

Annexure I

Half yearly unaudited financial results of M/S North Eastern Electric Power Corporation Limited for the period ended 31st March 2018

[Regulation 52 (8), read with Regulation 52 (4), of the SEBI (LODR) Regulations, 2015]

₹ in lakhs

Sl. No.	Particulars	Half year ending 31 st March 2018	Corresponding half year ended 31 st March 2017	Previous accounting year ended 31 st March 2017 (Restated)
1	Total Income from Operations	80714.39	67577.06	142976.86
2	Net Profit / (Loss) for the period (before Tax, Exceptional and/or Extraordinary items)	13873.12	12033.04	36024.45
3	Net Profit / (Loss) for the period before tax (after Exceptional and/or Extraordinary items)	13873.12	12033.04	36024.45
4	Net Profit / (Loss) for the period after tax (after Exceptional and/or Extraordinary items)	7612.76	7111.25	22597.60
5	Total Comprehensive Income for the period [Comprising Profit / (Loss) for the period (after tax) and Other Comprehensive Income (after tax)]	7957.09	6582.00	22383.68
6	Paid up Equity Share Capital	345281.04	345281.04	345281.04
	Share Application Money Pending Allotment	9600.00		
7	Reserves (excluding Revaluation Reserve)	258212.57	239743.20	239743.20
8	Net worth	613093.61	585024.24	585024.24
9	Paid up Debt Capital / Outstanding Debt	645727.18	569634.91	569634.91
10	Outstanding Redeemable Preference Shares			
11	Debt Equity Ratio	1.05	0.97	0.97
12	Earnings Per Share (of Rs. 10/- each) (for continuing and discontinued operations) -			
	1. Basic:	0.22	0.21	0.65
	2. Diluted:	0.22	0.21	0.65
13	Capital Redemption Reserve			
14	Debenture Redemption Reserve	57067.08	39732.48	39732.48
15	Debt Service Coverage Ratio	3.05	3.45	4.05
16	Interest Service Coverage Ratio	7.78	21.42	19.54

Note:

1) The above is an extract of the detailed format of **half yearly** financial results filed with the Stock Exchanges under Regulation 52 of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015. The full format of the half yearly financial results are available on the websites of the Stock Exchange(s) and the listed entity.

2) For the items referred in sub-clauses (a), (b), (d) and (e) of the Regulation 52 (4) of the SEBI (Listing and Other Disclosure Requirements) Regulations, 2015, the pertinent disclosures have been made to the BSE and can be accessed on the URL .

3) The above results have been reviewed by the Audit Committee of the Board of Directors in their meeting held on 12th June 2018 and recommended to the Board of Directors of the Company for their approval. The Board of Directors in their meeting held on 12th June 2018 has approved the same. Further the results has also been audited by the Statutory Auditors of the Company.

4) Electricity generation is the principal activity of the Corporation.

5) The Corporation has power stations located within the region and therefore geographical segments are inapplicable.

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

7) Income from operations includes Other Income amounting to ₹ 1836.11 lakhs (Previous half year ₹ 1401.76 lakhs).

8) Formula used for computation of Ratio :

a. "Debt Service Coverage Ratio" (DSCR) = [Profit before interest, Depreciation and Tax]/
(Principal repayment + Interest)

b. "Interest Service Coverage Ratio" (ISCR) = [Profit before interest, Depreciation and Tax]/ Interest

Amount of Interest considered pertains to loans taken for Operational Power Stations only

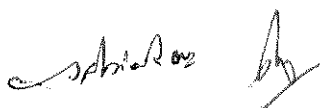
9) The financial statements as at 1.4.2016 and as at 31.03.2017 has been restated as a result of material prior period impact in respect of late payment surcharge already received and accounted in books of NEEPCO. The impact of such reimbursement on trade receivables and retained earning of the company as on 1.4.2016 and 31.03.2017 are ₹ 977.24 lakhs and ₹ 2426.01 lakhs respectively.

For NEEPCO Limited

Date:

Place:


M Shiva Shunmuganathan
Director(Finance)



NORTH EASTERN ELECTRIC POWER CORPORATION
Balance Sheet as at 31.03.2018

(₹ in lakhs)

Particulars	As at 31 st March 2018	As at 31 st March 2017 (Re-stated)
	Audited	Audited
<u>ASSETS</u>		
1. Non-Current assets		
(a) Property, Plant and Equipment	341039.75	348907.21
(b) Capital work -in- Progress	938672.98	799325.64
(c) Intangible assets under Development	10082.50	10082.50
(d) Intangible assets	6473.99	4681.85
(e) Financial Assets		
(i) Investment	2793.00	10993.00
(ii) Loans	107.20	113.96
(f) Deferred Tax Asset (Net)		
(g) Other Non-current Assets	21236.45	28261.53
1. Total Non-Current Assets	1320405.87	1202365.69
2. Current assets		
a) Inventories	9104.38	13436.19
b) Financial Assets		
(i) Trade receivables	45836.76	44108.15
(ii) Cash and Cash equivalents	33049.07	24769.25
(iii) Bank balances other than (ii) above	558.85	2158.76
(iv) others	7209.36	6028.43
c) Current Tax Assets	9297.15	11824.22
d) Other Current assets	1943.02	2039.31
e) Assets Held For Sale	131.84	67.69
2. Total Current Assets	107130.43	104432.00
3. Regulatory deferral accounts debit balances	4793.47	
Total Assets (1 + 2 + 3)	1432329.77	1306797.69
<u>EQUITY AND LIABILITIES</u>		
4. Equity		
(a) Equity Share Capital	345281.04	345281.04
(b) Other Equity	258212.57	239743.20
(c) Share Application money pending Allotment	9600.00	
4. Total Equity	613093.61	585024.24
<u>LIABILITIES</u>		
5. Non-Current Liabilities		
a) Financial Liabilities		
(i) Borrowings	630906.68	559292.78
(ii) Trade payables	-	-
(iii) Other financial liabilities	-	-
b) Provisions	20226.57	12423.54
c) Deferred tax liabilities (Net)	3499.06	3526.12
d) Other non-current liabilities	31204.15	31311.40
5. Total Non-Current Liabilities	685836.46	606553.84
6. Current Liabilities		
a) Financial liabilities		
(i) Borrowings	20000.00	33275.00
(ii) Trade Payables	20337.18	12361.37
(iii) Other financial liabilities	47886.67	32046.54
b) Other current liabilities	16245.69	14318.83
c) Provisions	16583.41	15220.49
d) Current Tax liabilities	12346.75	7997.38
6. Total Current Liabilities	133399.70	115219.61
7. Regulatory deferral accounts credit balances	0.00	0.00
Total Equity and Liabilities (4 + 5 + 6 +7)	1432329.77	1306797.69

Date:

Place:

M Shiva Sharmaganathan
Director(Finance)

STATEMENT OF PROFIT AND LOSS

(₹ in lakhs)

SI No.	Particulars	Current 6 (six) months ended 31.3.2018	Corresponding 6 (six) months in the previous year ended 31.03.2017	Year to date figures ended 31.03.2018	Previous year ended 31.03.2017 (Restated)
		Unaudited	Unaudited	Audited	Audited
I	Revenue from Operations	78878.27	66175.30	163294.41	140447.01
II	Other Income	1836.12	1401.76	3172.35	2529.85
III	Total Income (I + II)	80714.39	67577.06	166466.76	142976.86
IV	Expenses				
	(a) Cost of materials consumed	21755.42	19929.22	42632.78	40742.17
	(b) Employee benefit expense	24289.17	14388.00	41026.61	27647.65
	(c) Finance costs	3773.55	952.23	6902.88	2991.39
	(d) Depreciation and amortization expense	9253.00	8852.27	18305.63	16038.68
	(f) Other expenses	12563.60	11422.30	20880.92	19532.52
	Total expenses (IV)	71634.74	55544.02	129748.82	106952.41
V	Profit / (loss) before exceptional items, Rate Regulated Activities and tax (III - IV)	9079.65	12033.04	36717.94	36024.45
VI	Exceptional Items				
VII	Add : Regulatory Income/(Expense)	4793.47		4793.47	
VIII	Profit / (loss) before tax (V+VI+VII)	13873.12	12033.04	41511.41	36024.45
IX	Tax Expense:				
	(i) Current tax	5672.53	1560.29	14283.12	7997.38
	Less : MAT Credit			1936.37	
	Net Current Tax	5672.53	1560.29	12346.75	7997.38
	(ii) Deferred tax	587.83	3361.50	(152.69)	5429.47
		6260.36	4921.79	12194.06	13426.85
X	Profit / (loss) for the year from continuing operations (VIII - IX)	7612.76	7111.25	29317.35	22597.60
	Profit / (loss) from discontinued operations				
XI	Profit / (loss) for the year/period	7612.76	7111.25	29317.35	22597.60
XII	Other comprehensive income				
	Items that will not be reclassified to				
A	(i) profit and loss				
	(a) Remeasurements of the defined benefit plans	526.56	(809.36)	363.00	(327.14)
	(b) Others (specify nature)				
		526.56	(809.36)	363.00	(327.14)
B	(ii) Income tax relating to items that will not be reclassified to profit and loss	182.23	(280.11)	125.63	(113.22)
XIII	Total other comprehensive income (A- B)	344.33	(529.25)	237.37	(213.92)
XIV	Total comprehensive income for the period (XI + XIII)	7957.09	6582.00	29554.72	22383.68
	Earnings per equity share :				
	(1) Basic (in ₹)	0.22	0.21	0.85	0.65
	(2) Diluted (in ₹)	0.22	0.21	0.85	0.65

Date:

Place:

M Shiva Subramuganathan
Director(Finance)

Shiva



since 1979

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

Independent Auditors' Report

To the Members of North Eastern Electric Power Corporation Limited

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of North Eastern Electric Power Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder and as per the Electricity Act, 2003 and relevant Central Electricity Regulatory Commission (CERC) regulation in respect of Depreciation and other recognized accounting practices and policies.

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

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the Electricity Act 2003, CERC Regulations and the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules thereunder.

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

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

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act, the Electricity Act 2003, and CERC Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2018, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matters

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

1. Note No. 18.3 (c) in respect of restatement of the Financial Statement of earlier years for prior period error.
2. Note No. 40 in respect of the uncertainty related to the outcome of the claims/arbitration proceedings and lawsuit filed by the/against the company on/by contractors and/or others. In some cases, the arbitration award has been decided against the company/lost in lower courts and the company is pursuing the matter in higher courts.
The management doesn't foresee any possible outflows in respect of decision against the company other than those already provided in the books of account.
3. Note No. 46 in respect of Deferral Regulatory Account Balance adjustment.
4. Note No. 47 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.

Our report is not modified in respect of these matters.



Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143 (11) of the Act, we have given in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure B on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
 - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c. the Balance Sheet, the Statement of Profit and Loss including the other comprehensive income, the statement of Cash Flow and the Statement in changes in equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure C; and
 - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer to Note 40 to the standalone Ind AS financial



statements;

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and
- iii. The Company has no case of transferring any amount to the Investor Education and Protection Fund as per the provisions of the Act.

Place: New Delhi
Date: 12th June 2018

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

T. K. DAS

T. K. DAS
Partner

Membership No. 053080



Annexure A to the Independent Auditors' Report

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

We report that:

- (i)(a) The Company has generally maintained records showing full particulars including quantitative details and situation of fixed assets.
- (b) There is a regular programme of physical verification of all fixed assets on an annual basis. No material discrepancies were noticed on such verification. In our opinion, programme of physical verification as informed is reasonable having regard to the size of the Company and the nature of its assets. Reconciliation of physical records with book records of Fixed Asset has been done barring few cases.
- (c) The title deeds of all the immovable properties are held in the name of the Company except in case of one of the project (KHEP) title deed of freehold land measuring 183.19 hectares, valued at Rs. 4.52 crores is pending and as informed to us, the company is taking appropriate steps for completion of legal formalities.
- (ii) The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013.
In view of the above, the clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- (iv) The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. In respect of investment in the Joint Venture Companies, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted deposits from the public covered by section 73 to 76 of the Companies Act 2013. Therefore clause (v) of the order is not applicable.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (I) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.



- (vii) (a) Undisputed statutory dues including provident fund, income tax, sales-tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2018 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.
- (b) The disputed statutory dues aggregating to Rs. 166.77 lakhs that have not been deposited on account of matters pending before appropriate authorities are detailed below:

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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.



- (xi) As per notification no. GSR 463(E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.
- (xiii) The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in Note no. 43 of the financial statements as required by the applicable Indian Accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.
- (xvi) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

Place: New Delhi
Date: 12th June 2018

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

Tapan Kumar Das
T. K. DAS

Partner
Membership No.:053080



Annexure B to the Independent Auditors' Report

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

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of the freehold and leasehold land for which titles/lease deeds are not available.	The Company has 592.25 hectares of leasehold and 6752.98 hectares of freehold land. In addition to this 6120.20 hectares of forest land has been allotted by the Competent Authorities to the Company for setting up projects. The company has title/lease deed/handover or possession certificate, as applicable, for the above land. Transfer of title deed in respect of 183.19 hectares of land is yet to be executed.	Nil
2.	Whether there are any cases of waiver/write off of debts/loans/interest etc., if yes, the reasons thereof and the amount involved.	No amount has been written off during the year.	Nil
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Govt. Or other authorities?	The company has maintained proper records for inventories lying with third parties.	Nil

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

Jaypan Kumar Das
T.K. DAS

Partner

Membership No.:053080

Place: New Delhi

Date: 12th June 2018

SPAN & 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 31st March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

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

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of the Management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2018:

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

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

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

In our opinion, the company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March 2018, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial



Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31st March 2018.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2018 standalone Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

For SPAN & ASSOCIATES

Chartered Accountants

F.R.N.: 302192E

Place: New Delhi

Date: 12th June 2018

Tapan Kumar Das

T. K. DAS

Partner

Membership No.: 053080





ISO 9001 : 14001
& OHSAS 18001

नॉर्थ ईस्टर्न इलैक्ट्रिक पावर कॉर्पोरेशन लि.

(भारत सरकार का उद्यम)

NORTH EASTERN ELECTRIC POWER CORPORATION LTD.

(A GOVT. OF INDIA ENTERPRISE)

OFFICE OF THE DIRECTOR (FINANCE)

CIN-U40101ML1976GOI001658

File No.Fin/Fund/25/ 5251

Dated 19-06-2018

To,
The Bombay Stock Exchange
Corporate Compliance & Listing Centre
P. J. Tower, Dalal Street
Mumbai 400 001

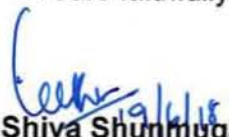
**Subject: Declaration in respect of Unmodified Opinion on Audited Financial Statement
for the Financial Year ended 31st March, 2018**

Sir,

In terms of Regulation 52 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, it is declared that the Report of the Auditors do not have any modified opinion on the Annual Standalone and Consolidated Audited Financial Statements for the financial year ended 31st March, 2018 of North Eastern Electric Power Corporation Limited.

Thanking you

Yours faithfully


(M. Shiva Shunmuganathan)
Director (Finance)

Corporate Office : Brookland Compound, Lower New Colony, Shillong - 793 003

Tel. : 2223176 □ Fax : 0364-2505776 □ Website : www.neepco.gov.in


सीआईएन/CIN - U40101ML1976GOI001658

स्वहित एवं राष्ट्रहित में ऊर्जा बचाएं / Save Energy for Benefit of Self and Nation

Information as per Rule 52 (4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as on 31.03.2018

NCD Series	XI th Series	XII th Series	XIII th Series	XIV th Series	XV th Series	XVI th Series	XVII th Series	XVIII th Series	XIX th Series
ISIN	INE636F07159	INE636F07167	INE636F07175	INE636F07183	INE636F07191	INE636F07209	INE636F07217	INE636F07225	INE636F07233
Credit Rating	[ICRA] AA/Stable	[ICRA] AA/Stable	[ICRA] AA/Stable	[ICRA] AA/Stable [CARE] AA/Stable	[CARE] AA/Stable	[CRISIL] AA/Stable [CARE] AA/Stable	[ICRA] AA/Stable [CARE] AA/Stable	[ICRA] AA/Stable [CARE] AA/Stable	[ICRA] AA/Stable [CARE] AA/Stable
Assets Cover Available as on 31.03.2018	401.63%	134.89%	198.79%	100.00%	134.87%	181.92%	1137.65%	100.00%	309.72%
Previous date of interest payment	15/Jan/2018	15/Nov/2017	15/Mar/2018	2/Apr/2018	25/Mar/2018	15/Dec/2017	27/Nov/2017	-	-
Next date of interest payment	15/Jul/2018	15/May/2018	15/Sep/2018	1/Oct/2018	25/Sep/2018	15/Jun/2018	27/May/2018	15/May/2018	10/Aug/2018
Previous date of Principal payment	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Next date of Principal Payment	15/Dec/2021	27/Jun/2018	15/Mar/2019	1/Oct/2020	25/Mar/2021	30/Sep/2026	27/May/2020	15/May/2025	6/Sep/2026
Debenture Redemption Reserve	Rs.7.00 crore	Rs.23.24 crore	Rs.14.04 crore	Rs.322.82 crore	Rs.77.47 crore	Rs.52.55 crore	Rs.50.00 crore	Rs.15.63 crore	Rs.7.92 crore
Debt Service Coverage Ratio for the half-year ended 31.03.2018	3.05								
Interest Service Coverage Ratio for half-year ended 31.03.2018	7.78								
Debt Equity Ratio for the year ended 31.03.2018	1.05								
Net Worth for the year ended 31.03.2018	Rs.6130.94 crore								
Net Profit After Tax for the half-year ended 31.03.2018	Rs.76.13 crore								
Net Profit After Tax for the year ended 31.03.2018	Rs.293.17 crore								
Earnings per Share for the half-year ended 31.03.2018	0.22								
Earnings per Share for the year ended 31.03.2018	0.85								

For: North Eastern Electric Power Corporation Ltd.


 (Authorised signatory)
 Chiranjeeb Sharma
 कंपनी सचिव व विधिक सलाहकार
 Company Secretary-cum-Legal Adviser
 नीपको लि., शिलांग
 NEEPCO Ltd., Shillong