report and Corporate Governance, but does not include the Consolidated financial statements and our auditor's report thereon. The Other Information as stated above is expected to be made available to us after the date of this Auditor's Report.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements or our knowledge obtained during audit or otherwise appears to be materially misstated.



When we read the Other Information as stated above and if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and describe necessary actions required as per applicable laws and regulations.

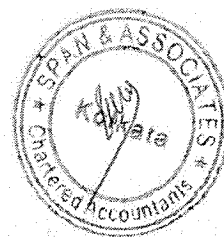
### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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 Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated Statement of changes in equity of the 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 Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.



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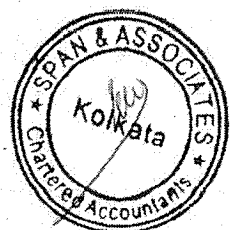
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## Auditors' Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Our Audit being carried out Offsite based on documents /information being procured electronically, due to compulsion imposed from outbreak of Covid19, our work may have inherent Risk and limitations. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern; and



- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.

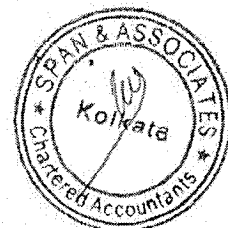
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

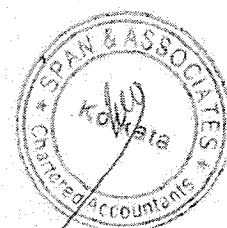
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the unaudited financial statements of the jointly controlled entity, 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 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 financial statements have been kept by the Company so far as it appears from our examination of those books;



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- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement of changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements.;
- d. In our opinion, the aforesaid Consolidated financial statements comply with the Indian 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 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, in our opinion and to the best of our information and according to the explanations given to us and based on the unaudited financial statements of the joint venture entity:
- i. The Venturer Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements – *Refer to Note 37 to the Consolidated 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.





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- ii. 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.

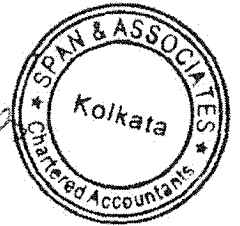
Place: Kolkata  
Date: 23<sup>rd</sup> June 2020

For S P A N & ASSOCIATES  
Chartered Accountants  
F.R.N.: 302192E

*T. K. DAS*  
T. K. DAS  
Partner

Membership No.: 053080

UDIN: 20053080AAAABK9041



## Annexure A 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 Consolidated financial statements of even date)

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2020, 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.

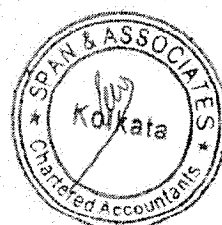
#### Management's Responsibility for Internal Financial Controls

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 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.



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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.

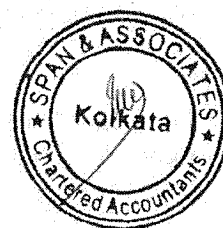
### Meaning of Internal Financial Controls over Financial Reporting

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 31<sup>st</sup> March 2020:

the Venturer 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 31<sup>st</sup> March 2020, 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 31<sup>st</sup> March 2020.

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 31<sup>st</sup> March 2020 Consolidated Financial Statements of the Company, and these material weaknesses do not affect our opinion on the Consolidated financial statements of the 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, with reference to Consolidated Financial Statements 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.

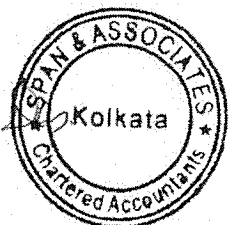
Place: Kolkata  
Date: 23<sup>rd</sup> June 2020

For S P A N & ASSOCIATES  
Chartered Accountants  
F.R.N.: 302192E

*T. K. DAS*  
T. K. DAS  
Partner

Membership No.: 053080

UDIN: 20053080AAABK9041



S P A N & ASSOCIATES  
Chartered Accountant

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## Annexure B to the Independent Auditors' Report

(Referred to in paragraph (ii) 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	Auditor's reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the Implications of processing of Accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has old information technology (IT) application system which is unable to cater the emerging needs, process all accounting transactions and complete information consistent with financial reporting objectives.	Not Ascertainable
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	Based on our Audit and according to the information and explanations given to us, no such restructuring of existing loan or waiver / write off of debts / loans / interest etc. were made by lender to the Company, due to the Company's inability to repay the loan. However, the Company has availed the facility of moratorium on Principal Repayment of Rs. 100 crore, in lieu of RBI Circular No. RBI/2019-2020/186 dated 27 <sup>th</sup> March 2020, on term loans availed from Canara Bank.	Nil
3.	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its terms and conditions? List the case of deviations.	Based on our Audit and according to the information and explanations given to us, the Company has accounted for and utilized the funds received for specific schemes from Central / State agencies as per the terms and conditions of the Schemes.	Nil

Place: Kolkata

Date: 23<sup>rd</sup> June 2020

For S P A N &amp; ASSOCIATES

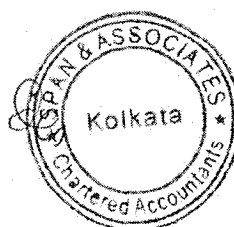
Chartered Accountants

F.R.N.: 302192E

Tapan Kumar  
T. K. DAS

Partner

Membership No.:053080



UDIN: 26053080AAAA BK9041

S P A N &amp; ASSOCIATES

Chartered Accountant

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**NORTH EASTERN ELECTRIC POWER CORPORATION**

**Consolidated Balance Sheet as at 31.03.2020**

( ₹ in lakhs )

Sl No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019 *	As at 1 <sup>st</sup> April 2018 *
	<b><u>ASSETS</u></b>				
1	<b><u>Non-Current assets</u></b>				
	(a) Property, Plant and Equipment	2	609778.57	623441.52	346809.85
	(b) Capital work -in- Progress	3	774042.04	707423.18	937019.39
	(c) Intangible assets under Development	4	501.44	82.50	82.50
	(d) Intangible assets	4A	684.95	30.20	53.01
	(e) Right to Use Assets	4A	7914.68	9746.28	6420.98
	(f) Investment in subsidiary and Joint Venture companies	5	3237.46	3233.08	3223.09
	(g) Financial Assets				
	Loans	6	58.69	95.93	107.20
	(h) Deferred Tax Asset (Net)	7			
	(i) Other Non-current Assets	8	18666.80	19115.01	18565.37
	<b>1. Total Non-Current Assets</b>		<b>1414884.63</b>	<b>1363167.70</b>	<b>1312281.39</b>
2	<b><u>Current assets</u></b>				
	a ) Inventories	9	12077.36	10158.75	8068.87
	b ) Financial Assets				
	( i ) Trade receivables	10	66226.10	63453.60	45836.76
	( ii ) Cash and Cash equivalents	11	187.24	6900.43	33049.07
	( iii ) Bank balances other than (ii) above	12	318.15	2957.44	558.85
	( iv ) Others	13	27685.99	9066.79	2972.06
	c ) Current Tax Assets (Net)	14	2230.49	0.00	
	d ) Other Current assets	15	2850.81	2540.21	1881.03
	<b>2. Total Current Assets</b>		<b>111576.14</b>	<b>95077.22</b>	<b>92366.64</b>
3	<b>3 . Regulatory deferral accounts debit balances</b>	16	<b>79861.53</b>	<b>73650.03</b>	<b>54826.08</b>
	<b>Total Assets ( 1 + 2 + 3 )</b>		<b>1606322.30</b>	<b>1531894.95</b>	<b>1459474.11</b>

Sl No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019 *	As at 1 <sup>st</sup> April 2018 *
	<b><u>EQUITY AND LIABILITIES</u></b>				
4	<b><u>Equity</u></b>				
	( a ) Equity Share Capital	17	360981.04	360981.04	345281.04
	( b ) Other Equity	18	279854.50	268284.11	260034.71
	( c ) Share Application money pending Allotment				9600.00
	<b>4. Total Equity</b>		<b>640835.54</b>	<b>629265.15</b>	<b>614915.75</b>
	<b><u>Liabilities</u></b>				
5	<b><u>Non-Current Liabilities</u></b>				
	<b>a ) Financial Liabilities</b>				
	( i ) Borrowings	19	614359.39	661882.06	630906.68
	( ii ) <u>Trade payables</u>				
	(a) Total outstanding dues of micro enterprises and small enterprises				
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises				
	b ) Provisions	20	18963.18	15780.51	20226.57
	c ) Deferred tax liabilities ( Net )	7	59622.83	61942.62	51731.97
	d ) Other non-current liabilities		0.00	0.00	
	<b>5. Total Non-Current Liabilities</b>		<b>692945.40</b>	<b>739605.19</b>	<b>702865.22</b>
6	<b><u>Current liabilities</u></b>				
	<b>a ) Financial liabilities</b>				
	( i ) Borrowings	21	80769.90	28236.63	20000.00
	( ii ) <u>Trade Payables</u>				
	(a) Total outstanding dues of micro enterprises and small enterprises		206.99	277.15	129.55
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	22			
	( iii ) Other financial liabilities	23	9483.71	7308.48	8646.37
	b) Other current liabilities	24	132424.04	71762.11	59447.93
	c) Provisions	25	13684.18	16051.36	16245.69
	d) Current tax liabilities (net)	14	2776.88	2218.31	3894.31
	<b>6. Total Current Liabilities</b>		<b>239345.70</b>	<b>128907.00</b>	<b>111135.94</b>
7	<b>7. Deferred Revenue</b>	26	<b>33195.66</b>	<b>29697.02</b>	<b>30557.20</b>
8	<b>8. Regulatory deferral accounts credit balances</b>	16	<b>0.00</b>	<b>4420.59</b>	<b>0.00</b>
	<b>Total Equity and Liabilities ( 4 + 5 + 6 + 7 + 8 )</b>		<b>1606322.30</b>	<b>1531894.95</b>	<b>1459474.11</b>

\* Restated - Refer Note 39 (IV)

#### Summary of significant accounting policies - Note no.1

The accompanying notes 1 to 48 form an integral part of these financial statements

Date: 23-06-2020 Place SHILLONG		For and on behalf of the Board of Directors		In terms of our report of even date For M/S S P A N & Associates Chartered Accountants F.R.N.302192E	
CHIRAN EEB SHARMA	ANIL KUMAR R	VINOD KUMAR SINGH	TAPAN KUMAR DAS	TAPAN KUMAR DAS	
C Sharma	Anil Kumar	Vinod Kumar Singh	T K Das	KUMA R DAS	
Company Secretary	Director (Finance)	Chairman & Managing Director	Partner	Membership No-053080	

**Statement of Changes in Equity****A. Equity Share Capital**Period ended 31<sup>st</sup> March 2020

(₹ in lakhs)

Balance at at 01.04.2019	Changes in equity share capital	Balance as at 31.03.2020
1	2	3
360,981.04		360,981.04

Period ended 31<sup>st</sup> March 2019

(₹ in lakhs)

Balance at at 01.04.2018	Changes in equity share capital	Balance as at 31.03.2019
1	2	3
345,281.04	15,700.00	360,981.04

**B. Other Equity**Period ended 31<sup>st</sup> March 2020

(₹ in lakhs)

Particulars	Balance as at 01.04.2019	Changes in accounting policy or prior period errors	Restated balance as at 01.04.2019	Total Comprehensive Income for the year	Dividends	Transfer to/from retained earnings	Fair Value /Other Adjustment	Balance as at 31.03.2020
	1	2	3	4	5	6	7	8
Retained Earnings	5538.26		5538.26	16269.65	(4701.66)		2.40	17108.65
General Reserve	197691.68		197691.68					197691.68
Bond Redemption Reserve	65054.17		65054.17			0.00		65054.17

Period ended 31<sup>st</sup> March 2019

(₹ in lakhs)

Particulars	Balance as at 01.04.2018	Changes in accounting policy or prior period errors	Restated balance as at 01.04.2018	Total Comprehensive Income for the year	Dividends	Transfer to/from retained earnings	Fair Value /Other Adjustment	Balance as at 31.03.2019
	1	2	3	4	5	6	7	8
Retained Earnings	6199.39	(923.44)	5275.95	21324.95	(13863.86)	(7987.09)	788.31	5538.26
General Reserve	197691.68		197691.68					197691.68
Bond Redemption Reserve	57067.08		57067.08			7987.09		65054.17

For and on behalf of the Board of Directors			In terms of our report of even date		
Date 22-08-2020			For M/S S P A N & Associates		
Place SHILLONG			Chartered Accountants		
CHIRANU SHARMA			F.R.N.302192E		
C Sharma			TAPAN KUMAR DAS		
Company Secretary			Partner		
ANIL KUMAR			Membership No-053080		
KUMA R					
Anil Kumar					
Director (Finance)					
VINOD KUMAR SINGH					
Chairman & Managing Director					



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

(₹ in lakhs )

SI No.	Particulars	Notes	For the period ended 31st-Mar-20	For the period ended 31st-Mar-19 *
I	Revenue from Operations	27	212749.77	202818.43
II	Other Income	28	4031.07	5733.89
III	<b>Total Income (I + II)</b>		<b>216780.84</b>	<b>208552.32</b>
IV	<b>Expenses</b>			
(a)	Cost of materials consumed	29	69001.25	56199.59
(b)	Employee benefit expense	30	39225.27	49931.14
(c)	Finance costs	31	17309.98	14488.06
(d)	Depreciation and amortization expense	32	34302.60	35677.60
(e)	Other expenses	33	41069.27	24207.72
	<b>Total expenses (IV)</b>		<b>200908.37</b>	<b>180504.11</b>
V	<b>Profit / (loss) before exceptional items, Rate Regulated Activities and tax (III - IV)</b>		<b>15872.47</b>	<b>28048.21</b>
VI	Exceptional Items			
VII	Share of Profit of Joint Ventures		<b>4.38</b>	<b>9.99</b>
VIII	<b>Profit / (loss) before tax (V + VII)</b>		<b>15876.85</b>	<b>28058.20</b>
IX	<b>Tax Expense:</b>			
	(i) Current tax		2256.37	6454.37
	Earlier years		7447.67	
	<b>Net Current Tax</b>		9704.04	6454.37
	(ii) Deferred tax		(2149.26)	12210.09
	<b>Tax Expense</b>		7554.78	18664.46
X	<b>Profit / (loss) before Rate Regulated Activities (VIII - IX)</b>		<b>8322.07</b>	<b>9393.74</b>
XI	Net movement in regulatory deferral account balances (Net of tax)	16	<b>8265.06</b>	<b>11719.15</b>
XII	<b>Profit / (loss) after tax &amp; regulatory account balance (X + XI)</b>		<b>16587.13</b>	<b>21112.89</b>
XIII	Profit / (loss) from discontinued operations		0.00	0.00
XIV	Tax expense of discontinued operations			
XV	<b>Profit / (loss) for the year from Discontinued operations (XIII - XIV)</b>		0.00	0.00
XVI	<b>Profit / (loss) for the year/period (XII + XV)</b>		<b>16587.13</b>	<b>21112.89</b>

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Sl No.	Particulars	For the period ended 31st-Mar-20	For the period ended 31st-Mar-19
XVII	<b>Other comprehensive income</b>		
A	(i) Items that will not be reclassified to profit and loss		
	(a) Remeasurements of the defined benefit plans	(488.01)	325.96
	(b) Others (specify nature)		
		(488.01)	325.96
	(ii) Income tax relating to items that will not be reclassified to profit and loss	(170.53)	113.90
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		
	<b>Total other comprehensive income XVII = (A+ B)</b>	<b>(317.48)</b>	<b>212.06</b>
XVIII	<b>Total comprehensive income for the period (XVI + XVII)</b>	<b>16269.65</b>	<b>21324.95</b>
	Earnings per equity share (for continuing operation before regulatory Deferral Accounts) :		
	(1) Basic (in Rs.)	0.23	0.26
	(2) Diluted (in Rs.)	0.23	0.26
XVII	Earnings per equity share (for continuing operation after regulatory Deferral Accounts) :		
	(1) Basic (in Rs.)	0.46	0.59
	(2) Diluted (in Rs.)	0.46	0.59

\* Restated - Refer Note 39 (IV)

The accompanying notes 1 to 48 form an integral part of these financial statements

Date: 23-06-2020		For and on behalf of the Board of Directors		In terms of our report of even date	
Place SHILLONG				For M/S S P A N & Associates	
				Chartered Accountants	
				F.R.N.302192E	
CHIRANJEE CHANITER B SHARMA C Sharma Company Secretary		ANIL KUMAR Anil Kumar Director (Finance)		VINOD KUMAR SINGH Vinod Kumar Singh Chairman & Managing Director	
				T K Das Partner	
				TAPAN KUMAR DAS R DAS Membership No-053080	

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CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2020

₹ in lakhs

Particulars	For the year ended 31 <sup>st</sup> March 2020	For the year ended 31 <sup>st</sup> March 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	15,876.85	28,058.20
Add: Net Movements in Regulatory deferral account balances (Net of tax)	8,265.06	11,719.15
Add: Tax on net Movements in Regulatory deferral account balances	2,367.03	2,684.21
	<b>10,632.09</b>	<b>14,403.36</b>
Profit before tax including movements in regulatory deferral account balances	<b>26,508.94</b>	<b>42,461.56</b>
Adjustment for:		
Depreciation, amortisation and impairment expense	34,302.60	35,677.60
Provisions/Write off	10,953.08	3,085.78
Regulatory Deferral account credit balances	(4,420.59)	4,420.59
Regulatory Deferral account debit balances	(6,211.50)	(18,823.95)
Deferred Revenue	3,498.64	(860.18)
Foreign exchange loss/(gain)	1,069.44	(631.92)
Finance costs	16,240.54	15,119.98
Interest/income from term deposits/bonds/investments	(39.08)	(131.02)
Provisions Written back	(154.22)	(3.87)
Profit on de-recognition of property, plant and equipment	(3.55)	(0.24)
Loss on de-recognition of property, plant and equipment	5.82	46.41
	<b>55,241.18</b>	<b>37,899.18</b>
Operating profit before working capital changes	<b>81,750.12</b>	<b>80,360.74</b>
Adjustment for:		
Trade Receivables	(2,772.50)	(17,616.84)
Inventories	(1,618.34)	(2,092.12)
Trade payables, provisions, other financial liabilities and other liabilities	(33,945.36)	10,661.20
Loans, other financial assets and other assets	(18,448.73)	(7,302.27)
	<b>(56,784.93)</b>	<b>(16,350.03)</b>
Cash generated from operations	<b>24,965.19</b>	<b>64,010.71</b>
Income tax (paid)/refunded	<b>(12,710.87)</b>	<b>(10,308.00)</b>
Net cash from/(used in) operating activities - A	<b>12,254.32</b>	<b>53,702.71</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equivalent & intangible assets	(36,089.40)	(56,331.98)
Interest/income on term deposits/bonds/ investment received	39.08	127.92
Dividend Received	-	3.10
Change in Bank balance other than cash and cash equivalents	2,639.29	(2,398.59)
Net cash from/(used in) investing activities - B	<b>(33,411.03)</b>	<b>(58,599.55)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	-	6,100.00
Proceeds from non-current borrowings	55,000.00	45,933.99
Repayment of non-current borrowings	(15,398.54)	(15,267.25)
Proceeds from current borrowings	52,533.27	8,236.63
Payment of finance lease obligations	(691.77)	-
Interest paid	(72,297.78)	(53,177.25)
Dividend paid	(3,900.00)	(10,714.06)

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Tax on Dividend	(801.66)	(2,363.86)
Net cash from/(used in) financing activities - C	14,443.52	(21,251.80)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(6,713.19)	(26,148.64)
Cash and cash equivalents at the beginning of the year (see Note 1 and 2 below)	6,900.43	33,049.07
Cash and cash equivalents at the end of the year (see Note 1 and 2 below)	187.24	6,900.43

\* please refer note no. 11 & 12

Notes:

- 1 Cash and Cash equivalent consists of cheques, drafts, stamps in hand, balances with bank, and deposits with
- 2 Reconciliation of Cash and Cash Equivalents:  
Cash and Cash equivalents as per note no. 11
- 3 Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing

For the year ended 31 March 2020

₹ in lakhs

Particulars	Non-current borrowings**	Finance lease obligation	Current borrowings
Opening balance as at 1st April 2019	677,211.28	-	28,236.63
Cash Flows during the year	55,000.00	(691.77)	62,533.27
Principal repayment during the period	(15,398.54)		(10,000.00)
Non-Cash Changes due to :			
Acquisition under finance lease		1,670.52	
Variations in exchange rate	6,193.88		
Transaction cost on borrowings	(191.94)		
<b>Closing balance as at 31st March 2020</b>	<b>722,814.68</b>	<b>978.75</b>	<b>80,769.90</b>

For the year ended 31 March 2019

₹ in lakhs

Particulars	Non-current borrowings**	Finance lease obligation	Current borrowings
Opening balance as at 1st April 2018	646,200.44		20,000.00
Cash Flows during the year	45,933.99		8,236.63
Principal repayment during the period	(15,267.25)		
Non-Cash Changes due to :			
Acquisition under finance lease	-		
Variations in exchange rate	584.45		
Transaction cost on borrowings	(240.35)		
<b>Closing balance as at 31st March 2019</b>	<b>677,211.28</b>	<b>-</b>	<b>28,236.63</b>

\*\* includes current maturity of long term borrowings

Date: 23-06-2020		In terms of our report of even date	
Place: SHILLONG		For and on behalf of the Board of Directors	
Digitally signed by CHIRAN EEB, DN: cn=CHIRAN EEB, o=, ou=, email=chiran.eeb@spn.co.uk, c=IN		For M/S S P A N & Associates	
Digitally signed by ANIL KUMAR R, DN: cn=ANIL KUMAR R, o=, ou=, email=anil.kumar@spn.co.uk, c=IN		Chartered Accountants	
Digitally signed by VINOD KUMAR SINGH, DN: cn=VINOD KUMAR SINGH, o=, ou=, email=vinod.kumar@spn.co.uk, c=IN		F.R.N.302192E TAPA N	
Digitally signed by T K Das, DN: cn=T K Das, o=, ou=, email=t.k.das@spn.co.uk, c=IN		KUMA R.DAS	
Digitally signed by R.DAS, DN: cn=R.DAS, o=, ou=, email=r.das@spn.co.uk, c=IN		Membership No-053080	
C Sharma	Anil Kumar	Vinod Kumar Singh	T K Das
Company Secretary	Director (Finance)	Chairman & Managing Director	Partner

**Note No. 1: Significant Accounting Policies 2019-20 (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 Enterprise (CPSE), is a wholly owned Subsidiary of NTPC Ltd 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. The Company has its 11 (eleven) generating stations, which are under commercial operation, with 7 (seven) hydro, 3 (three) thermal and 1(one) solar power stations having total capacity of 1457 MW. Out of 1457 MW, Kopili (4 X 50 MW) power station is under shut down from 07th of October 2019 due to rupturing of the penstock. In addition 01 (one) hydro project, namely, Kameng HEP (600 MW) is in advanced stage of completion for its commercial operation.

NEEPCO has its debt (Bond XI issue to XXI 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 (upto 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 Deferred tax liabilities are classified as non-current .

**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, even if 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 relating 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 An intangible asset is recognized if and only if it is probable that the expected future economic benefit that are attributable to the assets will flow to the Company and the cost of the asset can be measured reliably.

3.2 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.

3.3 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.

3.4 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."



3.5 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 (Personal Computers and Laptops including Peripherals) are depreciated in a period of 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. The amortisation period and the amortisation method of intangible assets with a finite useful life is reviewed at each financial year and adjusted prospectively, wherever required.
- iii. "Land-right to use" is fully amortized over the period of useful life of the project, from its "Date of commercial operation".
- (iv) Leasehold Lands are amortised over the period of lease or useful life of the project, whichever is lower, from its "Date of commercial operation". Leasehold Land, in case of administrative offices, are amortised over the lease period.
- v. 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.
- vi. Cost of major repairing and overhauls are depreciated over their useful lives where it is probable that future economic benefits will be available.
- vii. 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.
- viii. Assets/procured installed, whose individual cost is Rs. 5000/- or less but more than Rs. 750/- (hereinafter is called Assets of minor value) and assets (excluding immovable assets) whose written down value is Rs. 5000/- or less at the beginning of the year are full depreciated during the year leaving a nominal balance of Rs. 1/- only.
- ix. Low value items, which are in the nature of the assets (excluding immovable assets) and value up to Rs. 750/- are not capitalized and charged off to revenue during the year.
- x. Depreciation of Corporate/Administrative office assets and general assets of projects under construction are charged following the rates notified vide CERC tariff regulations.

#### 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:

- (i) NRV is recoverable principally through a sale transaction rather than through continuing use;
- (ii) Such assets are available for immediate sale in its present conditions;
- (iii) 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.

6.3 Impairment losses recognised in prior periods are assessed at each reporting period date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimated recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss has been recognised.

#### **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 Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising out on settlement or translation of monetary items are recognized in the profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31-03-2016 are adjusted to the carrying cost of property, plant and equipment.

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 In compliance MCA notification, the Company has adopted Ind AS 116 "Leases" with effect from 01.04.2019 and applied to all lease contracts existing on 1 April 2019. Consequently, the Company recorded the lease liability at the present value of remaining lease payments discounted at the incremental borrowing rate applicable at the date of initial application and the right of use assets at its carrying amount, discounted at the Company's incremental borrowing rate at the date of initial application.

## **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.

12.3 Trade Receivable represents the Company's right to an amount of Consideration that is unconditional (i.e. only the passage of time is required before payment of the Consideration is due)

### **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 Other Financial Assets (Contract Assets)**

Accounts Receivables is the right to consideration in exchange for goods or services, transferred to the Customer. If the Company performs by transferring the goods or services to a Customer before the Customer pays consideration or payment is due, Accounts Receivables (in the nature of Contract Asset) is recognised for the Earned Consideration that is conditional.

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 substantially all the activities necessary to prepare the qualifying assets for their intended use are completed.

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 When the benefit of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expenses is recognized immediately in statement of profit and loss.

16.4 Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized

for the amount expected to be paid under performance related pay if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

16.5 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 include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which likely to give future economic benefits in the form of set off against future income tax liability. MAT is recognized as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realized.

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 Operations**

#### **a) Revenue from Sale of Power**

i. The Company has applied IND AS 115, Revenue from Contracts with Customers for the first time for annual reporting period commencing 1st April 2018, under Modified Retrospective Method. IND AS 115 establishes a five-step model to account for revenue arising from Contracts with Customers and requires that revenue be recognised at an amount that reflects the Consideration to which an Entity expects to be identical in exchange for transferring goods or services to the Customer.

ii. Revenue is recognised on transfer of control over the products or services to a Customer, based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services.

iii. Sale of Power 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. Further for projects for which neither tariff approved by the CERC nor any provisional tariff agreed by the beneficiaries, sale of energy is accounted for on the basis of Annual Fixed Cost (AFC) submitted before the CERC through Tariff Petition. Revenue from sale of power includes sales delivered to customers but not yet billed, commonly referred to as unbilled revenue.

iv. The incentives/disincentives are recognized based on norms notified by the Central Electricity Regulatory Commission. Accordingly, Rebate for prompt settlement of outstanding receivables (settlement discounts) are netted off with revenue.

v. 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

vi. Exchange difference arising from settlement /translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC tariff Regulations are accounted for as "Regulatory deferred account balances" and adjusted from the year in which the same becomes recoverable/payable.

vii. Rebate allowed to beneficiaries for timely payments are deducted from the amount of revenue

#### **b) Revenue from DSM, RRAS and NERLDC Fees**

i. Revenue from DSM is recognised based on the weekly Accounts issued by the North Eastern Regional Power Committee (NERPC) which is governed by the Central Electricity Regulatory Commission (Deviation Settlement Mechanism) Regulations 2014 and amendments thereto.

ii. Revenue from RRAS is recognised based on the weekly Accounts issued by the North Eastern Regional Power Committee (NERPC) which is governed by the Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations 2015 and amendments thereto.

iii. NERLDC Fees and charges are recognised as revenue as claimed on Beneficiaries for reimbursement, governed by CERC (Terms & Conditions of Tariff) Regulations 2019 and amendments thereto.

## **18.2 Other Income**

i. Dividend income from investments are recognized when the right to receive the dividend is established.

ii. 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.

iii. Insurance claims for loss of profit are accounted for in the year of acceptance. Other insurance claims are accounted for based on certainty of realisation.

iv. Surcharge on late payment /overdue trade receivables for sale of energy is recognized when no significant uncertainty as to measurability or collectability exists.

## **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 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.

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Note no. 2 :: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Note No	As at 31 <sup>st</sup> March, 2020	As at 31 <sup>st</sup> March, 2019	As at 1 <sup>st</sup> April 2018
Freehold Land	38	2600.25	2600.25	2566.88
Right to Use (Leasehold Land)		6019.26	6208.16	6417.05
Buildings		15489.33	14947.57	13960.11
Plant & Equipments		573219.41	590163.03	313632.31
Furniture & Fixture		627.68	654.85	651.29
Vehicles		1173.72	256.93	293.40
Office Equipment		2161.31	1957.37	1887.08
Others :-				
Electrical Equipment		643.44	586.14	596.68
Road , Bridges, Culvert, Helipad		3830.45	3397.78	4036.30
Tools & Plants		3985.19	2641.59	2737.55
Misc . Equipment		28.53	27.85	31.20
<b>Total</b>		<b>609778.57</b>	<b>623441.52</b>	<b>346809.85</b>

As at 31<sup>st</sup> March 2020

(₹ in lakhs)

Particulars	Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	Total
Gross Block as at April 1, 2019	2600.25	27536.86	930952.72	1762.85	677.30	6467.57	1662.44	5640.34	6224.92	180.70	6208.16	989914.11
Additions	0.00	1460.53	25863.62	44.11	1463.50	517.21	116.34	644.03	1635.10	9.97	81.28	31895.69
Disposals/Adjustment	0.00	(186.90)	(21214.62)	(9.41)	(9.00)	(122.69)	(50.88)	(155.65)	(249.68)	(3.05)	2517.69	(19484.19)
Reclassified as held for sale												
<b>Gross Block as at March'31, 2020</b>	<b>2600.25</b>	<b>28810.49</b>	<b>935601.72</b>	<b>1797.55</b>	<b>2131.80</b>	<b>6862.09</b>	<b>1727.90</b>	<b>6128.72</b>	<b>7610.34</b>	<b>187.62</b>	<b>8807.13</b>	<b>1002265.61</b>
Impairment as at April 1, 2019												
Other re-classifications												
Impairment as at March'31, 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Accumulated Depreciation as at April 1, 2019	0.00	12589.29	340789.69	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	0.00	366472.59
Charge for the period	0.00	889.00	32584.63	62.99	545.81	306.76	50.24	159.02	204.50	8.94	270.17	35082.06
Disposals	0.00	(157.13)	(10992.01)	(1.12)	(8.10)	(116.18)	(42.08)	(103.31)	(162.68)	(2.70)	2517.70	(9067.61)
Other re-classifications												0.00
<b>Accumulated depreciation as at March'31, 2020</b>	<b>0.00</b>	<b>13321.16</b>	<b>362382.31</b>	<b>1169.87</b>	<b>958.08</b>	<b>4700.78</b>	<b>1084.46</b>	<b>2298.27</b>	<b>3625.15</b>	<b>159.09</b>	<b>2787.87</b>	<b>392487.04</b>
<b>Total accumulated depreciation and impairment as at June 30, 2018</b>	<b>0.00</b>	<b>13321.16</b>	<b>362382.31</b>	<b>1169.87</b>	<b>958.08</b>	<b>4700.78</b>	<b>1084.46</b>	<b>2298.27</b>	<b>3625.15</b>	<b>159.09</b>	<b>2787.87</b>	<b>392487.04</b>
<b>Net block as at March'31, 2020</b>	<b>2600.25</b>	<b>15489.33</b>	<b>573219.41</b>	<b>627.68</b>	<b>1173.72</b>	<b>2161.31</b>	<b>643.44</b>	<b>3830.45</b>	<b>3985.19</b>	<b>28.53</b>	<b>6019.26</b>	<b>609778.57</b>

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As at March 31, 2019

( ₹ in lakhs )

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	Total
Gross Block as at April 1, 2018	2566.88	25746.71	619996.89	1697.46	677.31	6155.50	1626.63	6329.43	6135.75	182.02	6417.05	677531.63
Additions	33.37	1792.36	311552.11	69.96	0.00	373.88	35.81	406.21	91.78	13.48		314368.96
Disposals/Adjustment	0.00	(2.21)	(596.28)	(4.57)	(0.01)	(61.81)	0.00	(1095.30)	(2.61)	(14.80)	(208.89)	(1986.48)
Reclassified as held for sale												
Gross Block as at March 31, 2019	2600.25	27536.86	930952.72	1762.85	677.30	6467.57	1662.44	5640.34	6224.92	180.70	6208.16	989914.11
Impairment as at April 1, 2018												
Other re-classifications												
Impairment as at March 31, 2019	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Accumulated Depreciation as at April 1, 2018	0.00	11786.60	306364.58	1046.17	383.91	4268.62	1029.95	2293.13	3398.20	150.62		330721.78
Charge for the period	0.00	802.81	34743.25	66.08	36.46	311.72	46.37	163.70	187.06	3.26		36360.71
Disposals	0.00	(0.12)	(318.14)	(4.25)	0.00	(70.14)	(0.02)	(214.27)	(1.93)	(1.03)		(609.90)
Other re-classifications												
Accumulated depreciation as at March 31, 2019	0.00	12589.29	340789.69	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	0.00	366472.59
Total accumulated depreciation and impairment as at March 31, 2019	0.00	12589.29	340789.69	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	0.00	366472.59
Net block as at March 31, 2019	2600.25	14947.57	590163.03	654.85	256.93	1957.37	586.14	3397.78	2641.59	27.85	6208.16	623441.52

As at March 31, 2018

( ₹ in lakhs )

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	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		662721.99
Additions	656.68	1783.92	9381.83	55.96	82.93	422.68	67.75	407.82	106.56	15.49	6417.05	19398.66
Disposals/Adjustment	0.00	(0.89)	(1740.19)	(30.01)	(116.60)	(94.65)	0.00	(1414.91)	(1190.79)	(0.98)		(4589.02)
Reclassified as held for sale												
Gross Block as at March 31, 2018	2566.88	25746.71	619996.89	1697.46	677.31	6155.50	1626.63	6329.43	6135.75	182.02	6417.05	677531.63
Impairment as at April 1, 2017												
Other re-classifications												
Impairment as at March 31, 2018	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00		0.00
Accumulated Depreciation as at April 1, 2017	0.00	10888.21	289680.71	1008.03	451.20	4039.50	984.82	2275.58	4345.45	141.28		313814.78
Charge for the period	0.00	898.51	17830.63	65.65	36.81	313.16	45.13	185.03	186.65	10.50		19572.07
Disposals	0.00	(0.12)	(1146.76)	(27.51)	(104.10)	(84.24)	0.00	(167.48)	(1133.90)	(0.96)		(2665.07)
Other re-classifications												
Accumulated depreciation as at March 31, 2018	0.00	11786.60	306364.58	1046.17	383.91	4268.42	1029.95	2293.13	3398.20	150.82	0.00	330721.78
Total accumulated depreciation and impairment as at March 31, 2018	0.00	11786.60	306364.58	1046.17	383.91	4268.42	1029.95	2293.13	3398.20	150.82	0.00	330721.78
Net block as at March 31, 2018	2566.88	13960.11	313632.31	651.29	293.40	1887.08	596.68	4036.30	2737.55	31.20	6417.05	346809.85

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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, 2020.

ii The Corporation has spent an amount of ₹ 21732.70 lakhs (previous year ₹ 21536.66 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 Twenty first issue valuing ₹ 570550.00 lakhs having Charge ID with ROC are 100334035 for ₹ 15000.00 Lakhs, 100239598 for ₹ 30000.00 Lakhs, 100179561 for ₹ 30000.00 Lakhs, 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 ₹ 4350.00 lakhs, 10411581 for ₹ 7200.00 lakhs, 10411580 for ₹ 4000.00 lakhs and Secured, Medium & Short Term Loan amounting to ₹ 80000.00 lakhs. 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 ₹ 45149.26 lakhs (previous year ₹ 40053.80 lakhs) has been transferred to IEDC (Ref. Note No-34). The foreign exchange borrowings are un-hedged.

v The net carrying amount of plant and machinery comprises of:

₹ In lakhs

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Assets held under Finance Leases			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Net carrying amount			
Owned assets	609778.57	623441.52	346809.85
Net carrying amount	609778.57	623441.52	346809.85

Vi) Deduction/adjustments from gross block and Depreciation for the year includes

₹ In lakhs

Particulars	Gross Block		Depreciation	
	for the year ended		for the year ended	
	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2019
Disposal of assets	(120.98)	(440.50)	(110.89)	(207.08)
Retirement of assets	(21888.58)	(900.69)	(11482.09)	(112.98)
Cost adjustments including exchange difference				
Assets capitalised with retrospective effect/ Write back of excess capitalisation		492.54		
Others	760.85	(1137.84)	2517.72	(289.84)
Total	(21248.72)	(1986.48)	(9075.27)	(609.90)

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Note no. 3 Details of CWIP

( ₹ in lakhs )

Particulars	As at 1 <sup>st</sup> April 2019	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Building	939.32	383.18	24.35	(798.33)	548.52	939.32	1253.35
Roads, Bridges, Culverts & Helipads	21687.22	825.14	139.38	(595.83)	22055.91	21687.22	23903.28
Electrical Installation	130.43	1.09	(26.11)	(104.32)	1.09	130.43	79.11
Water Supply, Sewerage & Drainage	69.86	38.65	0.41	(55.14)	53.78	69.86	44.59
Hydraulic works incldg Dams, Dykes etc.	247685.77	3609.46	1849.64	(1213.78)	251931.09	247685.77	364199.94
Other Civil works	21.42	68.97	(1.06)	(3.47)	85.86	21.42	16.9
Power house	20429.05	1197.43	(40.62)	(376.14)	21209.72	20429.05	43900.74
Switch Yard including cable connection	9436.72	248.52	0.00	0.00	9685.24	9436.72	12128.95
Environment & Echology	12964.25	164.68	0.00	(45.00)	13083.93	12964.25	17159.77
Transmission Lines							523.67
Transformer having a rating of 100KV ampere and above	10799.93	111.27	(7.38)	0.00	10903.82	10799.93	9913.54
Survey & Investigation	3767.40	99.49	(16.47)	0.00	3850.42	3767.40	3785.46
Communication equipment	2.48	0.00	(2.48)	0.00	0.00	2.48	0.71
Steam Turbine	0.00	17.11	0.00	(17.11)	0.00		
Plant & Machinery in Generating station	44805.87	2751.04	28.75	(128.08)	47457.58	44805.87	78415.54
Gas Booster Station	77.80	4150.77	(98.96)	(4129.61)	0.00	77.80	390.00
Incidental Expenditure during Construction	339056.56	60432.38	(752.28)		398736.66	339056.56	382957.43
	711874.08	74099.18	1097.17	(7466.81)	779603.62	711874.08	938672.98
Less : Provision for write off	5376.08	668.45			6044.53	5376.08	2689.10
Construction Store (net of provisions)	925.18	30.43	(472.66)		482.95	925.18	1035.51
<b>TOTAL</b>	<b>707423.18</b>	<b>73461.16</b>	<b>624.51</b>	<b>(7466.81)</b>	<b>774042.04</b>	<b>707423.18</b>	<b>937019.39</b>

Note no. 4 Intangible Assets Under Development

( ₹ in lakhs )

Particulars	As at 1 <sup>st</sup> April 2019	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Upfront Premium including Processing fee	10082.50			0.00	10082.50	10082.50	10082.50
Software	0.00	418.94	0.00	0.00	418.94	0.00	0.00
	10082.50	418.94	0.00	0.00	10501.44	10082.50	10082.50
Less : Provision for write off	10000.00				10000.00	10000.00	10000.00
<b>Total</b>	<b>82.50</b>	<b>418.94</b>	<b>0.00</b>	<b>0.00</b>	<b>501.44</b>	<b>82.50</b>	<b>82.50</b>

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## Provision for write off

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Building (Head quarter)	0.27	0.27	
Building (Tuirial HEP)	130.23	133.30	133.30
Water Supply, Sewerage & Drainage (Tuirial HEP)	20.04	20.04	20.04
Environment & Echology (Tipaimukh HEP)	25.33	25.33	25.33
<b>Survey &amp; Investigation</b>			
Tipaimukh HEP	138.23	138.23	138.23
Siang HEP	246.45	246.45	246.45
Salim HEP	4.48	4.48	
Tuivai HEP	2282.69	2254.01	
Garo Hills Thermal Project	10.71	10.71	
Margerita HEP	5.45	5.45	
Rokhia & Baramura GT Power Plant	28.70	28.70	
Gumti HEP	58.55	58.55	
WK hills HEP	4.95	4.95	
Leh & Kargil HEP	44.95	44.95	
KHEP	17.33		
Kiling HEP	69.67		
Bandu HEP	0.59		
Rangit HEP	20.01		
<b>Incidental Expenditure during Construction</b>			
Tipaimukh HEP	1695.53	1694.77	1694.77
Bichom Basin	253.52	253.52	
Kiling HEP	524.93		
Siang HEP	461.92	452.37	430.98
<b>Total</b>	<b>6044.53</b>	<b>5376.08</b>	<b>2689.10</b>

Note no. 4A Intangible Assets

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Carrying amounts of :			
Software	684.95	30.20	53.01
Right to use (Forest Land)	7,914.68	9,746.28	6,420.98
<b>Total</b>	<b>8,599.63</b>	<b>9,776.48</b>	<b>6,473.99</b>

As at 31<sup>st</sup> March 2020

( ₹ in lakhs )

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2019	247.93	9,836.06	10,083.99
Additions	712.28		712.28
Adjustment for the period	(7.66)	(1,756.87)	(1,764.53)
<b>Gross Block as at March 31, 2020</b>	<b>952.55</b>	<b>8,079.19</b>	<b>9,031.74</b>
Accumulated Impairment as at April 1, 2019			
Charge for the period			
<b>Accumulated Impairment as at March 31, 2020</b>			
Accumulated amortisation as at April 1, 2019	217.73	89.78	307.51
Charge for the period	57.53	74.73	132.26
Adjustment for the period	(7.66)	-	(7.66)
<b>Accumulated amortisation as at March 31, 2020</b>	<b>267.60</b>	<b>164.51</b>	<b>432.11</b>
<b>Total accumulated amortisation and impairment as at March 31, 2020</b>	<b>267.60</b>	<b>164.51</b>	<b>432.11</b>
<b>Net block as at March 31, 2020</b>	<b>684.95</b>	<b>7,914.68</b>	<b>8,599.63</b>

As at March 31, 2019

( ₹ in lakhs )

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2018	237.42	6,420.98	6,658.40
Additions	10.51	3,415.08	3,425.59
<b>Gross Block as at March 31, 2019</b>	<b>247.93</b>	<b>9,836.06</b>	<b>10,083.99</b>
Accumulated Impairment as at April 1, 2018			
Charge for the period			
<b>Accumulated Impairment as at March 31, 2019</b>			
Accumulated amortisation as at April 1, 2018	184.41	-	184.41
Charge for the period	33.32	89.78	123.10
<b>Accumulated amortisation as at March 31, 2019</b>	<b>217.73</b>	<b>89.78</b>	<b>307.51</b>
<b>Total accumulated amortisation and impairment as at March 31, 2019</b>	<b>217.73</b>	<b>89.78</b>	<b>307.51</b>
<b>Net block as at March 31, 2019</b>	<b>30.20</b>	<b>9,746.28</b>	<b>9,776.48</b>

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 subsidiary and Joint Venture companies

( ₹ in lakhs )

Particular	As at 31 <sup>st</sup> March,2020		As at 31 <sup>st</sup> March,2019		As at 1 <sup>st</sup> April 2018	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Quoted Investments						
<b>TOTAL AGGREGATE QUOTED INVESTMENTS (A)</b>						
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
- of joint ventures - jointly controlled entities						
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000	3237.46	27930000	3233.08	27930000	3223.09
<b>TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)</b>	<b>27930000</b>	<b>3237.46</b>	<b>27930000</b>	<b>3233.08</b>	<b>27930000</b>	<b>3223.09</b>
Other Investment	-	-	-	-	-	-
<b>TOTAL other investment (C)</b>	-	-	-	-	-	-
<b>TOTAL INVESTMENTS (A) + (B)+ (C)</b>	<b>27930000</b>	<b>3237.46</b>	<b>27930000</b>	<b>3233.08</b>	<b>27930000</b>	<b>3223.09</b>
Less : Aggregate amount of impairment in value of investments						
- of joint ventures - jointly controlled entities						
<b>TOTAL IMPAIRMENT VALUE (D)</b>						
<b>TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D)</b>		<b>3237.46</b>		<b>3233.08</b>		<b>3223.09</b>

**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		
	31.03.2020	31.03.2019	01.04.2018
KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at 31 <sup>st</sup> March,2020	As at 31 <sup>st</sup> March,2019	As at 1 <sup>st</sup> April 2018
<b>(a) Unquoted</b>			
Aggregate carrying amount of unquoted investments	3,237.46	3,233.08	3,223.09
<b>Total carrying amount</b>	<b>3,237.46</b>	<b>3,233.08</b>	<b>3,223.09</b>

(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 KSK Dibbin Hydro Power:-** Joint venture between KSK Energy Ventures and NEEPCO Ltd for setting up of a hydro power plant at Arunachal Pradesh. NEEPCO is under the process of exploring various scopes & opportunities for ensuring viability of M/s KSK Dibbin hydro Power Pvt Ltd, the Joint Venture Company, including engagement of legal expert to protect the Corporation's (NEEPCO's) interest for the investment made. The Company is also exploring various alternatives to revive the project. In view of the above, the Management consider the investment as "good" and no provision for impairment is considered necessary.



**Note no. 6 Loans**

000199

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Loans and Advances to employees</b>			
- Secured, considered good	-	-	-
- Unsecured, considered good	58.69	95.93	107.20
- Doubtful	-	-	-
Less : Allowance for bad and doubtful advances	-	-	-
<b>TOTAL</b>	<b>58.69</b>	<b>95.93</b>	<b>107.20</b>

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

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

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

Note no.- 7 Deferred tax balances

000200

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Regulatory Income / (Expense)</b>	10632.09	14403.36	1816.98
Tax rate	34.944%	34.944%	34.608%
DTL / (DTA)	3715.28	5033.11	628.82
Deferred Tax Liability	76916.47	73786.12	64781.77
From OCI	(170.53)	113.90	125.63
Less : Deferred Tax Asset	17216.98	12049.90	13264.81
Add: DTL / (DTA) for Regulatory Income/Expense	3715.28	5033.11	628.82
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	3715.28	5033.11	628.82
Deferred tax for JV Companies	93.87	92.50	89.38
<b>Net Defer Tax (Asset)/ Liability</b>	<b>59622.83</b>	<b>61942.62</b>	<b>51731.97</b>

Deferred Tax as on 31.03.2020

( ₹ in lakhs )

Deferred Tax Reconciliation	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	Effect in PL
Deferred Tax Liability as per Ind AS	(76916.47)	(73900.02)	3016.45
Deferred Tax Asset as per Ind AS	17216.98	12049.90	(5167.08)
Net Deferred Tax Liability	(59699.49)	(61850.12)	(2150.63)
Less : Deferred tax adjustment against DTL	3715.28	5033.11	1317.83
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	3715.28	5033.11	1317.83
Net (Liability)/Asset as per Ind AS	(59699.49)	(61850.12)	(2150.63)
Deferred tax for JV Companies			1.37
<b>Effect in PL</b>			<b>(2149.26)</b>

Deferred Tax as on 31.03.2019

( ₹ in lakhs )

Deferred Tax Reconciliation	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018	Effect in PL
Deferred Tax Liability	(73786.12)	(62794.06)	10992.06
Deferred Tax Asset as per Ind AS	12049.90	13264.81	1214.91
Net Deferred Tax Liability	(61736.22)	(49529.25)	12206.97
Add: DTL / (DTA) for Regulatory Income/Expense	5033.11	1229.83	(3803.28)
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	5033.11	1229.83	(3803.28)
Net (Liability)/Asset	(61736.22)	(49529.25)	12206.97
Deferred tax for JV Companies			3.12
<b>Effect in PL</b>			<b>12210.09</b>

000201

Deferred Tax as on 31.03.2018

(₹ in lakhs )

Deferred Tax Reconciliation	As at March 31, 2018	As at March 31, 2017	Effect in PL
Deferred Tax Liability	(64,781.77)	(61,365.85)	3415.92
Deferred Tax Asset as per Ind AS	13264.81	10,072.91	(3191.90)
Net Deferred Tax Liability	(51516.96)	(51292.94)	224.02
Add: DTL / (DTA) for Regulatory Income/Expense	1229.83	2,690.91	1461.08
Less : Deferred Tax adjustment against deferred tax	1229.83	2690.91	1461.08
Net (Liability)/Asset	(51516.96)	(51292.94)	224.02
Deferred tax for JV Companies			6.16
Effect in PL			230.18

(ii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2020 is as follows:

(₹ in lakhs )

2019-20 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	73900.02	3016.45	76916.47
Employees Benefits	(11662.52)	4065.67	(7596.85)
Provisions for Others	(387.38)	(9232.75)	(9620.13)
Deferred Tax Recognised in OCI	-		(170.53)
Deferred tax for JV Companies	92.50	1.37	93.87
<b>Total</b>	<b>61942.62</b>	<b>(2149.26)</b>	<b>59622.83</b>

(iii) Significant component of deferred tax assets and liabilities for the year ended March 31, 2019 is as follows:

(₹ in lakhs )

2018-19 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	62794.06	10992.06	73786.12
Employees Benefits	(12739.20)	1076.68	(11662.52)
Provisions for Others	(525.61)	138.23	(387.38)
Deferred Tax Recognised in OCI			113.90
Deferred tax for JV Companies	89.38	3.12	92.50
<b>Total</b>	<b>49618.63</b>	<b>12210.09</b>	<b>61942.62</b>

MAT credit available for the Company as on 01.04.2019 amounts to ₹ 4796.42 lakhs, being the amount as per computation of tax credit under Sec 115 JAA for the A/Y 2019-20. Balance MAT credit available as on 31.03.2020 amounts to ₹ 3671.73 lakhs.

**Note no. -8 Other non-current assets**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Capital Advances</b>			
<b><u>Secured :</u></b>	=	=	=
<b><u>Un-Secured :</u></b>			
Covered By Bank Guarantee		290.72	726.17
Others	15558.61	15281.23	14253.69
Considered Doubtful	41.28	41.28	41.28
Less: Allowances for bad & doubtful advances	41.28	41.28	41.28
Advance tax refundable	3108.19	3543.06	3552.14
Advance towards Land			33.37
<b>Total</b>	<b>18666.80</b>	<b>19115.01</b>	<b>18565.37</b>

(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) Tax refundable relates to FY 2008-09 to 2013-14 & FY 2018-19 amounting to ₹7.75 lakhs, ₹ 116.66 lakhs, ₹ 414.29 lakhs, ₹ 71.99 lakhs, ₹ 49.97 lakhs, ₹ 48.04 lakhs & ₹ 2399.49 lakhs respectively for which appeals are pending with Income Tax Authorities.

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b><u>Operational stores ::</u></b>			
Stores & Spares	11098.09	9633.36	
Consumables	210.94	202.44	
Others	768.33	322.95	
Obsolete/ Scrap	822.95	521.48	
	12900.31	10680.23	8591.35
Less :: Provision for obsolete/ unservicable Items	822.95	521.48	522.48
<b>Total Inventories</b>	<b>12077.36</b>	<b>10158.75</b>	<b>8068.87</b>
<b><u>Included above, goods-in-transit</u></b>			
Stores & Spares	644.71	39.36	0.70
<b>Total Goods in transit</b>	<b>644.71</b>	<b>39.36</b>	<b>0.70</b>

Secured, Working Capital Demand Loan of ₹ 25769.90 lakhs was drawn against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal.

Note no. - 10 Trade receivables

000203  
(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Trade Receivables considered good - Secured	-	-	-
Trade Receivables considered good - Unsecured	66226.10	63453.60	45836.76
Trade Receivables - credit impaired	-	-	-
Allowance for doubtful debts	-	-	-
<b>TOTAL</b>	<b>66226.10</b>	<b>63453.60</b>	<b>45836.76</b>

- (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) Secured, Working Capital Demand Loan of ₹ 25769.90 lakhs was drawn against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal.
- (v) Change in trade receivables

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Opening Balance	63653.60	45836.76	44108.15
Add:: Net Revenue Recognised but not realised during the year	2572.50	17816.84	1728.61
Closing Balance	66226.10	63653.60	45836.76

- (v) Trade receivables are further analysed as :

(₹ in lakhs)

As at March 31, 2020	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	14330.35	-	14330.35
More than 45 days upto six months	6942.72	-	6942.72
More than six months	44953.03	-	44953.03
<b>TOTAL</b>	<b>66226.10</b>	<b>0.00</b>	<b>66226.10</b>

(₹ in lakhs)

As at March 31, 2019	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	25958.89	-	25958.89
More than 60 days upto six months	10575.67	-	10575.67
More than six months	26919.04	-	26919.04
<b>TOTAL</b>	<b>63453.60</b>	<b>0.00</b>	<b>63453.60</b>

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2020 to be ₹ 66226.10 lakhs (March 31, 2018: ₹ 63453.60 lakhs), which is the fair value of trade receivables after allowance for credit losses. The Company's exposure to customers is diversified and except MeECL (Meghalaya), no single customer contributes to more than 10% of outstanding dues ( i.e. more than 45 days) accounts receivable as at March 31, 2020 .

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

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at the beginning of the period	Nil	Nil
Additions during the period		
Utilised during the period		
<b>Balance at the end of the period</b>	<b>-</b>	<b>-</b>

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 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	186.60	6899.80	11998.27
(ii) In Deposit Account (original maturity less than 3 months)			21050.00
(b) Cheques, drafts on hand			
(c) Cash in hand			
(d) Others	0.64	0.63	0.80
<b>Cash and cash equivalents as per balance sheet</b>	<b>187.24</b>	<b>6900.43</b>	<b>33049.07</b>
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account			
(ii) In Deposit Account			
<b>Total</b>	<b>187.24</b>	<b>6900.43</b>	<b>33049.07</b>

**Note no. -12 Bank balances other than Cash and cash equivalents**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Restricted Money	318.15	2957.44	558.85
<b>Total</b>	<b>318.15</b>	<b>2957.44</b>	<b>558.85</b>

**(i) Breakup of Restricted Money**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Margin Money against LC	104.40	387.47	
DDUGVY scheme of GOI	160.87	174.94	
SAUBHAGYA scheme of GOI	52.88	2395.03	
<b>Total</b>	<b>318.15</b>	<b>2957.44</b>	

(ii) Bank balances other than Cash & cash Equivalent consists of restricted money for project relating to Deen Dayal Upadhyaya Gram Jyoti Yojana(DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme) and margin money against LC provided to Bank.

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

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>a) Accounts Receivables</b>			
- Secured, considered good			
- Unsecured, considered good	1347.02	1345.29	1894.81
- Doubtful			
Unbilled Revenue	23614.29	8281.73	
Deferred Foreign Currency Fluctuation Assets	2051.34	(1794.48)	(685.16)
Advances to staff	114.04	507.06	994.44
Interest accrued on loans and deposits	473.44	625.30	665.11
Security Deposits	85.86	101.89	102.86
<b>TOTAL</b>	<b>27685.99</b>	<b>9066.79</b>	<b>2972.06</b>

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Interest accrued on deposits and loans</b>			
Unsecured, considered good	473.44	625.30	665.11
Unsecured, considered doubtful			
Less: Allowance for credit losses			
<b>Other financial assets</b>			
Advances to staff	114.04	507.06	994.44
Security Deposits	85.86	101.89	102.86

(i) Unbilled Revenue comprises of Energy bills for the month of March 2020 amounting to ₹ 14834.69 lakh, AGBP Open Cycle Billing amounting to ₹ 20.03 lakh, NERLDC fees & charges recoverable amounting to ₹ 28.36 lakh, Deferred Tax recoverable amounting to ₹ 1281.85 lakhs, Electricity duty recoverable amounting to ₹ 1046.06 lakh, Effective tax rate (FY 2016-17) ₹ 5123.77 lakhs, PTC for professional charges ₹ 0.91 lakhs. FERV recoverable ₹1278.62 lakhs.

(ii) Accounts Receivables consists of excess GST paid ₹ 1.74 lakhs and amount receivable from REC towards implementation of DDUGJY scheme amounting to Rs. 1345.29.

(iii) Interest on Deposits and Loans include Interest on STDR and Interest accrued on Advances to Contractors.

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

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

(vi) 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.

## (vii) Changes in Account Receivables

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
Opening Balance	1345.29	1894.81	1894.81
Add : Addition during the year	22871.75	7732.21	
Less : Realised / Billed during the year	22870.02	8281.73	
Closing Balance	1347.02	1345.29	1894.81

## Note no.- 14 Current tax assets and liabilities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Current tax assets</b>			
Benefit of tax losses to be carried back to recover taxes paid in prior periods			
Advance tax paid including TDS	6509.02	7921.45	9297.15
<b>(i) Sub Total (Current Tax Assets)</b>	<b>6509.02</b>	<b>7921.45</b>	<b>9297.15</b>
<b>Current tax liabilities</b>			
Current year	3381.06	6454.37	11978.94
Adjustment for earlier years	(344.87)	1835.83	986.17
Pertaining to regulatory deferral account balances	2367.03	2684.21	1040.50
Less :: MAT credit entitlement	1124.69		1936.37
<b>(ii) Sub Total (Current Tax Liabilities)</b>	<b>4278.53</b>	<b>10974.41</b>	<b>12069.24</b>
<b>Current tax Assets &amp; Liabilities (Net) (i) - (ii)</b>	<b>2230.49</b>	<b>(3052.96)</b>	<b>(2772.09)</b>

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 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Prepaid Expenses including prepaid insurance	2158.09	1875.07	962.63
Advances to Suppliers & Contractors	574.34	635.69	833.97
Less : Allowances for doubtful	56.51	47.41	47.41
Scrap /Obsolete assets	10368.59	352.38	335.69
Less : Provisions	10368.59	352.38	335.69
	0.00	0.00	0.00
Assets held for disposal	174.89	76.86	131.84
<b>Total</b>	<b>2850.81</b>	<b>2540.21</b>	<b>1881.03</b>

(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.

(iii) Assets held for disposal consists of following items

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
Plant & Equipments	306.25	105.69	591.51
Vehicles	8.71	8.71	48.31
Office Equipment			0.53
Tools & Plants	56.20	56.20	55.66
Misc . Equipment		2.56	2.56
<b>Gross value of Assets held for disposal</b>	<b>371.16</b>	<b>173.16</b>	<b>698.57</b>
Less: Provision	196.27	96.30	566.73
<b>NRV for Assets held for disposal</b>	<b>174.89</b>	<b>76.86</b>	<b>131.84</b>

Note- 16 Regulatory Deferral Accounts Debit Balance

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
<b>Regulatory deferral account Debit balance</b>			
<b>(i) Employees benefit expenses - gratuity</b>			
Opening Balance	4793.47	4793.47	
Addition during the period			4793.47
<b>Closing balance</b>	<b>4793.47</b>	<b>4793.47</b>	<b>4793.47</b>
<b>ii) Depreciation - Turrial HEP</b>			
Opening Balance	5724.17	0.00	
Addition during the period	4118.37	5724.17	
<b>Closing balance</b>	<b>9842.54</b>	<b>5724.17</b>	
<b>(iii) Deferred Tax adjustment against deferred tax liabilities</b>			
Opening Balance	18937.43	4002.42	5242.28
Addition during the period	4119.14	14935.01	(1239.86)
<b>Closing balance</b>	<b>23056.57</b>	<b>18937.43</b>	<b>4002.42</b>
<b>(iv) Deferred Tax Recoverable</b>			
Opening Balance	44194.96	46030.19	47766.82
Realized/Adjustment during the period	(2940.33)	(1835.23)	(1736.63)
<b>Closing balance</b>	<b>41254.63</b>	<b>44194.96</b>	<b>46030.19</b>
<b>(v) Exchange difference</b>	<b>914.32</b>		
<b>Regulatory deferral account Debit balance</b>	<b>79861.53</b>	<b>73650.03</b>	<b>54826.08</b>
<b>Regulatory deferral account Credit balance</b>			
<b>(i) Estimated impact on AFC (tariff)</b>			
Opening Balance	(4420.59)		
Addition during the period	4420.59	(4420.59)	
<b>Closing balance</b>	<b>0.00</b>	<b>(4420.59)</b>	<b>0.00</b>
<b>Regulatory deferral account Credit balance</b>	<b>0.00</b>	<b>(4420.59)</b>	<b>0.00</b>

Deferral Regulatory Account Balance has been adjusted in line with Accounting Policy No-7. Refer Note No.38 for detailed disclosure.

Note- 17 Equity Share Capital

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March,2020	As at 31 <sup>st</sup> March,2019	As at 1 <sup>st</sup> April 2018
Equity Share Capital	360,981.04	360,981.04	345,281.04
<b>Total</b>	<b>360,981.04</b>	<b>360,981.04</b>	<b>345,281.04</b>

Authorised Share Capital

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March,2020	As at 31 <sup>st</sup> March,2019	As at 1 <sup>st</sup> April 2018
5,00,00,00,000 nos. of equity shares of ₹ 10/- each (Previous year 5,00,00,00,000 nos. of equity shares of ₹ 10/- each)	500,000.00	500,000.00	500,000.00
<b>Issued and Subscribed capital comprises :</b>			
3,60,98,10,400 nos. (Previous period 3,60,98,10,400 nos.) of equity shares of ₹ 10/- each	360,981.04	360,981.04	345,281.04
<b>Total</b>	<b>360,981.04</b>	<b>360,981.04</b>	<b>345,281.04</b>

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

Particulars	As at March 31, 2020					
	Opening balance as on 01.04.2019		Movement during 2019-20		Closing Balance as on 31.03.2020	
	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	3,609,810,400	360,981.04	-	-	3,609,810,400	360,981.04
Shares allotted during the year	-	-	-	-	-	-
<b>Total</b>	<b>3,609,810,400</b>	<b>360,981.04</b>	<b>-</b>	<b>-</b>	<b>3,609,810,400</b>	<b>360,981.04</b>

Particulars	As at March 31, 2019					
	Opening balance as on 01.04.2018		Movement during 2018-19		Closing Balance as on 31.03.2019	
	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	3,452,810,400	345,281.04	157,000,000	15,700.00	3,609,810,400	360,981.04
Shares allotted during the year	-	-	-	-	-	-
<b>Total</b>	<b>3,452,810,400</b>	<b>345,281.04</b>	<b>157,000,000</b>	<b>15,700.00</b>	<b>3,609,810,400</b>	<b>360,981.04</b>

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

Particulars	As at March 31, 2020		As at March 31, 2019		As at 1 <sup>st</sup> April 2018	
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	Nil	Nil	3,609,809,800	100	345,280,9800	100
<b>NTPC Ltd.</b>	<b>3,609,809,800</b>	<b>100</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

(iii) The Corporation has only one class of shares referred to as equity shares having a par value of Rs. 10/- wholly owned by NTPC Ltd. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their share holding at the meetings of shareholders.

(iv) The Cabinet Committee on Economic Affairs, chaired by Prime Minister accorded in-principle approval for strategic disinvestment of Government of India shareholding of 100% in NEEPCO alongwith transfer of management control to an identified CPSE strategic buyer, namely NTPC. Accordingly, acquisition of entire equity stake of Government of India in NEEPCO Ltd by NTPC Ltd completed on 27<sup>th</sup> March 2020 through share transfer in pursuant to share purchase agreement dt. 25<sup>th</sup> March 2020 between Government of India & NTPC Ltd. NTPC Ltd holds 100% ownership interest in NEEPCO Ltd including & as on 31<sup>st</sup> March 2020.

**Note 17A : Investment in Joint Venture**

(₹ in lakhs )

30 <sup>th</sup> March 2020			31 <sup>st</sup> March 2019			31 <sup>st</sup> March 2018				
Name of the Joint Ventures	KSK Dibbin	Total	Name of the Joint Ventures	KSK Dibbin	Total	Name of the Joint Ventures	Waaneep Solar	Meratron	KSK Dibbin	Total
Percentage Holding	0.30		Percentage Holding	0.30		Percentage Holding			0.30	
Equity	9311.00		Equity	9311.00		Equity		0.00	9311.00	
Reserve and Surplus	1480.54		Reserve and Surplus	1465.94		Reserve and Surplus		0.00	1432.63	
Net Assets	10791.54		Net Assets	10776.94		Net Assets	0.00	0.00	10743.63	
Share of Equity	3237.46	3237.46	Share of Equity	3233.08	3233.08	Share of Equity	0.00	0.00	3223.09	3223.09
Total Equity		3237.46	Total Equity		3233.08	Total Equity				3223.09
Cost in stand alone financials	2793.00	2793.00	Cost in stand alone financials	2793.00	2793.00	Cost in stand alone financials	0.00	0.00	2793.00	2793.00
Difference to Transition Reserve in CFS	444.46	444.46	Difference to Transition Reserve in CFS	440.08	440.08	Difference to Transition Reserve in CFS	0.00	0.00	430.09	430.09
Differential Entry	4.38	4.38	Differential Entry	9.99	9.99	Differential Entry	974.40	0.00	19.95	994.35
Defer Tax Entry	1.37		Defer Tax Entry	3.12		Defer Tax Entry	0.00	0.00	6.16	

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**Note no.- 18 Other equity**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
General Reserve	197691.68	197691.68	197691.68
Retained earnings	17108.65	5538.26	5275.95
Bond redemption reserve	65054.17	65054.17	57067.08
<b>Total</b>	<b>279854.50</b>	<b>268284.11</b>	<b>260034.71</b>

**18.1 General Reserve**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Balance at the beginning of the year/period	197691.68	197691.68	197691.68
<b>Balance at the end of the year/period</b>	<b>197691.68</b>	<b>197691.68</b>	<b>197691.68</b>

**18.2 Retained Earnings**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Balance at the beginning of the year/period	5538.26	5275.95	5927.67
Profit attributable to owners of the Company	16587.13	21112.89	27530.86
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(317.48)	212.06	237.37
FV loss adjustment	2.40	2.37	4.40
Payment of dividends on equity shares	(3900.00)	(11500.00)	(9214.00)
Excess provision written back		785.94	
Related income-tax on Dividend	(801.66)	(2363.86)	(1875.75)
Transfer to Bond Redemption Reserve		(7987.09)	(17334.60)
<b>Balance at the end of the year/period</b>	<b>17108.65</b>	<b>5538.26</b>	<b>5275.95</b>

Retained Earnings are the profit of the Company earned till date net of appropriation.

**18.3 Bond Redemption Reserve**

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Balance at the beginning of the year/period	65054.17	57067.08	39732.48
Movement during the year/period	0	7987.09	17334.60
<b>Balance at the end of the year/period</b>	<b>65054.17</b>	<b>65054.17</b>	<b>57067.08</b>

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:-** Ministry of Corporate Affairs has notified amendment to Companies (Share Capital and Debentures) Amendment Rules, 2019 on 16 August 2019. As per the amendment, Debenture Redemption Reserve (DRR) is not required to be created in case of listed companies. Accordingly, the Company has not created any Bonds/Debenture Redemption Reserve during the year. Further, the outstanding balance of Bonds / Debenture Redemption Reserve created up to 31 March 2019 shall be written back as and when the respective bonds / debentures are redeemed.

**18.4 Share Application money pending allotment**

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
Share application money pending allotment			9600.00

**Non-current liabilities****Financial Liabilities**

Note no.- 19 Long term borrowings

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>1. SECURED BORROWINGS</b>			
<b>A. PRIVATELY PLACED PSU BONDS</b>			
<b>i. Twenty first Issue</b>	15000.00		
Less : Bond expense amortisation	27.14		
<b>Bond - Twenty first Issue ( Net)</b>	14972.86		
8 years NEEPCO 8.69% Secured, Redeemable, Non-Convertible, Taxable Bonds of Rs.10,00,000 each, redeemable at 50% of face value on 26-09-2026, 26-09-2027 with Call Option on 26-09-2024, 26-03-2025, 26-09-2025, 26-03-2026, 26-09-2026 & 26-03-2027. The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunchal 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.			
<b>a. Twentieth issue</b>	30000.00	30000.00	
Less : Bond expense amortisation	24.88	28.40	
<b>Bond - Twentieth Issue ( Net)</b>	29975.12	29971.60	
7 years NEEPCO 9.50% Secured, Redeemable, Non-Convertible, Taxable Bonds of Rs.10,00,000 each, redeemable at 25% of face value on 29-05-2024, 29-11-2024, 29-05-2025 & 29-11-2025 with Call Option on 29-11-2023, 29-05-2024, 29-11-2024, 29-05-2025. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunchal 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).			
<b>b. Nineteenth issue</b>	30000.00	30000.00	30000.00
Less : Bond expense amortisation	26.92	29.48	31.67
<b>Bond - Nineteenth issue ( Net)</b>	29973.08	29970.52	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, Arunchal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been chargeed by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>c. Eighteenth issue</b>	<b>50000.00</b>	<b>50000.00</b>	<b>50000.00</b>
<b>Less : Bond expense amortisation</b>	<b><u>28.84</u></b>	<b><u>32.73</u></b>	<b>36.33</b>
<b>Bond -Eighteenth issue ( Net)</b>	<b>49971.16</b>	<b>49967.27</b>	<b>49963.67</b>
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).			
<b>d. Seventeenth issue</b>	<b>30000.00</b>	<b>30000.00</b>	<b>30000.00</b>
<b>Less : Bond expense amortisation</b>	<b><u>5.22</u></b>	<b><u>15.10</u></b>	<b>24.24</b>
<b>Bond -Seventeenth issue ( Net)</b>	<b>29994.78</b>	<b>29984.90</b>	<b>29975.76</b>
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).			
<b>e. Sixteenth Issue</b>	<b>90000.00</b>	<b>90000.00</b>	<b>90000.00</b>
<b>Less : Bond expense amortisation</b>	<b><u>54.59</u></b>	<b><u>58.66</u></b>	<b>62.39</b>
<b>Bond -Sixteenth ( Net)</b>	<b>89945.41</b>	<b>89941.34</b>	<b>89937.61</b>
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)			
<b>f. Fifteenth issue</b>	<b>60000.00</b>	<b>60000.00</b>	<b>60000.00</b>
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).			

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>g. Fourteenth issue</b> 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
<b>h. Thirteenth issue</b> 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).	4350.00	5800.00	7250.00
<b>i. Twelfth issue</b> 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).	7200.00	9600.00	12000.00

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Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>j. Eleventh issue</b> 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
<b>Sub-total : Privately Placed PSU Bonds (A)</b>	<b>570382.41</b>	<b>559235.63</b>	<b>533095.37</b>
<b>B. SECURED TERM LOANS</b>			
<b>i. Rupee Loans:</b>			
<b>a. Medium Term Coporate Loan from Canara Bank</b> Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh. The loan is repayable in 16 structured quarterly installment after 1 year moratorium from first drawal.	40000.00		
<b>Foreign Currency Loan</b> <b>External Commercial Borrowing</b> [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 20 <sup>th</sup> March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 <sup>th</sup> June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	28996.44	33700.26	38360.41
<b>Sub- Total Secured Loans (B)</b>	<b>68996.44</b>	<b>33700.26</b>	<b>38360.41</b>
<b>Total : Secured Borrowings (A+B)</b>	<b>639378.85</b>	<b>592935.89</b>	<b>571455.78</b>
<b>2.UNSECURED BORROWINGS:</b>			
<b>(i) Rupee Loan</b>			
<b>Subordinate Loans from Government of India</b>	29196.42	29196.42	29196.42
<b>Less : Loan expense amortisation</b>	<u>73.76</u>	<u>75.98</u>	78.29
<b>Subordinate Loans from Government of India ( Net)</b>	29122.66	29120.44	29118.13
(Govt of India has sanctioned subordionate loan of ₹ 29196.42 lakhs at the interest trate 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) i.e from 30th January 2018.			



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Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>(ii) Foreign Currency Loan</b>			
Loan from KfW, Germany	54263.75	54914.59	45153.27
Less :: Fair Value ( 80 million & 20 Million)	(49.42)		
Loan from KfW, Germany (Net)	54313.17		
(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 and 20 million EURO was sanctioned from KfW , Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 <sup>th</sup> December 2008 & 20th December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayable in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively. )			
<b>Total Unsecured Borrowing ( i + ii)</b>	<b>83435.83</b>	<b>84035.03</b>	<b>74271.40</b>
<b>3. Interest accrued but not due</b>	<b>7008.57</b>	<b>18824.58</b>	<b>17762.35</b>
<b>4. Lease Liability - Asset under Lease</b>	<b>978.75</b>		
<b>Total ( 1 + 2 + 3 + 4)</b>	<b>730802.00</b>	<b>695795.50</b>	<b>663489.53</b>
<b>Less : Current maturities of ( Refer Note 23)</b>			
Bonds	95850.00	3850.00	3850.00
Foreign Currency Loan - Secured	7731.58	7094.21	6670.92
Foreign Currency Loan - unsecured	5260.36	4144.65	4299.58
Interest accrued but not due	7008.57	18824.58	17762.35
Lease Liability - Asset under Lease	592.10		
<b>GRAND TOTAL : Non-Current Liabilities</b>	<b>614359.39</b>	<b>661882.06</b>	<b>630906.68</b>

The maturity profile of borrowings is as follows:

Contractual maturities	As at March 31, 2020	As at March 31, 2019	As at 1 <sup>st</sup> April 2018
In one year or less or on demand	148,842.74	15088.86	14821.69
Between one & two years	83,673.24	109421.09	14821.69
Between two & three years	79,673.24	82643.49	106821.69
Between three & four years	73,890.14	78643.49	80821.69
Between four & five years	83,090.86	73019.79	76821.69
More than five years	253,836.39	318394.55	351851.65
<b>Total contractual cash flows</b>	<b>723006.61</b>	<b>677211.27</b>	<b>645960.10</b>
Less: Capitalisation of transaction costs	Nil	Nil	Nil
<b>Total Borrowings</b>	<b>723006.61</b>	<b>677211.27</b>	<b>645960.10</b>

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## Note no.- 20 Long Term Provisions

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Provision for Gratuity	0.00	0.00	6563.29
Provision for Leave encashment	12234.08	10073.45	8478.08
Medical benefit for retired employees	6587.61	5550.27	5034.81
Other retirement benefits	<u>141.49</u>	<u>156.79</u>	150.39
Total	18963.18	15780.51	20226.57

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.

**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 ₹ 3491.81 lakhs (previous year ₹ 3461.83 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 ₹ 2410.17 lakhs (previous year ₹ 2360.57 lakhs).

## 2. Defined benefit plans

### a. Retiring gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of Rs. 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. Transactions with LIC during the FY 2019-20 for assessing fund balance as on 31.03.2020 are as per books of NEEPCO.

Details of Funded Assets with LIC	₹ in lakhs
Opening Balance As on 01.04.2019 ( Credit)	18638.31
Transactions during the year (Net Debit)	1380.49
Interest earned during the year	1310.14
Closing Balance As on 31.03.2020 ( Credit)	18567.96

### 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. Other retirement benefit 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 and Payment of Gratuity (Amendment) Act 2018 with maximum limit of ₹20,00,000/-**

31-03-19	Actuarial Basis used in Valuation	31-03-20
7.43%	Interest Rate	6.75%
7.00%	Salary Inflation	6.50%
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

31-03-19	Results of Valuation	31-03-20
2019350713.00	Liability to be shown in Balance Sheet	1987406753.00
180485201.00	Charges to Profit/Loss for the Period	122323087.00
(24283974.00)	Other comprehensive Income	8287636.00

31-03-19	Changes in Present Value of Obligation as at	31-03-20
2090203056.00	Present value of obligation as on last valuation	2019350713.00
118670264.00	Current Service Cost	121733453.00
144156547.00	Interest Cost	126398240.00
N/A	Participant Contribution	N/A
-	Plan Amendments : Vested portion at the end of period (Past Service)	-
33377547.00	Actuarial gain/loss on obligations due to change in Financial Assumption	69957795.00
(67042176.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(56465061.00)
0.00	Actuarial gain/loss on obligations due to Other reason	0.00
300014525.00	Benefits Paid	293568387.00
2019350713.00	Present value of obligation as on valuation date	1987406753.00
2663410882.00	Accrued Gratuity	2616465081.00

31-03-19	Changes in Fair Value of Plan Assets as at	31-03-20
1108231632.00	Fair value of Plan Assets at Beginning of period	1863831199.00
82341610.00	Interest Income	125808606.00
982653137.00	Employer Contributions	155519514.00
300014525.00	Benefits Paid	293568387.00
(9380655.00)	Return on Plan Assets excluding Interest Income	5205098.00
1863831199.00	Fair value of Plan Assets at End of measurement period	1856796030.00

31-03-19	Reconciliation to Balance Sheet	31-03-20
(155519514.00)	Funded Status	(130610723.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
1863831199.00	Fund Asset	1856796030.00
2019350713.00	Fund Liability	1987406753.00

31-03-19	Plan Assumptions	31-03-20
7.43%	Discount Rate	6.75%
7.43%	Expected Return on Plan Asset	6.75%
7.00%	Rate of Compensation Increase(Salary Inflation)	6.50%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	9
10	Average Duration of Liabilities	9
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate		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% Ignored	below age 29 Voluntary Retirement	0.01% Ignored
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31-03-19	Expense Recognized in statement of Profit/Loss as at	31-03-20
118670264.00	Current Service Cost	121733453.00
61814937.00	Net Interest Cost	589634.00
180485201.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	122323087.00

31-03-19	Other Comprehensive Income	31-03-20
33377547.00	Actuarial gain/loss on obligations due to Unexpected Experience	69957795.00
(67042176.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(56465061.00)
(33664629.00)	Total Actuarial (gain)/losses	13492734.00
(9380655.00)	Return on Plan Asset, Excluding Interest Income	5205098.00
(24283974.00)	Balance at the end of the Period	8287636.00
(24283974.00)	15088.86	8287636.00

31-03-19		Sensitivity Analysis	31-03-20	
Increase	Decrease		Increase	Decrease
1958285547.00	2083788194.00	Discount Rate (-/+ 0.5%)	1926333743.00	2051898102.00
-3.024%	3.191%	%Change Compared to base due to sensitivity	-3.073%	3.245%
2031769720.00	2005881644.00	Salary Growth (-/+ 0.5%)	1999708801.00	1974289868.00
0.615%	-0.667%	%Change Compared to base due to sensitivity	0.619%	-0.660%
2019633422.00	2019068004.00	Attrition Rate (-/+ 0.5%)	1987625368.00	1987168264.00
0.014%	-0.014%	%Change Compared to base due to sensitivity	0.011%	-0.012%
2021349870.00	2017351556.00	Mortality Rate (-/+ 10%)	1989274915.00	1985518717.00
0.099%	-0.099%	%Change Compared to base due to sensitivity	0.094%	-0.095%

#### Cash Flow

		Rupees(INR)
Next Year Total (Expected)		1935627678.00
Minimum Funding Requirements		190194370.00

#### 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.

31-03-19	Actuarial Basis used in Valuation	31-03-20
7.43%	Interest Rate	6.75%
7.00%	Salary Inflation	6.50%
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

31-03-19	Results of Valuation	31-03-20
1037770270.00	Liability to be shown in Balance Sheet	1325163298.00
339507788.00	Charges to Profit/Loss for the Period	443429423.00

31-03-19	Changes in Present Value of Obligation as at	31-03-20
878233588.00	Present value of obligation as on last valuation	1037770270.00
77948339.00	Current Service Cost	230624494.00
58566829.00	Interest Cost	64783265.00
20242739.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	13987609.00
182749881.00	Actuarial gain/loss on obligations due to Unexpected Experience	134034055.00
179971106.00	Benefits Paid	156036395.00
1037770270.00	Present value of obligation as on valuation date	1325163298.00

31-03-19	Changes in Fair Value of Plan Assets as at	31-03-20
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179971106.00	Benefits Paid	156036395.00
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31-03-19	Reconciliation to Balance Sheet	31-03-20
N/A	Funded Status	N/A
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
1037770270.00	Fund Liability	1325163298.00

31-03-19	Plan Assumptions	31-03-20
7.43%	Discount Rate	6.75%
-	Expected Return on Plan Asset	-
7.00%	Rate of Compensation Increase(Salary Inflation)	6.50%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	9
10	Average Duration of Liabilities	9
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate		Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60

31-03-19	Expense Recognized in statement of Profit/Loss as at	31-03-20
77948339.00	Current Service Cost	230624494.00
58566829.00	Net Interest Cost	64783265.00
202992620.00	Actuarial Gain loss	148021664.00
339507788.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	443429423.00

31-03-19		Sensitivity Analysis	31-03-20	
Increase	Decrease		Increase	Decrease
1000794515	1077081008	Discount Rate (-/+ 0.5%)	1276317779	1377255467
-3.563%	3.788%	%Change Compared to base due to sensitivity	-3.686%	3.931%
1076852698	1000680361	Salary Growth (-/+ 0.5%)	1376871170	1276225017
3.766%	-3.574%	%Change Compared to base due to sensitivity	3.902%	-3.693%
1038610864	10036929676	Attrition Rate (-/+ 0.5%)	1325163298	1325163298
0.081%	-0.081%	%Change Compared to base due to sensitivity	0.000%	0.000%
1043737449	1031803091	Mortality Rate (-/+ 10%)	1325017530	1325309066
0.575%	-0.575%	%Change Compared to base due to sensitivity	-0.011%	0.011%

**Actuarial Valuation of Post Retirement Medical Benefit Liability**

31-03-19	Actuarial Basis used in Valuation	31-03-20
7.43%	Interest Rate	6.75%
Not Considered	Medical Cost escalation Rate	Not Considered
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE		ULTIMATE
1.00%	Attrition Rate	1.00%

31-03-19	Results of Valuation	31-03-20
590281784.00	Liability to be shown in Balance Sheet	702595195.00
98635444.00	Charges to Profit/Loss Account for the Year	108305338.00
(8312225.00)	Other Comprehensive Income	40513829.00

31-03-19	Changes in Present Value of Obligation as at	31-03-20
536212608.00	Present value of obligation as on last valuation	590281784.00
60141685.00	Current Service Cost	69693387.00
38493759.00	Interest Cost	38611951.00
12080340.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	44463367.00
(20392565.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(3949538.00)
36254043.00	Benefits Paid	36505756.00
590281784.00	Present value of obligation as on valuation date	702595195.00

31-03-19	Changes in Fair Value of Plan Assets as at	31-03-20
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36254043.00	Benefits Paid	36505756.00
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31-03-19	Reconciliation to Balance Sheet	31-03-20
Unfunded	Funded Status	Unfunded
590281784.00	Fund Liability	702595195.00

31-03-19	Plan Assumptions	31-03-20
7.43%	Discount Rate	6.75%
10 yrs.	Average expected future service (Remaining working Life)	9 Years
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate		Ultimate
60	Superannuation at age-Male(for active staff)	60
60	Superannuation at age-Female(for active staff)	60

31-03-19	Expense Recognized in statement of Profit/Loss as at	31-03-20
60141685.00	Current Service Cost	69693387.00
38493759.00	Net Interest Cost	38611951.00
98635444.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	108305338.00

31-03-19	Other Comprehensive Income	31-03-20
12080340.00	Actuarial gain/loss on obligations due to Change in Financial Assumption	44463367.00
(20392565.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(3949538.00)
(8312225.00)	Total Actuarial (gain)/losses	40513829.00
(8312225.00)	Balance at the end of the Period	40513829.00
(8312225.00)	Net(Income)/Expense for the Period Recognized in OCI	40513829.00

31-03-19		Sensitivity Analysis	31-03-20	
Increase	Decrease		Increase	Decrease
562289810	620673546	Discount Rate (-/+ 50BPS)	669430960	738601176
-4.742%	5.149%	%Change Compared to base due to sensitivity	-4.720%	5.125%
596184602	584378966	Medical Cost (-/+ 1%)	709621147	695569243
1.000%	-1.000%	%Change Compared to base due to sensitivity	1.000%	-1.000%
583670628	597070025	Mortality Rate (-/+ 10 BPS)	694690999	710696118
-1.120%	1.150%	%Change Compared to base due to sensitivity	-1.125%	1.153%
590098797.00	590464771.00	Attrition Rate (-/+ 10BPS)	702370365.00	702813000.00
-0.031%	-0.031%	%Change Compared to base due to sensitivity	-0.032%	0.031%

#### **OTHER RETIREMENT BENEFIT**

31.03.2019	Actuarial Basis used in Valuation	31-03-20
7.43%	Interest Rate	6.75%
IALM 2006-2008	Mortality	IALM 2006-2008
10 per thousand p.a	Attrition Rate	10 per thousand p.a

Results of Valuation		
15740944.00	Liability to be shown in Balance Sheet	15636487.00

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## Note no.- 21 Current Liabilities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b><u>Short Term Loan for construction Projects</u></b> Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh.- The short term loan has been sanctioned by Canara Bank , Shillong on 25 <sup>th</sup> February 2019 at the rate of MCLR 1 year with annual reset. The last MCLR is at the rate of 8.65% pa. The loan is available for drawal upto one year from the date of sanction. Each tranche of the loan availed shall be repaid within 12 months from the date of its availment.	40000.00	10000.00	
<b><u>Working capital Demand Loan</u></b> <b><u>(i) State Bank of India, Shillong</u></b> Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal- The <b>Cash Credit</b> has been sanctioned by SBI, Shillong on 20 <sup>th</sup> March 2020 at the rate of MCLR 1 months plus nil margin. The MCLR as on 30.03.2020 was at the rate of 7.90% pa. The tenor of the loan is upto 19 <sup>th</sup> March 2021.	4319.90		
Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal- The <b>working capital demand loan</b> has been sanctioned by SBI, Shillong on 20 <sup>th</sup> March 2020 at the rate of MCLR 3 months plus nil margin. The MCLR as on 31.03.2020 was at the rate of 7.50% pa. The tenor of the loan is upto 19 <sup>th</sup> March 2021.	21450.00	11136.63	20000.00
<b><u>(ii) Axis Bank, Shillong</u></b> Unsecured Working Capital Demand Loan was sanctioned by Axis Bank on 21 <sup>st</sup> December 2019 at the rate of 3M MIBOR plus spread. The last 3M MIBOR plus spread as on 31.12.2019 was as the rate of 7.45% pa. The tenor of the loan is upto 20 <sup>th</sup> December 2020.	13500.00	7100.00	
<b><u>(iii) ICICI Bank, Shillong</u></b> Unsecured Working Capital Demand Loan was sanctioned by ICICI Bank on 12 <sup>th</sup> November 2019 at the rate of last external benchmark link rate. The last external benchmark link rate as on 31.03.2020 was as the rate of 7.75% pa. The tenor of the loan is upto 24 <sup>th</sup> September 2020.	1500.00		
<b>Total</b>	<b>80769.90</b>	<b>28236.63</b>	<b>20000.00</b>



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## Note no.- 22 Trade Payables

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Total outstanding dues of micro enterprises and small enterprises	206.99	277.15	129.55
Total outstanding dues of creditors other than micro enterprises and small enterprises	9483.71	7308.48	8,646.37
<b>Total</b>	<b>9690.70</b>	<b>7585.63</b>	<b>8775.92</b>

The trade payable includes payment for fuel cost for the month of 31st March 2020 and provisions made on contractors / suppliers for March 2020.

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
(a) Creditors for supplies and services	9690.70	7585.63	8775.92

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	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
i. The principal amount remaining unpaid to supplier as at the end of the year	206.99	277.15	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			

The amount payable to MSME as on 31st March 2020 is not outstanding for more than 45 days & accordingly no interest is due on the said outstanding amount.

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**Current Liabilities**

Note no.- 23 Other Financial Liabilities

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>I. SECURED BORROWINGS</b>			
<b>A. PRIVATELY PLACED PSU BONDS</b>			
<b>a. Seventeenth issue</b> 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).	30000.00		
<b>b.. Fifteenth issue</b> 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).	12000.00		
<b>c. Fourteenth issue</b> 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).	50000.00		
<b>d. Thirteenth issue</b> 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	1450.00	1450.00

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( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>e. Twelfth issue</b> 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	2400.00	2400.00
<b>B. SECURED TERM LOANS</b> <b>Foreign Currency Loan</b> <b>External Commercial Borrowing</b>  (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 20 <sup>th</sup> March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 <sup>th</sup> June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	7731.58	7094.21	6670.92
<b>Sub-Total</b>	103581.58	10944.21	10520.92
<b>II Unsecured Borrowings</b>			
<b>Foreign Currency Loan</b> <b>Loan from Kfw, Germany</b> <b>(Guranteed by the Government of India)</b>  ( Loan of 80 million and 20 million EURO was sanctioned from KFW , Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 <sup>th</sup> December 2008 & 20th December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayble in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively. )	5260.36	4144.65	4299.58
<b>Sub-Total</b>	5260.36	4144.65	4299.58
<b>Sub total of borrowings</b>	108841.94	15088.86	14820.50

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(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>III Interest accrued but not due on:</b>			
Bonds	6350.14	18367.64	17177.60
Loans from KfW	361.00	373.61	390.58
External Commercial Borrowing	25.48	50.15	58.28
Medium Term Loan	136.59		
Short term borrowing & Working Capital Loan	135.36	33.18	135.89
<b>Sub-total</b>	<b>7008.57</b>	<b>18824.58</b>	<b>17762.35</b>
<b>IV. Other liabilities</b>			
<u>Payable for Capital Expenditure</u>			
- micro and small enterprises	189.96	367.89	
- other than micro and small enterprises	11221.18	11384.82	15010.82
Payables for employees Benefits	2142.45	23312.26	11,561.26
Other Provisions	4.61	213.85	
Advance from Beneficiaries	2147.92		
Advance from REC for Deen Dayal Upadhaya Gram Jyoti Yogana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana	275.31	2569.85	293.00
Lease Liability - Asset under Lease	592.10		
<b>Sub-Total</b>	<b>16573.53</b>	<b>37848.67</b>	<b>26865.08</b>
<b>Total</b>	<b>132424.04</b>	<b>71762.11</b>	<b>59447.93</b>

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

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	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
i. The principal amount remaining unpaid to supplier as at the end of the year	189.96	367.89	-
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			

The amount payable to MSME as on 31<sup>st</sup> March 2020 is not outstanding for more than 45 days & accordingly no interest is due on the said outstanding amount.

**Note no.- 24 Other Current Liabilities**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
Advances from Contractors & Others	11577.76	11402.67	13381.46
Other liability ( Deferred foreign currency fluctuation)	20.74	20.74	20.74
<b>Other Statutory Dues ::</b>			
Direct & Indirect Taxes Payables	749.06	2400.94	756.19
Other Statutory Dues ( CPF,LIP NESSS etc)	1336.62	2227.01	2087.30
<b>Total</b>	<b>13684.18</b>	<b>16051.36</b>	<b>16245.69</b>

(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 includes TDS on provision as on 31<sup>st</sup> March 2020 & indirect tax like GST deducted from works /supply bill of March 2020 not due and not deposited upto the reporting date.

(iii) 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 upto the reporting date.

**Note- 25 Provisions**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018
<b>Employee benefits</b>			
Gratuity	1306.11	1560.89	3256.42
Medical benefit for retired employees	438.34	352.55	327.32
Leave encashment	1017.56	304.25	304.25
Other retirement benefits	14.87	0.62	6.32
<b>Total</b>	<b>2776.88</b>	<b>2218.31</b>	<b>3894.31</b>

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Note- 26 Deferred Revenue		( ₹ in lakhs )		
Particulars	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	As at 1 <sup>st</sup> April 2018	
a ) Deferred Revenue arising from Government Grant	29208.21	31059.51	31146.03	
Less : Adjusted during the year	1593.26	1851.15	86.98	
Add : Amortised of Tuirial Grant in Aid	0.00	(0.15)	0.46	
<b>Sub- total</b>	27614.95	29208.21	31059.51	
b ) Deferred Foreign Currency Fluctuation liabilities	5580.71	488.81	(502.31)	
<b>Total</b>	<b>33195.66</b>	<b>29697.02</b>	<b>30557.20</b>	

Note on Government Grant (Ind AS 20)

NEEPCO's approved Accounting Policy includes policy of recognition and accounting of "Government grant" (para 15 of note 1 –Summary 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 ₹ 82.64 lakh has been treated as a govt. grant and recognized in the Books of NEEPCO accordingly.

#### 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 ₹ 9.26 lakhs ( Previous year ₹ 11.11 lakhs ) for spares purchased out of Grant-in-aid received from the Central Govt.

An equivalent amount has been recognized as income in the statement of Profit & Loss.

#### Grant from Ministry of Development of North Eastern Region

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 is subjected to amortisation during normative useful life of the project since its commissioning.

Note no.- 27

## Revenue from Operations

000229

( ₹ in lakhs )

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Sale of Energy	203567.75	194729.10
Sale of Energy through trading	2161.49	2107.98
Electricity Duty receivable	1046.06	-
DSM receivable	2976.07	2492.11
RRAS receivable	488.94	929.19
<b>Others ::</b>		
CERC filling fee Recovery	145.41	79.53
FERV Recoverable/Payable (Net)	32.55	183.84
NERLDC Fees & Other Charges	738.24	445.53
<b>Sale of Electricity (Net )</b>	<b>211156.51</b>	<b>200967.28</b>
<b>Other operating Revenue ::</b>		
Grant in Aid	1593.26	1851.15
<b>Net Revenue from Operation</b>	<b>212749.77</b>	<b>202818.43</b>

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 ₹Nil (Previous year ₹ 8674.98) on account of earlier years sales arising out of finalization of tariff in current year.

c. In terms of regulation. 67 of the CERC (Terms and conditions of Tariff) Regulations, 2019, deferred tax liabilities for the period upto 31<sup>st</sup> 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 sales includes ₹1281.85 lakhs ( Previous year ₹1835.23 lakhs) as deferred tax materialisation.

d. Sale of energy is net of rebate to beneficiaries amounting to ₹ 1401.78 lakh (previous year ₹ 884.83 lakhs)

e. DSM and RRAS is accounted upto the period of the financial year 2019-20, as per the weekly statements issued by the NERPC.

f. During the year the Company realized Incentive of ₹ 108.18 lakhs, through energy charges on account of schedule energy exceeding its designed energy for Kopili Stage-II power plant.

g. On imposition of power regulation to MeECL (Meghalaya Energy Corporation Limited) for its allocated quantum of electricity, the same has been traded through PTC India Limited as well as Short term Open Access (STOA) and revenue realized there-on has been recognized accordingly.

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## Note- 28 Other Income

(₹ in lakhs)

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
<b>a) Other non-operating income (net of expenses directly attributable to such income)</b>		
Interest on Investment	39.08	81.88
Dividend Earned - Mutual Fund		3.10
Other Misc Receipts	419.03	573.48
<u>Liability/Provision written back</u>		
Obsolete spares	53.42	-
Others	100.80	3.87
Delayed Payment Surcharge	3465.46	4828.50
Income on Sale of Investment	-	535.78
Interest on advances from Suppliers/Contractors	-	46.04
<b>Sub Total</b>	<b>4077.79</b>	<b>6072.65</b>
<b>Other gains and losses</b>		
Gain /(loss) on disposal of PPE	3.55	0.24
	<b>4081.34</b>	<b>6072.89</b>
<b>Less : Transferred to Expenditure during construction</b>		
<b>Note 34</b>	50.27	339.00
<b>TOTAL</b>	<b>4031.07</b>	<b>5733.89</b>



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Note no.-29 Cost of Material Consumed		( ₹ in lakhs )
Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Purchase of Gas	63787.18	52058.40
Transportation charges for Gas	5214.07	4141.19
<b>TOTAL</b>	<b>69001.25</b>	<b>56199.59</b>

Note- 30 Employees Remuneration and Benefit Expenses		( ₹ in lakhs )
Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Salary & Wages	36608.63	50078.19
Contribution to Provident Fund	3340.19	3461.83
Gratuity	1223.26	1941.11
Employees Pension	2280.70	2360.57
Leave Encashment	4439.82	3477.04
Staff welfare expenses	1187.26	1077.24
Compuer adv to emp. - fair valuation loss	0.54	1.37
Furniture adv to emp. - fair valuation loss	0.32	0.41
<b>Total</b>	<b>49080.72</b>	<b>62397.76</b>
<b>Amount transferred to IEDC - Note 34(A)</b>	<b>9855.45</b>	<b>12466.62</b>
<b>Carried forward to Statement of Profit &amp; Loss</b>	<b>39225.27</b>	<b>49931.14</b>

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 Benefit Expenses netted off with earlier provision written back amounting to ₹2808.35 lakhs.

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

Particulars	Current year (2019-20) ( ₹ in lakhs )	Current year (2018-19) ( ₹ in lakhs )
Salary and allowances	150.73	206.25
Contribution to Provident Fund and other funds	17.11	25.29
Other benefits	12.43	15.26
<b>Total</b>	<b>180.27</b>	<b>246.80</b>

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**Note- 31****Finance Costs**

( ₹ in lakhs )

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
<b>A. Interest Expenses</b>		
i) Interest on Cash Credit & Working capital demand loan	2634.30	951.90
ii) Interest on ECB Loan	1622.73	2012.18
iii) Bonds	51315.99	49194.18
iv) Exchange Rate Fluctuation	1069.44	(631.92)
v) KfW Loan	1465.26	1546.90
vi) Interest on Short term Borrowing	3137.93	195.37
vii) Interest on Loans from G.O.I	291.96	340.76
viii) Interest on Income Tax of earlier years		324.57
ix) Interest Expense - Asset under Lease	133.31	
<b>B. Finance Charges</b>		
Guarantee fee on foreign Loan net of EIR	712.75	546.53
<b>C. Other Borrowing Costs</b>	75.57	61.39
<b>Total</b>	<b>62459.24</b>	<b>54541.86</b>
<b>Amount transferred to IEDC - Note 34(B)</b>	<b>45149.26</b>	<b>40053.80</b>
<b>Amount carried forward to Statement of Profit &amp; Loss</b>	<b>17309.98</b>	<b>14488.06</b>

**Note- 32****Depreciation**

( ₹ in lakhs )

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
PPE Depreciation( Note No- 2)	35082.06	36360.71
Intangible Assets ( Note No-4A)	132.26	123.10
<b>Sub total</b>	<b>35214.32</b>	<b>36483.81</b>
<b>Amount transferred to IEDC - Note 34 (C)</b>	<b>911.72</b>	<b>806.21</b>
<b>Carried forward to Statement of Profit &amp; Loss</b>	<b>34302.60</b>	<b>35677.60</b>

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## Note no.-33

## Other Expenses

(₹ in lakhs)

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
<b>GENERATION EXPENSES</b>		
Repairs & maintenance :		
Roads & buildings	1687.56	1403.74
Power house	7505.74	4895.38
Hydraulic works	703.24	564.02
Line & sub-stations	185.41	255.38
Others	728.11	936.95
Stores & spares (against Grant-in-Aid)	9.26	11.11
<b>Sub Total</b>	<b>10819.32</b>	<b>8066.58</b>
<b>ADMINISTRATION EXPENSES</b>		
Travelling expenses	477.85	606.23
Advertisement expenses	39.06	105.21
Insurance charges	3316.97	2186.75
Rents	137.12	118.34
Rates & taxes	168.86	439.60
Entertainment expenses	1.18	1.73
Audit fees & expenses	85.51	50.81
Transport expenses	1132.43	1905.70
Printing & stationery	72.34	91.71
Postage & telegram	6.86	7.43
Medical expenses	1451.77	1467.72
Licence & registration	39.09	24.78
Paper & periodicals	2.27	2.14
Uniforms & liveries	11.01	15.08
Honorarium	2.88	3.31
Electricity charges	1301.12	1765.17
Bank charges	15.06	7.02
Social welfare	892.86	1065.94
Consultancy charges	251.99	82.56
Contribution to Chief Minister Relief Fund		200.00
Security arrangement	4531.87	4004.46
Training expenses	85.90	84.69
Staff recruitment expenses	36.56	39.51
Hospital facilities	21.10	20.06
Subscription & membership fees	15.19	17.25

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Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Communication expenses	416.30	371.59
Office furnishing	3.91	3.12
Miscellaneous expenses	233.98	356.22
I.B. expenses	292.43	285.78
Laboratory & meter testing charges	0.27	3.89
Environment & Ecology	110.43	118.19
Photographic records	0.20	0.59
Loss of Stock/Advance written off	0.90	1.20
EDP Expenses	282.12	365.50
Loss on sale of fixed Assets	5.82	46.41
Employee Family Economic Rehab Scheme	44.90	5.32
Incidental Expenditure Saubhagya	2.36	4.34
Assets written off Damaged/un-traceable	0.30	0.04
Compensation	139.60	48.46
Board meeting expenses	42.09	53.82
Publicity expenses	157.82	245.17
Legal charges	316.59	134.13
Filing fees to CERC	69.89	41.28
NERLDC Fees & Charges	627.47	483.22
Research & Development Expenses	31.61	12.44
Corporate Social Responsibility & SD	989.10	463.09
RRAS- Expenditure	811.07	12.64
Interest to beneficiary states	1200.57	0.00
Trading Expenses	218.69	213.21
Energy Conservation expenses	0.42	2.60
Tender expenses	14.95	13.10
<b>Sub Total</b>	<b>20110.64</b>	<b>17598.55</b>
<b>Other Expenses</b>		
Lubricants, oil etc	143.68	172.46
Electricity Duty	1415.56	16.37
DSM payable	2157.34	104.74
Transmission Charges	35.87	29.84
Provision for Write off	10953.08	3085.78
Prepayment Amortisation		279.43
<b>Sub Total</b>	<b>14705.53</b>	<b>3688.62</b>
	<b>45635.49</b>	<b>29353.75</b>
<b>Less : Trasferred to Expenditure during Construction Note No -34 (D)</b>	<b>4566.22</b>	<b>5146.03</b>
<b>Total</b>	<b>41069.27</b>	<b>24207.72</b>

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
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**Details in respect of Audit Expenses**

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Statutory Audit fees	17.91	18.35
Cost Audit Fees	2.31	2.15
Internal Audit Fees	56.40	21.66
Other expenses	8.89	8.65
<b>Total</b>	<b>85.51</b>	<b>50.81</b>

Internal Audit fees includes an amount of ₹ 17.41 lakhs relating to earlier years.

**Provision for write off**

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Assets	10267.96	31.91
Inventories	3.96	146.58
Advance Tax		220.60
<b>S&amp;I Projects ::</b>		
Tipaimukh HEP	10.40	
Siang Upper Stage II	9.55	21.38
Kopili HEP CWIP	17.33	
500MW GaroHills Thermal		10.71
660Mw Margharita		5.45
Rokia & Barmura GT		28.7
Gumti H. E. Project		58.55
240 MW West Khasi Hills		9.43
Utra Mega Solar Power in Leh &Khargil( J &K)		44.94
Bichom Basin		253.52
Tuivai	28.68	2254.01
Bandu HEP	0.59	
Kiling HEP	594.60	
Rangit HEP	20.01	
<b>Total</b>	<b>10953.08</b>	<b>3085.78</b>

Note no.- 34

**INCIDENTAL EXPENDITURE DURING CONSTRUCTION**

(₹ in lakhs)

Particulars	Note No.	For the period ended 31-Mar-20	For the period ended 31-Mar-19
<b><u>A. Employees benefit Expenses</u></b>			
Salary & Wages		7555.41	10275.03
Contribution to Provident Fund		536.08	564.26
Gratuity		219.26	320.99
Employees Pension		367.63	402.27
Leave Encashment		1170.35	889.13
Staff welfare expenses		6.72	14.59
Computer adv to emp. - fair valuation loss		0.00	0.26
Furniture adv to emp. - fair valuation loss		0.00	0.09
<b>Total (A)</b>	30	<b>9855.45</b>	<b>12466.62</b>
<b><u>B. Interest and Finance expenses capitalized</u></b>			
Bonds		41937.16	39814.68
Exchange Rate Fluctuation			(238.40)
Kfw Loan			212.64
Interest on Short term Borrowing		3137.93	153.29
Guarantee fee on foreign Loan			74.87
<b>Other Borrowing Costs</b>		<b>74.17</b>	<b>36.72</b>
<b>Total (B)</b>	31	<b>45149.26</b>	<b>40053.80</b>
<b><u>C. Depreciation</u></b>	32	<b>911.72</b>	<b>806.21</b>
<b><u>D. Administration &amp; other expenses</u></b>			
Travelling expenses		127.82	147.31
Rents		4.75	5.73
Rates & taxes		6.82	21.07
Transport expenses		256.33	475.06
Printing & stationery		11.16	17.35
Postage & telegram		1.09	1.34
Medical expenses		303.11	356.64
Licence & registration		12.11	6.06
Paper & periodicals		0.14	0.31
Uniforms & liveries		0.37	0.17
Honorarium		0.08	0.06
Electric & water charges		933.06	1532.27
Bank charges		0.45	0.59
Social welfare		19.18	87.33
Consultancy charges		24.08	20.55
Security arrangement		551.48	615.29
Hospital facilities		1.70	2.04
Communication expenses		20.09	53.01

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Office furnishing		0.47	2.75
Miscellaneous expenses		74.44	64.81
I.B. expenses		51.28	55.28
I T Expenses		32.91	62.28
Loss on sale of fixed Assets		0.02	0.62
Repairs & maintenance		181.68	281.46
Environment & Ecology		0.00	24.08
Energy Conservation expenses		0.42	2.60
Legal expenses		11.30	34.96
Insurance charges		1924.69	1261.91
Entertainment expenses		0.24	0.00
Tender expenses		<u>14.95</u>	<u>13.10</u>
<b>Sub total (D)</b>		<b><u>4566.22</u></b>	<b><u>5146.03</u></b>
Total ( A + B + C + D )		60482.65	58472.66
Less : Non-operating receipts			
i) Interest on advances from Suppliers/ Contractors		0.00	46.04
ii) Others		50.27	<u>292.96</u>
Sub total		<u>50.27</u>	<u>339.00</u>
Net Expenditure		60432.38	58133.66
<b>Expenditure transferred to Capital Work-in-Progress</b>	<b>3</b>	<b>60432.38</b>	<b>58133.66</b>

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Note no. - 35  
Property Plant & Equipment

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 <sup>st</sup> April 2019	Additions	Adjustment	Carrying Amount 31st March 2020	01.04.2019	Depreciation	Adjustment	Upto 31st March 2020	31.03.2020	31.03.2019	31.03.2018
A) ASSETS											
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES :											
Building and civil engineering works containing generation plant & equipment, main plant	92457.21	1202.42	(711.65)	92947.98	21545.88	2644.00	(499.01)	23690.87	69257.11	70911.33	35498.43
Hydraulic works including Dams											
Dykes, Reservoirs & Tunnels	366013.88	3058.28	(3557.70)	365514.46	101147.55	13829.96	(2155.61)	112821.90	252692.56	264866.33	80780.65
Plant & Machinery in Generating Station	128402.00	1351.34	(12891.21)	116862.13	39126.07	4328.26	(5409.82)	38044.51	78817.62	89275.93	34855.54
Transformer having a rating of 100 K.V. ampere and above	9890.29	86.00	(1526.62)	8449.67	4233.20	284.97	(888.18)	3629.99	4819.68	5657.09	5913.04
Sub-station equipment and other fixed apparatus	1039.79	0.00	(158.97)	880.82	575.27	29.46	(141.38)	463.35	417.47	464.52	305.61
Switchgear including cable connections	26231.89	452.82	(571.63)	26113.08	9604.73	956.10	(330.78)	10230.05	15883.03	16627.16	11713.10
Transmission Lines	3443.22	0.00	(34.35)	3408.87	915.28	146.73	(30.43)	1031.58	2377.29	2527.94	324.15
PV modules including Mounting structures	2906.27	0.00	0.00	2906.27	690.80	169.44	0.00	860.24	2046.03	2215.47	2352.25
Inverters including Battery Bank ( O & M )	270.08	0.00	0.00	270.08	64.25	15.75	0.00	80.00	190.08	205.83	218.53
Gas Turbine	147967.88	14829.79	(667.01)	162130.66	88475.60	4478.11	(562.85)	92390.86	69739.80	59492.28	58318.20
Gas Booster Station	23049.49	3204.03	(1020.05)	25233.47	16207.98	927.37	(918.05)	16217.30	9016.17	6841.51	7802.95
Gas Pipeline	36.60	0.00	0.00	36.60	32.94	0.00	0.00	32.94	3.66	3.66	3.65
Gas Steam Turbine	110644.47	1563.26	(55.08)	112152.65	48048.35	4003.63	(49.58)	52002.40	60150.25	62596.12	65771.80
Gas Cooling Tower	4068.72	7.29		4076.01	2615.05	134.49	0.00	2749.54	1326.47	1453.67	1577.41
Make-up Water System	5873.44	45.74		5919.18	2643.67	213.04		2856.71	3062.47	3229.77	3391.74
<b>Sub -Total</b>	<b>922295.23</b>	<b>25800.97</b>	<b>(21194.27)</b>	<b>926901.93</b>	<b>335926.62</b>	<b>32161.31</b>	<b>(10985.69)</b>	<b>357102.24</b>	<b>569799.69</b>	<b>586368.61</b>	<b>308827.05</b>



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Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 <sup>st</sup> April 2019	Additions	Adjustments	Carrying Amount 31 <sup>st</sup> March 2020	01.04.2019	Depreciation	Adjustment	Upto 31 <sup>st</sup> March 2020	31.03.2020	31.03.2019	31.03.2018
<b>II GENERAL ASSETS (FOR PROJECTS UNDER OPERATION)</b>											
Buildings	14109.28	1051.96		15161.24	5093.26	491.54	0.00	5584.80	9576.44	9016.02	6469.57
Right to use Leased Asset		13.69		13.69		4.69		4.69	9.00		
Furniture & Fixtures	872.75	37.95	(7.85)	902.85	559.66	24.69	(0.62)	583.73	319.12	313.09	250.98
Roads, Bridges, Culverts & Helipads	4768.83	147.91	(155.65)	4761.09	2131.27	123.42	(103.31)	2151.38	2609.71	2637.56	2271.65
Vehicles	489.56	42.62	0.00	532.18	336.95	15.76	0.00	352.71	179.47	152.61	159.10
Right to use Leased Asset		974.18		974.18		347.30		347.30	626.88		
Railway Siding	10.65	0.00	0.00	10.65	8.64	0.09	0.00	8.73	1.92	2.01	2.19
Electrical Installation	1283.92	12.02	(50.88)	1245.06	818.09	31.14	(42.08)	807.15	437.91	465.83	378.06
Temporary Buildings/Erections	3087.28	0.00	(130.74)	2956.54	3087.28	0.00	(130.74)	2956.54	0.00	0.00	0.00
Hospital Equipment	36.94	3.93	(0.64)	40.23	17.17	2.39	(0.30)	19.26	20.97	19.77	14.67
Tools & Plants	4279.09	1625.92	(235.72)	5669.29	2802.97	114.31	(151.90)	2765.38	2903.91	1476.12	862.98
Office Equipment	473.88	45.19	(1.41)	517.66	238.81	17.23	(1.41)	254.63	263.03	235.07	184.81
IT Equipment	1254.77	128.09	(37.50)	1345.36	1115.38	86.49	(37.26)	1164.61	180.75	139.39	135.33
Other Equipment	1276.85	250.07	(36.28)	1490.64	639.23	59.98	(31.38)	667.83	822.81	637.62	500.80
Water supply, sewerage & drainage	1501.73	78.25	(56.18)	1523.80	659.93	57.84	(26.39)	691.38	832.42	841.80	577.02
Plant & Machinery in Generating Station (Diesel Power House)	650.59	55.51	(17.76)	688.34	524.93	6.67	(4.42)	527.18	161.16	125.66	78.61
Communication Equipment	251.79	7.92		259.71	154.85	7.58	0.00	162.43	97.28	96.94	87.55
Lightning Arrestor (Pole Type Magazine Building)	189.43	0.00	(2.59)	186.84	115.84	3.08	(1.90)	117.02	69.82	73.59	20.90
Telephone Line	103.69	0.00	(11.78)	91.91	92.18	0.05	(10.60)	81.63	10.28	11.51	11.57
Solar Panel	119.86	0.00		119.86	17.86	6.99	0.00	24.85	95.01	102.00	112.16
Fixed Assets of Minor value	59.40	4.77	(0.37)	63.80	59.22	4.92	(0.36)	63.78	0.02	0.18	0.01
Energy Conservation Equipment	4.13	0.00	0.00	4.13	0.42	0.22		0.64	3.49	3.71	3.93
Free hold	2099.61	0.00	0.00	2099.61	0.00	0.00	0.00	0.00	2099.61	2099.61	2099.61
Right to Use (Leasehold Land)	6208.16	81.28	1759.59	8049.03	0.00	244.90	2349.23	2594.13	5454.90	6208.16	6417.04
<b>Sub -Total</b>	<b>43132.19</b>	<b>4561.26</b>	<b>1014.24</b>	<b>48707.69</b>	<b>18473.94</b>	<b>1651.28</b>	<b>1806.56</b>	<b>21931.78</b>	<b>26775.91</b>	<b>24658.25</b>	<b>20638.53</b>
<b>TOTAL (A)</b>	<b>965427.42</b>	<b>30362.23</b>	<b>(20180.03)</b>	<b>975609.62</b>	<b>354400.56</b>	<b>33812.59</b>	<b>(9179.13)</b>	<b>379034.02</b>	<b>596575.60</b>	<b>611026.86</b>	<b>329465.58</b>

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Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 <sup>st</sup> April 2019	Additions	Adjustments	Carrying Amount 31 <sup>st</sup> March 2020	01.04.2019	Depreciation	Adjustment	Upto 31 <sup>st</sup> March 2020	31.03.2020	31.03.2019	31.03.2018
<b>B) ASSETS</b>											
<b>(FOR PROJECTS UNDER CONSTRUCTION &amp; OTHER OFFICES)</b>											
Building	6815.04	206.97	0.01	7022.02	2127.58	234.79	0.00	2362.37	4659.65	4687.46	6271.69
Right to use Leased Asset		102.64		102.64		82.11		82.11	20.53		
Furniture & Fixtures	890.11	6.16	(1.56)	894.71	548.34	38.30	(0.50)	586.14	308.57	341.77	400.32
Roads, Bridges, Culverts & Helipads	871.51	496.12		1367.63	111.29	35.60	0.00	146.89	1220.74	760.22	1764.65
Vehicles	187.74	0.00	(9.00)	178.74	83.42	14.31	(8.10)	89.63	89.11	104.32	134.30
Right to use Leased Asset		446.70		446.70		168.44		168.44	278.26	0.00	0.00
Electrical Installations	378.53	104.32		482.85	258.21	19.10	0.00	277.31	205.54	120.32	218.63
Temporary Buildings/Erections	1487.08	0.00	0.00	1487.08	1487.08	0.00	0.00	1487.08	0.00	0.00	0.00
Hospital Equipment	5.27	0.00	0.00	5.27	3.59	0.22	0.00	3.81	1.46	1.68	6.71
Tools & Plants	1945.83	9.18	(13.96)	1941.05	780.36	90.19	(10.78)	859.77	1081.28	1165.47	1874.57
Office equipment	582.60	5.05		587.65	425.14	16.29	0.00	441.43	146.22	157.46	174.28
IT Equipment	1403.48	65.15	(34.58)	1434.05	1296.00	68.27	(34.49)	1329.78	104.27	107.48	97.83
Water Supply, sewerage & drainage	536.44	7.02	0.01	543.47	134.16	18.03	0.00	152.19	391.28	402.28	641.82
Plant & Machinery in Generating Station											
(Diesel Power House)	37.88	7.14		45.02	19.17	2.35	0.00	21.52	23.50	18.71	38.57
Weigh Bridge	0.00	0.00	0.00	0.00	(0.00)	0.00	0.00	(0.00)	0.00	0.00	3.65
Solar panel	7.14	0.00	0.00	7.14	1.41	0.42	0.00	1.83	5.31	5.73	6.34
Communication Equipment	179.33	4.53	0.00	183.86	121.79	8.02	0.00	129.81	54.05	57.54	70.11
Plant & Machinery	1.16	0.00	0.00	1.16	1.04	0.00	0.00	1.04	0.12	0.12	319.74
Transmission Line	4301.59	0.00	0.00	4301.59	2545.64	227.12	0.00	2772.76	1528.83	1755.95	2150.03
Transformer having a rating of 100 KV & Above	317.91	0.00	0.00	317.91	111.88	16.60	0.00	128.48	189.43	206.03	222.57
Substation Equipment	3031.92	0.00	0.00	3031.92	1525.30	160.09	0.00	1685.39	1346.53	1506.62	1856.34
Freehold	500.64	0.00	0.00	500.64	0.00	0.00	0.00	0.00	500.64	500.64	467.27
Right to Use (Leasehold Land)	0.00		758.10	758.10	0.00	25.27	168.47	193.74	564.36	0.00	1.05
Telephone Line	1.19	0.00	0.00	1.19	0.21	0.08	0.00	0.29	0.90	0.98	623.75
Other Equipment	939.99	11.21	(1.14)	950.06	426.19	42.55	(1.04)	467.70	482.36	513.80	0.00
Fixed assets of Minor value	64.31	1.27	(2.04)	63.54	64.23	1.32	(2.04)	63.51	0.03	0.08	0.04
<b>TOTAL (B)</b>	<b>24486.69</b>	<b>1473.46</b>	<b>695.84</b>	<b>26655.99</b>	<b>12072.03</b>	<b>1269.47</b>	<b>111.52</b>	<b>13453.02</b>	<b>13202.97</b>	<b>12414.66</b>	<b>17344.27</b>
<b>GRAND TOTAL (A + B)</b>	<b>989914.11</b>	<b>31835.69</b>	<b>(19484.19)</b>	<b>1002265.61</b>	<b>366472.59</b>	<b>35082.06</b>	<b>(9067.61)</b>	<b>392487.04</b>	<b>609778.57</b>	<b>623441.52</b>	<b>346809.85</b>

The conveyancing of the title to 33.19 acre of freehold land at Guwahati valued ₹ 4.41 crore purchased by NEEPCO Ltd. from Assam Tea Corporation Ltd is awaiting completion of mutation process, for which application already submitted to concerned department of the Govt. of Assam. In addition, land measuring 183.19 hectare acquired for Kopili Stage II valued ₹ 4.52 crore is under litigation due to the claim lodged by the 303 land owners with respect to enhancement of land compensation and the matter is pending before the Special Judge (Judicial), West Jaintia Hills, Meghalaya. 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. Depreciation is calculated from 01st day of the month following capitalization. For information on Property, Plant and Equipment pledged as security, please refer to note 2 (iii) of the Financial statements.

**Note no.- 36 EARNINGS PER SHARE**

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

		( ₹ in lakhs )	
	Particulars	Year ended March 31, 2020	Year ended March 31, 2019
(a)	Profit after tax & before regulatory Deferral Accounts ( ₹ in lakhs )	8322.07	9393.74
(b)	Profit after tax & after regulatory Deferral Accounts ( ₹ in lakhs )	16587.13	21112.89
	Less: Amount to be paid for diluted portion (net of tax)		
	Profit attributable to ordinary shareholders - for Basic EPS	16587.13	21112.89
	Profit attributable to ordinary shareholders - for Diluted EPS	16587.13	21112.89
(c)	Weighted average no. of Ordinary Shares for Basic EPS	3609810400	3584117249
	Weighted average no. of Ordinary Shares for Diluted - EPS	3609810400	3584117249
(d)	Nominal value of Ordinary Shares (₹)	10	10
(e)	Earnings per equity share before regulatory Deferral Accounts :		
	(i) Basic (in ₹ ) ( Not Annualised)	0.23	0.26
	(ii) Diluted (in ₹ )	0.23	0.26
(f)	Earnings per equity share after regulatory Deferral Accounts :		
	(i) Basic (in ₹ ) ( Not Annualised)	0.46	0.59
	(ii) Diluted (in ₹ )	0.46	0.59

**Note no.- 37 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

( ₹ in lakhs )

Particulars	As at	
	31-Mar-20	31-Mar-19
<b>Contingent liabilities :</b>		
Claims against the Company not acknowledged as debt in respect of:		
- Capital Works	153671.00	219371.00
- Land compensation cases	4818.00	7762.00
- Disputed Income tax demand	44506.69	17213.12
- Others	22.48	7.66
<b>Total</b>	<b>203018.17</b>	<b>244353.78</b>
<b>Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	22394.77	43799.02
Other Commitment	Nil	Nil

(i) Claims against the company not acknowledged as debts as on March 31, 2020 include demand from the Income tax authorities for payment of tax of ₹ 44506.69 lakhs upon completion of their tax assessment for the A.Y. 2010-11 amounting to ₹ 80.27 lakhs, A.Y. 2011-12 amounting to ₹ 93.72 lakhs, A.Y. 2012-13 amounting to ₹ 3942.79 lakhs, A.Y. 2013-14 amounting to ₹ 2356.18 lakhs, A.Y. 2014-15 amounting to ₹ 10872.61 lakhs, A.Y. 2015-16 amounting to ₹ 11381.61 lakh, A.Y. 2016-17 amounting to ₹ 9112.52 lakh, Cases pending before High Court, Meghalaya amounting to ₹ 6659.74 lakh and demand from Customs, Excise and Service Tax Appellate Tribunal (CESTAT) for payment of ₹ 7.25 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.

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**Note no. 38 Movement in 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**

- During determination of Annual Fixed Cost (AFC) of the Tuirial Hydro Electric Project (TrHEP) of North Eastern Electric Power Corporation Ltd (NEEPCO) for the period of 30.10.2017 to 31.03.2019 by the Central Electricity Regulatory Commission (CERC), order for which issued on 09.10.2018, the Hon'ble Commission has allowed depreciation @2% based on the petition submitted by NEEPCO for the said purposes in line with the decision of the Public Investment Board (PIB) of the Govt. of India during meeting dated 04.06.2010 held for considering RCE of the project (TrHEP).
- The rates and methodology as per the CERC tariff regulations based on which depreciation for TrHEP has been calculated and charged to the Statement of Profit & Loss of NEEPCO for the period under consideration vary from that allowed to recover through tariff as per the CERC order. Due to higher rate of depreciation as per the CERC regulations, depreciation charged to the Statement of Profit & loss Account for the first 12 (twelve) years of operation TrHEP since its Date of Commercial Operation (COD) will be more than that of the depreciation recoverable through tariff, which will be reversed in future periods during remaining period of normative life of the generating station. Accordingly, the lower depreciation realized as "Revenue" for the generating station during the earlier period of its operation will be recovered/adjusted during later period.
- In view of above, the difference of depreciation to the extent recoverable/adjustable in future period has been recognized on an undiscounted basis as "Regulatory deferral account debit/credit balances" by credit/debit to the "Movement of Regulatory Deferral Account Balances".

- "Regulatory deferral account debit balances" recognized on account of the above during the period ended 31.03.2020 is as follows:

Particulars	Amount (₹ in lakhs)
Depreciation as per CERC Schedule of rates	6895.01
Depreciation @2% as allowed by CERC vide the tariff order dated 09.10.2018	2776.64
<b>Difference (Recognized as "Regulatory Deferral balances")</b>	<b>4118.37</b>

Regulatory Deferral Account balances in respect of Employees benefits expenses for Gratuity:

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 upto ₹ 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 upto ₹20.00 lakh as per the Payment of Gratuity (Amendment) Act, 2018 falls under the category of "Change in law",

Accordingly, an amount of ₹ 4793.47 lakh to the extent expected as recoverable from the beneficiaries in subsequent period as per CERC Tariff Regulations have been recognized as "Regulatory Deferral Account Balances" as on 31.03.2020 in books of NEEPCO. No movement on the aforesaid balances have occurred during the year ended 31.03.2020.

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**Regulatory Deferral Accounts Balances in respect of deferred adjustment on Deferred Tax Liabilities for projects under operation:**

NEEPCO has long term Power Purchase Agreement (PPA) with the States of the North Eastern Region (referred to as the 'Beneficiaries') for selling electricity generated from its generating stations in operations. Tariff for generating stations of NEEPCO are determined by the Central Electricity Regulatory Commission (CERC) in compliance to their notified tariff regulations issued from time to time. As per the CERC Tariff Regulations 2014, ROE is grossed up with effective tax rate as applicable for the respective financial year. Accordingly, deferred tax accrued during the year on income generated from sale of electricity and further adjustable/reversal in future periods when the related deferred tax liability will form a part of current tax & recoverable from the beneficiaries has been accounted as "Deferred tax adjustment against deferred tax liability", which has been recognized as "Regulatory income" and presented as a movement in "Regulatory Deferral Accounts Balance" as a separate line item in compliance to the relevant provisions of Ind AS 114.

**Regulatory Deferral Account balances due to reclassification of deferred tax recoverable from beneficiaries**

As per Regulation 67 of the CERC (Terms and Conditions of Tariff Regulations) 2019, Deferred tax liabilities for the period upto 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the then beneficiaries or long term customers, as the case may be. Till 31st March, 2019 the deferred tax recoverable from beneficiaries in future years was presented as an adjustment to deferred tax liability and was not recognised as "Regulatory Deferral Accounts balances". The same has been reviewed during the FY 2019-20 in line with Ind AS 114 and has been reclassified as Regulatory Deferral Account balance. The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

<i>Rs. In lakh</i>		
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2019	44194.96
B	Addition during the year (assets (+)/ liability (-))	0.00
C	Amount collected (-)/refunded (+) during the year	2940.44
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	(2940.33)
E	Closing balance as on 31.03.2020 (A+D)	41254.63

**Regulatory Deferral Account balances in respect of exchange differences on Foreign Currency Monetary items**

Para 28 of the Ind AS 21-"The Effects of Changes in Foreign Exchange Rates" provides that exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss in the period in which they arise. Further, para D13 AA of the Ind AS 101 – "First-time Adoption of Indian Accounting Standards" provides for a first-time adopter may continue the policy adopted for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognised in the financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period as per the previous GAAP. Accordingly, for periods beginning on or after 01.04.2016, all exchange differences arising on translation/ settlement of monetary items other than exchange difference on borrowings to the extent treated as an adjustment to interest cost during construction period are to be charged to the Statement of Profit and Loss. Regulation 69 of the CERC (Terms and Conditions of Tariff) regulations provides that every generating company and the transmission licensee shall recover the foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises.

In view of the above, exchange differences arising from settlement/translation of monetary items denominated in foreign currency to the extent recoverable from or payable to the beneficiaries in subsequent period as per the relevant CERC Tariff regulations are recognized on an undiscounted basis as "Regulatory deferral accounts debit/credit balances" and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

The regulated assets (+)/liability (-) recognized in the books to be recovered from or payable to beneficiaries in future periods are as follows:

<i>Rs. In lakh</i>		
Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2019	0.00
B	Addition during the year (assets (+)/ liability (-))	914.32

C	Amount collected (-)/refunded (+) during the year	0.00
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	.914.32
E	Closing balance as on 31.03.2020 (A+D)	914.32

**Regulatory deferral accounts debit balance - Note 16 recognized :**

The regulatory assets recognized in the books to be recovered from the beneficiaries in future periods are as follows:

		(₹ in lakhs)	
Particulars	As at 31 March 2020	2019	
A. Opening Balance	69229.44	54826.08	
B. Movements during the year due to			
(i) Turial Depreciation - ₹ 4118.37 lakhs			
(ii) Deferred Tax Adjustment against Deferred Tax Liability - ₹ 4119.14 lakhs			
(iii) Impact on AFC - ₹ 4420.59 lakhs			
(iv) Deferred Tax Recoverable - ₹ (2940.33) Lakhs			
(v) Exchange difference - ₹ 914.32 lakhs	10632.09	14403.36	
C. Amount Collected / refunded during the year	0	0	
D. Regulatory Deferral Account Balances recognized in the Statement of Profit & Loss (B-C)	10632.09	14403.36	
E. Closing Balance (A+D)	79861.53	69229.44	

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 allowability of such cost through tariff.

Period over which expected to recover

i. **Employees benefit expenses:** The Company expects to recover the carrying amount of regulatory deferral debit account balances over a period of 3(three) years.

ii. **Depreciation:** The Company is expected to recover/adjust the carrying amount of the regulatory deferral account balances over the period of normative useful life of the generating station.

iii. **Deferred Adjustment on Deferred Tax Liability on O&M Plants:** The Company is expected to recover/adjust the carrying amount of the regulatory deferral account balances over the period of normative useful life of the generating station.

### **Note No. 39 Additional disclosures**

#### **I. Disclosure on Kopili HEP (50X4 MW):**

(i) Penstock I - feeding 02 (two) units (50 MW each) of Kopili Hydro Power Station, Umrongso, Assam of the Company got ruptured on 07.10.2019 following a Load through off and tripping of Unit -I (50 MW). 03 (three) other units were in full load during the mishap. Rupture happend at three locations of Penstock including at location immediately downstream of Valve House. Penstock protection valve closing mechanism was damaged in the incident and therefore, the Valve could not be closed to isolate the Penstock, consequently thereafter, the Power House was flooded upto EOT Crane beam level within a very short period. At present, Kopili (4 X 50 MW) system in in shutdown condition. As on date date of mishap the carrying cost of the value of assets stood at ₹ 17375.32 lakhs , estimated value (Carrying cost) of the assets damaged due to aforesaid mishap amounts to ₹ 10120.81 lakhs as per internally assessed by NEEPCO , resulting in loss of revenue by the aforesaid amount during the current financial year. The carrying amount of total assets of Kopili HEP (200 MW) as on 31.3.2020 stand at ₹ 7279.32 lakhs.

(ii) The Corporation has lodged initial claim to the underwriter for an amount of ₹ 250.00 crore. Further action on this matter in under process with the underwriter.

#### **II. 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.

### III. Disclosure as per Ind AS 116 'Leases

#### (A) Transition to Ind AS 116

(a) Effective 1 April 2019, the Company adopted Ind AS 116 'Leases' and applied the standard to all lease contracts existing on 1 April 2019, using the modified retrospective method. On the date of initial application, the Company recorded the lease liability at the present value of the remaining lease payments discounted at the incremental borrowing rate and the Right-of-Use Asset at its carrying amount as if the Standard had been applied since the commencement date of the lease, but discounted at the incremental borrowing rate at the date of Initial application. In absence of any recognizable difference between the initial recognition of Lease liability and RoU Assets on adoption of this Standard, no adjustment were made to Retained Earnings as on 01st April 2019.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

(b) The Company has applied the following practical expedients on initial application of Ind AS 116:

(i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.

(ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.

(iii) Excluded the initial direct costs, if any, from the measurement of the right-of-use asset at the date of initial application.

(c) On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 is 8.69 %.

#### (B) Company as Lessee

(i) The Company's significant leasing arrangements are in respect of the following assets:

(a) Premises for guest houses/ transit camps which are not non-cancellable and are usually renewable on mutually agreeable terms.

(b) The Company has taken electrical vehicles on operating lease for a period of five years, which can be further extended at mutually agreed terms. Lease rentals are subject to escalation of 10% per annum.

(c) The Company has taken certain vehicles (other than electrical) on lease for periods more than 12 months.

(ii) The following are the carrying amounts of lease liabilities recognised and the movements during the period:

*Rs. In lakh*

Particulars	For the Year ended 31 March 2020
Opening Balance	0.00
- Additions in lease liabilities	1537.21
- Interest cost during the year	133.31
- Payment of lease liabilities	691.77
Closing Balance	978.75
Current	592.10
Non Current	386.65

(iii) The following are the carrying amounts of "Right to use Leased Assets" as on 31.03.2020:

Particulars	For the Year ended 31 March 2020
Opening Balance	0.00
- Additions in lease liabilities	1537.21
- Amortization during the period	602.54
Closing Balance	934.67

(iv) The following are the amounts recognised in profit or loss:

Particulars	For the Year ended 31 March 2020
Depreciation expense for right-of-use as	602.54
Interest expense on lease liabilities	133.31
Expense relating to short-term leases	0.00

(v) Details of Contractual Maturities of Lease Liabilities are:

Particulars	Rs. In lakh	
	As at 31 March 2020	As at 31 March 2019
Less than one year	592.10	
Between one and two years	286.72	
Between two and three years	70.94	
Between three and four years	13.07	
Between four and five years	10.41	
More than five years	5.52	
Total	978.75	

#### IV. Note on Re-statement of Financial Statements:

During the Financial Year 2019-20, NEEPCO Ltd (the Company) has restated/modified its Financial Statements for the FY 2018-19 & earlier years retrospectively in Compliance to "Ind AS 8 – Accounting Policies, Changes in Accounting Estimates & Errors". The said restatement/modification was carried out on account of changes in Accounting Policy on "Foreign Currency Transaction" on exchange variation as follows:

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Exchange differences arising out on settlement or translation of monetary items are recognized in the profit or loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of property, plant and equipment recognized up to 31-03-2016 are adjusted to the carrying cost of property, plant and equipment.

Accordingly, the Company has presented a third balance sheet at the beginning of the preceeding period (i.e., as on 01.04.2018) in compliance to "Ind AS 1 - Presentation of Financial statements" for comparative information due to retrospective restatement in addition to the Balance sheet, Statement of Profit and loss, Cash flow and Statement of Changes in Equity and related notes for the year ended 31.03.2019 and 31.03.2020.

Impact of the aforesaid modification in policy are as follows:

i. **As on 01.04.2018**

Carrying cost of Property Plant and Equipment credited by ₹ 646.94 lakh

Deferred Foreign Currency Fluctuating Assets credited by ₹ 685.16 lakh

Deferred Foreign Currency Fluctuating Liability debited by ₹ 646.94 lakh

Current tax liabilities credited by ₹ 238.28 lakh

Net worth reduced by ₹ 923.44 lakh



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ii. **FY 2018-19**

Carrying cost of Property Plant and Equipment debited by ₹1250.26 lakh

Deferred Foreign Currency Fluctuating assets credited by ₹ 1109.32 lakh

Deferred Foreign Currency Fluctuating Liability credited by ₹ 1011.86 lakh

Revenue from operation (FERV recoverable) debited by ₹ 2121.18 lakh

Finance cost – Exchange rate variation credited by ₹ 1216.38 lakh

PPE Depreciation credited by ₹ 33.88 lakh

**V. COVID-19 disclosure**

A. Due to outbreak of COVID-19 globally and in India, the Company has made initial assessment of likely adverse impact on business and financial risks.

The Company is in the business of generation and sale of electricity, which is an essential service as emphasized by the Ministry of Power, Government of India. The Company has ensured the availability of its power plant to generate power and has continued to supply power during the period of lockdown, Reduction in generation resulting in business loss is remote.

B. (i) The Company received notices of force majeure from some of the Distribution Companies (DISCOMs) in April 2020, raising issues like allowing them for delayed payment of energy bills etc. due to the operation of force majeure clause of the Power Purchase Agreements (PPA). It was clarified to all such DISCOMs that the said situation is not covered under force majeure clause considering electricity falls under essential services. Regular persuasion is being done with the beneficiaries for getting timely payments of their dues.

ii) Ministry of Power (MoP) vide letter dated 28 March, 2020 directed CERC to reduce the rate of late payment surcharge (LPS) for the payments which become delayed beyond a period of 45 days (from the date of presentation of the bill) during the period from 24 March 2020 to 30 June 2020, to contain the impact of COVID-19. On the directions of MOP, CERC issued order dated 3 April 2020 (with further clarifications on 6 April 2020), whereby it was directed that LPS shall apply at a reduced rate of 12% instead of normal rate of 18% on payments becoming overdue during the said period. Due to the above, there is no impact on the profits for the year ended 31 March 2020. However, the LPS for the year 2020-21 is expected to be lower by around Rs. 0.88 Crore.

iii) In respect of renewable energy power station under operation, there is no impact due to Covid-19 as the station has been accorded must run status by Ministry of New and Renewable Energy (MNRE).

(iv) MoP vide communication dated 15 May 2020 and further clarification dated 16 May 2020, has informed that in light of the announcements under the Atmanirbhar Bharat special economic and comprehensive package including liquidity infusion by PFC/REC of Rs. 90,000.00 crores to DISCOMs against receivables and loans to be given against State Guarantees for exclusive purpose of discharging liabilities of DISCOMs to power generating companies and also giving rebate to DISCOMs by Central Power Generating Companies for passing on to the final consumers, it has been decided that all Central Public Sector Generation Companies may consider to offer following rebate to DISCOMs for the lockdown period:

- Deferment of capacity charges for power not scheduled, to be payable without interest after the end of the lockdown period in three equal monthly instalments.
- Rebate of about 20-25% on power supply billed (fixed cost) to DISCOMs.

Keeping in view the above, the Company proposes to allow rebate @ 25% to DISCOMs for the lockdown period during the year 2020-21. This is likely to result in reduction in revenue from operations for the year period during the year 2020-21. This is likely to result in reduction in revenue from operations for the year 2020-21 by around Rs.42.67 crore.

The Company believes that the impact is likely to be short term in nature. Moreover, the above referred economic and comprehensive package is expected to improve the realisation of the company against the outstanding dues of DISCOMs due to liquidity infusion.

C. In case of thermal stations, the Company does not foresee any eventuality and corresponding adverse financial impact on account of any unfulfilled minimum off take commitments under the fuel supply agreements.

D. Further, the Reserve Bank of India, vide Circular dated 27 March 2020 has granted relief to borrowers by way of moratorium of interest and principal instalments falling due to banks and financial institution till 31 May 2020. This will largely mitigate the stress on cash flows, if any, during the period of COVID-19. Pursuant to the above, the company had sought moratorium on payment of instalment amounting to Rs. 100.00 crore and interest payments falling due from 30 March 2020 to 31 May 2020 on term loans availed from Canara Bank. Accordingly, the instalment amounting to Rs. 100.00 crore due on 30 April, 2020 was deferred by the bank. However, the bank has not deferred payment of interest on these loans and the company has continued to pay the interests as and when falling due. Additionally, in view of the Press Release brought out by the RBI on 22<sup>nd</sup> May 2020, the Company has applied for deferment of instalments of Rs 100.00 Crore each falling due 09.07.2020 and 30.07.2020 by 3 months, for which confirmation from the bank is awaited.

The management does not anticipate any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.

#### **VI. Disclosure on Vivad Se Vishwas Scheme:**

During the year, the GOI has introduced Vivad se Vishwas Scheme (VsVs) through 'The Direct Tax Vivad Se Vishwas Act, 2020'. The Company has decided to settle some of its pending Income Tax disputes by opting for the VsVs scheme. The Company has included the impact of the scheme for ₹ 7447.67 lakhs, which has already been paid, in the Statement of Profit & Loss as Current Tax for the Previous Years. Further, the company is in the process of completion of procedural formalities under the scheme.

**Note no.- 40 Capital Management**

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

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

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

**Note no.- 41 Disclosure on Financial Instruments**

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

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

**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, 2020 & March 31, 2019.

(₹ in lakhs )

As at March 31, 2020	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
<b>Financial assets</b>							
Cash and bank balances					505.39	505.39	505.39
Trade receivables					66226.10	66226.10	66226.10
Loans					172.73	172.73	172.73
Other financial assets					27571.95	27571.95	27571.95
<b>Total</b>					94476.17	94476.17	94476.17
<b>Financial liabilities</b>							
Trade and other payables					9690.70	9690.70	9690.70
Borrowings					803584.58	803584.58	803584.58
Other financial liabilities					23968.75	23968.75	23968.75
<b>Total</b>					837244.03	837244.03	837244.03

(₹ in lakhs )

As at March 31, 2019	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
<b>Financial assets</b>							
Cash and bank balances					9857.87	9857.87	9857.87
Trade receivables					63453.60	63453.60	63453.60
Loans					602.99	602.99	602.99
Other financial assets					8559.73	8559.73	8559.73
<b>Total</b>					82474.19	82474.19	82474.19
<b>Financial liabilities</b>							

Trade and other payables				7585.63	7585.63	7585.63
Borrowings				705207.55	705207.55	705207.55
Other financial liabilities				56673.25	56673.25	56673.25
<b>Total</b>				<b>769466.43</b>	<b>769466.43</b>	<b>769466.43</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, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
( i ) Trade receivables	66226.10	-	-	66226.10
( ii ) Cash and Cash equivalents	505.39	-	-	505.39
( iii ) Loans	172.73	-	-	172.73
( iv ) others	27571.95	-	-	27571.95
<b>Total financial assets measured at fair value</b>	<b>94476.17</b>	-	-	<b>94476.17</b>
<b>Financial liabilities measured at fair value</b>				
( i ) Borrowings	803584.58	-	-	803584.58
( ii ) Trade & Other payables	9690.70	-	-	9690.70
( iii ) Other financial liabilities	23968.75	-	-	23968.75
<b>Total financial liabilities measured at fair value</b>	<b>837244.03</b>			<b>837244.03</b>
(₹ in lakhs)				
Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
( i ) Trade receivables	63453.60	-	-	63453.60
( ii ) Cash and Cash equivalents	9857.87	-	-	9857.87
( iii ) Loans	602.99	-	-	602.99
( iv ) others	8559.73	-	-	8559.73
<b>Total financial assets measured at fair value</b>	<b>82474.19</b>	-	-	<b>82474.19</b>
<b>Financial liabilities measured at fair value</b>				
( i ) Borrowings	705207.55	-	-	705207.55
( ii ) Trade & Other payables	7585.63	-	-	7585.63
( iii ) Other financial liabilities	56673.25	-	-	56673.25
<b>Total financial liabilities measured at fair value</b>	<b>769466.43</b>			<b>769466.43</b>

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

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

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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

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2020 and March 31, 2019.

#### Transfer of financial assets

There have been no transfers of financial assets during the 2019-20.

#### 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:

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

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 creditworthiness 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.

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

(₹ in lakhs )

Particulars	As at March 31, 2020				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					

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Borrowings	803584.58	803584.58	229612.64	320327.48	253836.39
Trade payables	9690.70	9690.70	9690.70		
Other financial liabilities	23968.75	23968.75	23376.65	592.10	
<b>Total non- derivative financial liabilities</b>	<b>837244.03</b>	<b>837244.03</b>	<b>262679.99</b>	<b>320919.58</b>	<b>253836.39</b>
<b>Derivative financial liabilities</b>					
(₹ in lakhs )					
<b>As at March 31, 2019</b>					
<b>Particulars</b>	<b>Carrying amount</b>	<b>Contractual cash flows</b>	<b>Less than 1 year</b>	<b>Between 1 - 5 years</b>	<b>More than 5 years</b>
<b>Non- derivative financial liabilities</b>					
Borrowings	705207.55	705207.55	15088.86	371964.49	318394.55
Trade payables	7585.63	7585.63	7585.63		
Other financial liabilities	56673.25	56673.25	56673.25		
<b>Total non- derivative financial liabilities</b>	<b>712793.18</b>	<b>712793.18</b>	<b>22674.49</b>	<b>371964.49</b>	<b>318394.55</b>
<b>Derivative financial liabilities</b>					

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.- 42****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 V K Singh	Chairman & Managing Director w.e.f. 1 <sup>st</sup> September 2019
2 Sri A G West Kharkongor	Chairman & Managing Director upto 31 <sup>st</sup> August 2019
3 Sri V K Singh	Director ( Technical)
4 Sri M Shiva Shunmuganathan	Director (Finance) upto 2 <sup>nd</sup> April 2020
5 Sri Anil Kumar	Director (Personnel) holding additional charge of D(F) w.e.f. 2.4.2020

**a) Parent entities**

Government of India holds 100% ownership interest in NEEPCO Ltd till 26<sup>th</sup> March 2020. However, acquisition of entire equity stake of Government of India in NEEPCO Ltd by NTPC Ltd completed on 27<sup>th</sup> March 2020 through share transfer in pursuant to share purchase agreement dt. 25<sup>th</sup> March 2020 between Government of India & NTPC Ltd. NTPC Ltd holds 100% ownership interest in NEEPCO Ltd including & as on 31<sup>st</sup> March 2020.

(₹ in lakhs )		
Particulars	31-Mar-20	31-Mar-19
<i>Sales and purchase of goods and services</i>		
sale of goods to associates	Nil	Nil
purchase of raw materials	Nil	Nil
<i>Other transactions</i>		
Dividend paid to Ministry of Power, Govt of India	3900.00	11500.00
Paid to NTPC Ltd towards consultancy	81.58	-

**b) Key management personnel compensation**

Particulars	31-Mar-20	31-Mar-19
Salary and allowances	140.78	146.11
Contribution to Provident Fund and other funds	16.00	17.19
Other benefits	9.16	9.58
<b>Total</b>	<b>165.94</b>	<b>172.88</b>

**c) 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 instalments. No goods were sold to associates during the year based . All other transactions were made on normal commercial terms and conditions .

All outstanding balances are unsecured and are repayable in cash

d) Apart from the above there were no other related party transaction during the FY 2019-20.

**Note No. - 43****Operating Segment**

a. Electricity generation is the principal activity of the Corporation. Other operation like interest income does not form a reportable segment as per the Accounting Standard 108.

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

**Note No. 44 Disclosure on Inventories**

(a) Amount of inventories consumed and recognised as expense during the year is as under

₹ in lakhs

Particulars	For the period ended 31-Mar-20	For the period ended 31-Mar-19
Fuel Cost	63787.18	52058.40
Others ( included in Note 33 - Other expenses)	9046.93	3497.93
<b>Total</b>	<b>72834.11</b>	<b>55556.33</b>

**Note no. 45 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. 46 Impairment loss**

Property Plant and Equipment has been tested for impairment where indicators of impairment existed. Based on the assessment, the Company do not recognize any impairment impact during the current year and also during the year ended March 31, 2020.

**Note No. 47 Previous year figures**

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

**Note No. 48 Disclosure as per Sch III Of Companies Act 2013 (As on 31.03.2020)**

Name of the entities in the Group	Net Assets, i.e., total assets <i>minus</i> total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lakhs )	As % of consolidated net profit or loss	Amount (₹ in lakhs )
1	2	3	4	5
<b>Parent:</b>				
NEEPCO Ltd	99.50	640835.54	99.97	16269.65
<b>Joint Ventures</b>				
KSK Dibbin Hydro Power	0.50	3237.46	0.03	4.38

For and on behalf of the Board of Directors			In terms of our report of even date	
Date: 23-06-2020			For M/S S P A N & Associates	
Place: SHILLONG			Chartered Accountants	
CHIRAN JEEB SHARMA	ANIL KUMAR	VINOD KUMAR SINGH	F.R.N.302192E	TAPAN KUMAR DAS
Digitally signed by CHIRAN JEEB SHARMA Date: 2020.06.23 17:55:57 +05'30'	Digitally signed by ANIL KUMAR Date: 2020.06.23 17:53:39 +05'30'	Digitally signed by VINOD KUMAR SINGH Date: 2020.06.23 17:51:37 +05'30'		Digitally signed by TAPAN KUMAR DAS Date: 2020.06.23 20:33:52 +05'30'
C Sharma	Anil Kumar	Vinod Kumar Singh	T K Das	DAS
Company Secretary	Director (Finance)	Chairman & Managing Director	Partner	
			Membership No-053080	



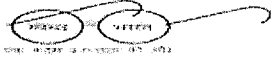


ISO 9001:2001 &amp; ISO 14001:2004

# North Eastern Electric Power Corporation Limited

(A Government of India Enterprise)

नॉर्थ ईस्टर्न इलेक्ट्रिक पावर कॉर्पोरेशन लिमिटेड  
भारत सरकार का उपक्रम



Corporate Identity No. U40101ML1976GOI001658



## Independent Auditors Report on Emphasis of Matters (EOM) and Management reply there-on:

Auditors report ref.	Auditors report	Management reply
EOM 1	Note No. 39 (I) in respect of sudden rupturing of penstock of Kopili Hydro Electric Power Unit, resulting in assets worth Rs. 101.21 crores getting damaged and the unit currently being in shut down condition.	Due to the mishap occurred on the 07 <sup>th</sup> October 2019 for rupturing penstock-1 of Kopili Power Station (4 X 50 MW), extensive damages occurred mainly in power House, Penstock, civil structures and the surface communication network around the Power house site. Due to the said mishap, generation from the Power Station completely stopped. Based on internal assessment of electro mechanical system and civil structures made by the project (Kopili HEP) engineers having substantial experience in related areas headed by Head of the Plant, Kopili HEP along-with the Corporation's (NEEPCO) Design wing, loss assessment has been done with financial impact amounting to Rs. 101.21 crore, being the carrying cost for such damaged assets as per books of the Corporation. Provision of equivalent amount has been made in books of NEEPCO as on 31.03.2020 for the said damaged assets with adequate disclosure in note 39 (I) to the Financial statements for the year ended 31.03.2020.
EOM 2	Note No. 45 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties	Noted

ANIL KUMAR  
DIRECTOR (FINANCE)

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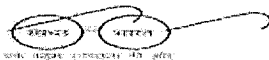


# North Eastern Electric Power Corporation Limited

(A Government of India Enterprise)

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भारत सरकार का उपक्रम

ISO 9001:2000 & ISO 14001:2004

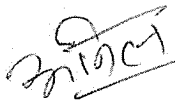


Corporate Identity No. U40101ML1976GOI001658



## Report on the Internal Financial Controls – Management reply

Auditors opinion	Management Reply
<p>According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March 2020:</p> <p>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.</p> <p>This could potentially result into weakness in the internal financial controls over financial reporting of the company.</p>	<p>Presently NEEPCO is using MATFIN as its Information Technology Application System introduced in the year 1998, which is catering to the need of Financial Accounting and Material Accounting of the Corporation for a long period. The said system was developed on "Ingress" Database and 4GL.</p> <p>In order to upgrade the System to an integrated solution covering almost all of the key functional areas of the Corporation, process for migration to ERP system has already been started.</p> <p>With implementation of ERP in NEEPCO, which is expected to be functional within the scheduled time, weakness in the internal financial controls over financial reporting of the company, if any, as reported by the Auditors will be addressed.</p>

  
ANIL KUMAR  
DIRECTOR (FINANCE)

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS  
OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED FOR THE  
YEAR ENDED 31 MARCH 2020**

The preparation of financial statements of North Eastern Electric Power Corporation Limited for the year ended 31 March 2020 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 these 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 23 June 2020.

I, on 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 for the year ended 31 March 2020. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

Based on my supplementary audit, I would like to highlight the following significant matter under section 143(6) (b) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

**Balance sheet**

**Non-Current Assets**

**Investment in subsidiary and**

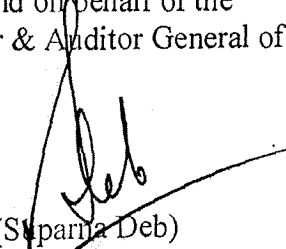
**Joint Ventures companies (Note 5):** **Rs.2793.00 Lakh**

Investment in Subsidiary and Joint Ventures (JV) companies includes NEEPCO's 30 *per cent* stake to the extent of Rs.2793.00 lakh in its Joint Venture Company viz. KSK Dibbin Hydro Power Pvt. Ltd., which was reviewed by management as not commercially viable in its present

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form without any grant. Thus, non- provision of the same has resulted in understatement of provision along with overstatement of profit by Rs.2793.00 lakh.

For and on behalf of the  
Comptroller & Auditor General of India

  
(Suparna Deb)  
Director General of Audit (Mines)  
KOLKATA

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED FOR THE YEAR ENDED 31 MARCH 2020**

The preparation of consolidated financial statements of North Eastern Electric Power Corporation Limited for the year ended 31 March 2020 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 these 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 23 June 2020.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of North Eastern Electric Power Corporation Limited for the year ended 31 March 2020 under Section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of North Eastern Electric Power Corporation Limited for the year ended on that date. **Further, section 139(5) and 143(6)(a) 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 and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India 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.

Based on my supplementary audit, I would like to highlight the following significant matters under section 143(6) (b) read with section 129(4) of the Act which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related audit report.

Balance sheet

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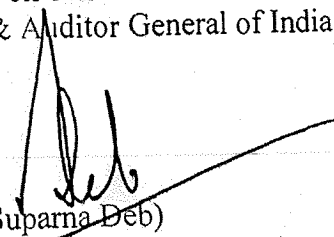
Non-Current Assets

Investment in subsidiary and

**Joint Ventures companies (Note 5): Rs. 3237.46 Lakh**

Investment in Subsidiary and Joint Ventures (JV) companies includes NEEPCO's 30 *per cent* stake to the extent of Rs.2793.00 lakh in its Joint Venture Company viz. KSK Dibbin Hydro Power Pvt. Ltd., which was reviewed by management as not commercially viable in its present form without any grant. Thus, non- provision of the same has resulted in understatement of provision along with overstatement of profit by Rs.2793.00 lakh.


For and on behalf of the  
Comptroller & Auditor General of India

  
(Suparna Deb)

Director General of Audit (Mines)  
KOLKATA

MANAGEMENT'S REPLY TO THE COMMENT OF COMPTROLLER AND AUDITORS GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT 2013 ON ACCOUNTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED (NEEPCO) FOR THE YEAR ENDED 31.03.2020

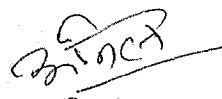
C&AG Comment	Management reply by NEEPCO
<p>Balance sheet</p> <p>Non-Current Assets</p> <p>Investment in subsidiary and Joint Ventures companies (Note 5): Rs.2793.00 Lakh</p> <p>Investment in Subsidiary and Joint Ventures (JV) companies includes NEEPCO's 30 per cent stake to the extent of Rs.2793.00 lakh in its Joint Venture Company viz. KSK Dibbin Hydro Power Pvt. Ltd., which was reviewed by management as not commercially viable in its present form without any grant. Thus, non- provision of the same has resulted in understatement of provision along with overstatement of profit by Rs.2793.00 lakh.</p>	<p>Shareholders' Agreement (SHA) was signed between NEEPCO and KSK Energy Ventures Ltd. on 12.06.2014 for developing M/s KSK Dibbin Hydro Power Private Limited as a Joint Venture (JV) Company. Equity contribution of NEEPCO in the said JV Company is 30% only.</p> <p>NEEPCO's interdisciplinary committee observed that the Dibbin Project in its present form is not commercial viable without a grant. Though the committee proposed for withdrawal of the intent to acquire Dibbin HEP on ownership basis, they suggested for engagement of legal experts to seek future course of action by the Company in terms of the SHA as well as final report of the ongoing e-flow study for decision on the matter by the Management.</p> <p>Based on the aforesaid prevailing scenario, no provision has been made in Books of NEEPCO for the year ended 31.03.2020. However, NEEPCO assured that based on physical progress of the project under the JV company as well as its viability study, necessary impact in Books of Accounts of the Company will be provided during the FY 2020-21.</p>

  
 निदेशक (वित्त) / Director (Finance)  
 नीपको लिमिटेड / NEEPCO Limited  
 शिलॉंग / Shillong

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MANAGEMENT'S REPLY TO THE COMMENT OF COMPTROLLER AND AUDITORS GENERAL OF INDIA UNDER SECTION 143 (6) (b) READ WITH SECTION 129 (4) OF THE COMPANIES ACT 2013 ON CONSOLIDATED FINANCIAL STATEMENTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED ( NEEPCO) FOR THE YEAR ENDED 31.03.2020

C&AG Comment	Management reply by NEEPCO
Balance sheet Non-Current Assets Investment in subsidiary and Joint Ventures companies (Note 5): Rs.3237.46 Lakh  Investment in Subsidiary and Joint Ventures (JV) companies includes NEEPCO's 30 per cent stake to the extent of Rs.2793.00 lakh in its Joint Venture Company viz. KSK Dibbin Hydro Power Pvt. Ltd., which was reviewed by management as not commercially viable in its present form without any grant. Thus, non- provision of the same has resulted in understatement of provision along with overstatement of profit by Rs.2793.00 lakh.	Shareholders' Agreement (SHA) was signed between NEEPCO and KSK Energy Ventures Ltd. on 12.06.2014 for developing M/s KSK Dibbin Hydro Power Private Limited as a Joint Venture (JV) Company. Equity contribution of NEEPCO in the said JV Company is 30% only.  NEEPCO's interdisciplinary committee observed that the Dibbin Project in its present form is not commercial viable without a grant. Though the committee proposed for withdrawal of the intent to acquire Dibbin HEP on ownership basis, they suggested for engagement of legal experts to seek future course of action by the Company in terms of the SHA as well as final report of the ongoing e-flow study for decision on the matter by the Management.  Based on the aforesaid prevailing scenario, no provision has been made in Books of NEEPCO for the year ended 31.03.2020. However, NEEPCO assured that based on physical progress of the project under the JV company as well as its viability study, necessary impact in Books of Accounts of the Company will be provided during the FY 2020-21.

  
 निदेशक ( वित्त ) / Director (Finance)  
 नीपको लिमिटेड / NEEPCO Limited  
 शिल्लंग / Shillong



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**Narayan Sharma**

B.Com (Hons.), F.C.S

**ANNEXURE - 8A**

**Narayan Sharma & Associates**

Master Enclave, Udayachal Path, Besides IOCL Petrol Pump

Christianbasti, G.S. Road, Dispur, Guwahati-781005

Phone : +91 361 2343127, +91 9435018319

E-mail : csnarayansharma@gmail.com

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH 2020

*[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 **31st March 2020** ('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:



**Narayan Sharma**

B.Com (Hons.), F.C.S

**Narayan Sharma & Associates**

Master Enclave, Udayachal Path, Besides IOCL Petrol Pump

Christianbasti, G.S. Road, Dispur, Guwahati-781005

Phone : +91 361 2343127, +91 9435018319

E-mail : csnarayansharma@gmail.com

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 **31st March 2020** according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- 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 has spent Rs. 2.48 crores less than the required CSR expenditure. However, the company informed that the said amount was allocated for expenditure during the reporting period but could not be spent as the project was under implementation stage.*
- b) *The company has held all the title deeds of immovable properties registered in its name except in case of i) project (KHEP) freehold land measuring 183.19 hectares, valued at ₹ 4.52 crores and ii) Guwahati, where the mutation of 33.19 acres of freehold land valued at Rs. 4.41 Crores is still 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.*

**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 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. Also agenda and detailed notes on agenda were sent at least seven days in advance for all the meetings. However, 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.



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B.Com (Hons.), F.C.S

**Narayan Sharma & Associates**

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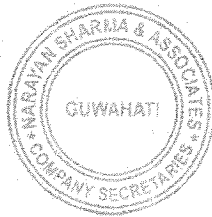
**I further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** during the audit period the following events may have major bearing on company's affairs:

1. *The company has issued issued 1500, 8.69% Redeemable Non-Convertible Taxable Bonds aggregating to Rs. 150 Crores for its short term and long term requirements.*
2. *In pursuance of the Share Purchase Agreement between the President of India (Seller) and NTPC Limited (Buyer) dated 25.03.2020, the entire shares of the company were transferred to NTPC Limited and its Nominee Shareholders on 27.03.2020.*

Place: Guwahati

Date: 20<sup>th</sup> July, 2020



For **Narayan Sharma & Associates**  
Practicing Company Secretaries

**CS Narayan Sharma**  
(Proprietor)

FCS No.5117 C P No.:3844

UDIN: F005117B000477897

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.

**Narayan Sharma**

B.Com (Hons.), F.C.S

000267

**Narayan Sharma & Associates**

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E-mail : csnarayansharma@gmail.com

**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.



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**Narayan Sharma**

B.Com (Hons.), F.C.S

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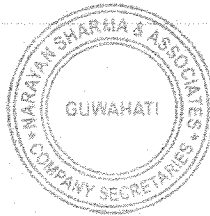
E-mail : csnarayansharma@gmail.com

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.
7. On account of severe restrictions imposed by the Government Authorities on opening of offices, travel and movement (hereinafter "Lockdown") due to Covid19 pandemic (which commenced during the last week of March, 2020), we for the purpose of completion of our audit had to rely on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

Place: Guwahati

Date: 20<sup>th</sup> July, 2020

For **Narayan Sharma & Associates**  
Practicing Company Secretaries



**CS Narayan Sharma**  
(Proprietor)

FCS No.5117 C P No.:3844

UDIN: F005117B000477897

## Annexure – 8B

**REPLY TO THE SECRETARIAL AUDITORS' OBSERVATIONS  
RAISED IN THE SECRETARIAL AUDIT REPORT FOR THE YEAR 2018-19**

Sl. No.	Secretarial Auditors' Observation	Reply/Explanation of the Management
1	<i>The company has spent Rs.2.48 crores less than the required CSR expenditure. However, the company informed that the said amount was allocated for expenditure during the reporting period but could not be spent as the project was under implementation stage.</i>	The expenditure made on CSR activities for the year 2019-20 was Rs.9.89 Crore, against the allotted/sanctioned CSR amount of Rs.12.37 Crore. In addition to the expenditure incurred, CSR activities for an amount of Rs.2.48 Crore are under implementation. The Corporate CSR Wing is monitoring the progress of ongoing CSR activities and it is expected that the balance works will be completed during the FY 2020-21 and accordingly payment will be released.
2	<i>The company has held all the title deeds of immovable properties registered in its name except in case of i) project (KHEP) freehold land measuring 183.19 hectares, valued at ₹ 4.52 crores and ii) Guwahati, where the mutation of 33.19 acres of freehold land valued at Rs.4.41 Crores is still 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.</i>	<p>(A)The company has held all the title deeds of immovable properties registered in the name except one freehold land measuring 183.19ha valued at Rs.4.52crores. This land was acquired for the KHEP, Stage-II is under litigation for enhancement of the 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 owners have received compensation under protests preferring to seek legal help vide section 18 of the Land Acquisition Act, 1894 for enhancement of the unit rate fixed by the DC, Jaintia Hills. The case was last heard on 3<sup>rd</sup> March, 2020 in court and has taken considerable time to finalise the judgement. The title deed for the said land would be finalised on completion of the court case.</p> <p>(B)Besides that, the Guwahati land is not yet registered in the company's name. Considerable advancement in this regard was initiated with the Board of Directors of Assam Tea Corporation Limited till March, 2020. However, due to the present prevailing situation of COVID it could not be completed and is expected to be completed once the normal functioning of the Courts in Guwahati resume.</p>

**For and on behalf of the Board of Directors**

VINOD  
KUMAR  
SINGH

**(Vinod Kumar Singh)  
Chairman & Managing Director  
DIN: 07471291**

**Place: New Delhi  
Date:15.09.2020**

## ANNEXURE-9

### 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 2018-19 are as under:

#### A. Conservation of energy:

##### I. Steps taken on energy conservation:

##### a. Energy Audits:

- i. Monitoring and Verification of PAT Cycle II was successfully executed in the month of June'2019 for AGBPP.
- ii. Steps for Energy audit initiated in TGBPP.
- iii. Energy audit is being done in AGTCCPP

##### b. Auxiliary power consumption (APC):

Plant/ Project	Particulars
	Auxiliary Power Consumption (APC)
THERMAL	Installation of Five Star Appliances (BEE Rating), 13 (1.5 Ton) Air Conditioners, 10 Geysers, 36 Ceiling Fans at TGBPP.
	Replacement of Fan assembly in auxiliary cooling tower (ACT) at AGTCCPP
	Commissioning of new efficient Pump Motor Set for GTG#1, GTG#2, GTG#3 and GTG#4 of Turbine Cooling water pumps and Generator Cooling water pumps at AGTCCPP
	Installation of 5-star rating ceiling fans, exhaust fans & 3-Star rating Split AC at AGBPP
HYDRO	Installation of 5 star (2 Ton) Split AC at TrHEP
	Energy efficient (3 star and 5 star rated) Split ACs installed at Power House Control Room, EM store Office, Dam Control Room and Admin Office at Pare HEP.
Corporate Office	Installation of 2 (1.5 Ton) 3-star, Hot & Cold Split Air Conditioners (AC)
	Installation of 2 (1.5 Ton) 4-star, Hot & Cold Split Air Conditioners (AC)

##### c. Lighting:

Plant/ Projects	Particulars
	Lighting Measures
THERMAL	240 (45 W) LED street light installed at different locations at TGBPP. 7W-20 Nos, 10W-14 Nos and T-5 36 Nos were also installed at office and VIP Guest House at TGBPP.
	Replacement of 39 HPSV Lamps by LED lamps at AGTCCPP. Replacement of existing CFL lamps with LED lamps at AGBPP
	Commissioning of LED lamps at AGBPP
HYDRO	Procured 40 (forty) 120 W LED Flood Lights at TrHEP
	<b>DHEP :</b> a) Installation of 15 Nos 160 W LED, 13 Nos 135 W LED and 69 W LED Street Lights
	<b>Pare HEP:</b> a) Energy efficient 200 W LED flood lights used for illumination of GD Point. b) 20 Nos of CFL Street lights of Doikmukh replaced by equal no of 30 W LED Street light. c) 337 Nos of LED lights procured and installed in different parts of the plant. d) Order has been placed for Dam illumination with LED Luminaries.
	<b>KaHEP:</b> a) Order has been placed for DAM illumination at Bichom and Tenga with LED



Plant/ Projects	Particulars
	Lighting Measures
	Luminaries.
Corporate Office	Retrofitting works with 270 Nos 18W PL LED Lamps, 20 W E-27 Thread type LED Bulbs, Installation of LED Flood lights and conductors in Directors' residences.
	Installation of 15 sets of LED lights of 22 W.

#### d. Heat energy:

Plant/ Project	Particulars
AGBPP	Procurement of pipe section insulation for Steam Pipe line and Chemical treatment of Cooling water.
AGTCCPP	Boiler re-insulation in all the four boilers, to reduce heat loss.

e. **Others:** Installation of occupancy sensors for automatic ON/OFF is being done in stages.

#### II. Steps taken by the Company for utilizing alternate sources of Energy:

- Installation of 5 kWp Solar PV plant, 500 litres/day Solar Hot water system in the Guest House of Kopili HEP. A 2 kWp solar PV system with tracker is also installed at Kopili HEP.
- Installation of 15 kWp, on grid roof top solar PV system in office building, erectors' hostel and guest house. 1000 LPD Solar Hot Water system at Guest House I & II at AGBPP. Installation of 6 kWp roof top solar PV system at Guest House I & II each.
- Installation of 15 numbers 22W LED Solar lights at Shillong. Preparation of DPR for setting of GRID Interactive Solar System at NEEPCO Corporate Office, Shillong.
- Installation of 10 kWp Solar PV plant and 1500 litres Solar Hot water system in the Guest House of Kameng HE Project.
- Installation of 20 kWp and 50 kWp Solar PV plant in AGTCCPP.
- Installation of 2 kWp Solar panel for boundary illumination, 3 kWp solar panel for office ground floor illumination and 2 kWp Solar Hot water system with a capacity of 1000 liter/hour in NEEPCO, Guwahati.

#### III. Additional investments and proposals for reduction in consumption of energy.

**Provision of Rs. 3.08 Crore has been kept in the BE 2020-2021 for the following proposals:**

- Renovation of cooling towers for improvement of steam turbine efficiency at AGBPP.
- Installation of Sulphuric acid dosing system for circulating water for improvement of Steam Turbine efficiency in AGBPP.
- Installation of LED High Mast lighting in Kopili and Khandong Power Station.
- Replacement of conventional electric lamp with LED at KHEP and AGTCCP.
- Installation of energy efficient ceiling fans at AGTCCPP.
- Installation of LED luminaries at Khandong Dam Area.
- Procurement of 5-star rating Air conditioners.
- Passive Infrared (PIR) Occupancy Sensor in Main Building of Corporate Office, Shillong (Phase-I).

#### IV. Impact of measures taken for energy conservation:

**Savings achieved on account of specific efforts on energy conservation for 2019-2020.**

Sl.no.	Area / Activities	Energy unit	Savings qty. of units	Rs. (in Crore)
1.	Electrical (Total)	kWh	3425116	1.42

**V. Capital Investment on Energy Conservation Equipment in the year 2019-20:**

Rs.91.56 Lakh.

**VI. PAT Cycle-II:**

- a) Energy Savings Certificates is recommended by the energy auditor for issue by BEE in favour of AGTCCPP during PAT cycle II.

**B. TECHNOLOGY ABSORPTION:****(i) Efforts made towards technology absorption:**

- a) Installation of state-of-the-art dam safety monitoring system of existing dams by installing Global Navigation Satellite System (GNSS) Equipment, Geodetic Equipment, Seismic Sensors, dam safety monitoring software, etc., are completed. Connectivity between project sites controlled center and Central Control Center at Shillong has been established. The system is providing 24x7 real-time information / data for monitoring the safe performance during normal operation by providing more comprehensive information and to manage or predict unsatisfactory performance.
- b) Installation of 17 nos. Automatic Weather Station (AWS) and 4 nos. Doppler based Digital Water Level Recorder (DWLR) for state-of-the-art inflow forecasting system for 405 MW Ranganadi HE Plant (RHEP), Arunachal Pradesh has been completed. Data prediction, validation along with modeling is in progress with the assistance of the North –Eastern Space Applications Centre (NESAC), Department of Space, Govt. of India. The simulation of the rainfall-runoff relationship model is under preparation.
- c) Upgradation of Vibration Monitoring and temperature Monitoring System for STG Unit 1 and STG Unit 3 at AGBPP.
- d) Upgradation of Vibration monitoring system for GT Unit 1 and GT Unit 2, AGBPP.
- e) Up-gradation of Mark-IV control system of AGBPP Gas Turbine Unit-6 to Mark-VIe control of GE.
- f) Up-gradation of Waukesha /12V, AT25GL gas engine to Waukesha/12V275GL+ gas engine of Unit-4 in AGBPP. (Work completed on 01.02.2020)
- g) Intrusive Type Ultrasonic Flow Rate Monitoring Device in the penstock for KaHEP installed and commissioned.

**(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:**

- a) The dam safety monitoring system will provide all the critical information during emergencies, as well as in normal day-to-day operations of the dams and enhance emergency response capability.
- b) The Flood Early Warning System for 3 x 135 MW Ranganadi HEP will give timely notice for gated dam water release, reducing damage to surrounding communities and ecosystems. It will strengthen overall flood management, including preparedness, response and recovery and it will minimize safety and infrastructure threats.
- c) The new vibration monitoring system (API 670 compliant) will reduce loss of production, labour cost, deliver more efficiency and safety.
- d) The Mark VIe control system retrofit provides improved performance, ease of operation through advance software & tools. Less maintenance and mean time to repair with modern diagnostics tools.



- e) Waukesha 12V-275GL+ gas engine will provide for maximum uptime and profitability, with enhance performance and low emissions. The new engine comes with an advance engine controller which will simplify operation enhancing performance.

**(iii) Imported Technology (imported during the last three years reckoned from the beginning of the financial year):**

**2017-18:**

- Refurbished Compressor Rotor of gas turbine Unit-4, AGBPP, from Mitsubishi Heavy Industries (MHI), Japan.

**2018-19:**

- Order for new generator rotor (T190-290) for AGTCCPP was placed on 14.12.2018. The rotor was despatch from Rotterdam, Netherlands on 28.12.2018. The rotor was commissioned in April, 2020.

**2019-20:**

- Detailed Work Order placed on 24.01.2019 for supply of new GE-Waukesha USA, Gas Engine (12V 275 GL+), and its auxiliaries for Renovation & Modernization of the 4<sup>th</sup> unit of the Gas Booster Station of AGBPP. Imported Gas Engine (12V275GL+) from GE-Waukesha USA commissioned on 1<sup>st</sup> February, 2020.
- Supply order of Intrusive Type Ultrasonic Flow Rate Monitoring Device for KaHEP was placed to M/S ADS LLC d/b/a Accusonic, Huntsville, Alabama on 08.11.2019. The device is installed and commissioned.

**(iv) Expenditure incurred on Research and Development:**

Total expenditure against R&D during the year 2019-20 is Rs 1.26 Cr.

**Foreign Exchange Earning & Outgo**

Foreign Exchange Earning & Outgo	
Particulars	Amount in Rs. in Lakh
Foreign Exchange Earning	Nil
Foreign Exchange Outgo	14673.82

**Note :** The above figures represents actual inflow & actual outflow in foreign currency during the year 2019-20

**For and on behalf of the Board of Directors**

VINOD  
KUMAR  
SINGH

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by VINOD  
KUMAR SINGH  
Date: 2020.09.16  
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**(Vinod Kumar Singh)**  
**Chairman & Managing Director**  
**DIN: 07471291**

**Place: New Delhi**  
**Date: 15.09.2020**

**ANNEXURE-10****PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY  
(AS PER COMPANIES ACT 2013)**

**CSR Policy:** The CSR&S policy 2015, articulates the company's commitment to its stakeholders to conduct its business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Accordingly, while determining CSR & Sustainability activities priority has been given to stakeholders in the neighborhood area around its area of operation, offices, land affected and aspirational district.

**Aims and thrust areas for CSR & Sustainability activities are as below:**

- Promoting Education
- Preventive Health Care
- Swachh Bharat Abhiyan
- Entrepreneurship Development Programme
- Rural Area / Other Area Development

**Impact Assessment:**

NEEPCO has engaged Omeo Kumar Das Institute of Social Change and Development (OKDISCD) (an autonomous research institute of ICSSR, New Delhi and Govt. of Assam) as third party auditor for Monitoring, Evaluation and Documentation of NEEPCO CSR activities. The reports mainly emphasize on monitoring of the 'input', 'implementation process' and 'output' of CSR initiatives. The outcome of such report is that it provides directives to the Corporation to implement its CSR activities both effectively and efficiently to achieve the desired impact.

**CSR Committee:**

All CSR programme/projects/activities are approved by the Board of Directors on recommendation of the Tier-II CSR committee.

**A. Board Level Committee- Tier-I**

1. Shri V.K.Singh, Chairman & Managing Director - Chairman
2. Shri Anil Kumar, Director (Personnel) – Member
3. Shri V.K.Singh, Director (Technical) - Member
4. Dr. Hari Narayan Borkataky -Independent Director-Member
5. Shri Saikhom Tikendra Singh- Independent Director-Member

**B. Nodal Officer:-**

Shri P.K. Bora, Executive Director (C), CSR assisted by Standing Committee on CSR & Sustainability, Tier -II.



Average net profits made during the 3 immediately preceding financial years:

Year	PBT (Rs. in Lakh)
2018-19	45157.73
2017-18	41511.41
2016-17	36024.45
Total	122693.59
Average PBT	40897.86
CSR Allocation (2% of average PBT)	817.96
Carry over unspent amount from FY 2018-19	419.07
<b>Total CSR Budget for the FY 2019-20</b>	<b>1237.03</b>

#### CSR&S Budget for the Financial Year 2019-20

Rs.8.18 Crore i.e 2% of average PBT + Rs.4.19 Crore unspent amount of 2018-19 = Rs.12.37 Crore.

#### Details of CSR sanctioned during the Financial Year 2019-20:

The total CSR Budget for the FY 2019-20 was Rs.12.37Crore .The BoD had approved the CSR proposals for implementation in 3 phases i.e. Rs.5.94Crore, Rs.3.87Crore and Rs.2.56 Crore.

Therefore, the total funds actually sanctioned/allotted during the financial year for CSR activities was Rs.12.37 Crore, as such, there was no shortfall in the allotment of funds for CSR activities during the financial year 2019-20.

The expenditure made on CSR activities for the financial year 2019-20 was Rs.9.89 Crore, against allotted/sanctioned CSR amount of Rs.12.37 Crore. In addition to the expenditure incurred, CSR activities for an amount of Rs.2.48 Crore is under implementation, but payment is yet to be released.

Sl.No	Expenditure Details	(Rupees in Crore)
<b>A</b>	Total CSR Budget	12.37
<b>B</b>	Total fund sanctioned/allotted	12.37
<b>C</b>	Total expenditure made	9.89
<b>D</b>	Projects under implementation (B-C)	2.48
<b>E</b>	Amount unspent if any (A-B)	NIL

Manner in which the expenditure made during the financial year 2019-20 is detailed below: -

Sl . No.	Head of Expenditure	Expenditure (Rs in Crore)
1	Promoting Education	2.73
2	Preventive Health Care	3.34
3	Swachh Bharat Abhiyan	1.78
4	Entrepreneurship Development Programme	0.87
5	Rural Area/ Other Area Development	1.17
	<b>Total</b>	<b>9.89</b>

#### Responsibility Statement:

It is ensured that, implementation and monitoring of CSR&S activity is in compliance with CSR objectives, policy of the company and other various Government acts and guidelines.

For and on behalf of the Board of Directors

VINOD KUMAR SINGH  
(Vinod Kumar Singh)  
Chairman & Managing Director  
DIN: 07471291

Place: New Delhi  
Date:15.09.2020