



एक कदम स्वच्छता की ओर

ANNUAL REPORT

2014-2015

MOVING TOWARDS SUSTAINABLE GROWTH TOGETHER



North Eastern Electric Power Corporation Limited
(A Miniratna Category - I, Government of India Enterprise)



Ranganadi Hydro Electric Plant, Arunachal Pradesh

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REFERENCE INFORMATION

Registered Office

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

Cost Auditor

M/s. Sanjib Das & Associates
Cost Accountants, Guwahati

CIN:U40101ML1976GOI001658

Bankers

State Bank of India
Axis Bank
Canara Bank
Indian Overseas Bank
Punjab National Bank

Company Secretary

Mr. Chiranjeeb Sharma

Statutory Auditor

M/s. Nundi & Associates
Chartered Accountants, Kolkata

Secretarial Auditor

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



Vision&Mission

Vision

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

Mission

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

Corporate Objectives

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



PROFILE OF THE PRESENT DIRECTORS



Shri P.C.Pankaj
Chairman & Managing Director
(DIN:03640772)

Shri P. C. Pankaj (59 years) has joined as the Chairman & Managing Director of the Corporation w.e.f. 3rd June, 2011. Shri P. C. Pankaj is an engineering graduate from Agra University and a post graduate in Business Management. He started his career in 1981 with NHPC. Later, he joined PGCIL in November, 1991. He has an impeccable track record in the field of Power Sector and was serving as Executive Director-Northern Region-I in PGCIL, before joining as CMD, NEEPCO. He was also Executive Director, North Eastern Region in PGCIL, posted at Shillong.



Shri A.G.West Kharkongor
Director (Finance)
(DIN:03264625)

Shri A.G.West Kharkongor (56 years) was appointed as Director (Finance) of NEEPCO Ltd. on 19-08-2010. He is an alumnus of IIT, Bombay as well as IIM, Calcutta. Shri A. G. West Kharkongor is an experienced Finance professional having worked in various areas of the Finance & Accounts Department of the Corporation including Treasury, Internal Audit, Budgeting, Taxation, Compilation, Fund Mobilization etc. During his tenure as General Manager (Finance), he successfully mobilized funds for several on-going projects including a Structured Syndicated Term Loan of ₹ 800 crs. Before joining the Corporation in 1993 he had worked in Bharat Petroleum Corporation Ltd. He is a member of Finance Committee of the Tezpur University, Assam. He was also a Member (Finance) of Damodar Valley Corporation. He is keenly involved in community and societal activities.



Shri Utpal Moral
Director (Technical)
(DIN:03434273)

Shri Utpal Moral (59 years) has taken over as Director (Technical) on the 8th February, 2011. Shri Utpal Moral joined NEEPCO in the capacity of Assistant Engineer (E) in January, 1981. He served in Oil sector before joining NEEPCO. During his long association with the Corporation spanning over 34 years, he gathered wide experience in Design & System Engineering, Turnkey Construction, Logistics, Material Management & HR Functions, O&M Project Development & finance of large power Projects and also in EHV transmission lines. Adept in computer utilisation and applications, he has undertaken advanced training in Gas turbine & Internal combustion technology, and Power Systems in Japan & USA. Shri Moral held many challenging positions at various levels and has an acknowledged proficiency in clean energy development and climate change.



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

Shri Satyabrata Borgohain (56 years) joined as Director (Personnel) of NEEPCO on 1st January, 2014. He had acquired globally accredited MBA degree (EQUIS, Europe, AACSB, USA) from International Centre for Promotion of Enterprise, Slovenia, an inter-governmental organisation of constituent countries created by the United Nations for promotion and development of enterprises in the world. Shri Borgohain was also a Gold Medalist in his post graduation studies with specialisation in Personnel Management & Labour Welfare and obtained LLB degree. He is an HR professional with over 31 years of rich experience in Strategic Human Capital Engagement (SHCE) in social responsibility initiatives, talent attraction & development, industrial relations, formulation of personnel policies, improvement of HR systems, nurturing successors and developing committed team. Three decades of his post qualification experience began with a stint of initial service in a leading private sector organisation, and, thereafter, in a state PSE & three CPSEs in the areas of cotton spinning mills, polyester textile, central sector hydro power generation projects and National Power Transmission Corporation.



Shri Raj Pal
Government Nominee
(DIN:02491831)

Shri Raj Pal (54 years), Economic Adviser, Ministry of Power belongs to the Indian Economic Service. He has done his Masters & M.Phil in Economics. He has also done Diploma in Development Studies from Institute of Developing Economics, Tokyo, Japan. As a Member of Indian Economic Service, Shri Raj Pal has experience of about 26 years working in different Ministries of Government of India like Ministry of Finance, Planning Commission, Ministry of Industry, Ministry of Labour etc. He has also worked as Adviser, Economic Regulation in Telephone Regulatory Authority of India prior to joining his current posting as Economic Adviser, Ministry of Power. In the Ministry of Power, Shri Raj Pal is Joint Secretary incharge for Policy & Planning, Training & Research & Coordination division. He joined our Board on 01-11-2013.



Shri Kaling Tayeng
Govt. Nominee
representing NER states
(DIN:07005188)

Shri Kaling Tayeng (41 years) is an IAS officer of the 1998 batch belonging to the Arunachal, Goa, Mizoram & UT (AGMUT) cadre. He has a bachelor's degree in Computer Science and Engineering from IIT Kanpur. He has served at the sub-district level in Andaman & Nicobar Islands and Goa and at the district level in Lower Subansiri, Capital Complex and Lohit District of Arunachal Pradesh. At the State level, he has served as Secretary in various departments such as Health & Family Welfare, Finance, Planning etc. in Arunachal Pradesh and as Special Secretary of Department of Social Welfare and Women & Child development in NCT of Delhi. At present, he is working as Chief Electoral Officer and Commissioner & Secretary of Power & Hydro Power Departments in Arunachal Pradesh. He joined our Board on 18-09-2014.



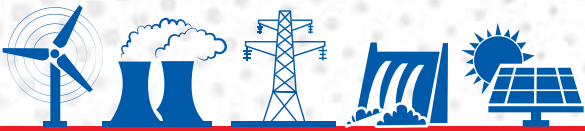
Shri Ashok Sinha
Independent Director
(DIN:00299600)

Shri Ashok Sinha (64 years) is a former member of the Indian Administrative Service. He holds a Masters Degree in Physics from Delhi University and MBA in Finance from Jamnalal Bajaj Institute of Management Studies, Mumbai. He was the Managing Director of CIDCO Ltd. and MAFCO Ltd., and worked as Secretary to the Govt. of Maharashtra in the Labour and Textile Department. He has extensive experience in the field as well. He retired in 2011 as Secretary to Govt. of India, Ministry of Food Processing Industries. He is a Director on the board of Indian Commodity Exchange Ltd. and Prabhat Dairy Pvt. Ltd. He was appointed as a Director on our Board in 31-12-2012.



Dr. Ramesh B. Baheti
Independent Director
(DIN:00008202)

Dr. Ramesh B. Baheti (69 Years) is prominent industrialist and is the Chairman of STI India Limited and STI Sanoh India Limited. He is a gold medalist in M. Com and a Ph. D holder. Dr. Baheti was the Chairman, on the Board of Governors of Atal Bihari Vajpayee Indian Institute of Information Technology & Management, Gwalior, Member of Board of Governors of IIM Indore for 15 years, IIM Ahmedabad and IIM Lucknow for 5 years and Chairman of Centre for Research and Industrial Staff Performance (CRISP), Bhopal for 3 consecutive years from its inception in the year 1997. In 1977 he was awarded the Udyog Patra Award by the Institute of Trade & Development for outstanding self-made. He led the Indian Engineering Trade Delegation of CII to China in 1979. In 1976, he was a member of Govt. of India delegation to the World Conference of Development at Budapest, Hungary. He was appointed as a Director on our Board on 13th November, 2013.



Chairman's Speech



Shri P. C. Pankaj
Chairman and Managing Director

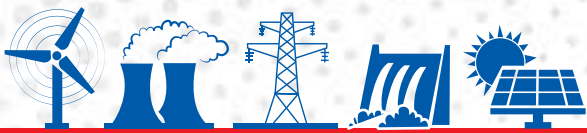
Dear members,

It is a great honour and privilege for me to address all of you on behalf of the Board of Directors and I am delighted to welcome all the shareholders to the **39th Annual General Meeting** of your Company. I would like to thank all of you for the confidence reposed in your company.

The company's accounts for the year ending 31st March, 2015 along with Directors' Report and the Auditors' Report have already been circulated. You would be pleased to know that your Corporation has received 'NIL' comments on the Financial Statements of the Company for the year 2014-15 from the Comptroller & Auditor General of India. With your permission, let me share with you the performance highlights of your Company over the last financial year.

The Corporation continues to play significant role in making quality and reliable power available to the region in particular and nation as a whole. It is indeed a matter of pride, that your Company has commissioned its first Solar Power Project at Monarchok in Tripura with an installed capacity of 5 MW in February, 15, a capacity addition after a decade. The Corporation is also proud to synchronize 2 numbers of 25.5 MW each Steam Turbines Units in Agartala Gas Turbine Combine Cycle Extension Project (AGTPCCEP) in the months of February, 15 and March, 15. Another Gas Turbine Unit of 65.42 MW at Tripura Gas Based Power Project (TGBPP) has also been synchronized during March, 15.

Your Company has established its presence in the Power Sector as a well-known entity committed to provide reliable, quality & economy power to Grid. During the year 2014-15 your Company generated **4355 MU** against MOU (Very Good) Target of **4852 MU** from its five operational plants, which is 89.76% of the MoU target. Out of the total generation, 2363 MU generated from the thermal plants & 1992 MU generated from the Hydro Plants. Shortfall in total generation during the year was mainly due to less generation from Kopili HE Plant. The acidic reservoir water of this plant has caused significant damage to the steel parts of water conductor systems and the underwater parts of Power House since 2006. This has necessitated massive repairing works of Kopili & Khandong water conductor systems and replacement of pivot ring, top cover of the machine etc. with stainless steel one resulted considerable loss of generation during 2014-15. Steps have also been taken to carry out major repairing work of the Water Conductor System & Dam with planned shutdown of the plant. Further, less generation from Ranganadi & Doyang H. E. Plant are due to scanty rainfall in the Catchment area.



The Gross Revenue of the Corporation for the year 2014-15 increased to ₹ **1558.41 Crore** from ₹1417.72 Crore in the year 2013-14, an increase by 9.92%. The Corporation earned a Profit Before Tax (PBT) ₹ **420.27 Crore** as against ₹ 288.00 Crore of previous year, which is the highest ever PBT of your Company. Your Company has paid a maiden Interim Dividend of ₹ 26.00 Cr in February, 15 and proposes a final Dividend of ₹ **95.56 Cr** aggregating to 29.9% of Profit after Tax (PAT) for the financial year 2014-15. The Corporation continues to maintain its profit figure above ₹ 200.00 Cr for last 12 years.

ONGOING PROJECTS:-

In the **600 MW Kameng HEP**, boring of Head Race Tunnel completed and lining work is under progress. About 52% of Bichom Dam and 72% of Tenga Dam work have also been completed. Work is progressing satisfactorily in the Power House civil and Electro-Mechanical works. Assembly work of Stator & Rotor for unit # 1 & 2 are in progress. Commissioning of the Project has been re-scheduled to **March 2017** due to major design changes of various hydraulic structures & Dam parameters, boring of HRT in extremely poor geology, contractual issues etc. Revised Cost Estimate of the Project, amounting to ₹ 6,476.34 Cr (including IDC) at December, 14 Price Level was forwarded to CEA by MOP on 16th March, 15 and is under scrutiny. In respect of **110 MW Pare HEP**, lining of HRT is almost completed and about 80% concreting work in Power House is also achieved. Dam concreting work was started on 28th November, 14. However, due to repeated flash flood and overtopping of cofferdam, the same has been badly affected. Switchyard erection works already completed. Electro Mechanical work of Power House is progressing satisfactorily. Completion of the Project has been re-scheduled to **March, 2016** due to initial delay in award of package works through re-

tendering for saving of cost, poor condition of approach roads, additional requirement of cut-off wall, inundation of Dam pit due to repeated over topping of coffer dam etc. Revised Cost Estimate, amounting to ₹ 1,487.49 Cr (including IDC) at December, 14 Price Level (PL), was forwarded to CEA by MOP on 16-3-15 and presently under scrutiny. In **60 MW Tuirial HEP**, about 70% of Dam and 79% of spillway work have been achieved. Boring of HRT completed and concreting of Raft at Power House started. The work in the powerhouse pit is affected due to slope failure and remedial slope stabilization works. Electro-Mechanical equipment and materials have started reaching site. However, due to deplorable condition of the approach road leading to the project, especially in a stretch of about 18 KM under Assam PWD and series of massive



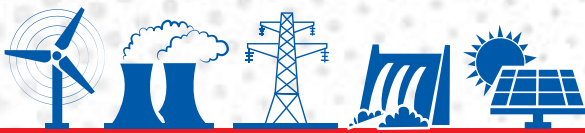
Spiral Casing Unit-I, Pare Hydro Electric Project

slope failures at Power House site the project is re-scheduled for completion in **October, 2016**. Revised Cost Estimate, amounting to ₹ 1381.71 Crore (including IDC) at Dec'14 PL, was forwarded to CEA by MOP on 16-3-15 and are under scrutiny.

The Gas Turbine Unit of **Tripura Gas Based Power Project** was successfully synchronized on 11th March, 15 and was fully loaded up to 66 MW on 30th March, 15. Commissioning of the Project was deferred by more than a year due to delay in supply of gas by ONGC. ONGC could commence gas supply w.e.f. 04-02-2015. Progress of Steam Turbine works was satisfactory during the year and likely to be commissioned within September 2015. The Project cost estimate has been revised to ₹ 1,007.68 Cr at



Power House site, Tuirial Hydro Electric Project



Mar,15 price level and submitted to CEA. In 51 MW **Agartala Gas Turbine Plant Combined Cycle Extension Project**, Steam Turbine Generating (STG) unit -II was successfully synchronized with the grid on 10th Feb,15 and full load (25.5 MW) achieved on 22nd March,15. STG – I was also successfully synchronized on 31st March, 2015. I am pleased to inform that Commercial Operation of both the Units have been achieved on 29th July, 15 & 1st September, 15 respectively.

Govt. of Tripura entrusted NEEPCO for implementation of Rural Electricity infrastructure including Household Electrification Scheme under 12th Plan Grameen Vidyutikaran Yojana (RGGVY) in two Districts viz. South Tripura and Sepahijala. Work was awarded in Sept, 2014 and started from March 2015.

In addition to the above, your Company has taken up several others Hydro and Thermal Project for preparation of PFR / DPR for and subsequent implementation in ownership basis. Some of the major projects are 75 MW Mawphu HEP Stage-II in Meghalaya, 55 MW Killing HEP in Assam & Meghalaya border & 76 MW Mat HEP in Mizoram. Preparation of Project Feasibility Report (PFR) for 190 MW Pabram HEP, 67 MW Khongnem Chakha HEP, 60 MW Irang HEP and 51 MW Tuivai HEP (51 MW) has been completed and commercial viability issue has been taken up with the State Govt. Projects in pipeline are 330 MW Kurung HEP, 80 MW Panyor HEP & 120 MW Nafra HEP in Arunachal Pradesh, 500 MW Garo Hills Thermal Power Project & 170 MW Selim HEP in Meghalaya, 815 MW Lungreng HEP, 635 MW Chhimtuipui HEP & 210 MW Tuivai HEP in Mizoram in ownership basis.

RENEWABLE ENERGY INITIATIVES:

Dear Members, you may be aware that the Government of India is emphasizing on the development of Renewable Energy Sources. NEEPCO too, has taken up several initiatives for capacity addition through Renewable sources, for which a road map has been prepared. As per this road map, NEEPCO is committed to add 2,500 MW in the Renewable Sector during 2015-19 as per Prime Ministers' initiative of "Green India" for putting 1 Lakh MW of Renewable Energy in the country. NEEPCO has already signed MoU with Solar Energy Corporation of India (SECI) on 19th June, 15 for development of 1000 MW Grid Connected Solar Power Project by 2017-18. I am

glad to inform you that NEEPCO has successfully commissioned its first **5 MW Solar Power Project at Monarchok**, Tripura in February, 15.



Solar Power Project, Monarchak

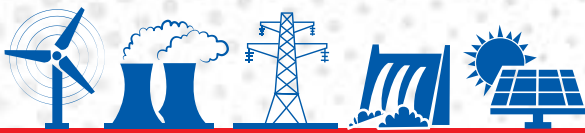
Another 2 MW Grid Interactive Solar Power Project at Lanka, Assam is in the process of development in ownership basis. In addition to this, 50 MWp Grid Connected Solar Power Project at Ichchar, M.P. has also been commissioned in JV mode with M/s WAAREE Energies Ltd.

JOINT VENTURES PROJECTS:

With a view to enhance generation capacity, NEEPCO has formed Joint Ventures with other CPSUs, State Utilities and Private Developers to undertake various projects. Government of India has given the responsibility for development of **9,750 MW Siang Upper Stage-I & Stage-II HE Project** to NEEPCO in Joint Venture with NHPC and Govt. of Arunachal Pradesh. Signing of Bipartite Agreement with NHPC is in the final stage, which will be followed by a tripartite agreement among NEEPCO, NHPC and Govt. of Arunachal Pradesh.



Signing of MoA with Govt. of Arunachal Pradesh in respect of Kurung HEP, Arunachal Pradesh



Preparation of DPR and EIA & EMP studies of Siang Upper Stage-II HEP are under progress. Further, Share Holder Agreement (SHA) has been signed with KSK Energy Ventures for development of **120 MW Dibbin HE Project** in Arunachal Pradesh. Finalization of the revised hydrology of the Project is taken up with CWC. Your Company is also in the process of entering into Joint Venture Agreement with Govt. of Arunachal Pradesh for 330 MW Kurung HEP and with NHPC for 1,500 MW Tipaimukh HE Project (1500MW) in Manipur. In the Renewable sector too, initiatives has been taken for development of 2 MW Solar PV Power Plant at Sonapur, Assam, 50 MW Solar Power Project at Andhra Pradesh, 7,500 MW Ultra Mega Solar Power Plants at Leh & Kargil, 100 MW Wind power project at Gujarat in JV mode. NEEPCO has signed MOU with Govt. of Tripura for formation of a Power Generation Company, a JV between Govt. of Tripura and NEEPCO, for preparation of DPR and conversion of Rokhia & Baramura Thermal Projects to Combined Cycle Plant and Renovation & Modernization of Gumti HE Project.

INFORMATION TECHNOLOGY:



Training Programme on e procurement

IT has been playing the pivotal role towards computerization of major functions of the Corporation. There has been a constant endeavour to maintain state of the art IT infrastructure and totally networked Corporation. The corporation has undertaken initiative for implementation of **ERP** with Data Centre and Disaster Recovery Centre, **E-Procurement** at Project sites and **Video Conferencing System** in Kopili HE Project. I am pleased to inform you that your Company has implemented departmentally developed online recruitment system for HR Department and Fixed Asset Accounting Module with Web Based Portal.

RESEARCH & DEVELOPMENT:

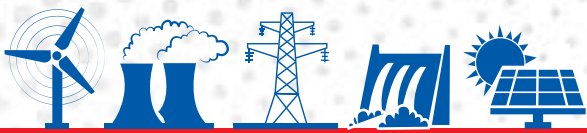
To address the new challenges and opportunities in the increasingly competitive global markets, R&D initiatives are taken up by the Corporation to strengthen country's technological capabilities and ensure growth. Study of the catchments of the Ranganadi HE Plant (RHEP) through Remote Sensing to assess the status of soil erosion and silt deposition in the reservoir, study of reduction of acidity of the responsible stream either by diversion from the main river feeding the Kopili Reservoir or by taking up some chemical treatment to prevent damages of metal parts of Kopili H.E. Plant and assessment of turbine efficiency under different reservoir level at Kopili Hydro Electric Plant were the R&D project taken up during the year 2014-15. The corporation spent a total of ₹ 126.36 Lakh under R & D program during 2014-15.

CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT (SD):

As a responsible corporate citizen, your Corporation is always emphasizing towards all-round development of the people residing in and around its operational areas. We nurture the talents and arouse their potential for making bright future, we care for making healthy and clean society, we are concerned for improvement of quality of life of the society where we serve and inspire the un-employed youth to become self-reliance and making them productive.



Participants at the Scientific Honey Farming Training Programme organised by KHEP



Subsequent to the “Swachh Vidyalaya Abhiyan” mission launched by the Hon'ble Prime Minister on 15th August, 2014, NEEPCO has completed construction of all the allotted 664 numbers of toilets in various schools within the stipulated time frame.

Dear Members, your Company continued to contribute for the sustainable growth of the country's economy while simultaneously working on and maintaining social and environment sustainability. The Corporation is committed towards the objectives of Sustainable Development through its activities and services. Keeping this in mind, the Corporation has taken up specific Sustainable Development plan such as 20 KW, off grid Solar Power Plant at Chaturdash Devta Mandir, Khayerpur, Agartala, solar LED street lighting in village Bahunigaon near Assam Gas Based Power Plant Bokulani etc. in line with the Guidelines issued by Department of Public Enterprises. During the year an amount of ₹ 9.62 Cr was spent against various CSR & SD schemes, which was 3.40 % of Profit Before Tax (PBT).

RULES AND POLICIES:

Dear Members, the Corporation has re-framed its existing **Risk Management Policy** through a reputed consultant as per the suggestion of Audit Committee of the Board. The Corporation has also made purchases of goods and services from Micro & Small Enterprises (MSE), to the tune



Training Programme on Risk Management Policy at HRD Centre, Corporate Office

of 7.25% of the total procurement during the year 2014-15, as per the **Public Procurement Policy for Micro & Small Enterprises (MSEs)**. The Corporation also brought into

effect some new HR Policies & Guidelines during the year 2014-15 such as introduction of Cashless Medical Indoor Treatment Facility for employees in the Empanelled Hospitals, regular Management Committee Meeting (MCM) for Senior Level Executives to discuss policies and strategic actions required for steering the company towards its set goal, introduction of Child Care Leave, Child Care Leave on adoption and Paternity Leave, simplification of Forms etc.

HUMAN RESOURCE DEVELOPMENT:

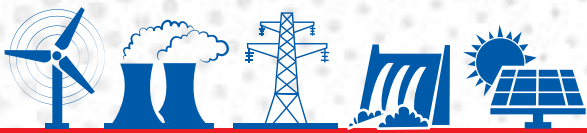
Human resource is the most important and vital factor of economic development of a country. Your Company has introduced Annual Competency Development Plan 2014-15 for its employees. During the year, trainings were given to 1645 employees, covering 19343 man-days, to improve their competency levels by enhancing their skills & knowledge through various in-house programmes and external training programmes organized by various reputed training institutes within the country & abroad. Beside these, our engineers have attended “Inter CPSE Knowledge Sharing Programmes” conducted at various Plants of NTPC & NHPC. During the year 2014-15, 46 nos. of Executives obtained Global standard Certification Programs (IPMA level 'C', CIPM).

The Corporate Communication (CC) Section of NEEPCO continued its sustained efforts to work towards



Symposium on Good Practices of CPSEs on RTI, issues and concerns, Shillong

improvement of communication with the public and employees so that NEEPCO's mission and vision are known and appreciated. CC Section had conducted



“Swachh Bharat” programmes and painting competition on “Energy Conservation” covering the state of Meghalaya. Further, your Company has also maintained congenial and harmonious Industrial Relations throughout the year. Joint forums consisting of management and trade union representatives have been formed to encourage employees' involvement and effective participation for better organizational performance. The Corporation is making all out efforts to effectively implement the Official Language Policy of the Government of India at its Corporate Office as well as in its Projects and other offices. Efforts were made to issue papers referred to Section 3 (3) of the Official Language Act in bilingual. During the year, 55 employees were nominated for Hindi Language Training under regular course and 34 employees posted at project sites were nominated for Correspondence course.

NEEPCO VIGILANCE ACTIVITIES

During the year 2014-15, NEEPCO Vigilance Department dealt with various aspects of Vigilance Mechanism as per the directives and guidelines issued by the Central Vigilance Commission (CVC). Emphasis was given to the aspect of preventive vigilance to streamline the rules and



Vigilance Awareness Pledge being administered by Shri A.G. West Kharkongor, D(F) at Corporate Office

procedures and making all efforts to arrest the loopholes. For exclusive and independent functioning of Vigilance Department, your Company ensured transparency, objectivity and quality in vigilance functioning.

REPORT OF CORPORATE GOVERNANCE:

Dear Members, your Corporation is an unlisted Company with 100% shares held in the name of the President of India. Your Company complies with the Corporate

Governance guidelines for Public Sector Enterprises, Govt. of India. The Corporation firmly believes in the importance of good Corporate Governance in the conduct of its affairs. It stresses in increasing efficiency along with adequate control systems in its operations. An Audit Committee regularly reviews all financial statements before placing to the Board. The Annual Report along with various other communications is hosted on the website for information of the public at large.

ACKNOWLEDGEMENT:

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

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

Lastly, on behalf of the Board of Directors of the Company, I would like to place on record the Corporation's appreciation for sincere and devoted service rendered by each individual employee because of whom our Corporation has been able to maintain steady growth and its consistent performance.

May I now request that the Director's Report, the Audited Accounts, the Reports of Auditor and Comments of the C & AG for the year ended 31st March, 2015 be considered and adopted.

Thanking you,

Dated : 30-09-2015
Place : Shillong

(P.C.Pankaj)
Chairman and Managing Director
DIN NO: 03640772

DIRECTORS' REPORT for the year 2014-15

Dear Members,

On behalf of the Board of Directors it is my privilege to present the 39th Annual Report on the performance of your Corporation during the Financial year ended on 31st March 2015 along with the audited Statement of Accounts, Auditors Report and Review of the Accounts by the Comptroller & Auditor General India for the period.





FINANCIAL PERFORMANCE

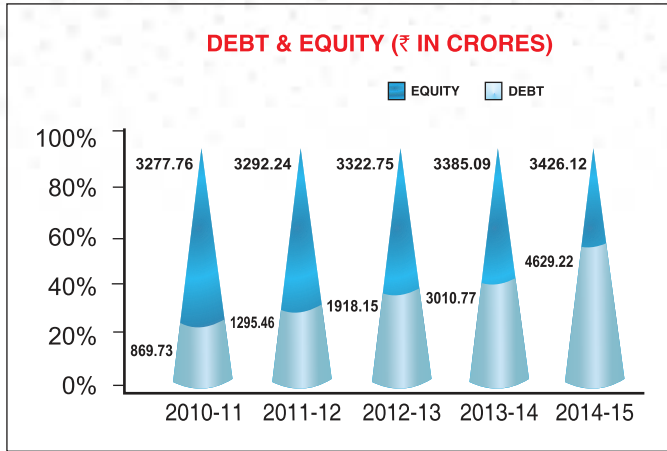
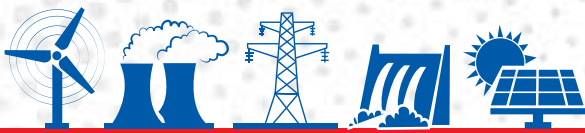
The performance of the Corporation for the financial year ended 31st March 2015 is summarized below :

PERFORMANCE AT A GLANCE

(₹ In Crore)

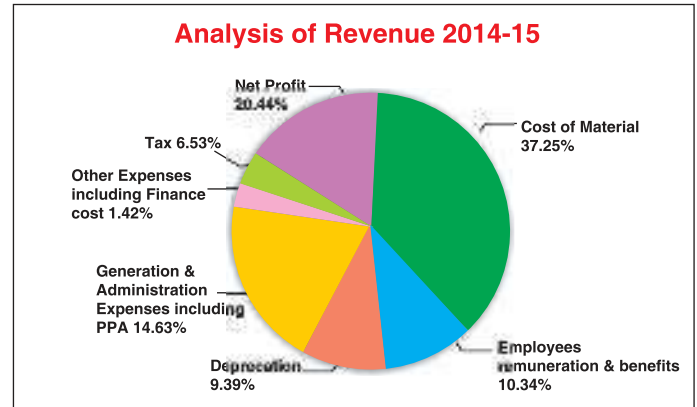
SI No	Items	2014-15	2013-14
A	Revenue from Operation	1530.51	1279.75
B	Other Income	27.90	137.97
C	Total Revenue	1558.41	1417.72
D	Profit before depreciation, interest and tax	570.06	422.73
E	Depreciation	146.38	132.02
F	Profit after depreciation but before interest and tax	423.68	290.71
G	Interest and finance charges	3.41	2.71
H	Profit before tax but after depreciation and interest	420.27	288.00
I	Current Tax	101.73	56.48
J	Profit after tax	318.54	231.52
K	Surplus of earlier year	0.63	0.59
L	Profit available for appropriation	319.17	232.11
M	Appropriation		
	a) Interim Dividend	26.00	25.00
	b) Proposed final dividend	69.56	44.46
	c) Dividend Tax	19.36	11.80
	d) Transfer to Bond Redemption Reserve	107.29	7.22
	e) Transfer to General Reserve	96.00	143.00
	f) Balance of Profit carried forward	0.96	0.63
N	Share Capital	3426.12	3385.09
O	Reserve & Surplus	2168.49	1894.76
P	Capital Reserve	0.14	0.14
Q	Net Worth (N+O-P)	5594.47	5279.71
R	Gross Block	5085.34	4927.44
S	Capital Employed	3240.16	2809.68
T	Number of Employees	2559	2723
U	Financial Ratios :		
	Gross Operating Margin	547.39	294.48
	Net Profit to Net Worth (%)	5.69	4.39
	PAT /Total Employment (₹ in lakhs)	12.45	8.50
	Debt Equity Ratio	1.35	0.89
	Liquidity (ratio)	1.86	1.49
	Current Ratio	2.08	1.69
	Sales Turnover/ Net Block (%)	69.26	58.18
	Debtor Turnover Ratio (days)	186	219
	Dividend per Share (₹)	0.28*	0.21*
	Earning per Share (₹)	0.94	0.70

*including final dividend recommended by the Board



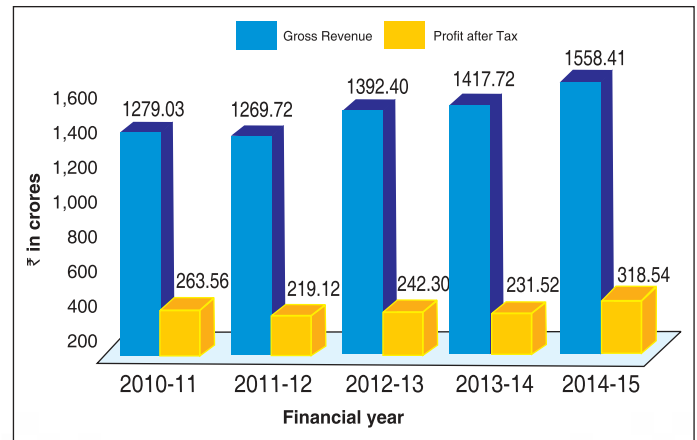
Revenue

The Gross Revenue of the Corporation for the year 2014-15 increased to ₹1558.41 Crore from ₹1417.72 Crore, an increase by 9.92 % from the previous year.



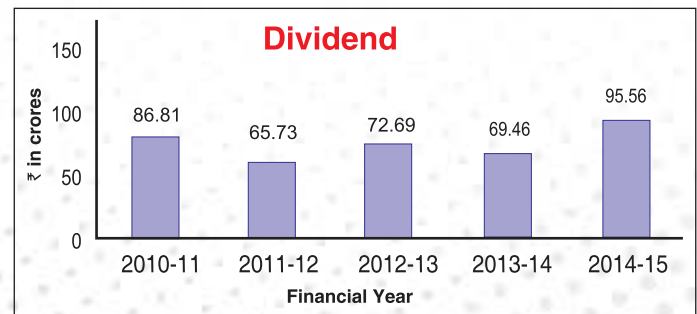
Profit Before and After Tax

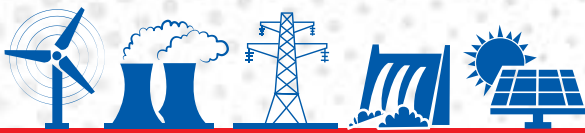
The Corporation earned a profit before tax of ₹ 420.27 Crore as against of ₹ 288.00 Crore of previous year and the profit after tax amounts to ₹ 318.54 Crore against previous year figure of ₹ 231.52 Crore.



DIVIDEND

The Corporation has paid an interim dividend of ₹ 26.00 Crores in February, 2015. Your Directors have recommended a final dividend of ₹ 69.56 Crore for the year 2014-15. The total dividend payout for the year amounts to ₹ 95.56 Crores i.e. ₹ 0.28 per equity share. The dividend pay-out represents 30% of Profit after Tax (PAT) as per the guidelines of the Ministry of Power, Government of India. The final dividend shall be paid subject to your approval in the Annual General Meeting. The total dividend payout including dividend tax accounts for 36.08% of Profit After Tax of the Company.





RESERVES

An amount of ₹ 107.29 Crore is being transferred to the Bond Redemption Reserve for the year ended 31st March, 2015 as against ₹ 7.22 Crore for the year ended 31st March, 2014. An amount of ₹ 96.00 Crore is being transferred to the General Reserve for the year ended 31st March, 2015 as against ₹ 143.00 Crore for the year ended 31st March, 2014.

FINANCIAL REVIEW

A. CAPITAL STRUCTURE

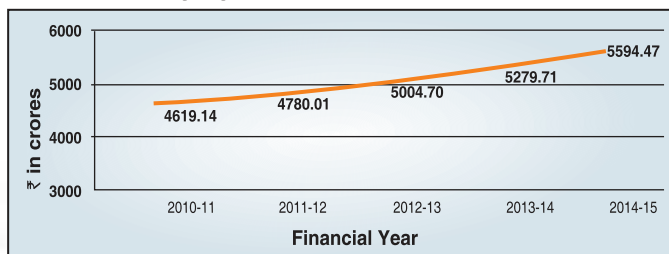
The Authorised Share Capital of the Corporation as on 31.03.2015 stood at ₹ 5000 Crore and the Paid up Capital including pending allotment was ₹ 3426.12 Crore (Previous year ₹ 3385.09 Crore). During the financial year 2014-15 the Corporation has issued share certificate of ₹ 63.20 Crore to the Government of India.

B. BORROWINGS

The Corporation mobilised a loan of ₹ 3972.00 Crore from various domestic and international lending agencies during the year 2014-15. This includes the highest ever single mobilization of ₹ 2500 Crores through PSU Bonds, which was primarily raised to swap a higher cost debt.

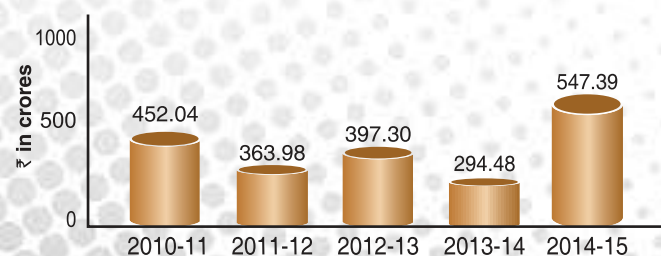
C. NET WORTH

The Net Worth of the Corporation excluding capital reserve as on 31st March, 2015 was ₹ 5594.47 Crore against ₹ 5279.71 Crore as on 31st March, 2014 representing a growth of 5.96%.



D. GROSS OPERATING MARGIN

The Gross Operating Margin of the Corporation as on 31st March, 2015 was ₹ 547.39 Crore against ₹ 294.48 Crore as on 31st March, 2014.



E. STATUTORY AUDITOR

M/s Nundi & Associates, Kolkata was appointed as the Statutory Auditor of the Company, by the Comptroller & Auditor General of India for the financial year 2014-15.

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 2014-15. The Statutory Auditor has given an unqualified report on the Financial Statements of the Company for the year 2014-15. The report of the Statutory Auditor is given in **Annexure – 8**.

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

You would be pleased to know that your Corporation has received 'NIL' comments on the Financial Statements of the Company for the year 2014-15 from the Comptroller & Auditor General of India. The copy of the report is enclosed as **Annexure – 9**.

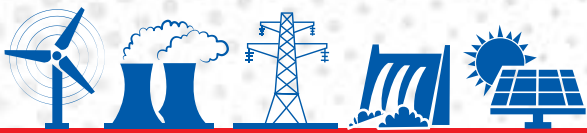
H. COST AUDITOR

The Central Government u/s 148 of the Companies Act, 2013 has approved the appointment of cost audit firm, M/s Sanjib Das & Associates, Guwahati as Cost Auditor of the Corporation for the financial year 2014-15. The Cost Accounting Records are being maintained by all the power stations as prescribed under the Cost Accounting Records (Electricity Industry) Rules, 2011. The Cost Audit for the year 2014-15 has been completed and the Cost Auditor submitted the report. The Cost Audit Report for the financial year 2013-14 was filed with the Cost Audit Branch, Ministry of Corporate Affairs, Govt. of India on 26th September, 2014. The due date for filing Cost Audit Reports for the financial year 2014-15 is September 27, 2015 and the same shall be filed with the Cost Audit Branch within the stipulated time.

PLANTS UNDER OPERATION:

POWER GENERATION

Generation during the year 2014-15 was 4355 MU against MOU (Very Good) Target of 4852 MU with Generation from



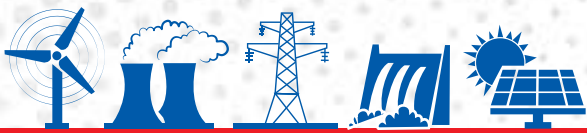
Thermal & Hydro Plants being 2363 MU & 1992 MU respectively. Thus the achievement in generation with respect to the MOU Target was 89.76%. The Generation during the period 2014-15 was less mainly due to less generation from Ranganadi & Doyang H. E. Plant for scanty rainfall in the Catchment area, frequent forced

shutdown of units of Kopili HE Plant to damages caused to the underwater parts, water conductor system for acidic reservoir water. Also the generation from Tripura Gas Based Project was not possible during 2014-15 as the plant could not be commissioned in time due to non-availability of fuel gas supply by M/s ONGC Ltd.

Power Station	Generation Target (MU) 2014-15 for "V-Good" MOU rating	Actual Generation (MU) 2014-15	Achievement in % age	P.A.F. Target (%) 2014-15 for "Very Good" MOU rating	Actual Plant Availability Factor for Power Plants (%) 2014-15
Hydro					
Kopili H E Plant (275 MW)	931	717	77.01	64	50.42
Doyang H E Plant (75 MW)	227	165	72.69	73	62.91
Ranganadi H E Plant (405 MW)	1200	1110	92.50	87	86.18
Thermal					
AGBP (291 MW)	1725	1741	100.93	67	69.26
AGTP (84 MW)	609	622	102.13	85	84.64
TGBPP (101 MW)	160	–	–	65	–
Renewable					
Solar Monarchak (5 MW)	–	1	–	–	–
NEEPCO	4852	4356	89.77		



Interim Dividend being presented to Hon'ble Moinister of State for Power



HYDRO ELECTRIC PLANTS

A) Kopili Hydro Electric Plant (275 MW), Assam:

The Plant which consists of three power stations namely, Kopili Power Station (4 X 50 MW), Khandong Power Station (2 X 25 MW) and Kopili Stage-II Power Station (1 X 25 MW). During the year 2014-15, could generate only 717 MU against Design Energy of 1550.09 MU.

The energy generated was lower primarily due to frequent shutdown of its units for massive repairing works of underwater parts including replacement of

pivot ring, top cover of SS materials in view of damage of those parts for acidic nature of reservoir water. The maintenance works took much longer time than anticipated due to requirement of massive weld build-up and grinding to maintain the original profile of equipment. The water conductor system of both Kopili and Khandong had to put under shut down for repairing works.

The Renovation & Modernization (R&M) of Kopili Unit # I & II and Khandong Unit # I has been completed during 2014-15.



Kopili Hydro Electric Plant

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

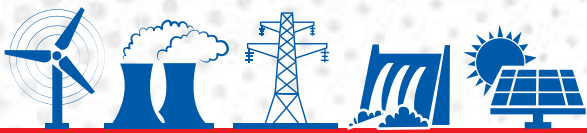
Doyang Hydro Electric Plant, with its Design Energy of 227.24 MU, could generate only 165 MU during the year 2014-15 due to scanty rainfall in the catchment area. The Plant Availability Factor achieved during 2014-15 was 63% against 73% of Normative as well as MOU (Very Good) Target Plant Availability Factor.

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

Ranganadi Hydro Electric Plant, with its Design Energy of 1509.66 MU, could generate 1110 MU during the year 2014-15. The primary reason for lower generation from the Plant is scanty rainfall in the catchment area. The Plant Availability Factor of the Plant during 2014-15 was 86.18% against Normative Plant Availability Factor of 85% & MOU Very Good target of 87%.



Doyang Hydro Electric Plant



THERMAL PLANTS

D) Assam Gas Based Power Plant (291 MW), Assam:

Generation achieved from the Plant was 1741 MU during 2014-15 with Plant Load Factor of 68.30% and Plant Availability Factor of 69.26% against normative Plant Availability Factor of 72%. The primary reason for lower Plant Availability Factor was less availability of Gas. The contracted quantity of gas is 1.4 MMSCUMD. For supply of additional gas beyond the contracted quantity for the Plant, the matter has been taken up with M/s OIL on several occasions. Matter has also been taken up with other appropriate authority for enhancement of gas linkage to increase generation level.

E) Agartala Gas Turbine Plant (84 MW), Tripura :

84 MW Agartala Gas Turbine Plant has achieved generation of 622 MU during 2014-15 with Plant Load Factor of 84.54% and Plant Availability Factor of 84.64%.

During the year, **Steam Turbine Units as part of the Combined Cycle Conversion were synchronized on 10th February 2015 (Unit-II) and 31st March, 2015 (Unit-I)**. Various commissioning testing were undertaken and on the process, there was generation of around 7 MU of energy generated as infirm power from these units during the year.



Agartala Gas Turbine Plant - Combined Cycle Extension Project

RENEWABLE ENERGY PLANTS

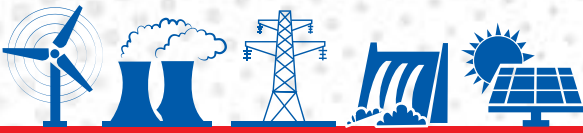
F) 5 MWp Grid Interactive Solar Power Plant at TGBP Site, Tripura.

As a maiden venture, the Corporation has commissioned its 5 MWp Grid Interactive Solar PV Power Project at Monarchak within the premises of the 101 MW Tripura Gas Based Power Project during February, 2015 progressively w.e.f. 4th February, 2015 and total capacity of 5 MWp achieved on 15th February, 2015. **The Plant is commercially operative from 15th Feb, 15.** The power generated from the Plant is

evacuated through a 33 KV Double Circuit line to the Rabindranagar Sub-Station of Tripura State Electricity Corporation Ltd. (TSECL).

Since commissioning, the 5 MWp Solar PV Plant, Monarchak generated 0.98 MU till the end of year 2014-15 with Capacity Utilization Factor (CUF) of 13.95% against designed CUF of 19%.

The cumulative expenditure incurred in the Project up to March, 2015 was Rs. 32.66 Crore, out of which an amount of Rs. 28.26 Crore was spent during 2014-15.



ONGOING PROJECTS

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

In 600 MW, Kameng HEP, boring of Head Race Tunnel (total 14.47 km long) is completed with the achievement of breakthrough of the longest HRT length of 8.4 Km from two faces on 16th March, 15. Lining work has been taken up and 5.25 Km of lining has been achieved. About 52.30% concreting work in Bichom Dam and 72% in Tenga Dam have been completed till March, 15. Work is progressing satisfactorily in the Power House. 59% steel liner erection of Penstock has been completed. In regard to Electro-Mechanical works, erection of Draft Tube Liners for all four Units has been completed and Spiral Casing of Units – I & II have been placed in their foundations. Assembly work of stator for unit # 1 and 2

are in progress. Assembly work of rotor Unit # 1 is also in progress. Arrangements for Barrel Concreting in Unit-I & II have been started.

Due to major design changes keeping in view the technical problems faced in execution of various hydraulic structures, redesign of Dam parameters, boring of HRT etc. in extremely poor geology coupled with loss of considerable working hours due to natural hindrances and contractual issues, commissioning of the Project has been reviewed and re-scheduled to March 2017.

RCE of the Project, amounting to ₹ 6476.34 Cr (including IDC) at Dec, 14 Price Level has been submitted to the MOP, GOI, on 12th March, 15. The cumulative expenditure incurred in the project up to 31st March, 2015 was ₹ 3762.54 Crore, out of which an amount of ₹ 925.86 crore was spent during 2014-15.



Penstock, Kameng Hydro Electric Project



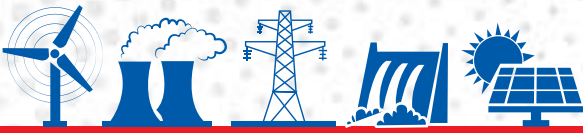
Wye-1, Kameng Hydro Electric Project

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

In respect of 110 MW Pare HEP, boring of HRT of 2.828 km has been completed and 92.33% lining has also been achieved till Mar, 15. Excavation of Power House pit including a portion of tail race channel completed. 80% concreting in Power House has been achieved till Mar, 15. Concreting of the Dam at Jampa has started on 28th Nov, 14 and 11.45% concreting completed up to Mar, 15. However, the Dam concreting during the period suffered due to repeated flash flood and overtopping of cofferdam. Fabrication of steel liner including 40.77% erection completed. In regards to Electro Mechanical work, erection of DT Liners, Spiral of Unit - I & II completed and concreting in Generator Barrel for Unit-I is in progress. MIV for



Pare Hydro Electric Project



Unit – I & II erected. Switchyard erection works are also completed.

Due to initial delays in award of major packages through re-tendering resulting to substantial saving of cost of the packages coupled with factors such as poor condition of approach road under the State PWD, additional requirement of cut-off wall in the dam foundation, inundation of Diversion Tunnel, delay in finalization of Dam foundation level, Collapse in HRT Face-III, inundation of the whole Dam area and frequent law & order problem, completion of the project has been rescheduled to be commissioned in March 2016.

RCE amounting to ₹ 1487.49 Cr (including IDC) at Dec, 14 Price Level (PL) was submitted to the Ministry of Power, Government of India on 12th March, 15. The cumulative expenditure incurred in the project up to 31st March, 2015 was ₹ 933.88 Crore, out of which an amount of ₹ 107.85 crore was spent during 2014-15.

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

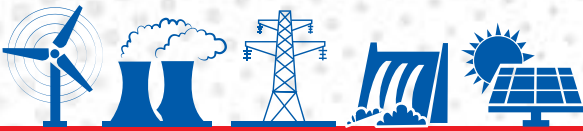
In regards to 60 MW Tuirial HEP, River diversion and boring of Power Tunnel have been completed. About 99.00% excavation and 69.66% filling has been achieved till March, 15 in Dam. In Spillway, excavation completed and about 79% concreting work also completed till March, 15. The work in the powerhouse pit is affected due to slope failure and

remedial slope stabilization works including shear piling works. Presently Geo-grids are being laid progressively in the slopes. Works in the cut and cover portion of the Unit-I & II Tunnel completed. Boring of Power Water Way from Power House end has commenced. In Power House pit, excavation is in progress and raft and backfill concrete in Power House started. Switchyard civil works are completed. Steel liner fabrication works are completed and Electro-Mechanical equipment and materials have started reaching site. Following sustained efforts, the project was revived in January, 2011 after a gap of almost 6 (Six) years. However, due to deplorable condition of the approach road leading to the project, especially in a stretch of about 18 KM under Assam PWD posing difficulty in transportation of material to the project. Series of massive slope failures at Power House site starting from December, 12 to May, 13 and lack of availability of sufficient skilled labourers, the project is rescheduled for completion in October, 2016.

RCE amounting to Rs. 1381.71 Crore (including IDC) at December, 14 PL has been submitted by NEEPCO to the Ministry of Power, on 12th March, 15. The cumulative expenditure incurred in the project up to 31st March, 2015 was ₹ 812.32 Crore, out of which an amount of ₹ 232.89 crore was spent during 2014-15.



Upper Coffer Dam, Tuirial Hydro Electric Project



D) Tripura Gas Based Power Project (101MW), Monarchak, Tripura

The Gas Turbine Unit of the Project was successfully synchronized on 11th March, 15 and was fully loaded up to 66 MW on 30th March, 15.

Though the project was made ready for commissioning on open cycle (i.e. its Gas Turbine) in September, 2013, the same had deferred due to delay in supply of gas by ONGC.

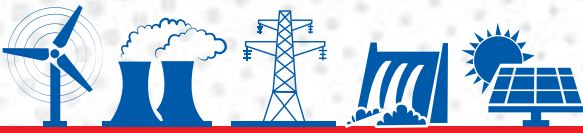
The commissioning target of the Project was projected in the MOU 2014-15 as January 2015 (Very Good) subject to supply of gas by ONGC by 1st September, 2014 as committed keeping in view of the progress of ONGC in establishing their facilities for supplying gas to the project. ONGC could commence gas supply only on 04-02-2015. This has resulted delay in synchronization of the Gas Turbine. Thus, the MOU target (2014-15) of completing the project within 1st March, 2015 could not be achieved due to the delay in supply of gas.

The Steam Turbine works including all Balance of Plant (BOP) works has also progressed substantially during the year. Erection works in the Heat Recovery Steam Generators completed and ready for Hydro test. Around 96 % erection work of Steam Turbines and its Auxiliaries have also been completed till March, 15. The Steam Turbine boxing up and oil flushing was completed in October, 2014. So far as the Raw Water System is concerned, 98% of laying of pipe line and 91% works of intake structure are completed till March' 2015. The Steam Turbine Unit is likely to be commissioned within August, 2015.

The Project cost estimate has been revised to ₹ 1007.68 Cr at March, 15 price level and submitted to CEA. The cumulative expenditure incurred in the project up to 31st March, 2015 was ₹ 868.22 Crore, out of which an amount of ₹106.20 Crore was spent during 2014-15.



Tripura Gas Based Power Project



E) Agartala Gas Turbine Plant- Combined Cycle Extension Project (51 MW), Tripura:

In 51 MW Agartala Gas Turbine Plant Combined Cycle Extension Project, **Steam Turbine Generating (STG) unit -II was successfully synchronized with the grid on 10th Feb, 15 and full load (25.5 MW) achieved on 22nd March, 15. STG – I was also successfully synchronized on 31st March, 2015.**

Presently stabilization of the units and preparation for Reliability Run Test are in process.

The cumulative expenditure incurred in the project up to 31st March, 2015 was ₹ 306.96 Crore, out of which an amount of ₹ 94.06 crore was spent during 2014-15.



Agartala Gas Turbine Plant- Combined Cycle Extension Project

F) Rajiv Gandhi Gramin Vidyutkaran Yojna (RGGVY):

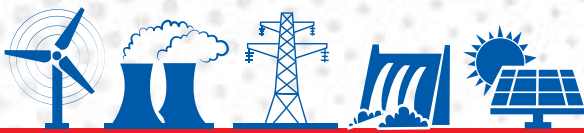
The Corporation has been entrusted by the Govt. of Tripura for implementation of Rural Electricity infrastructure including Household Electrification Scheme under 12th Plan Grameen Vidyutikaran Yojana in two Districts viz South Tripura and Sepahijala. The sanction project cost (excluding 5% agency charges) for South Tripura District is ₹ 44.80 Cr. and for Sepahijala District is ₹ 39.04 Cr. Work was awarded in September, 2014.

Quadripartite Agreement amongst Rural Electrification Corporation (REC), Govt. of Tripura, Tripura State Electricity Corporation Ltd. (TSECL) and NEEPCO was signed on 26.11.2014. Mobilization of material at sites have started in March 2015 for commencing erection works.

The cumulative expenditure incurred in the Project up to 31st March, 2015 was ₹ 0.65 Crore, out of which an amount of ₹ 0.35 Crore was spent during 2014-15.



Agartala Gas Tubine Plant



UPCOMING PROJECTS:

RENEWABLE ENERGY PROJECTS		
S.N.	Project	Status
1.	Grid Interactive Solar Power Project (2 MW), Lanka, Assam.	• Detail project report (DPR) prepared through consultant and investment approval accorded on 28 th Nov 2014. Thus, “Excellent” MOU rating could be achieved.
2.	Grid interactive Solar Power Project (5 MW), Surjyamoni nagar, Tripura	• Detail project report (DPR) was prepared by NEEPCO and approved on 13 th August 2014. Thus, “Excellent” MOU rating could be achieved.
3.	Grid Interactive Wind Power Project, at Kopili HEP, Assam.	• Pre- Feasibility Report was prepared by National Institute of Wind Energy Technology, Chennai and accepted on 26 th February 2015, thereby achieved the “Excellent” MOU rating.

S&I SCHEME: (Ownership Basis)		
S.N.	Project	Status
HYDRO		
1.	Projects in Meghalaya	
	Mawphu H.E. Project, Stage-II (75 MW), Meghalaya	<ul style="list-style-type: none"> • Draft Detailed Project Report (DPR) is under scrutiny by CEA. • Comprehensive EIA/ EMP studies by WAPCOS in progress. • Application for diversion of 110 Ha of forest land submitted.
2.	Killing Hydro Electric project (50 MW), Assam / Meghalaya	<ul style="list-style-type: none"> • Pre-Feasibility Report (PFR) has been prepared. • Terms of Reference (TOR) for EIA/EMP Studies obtained from MoEF on 30.12.2014. • Tender for EIA/EMP studies opened on 30.03.2015 and techno-commercial bid under evaluation. • HM data collection, Topographical Survey and Geological Surface Mapping in progress. • Application for diversion of 123.2 Ha of forest land made on 29.12.2014. • Brahmaputra Board has been requested for handing over the related reports/ information to NEEPCO.
3.	Projects in Mizoram	
	Lungreng HEP (815 MW)	• Clearance of MEA for taking up the S&I works is awaited since both the projects involve international boundary with Myanmar.
	Chhimtuipui HEP (635 MW)	
	Mat HEP (76 MW)	<ul style="list-style-type: none"> • DPR under updation by CWC. • NEC requested CWC on 01.04.2015 to hand over all the related inputs to NEEPCO. • Matter is under persuasion with CWC and Efforts are being made for updation of the DPR at the earliest.
	Tuivai HEP (210 MW), Mizoram.	<ul style="list-style-type: none"> • MOA was signed with Govt. of Mizoram on 10.02.2015 for execution of the project. • DPR was earlier prepared by CWC and subsequently reviewed by NEEPCO prior to signing of the MOA. • Cost estimate of the project has been updated.
4.	Projects in Manipur	
	Pabram HEP (150 MW)	<ul style="list-style-type: none"> • Pre Implementation Agreement was signed with the State Govt. on 28.08.14 for DPR preparation and implementation of these projects. • Project Feasibility Report (PEF) prepared. • Techno-commercial viability issues being taken up with the State Government.
	Khongnem Chakha HEP (50 MW)	
	Irang HEP (60 MW),	
	Tuivai HEP (51 MW)	



PROJECTS IN PIPELINE: (Ownership Basis)		
S.N.	Project	Status
HYDRO		
1.	Selim HEP (170 MW), Meghalaya	<ul style="list-style-type: none"> • NEEPCO on 29.12.2014 submitted application for allotment of the Selim H.E. Project in the prescribed format with a requisite amount of Rs. 2.75 lakh to the Government of Meghalaya.
2.	Panyor HEP (80 MW), Arunachal Pradesh	<ul style="list-style-type: none"> • The Government of Arunachal Pradesh allotted the project to M/s Raajratna Energy Holdings Pvt.Ltd. • The Developer had on 30.10.2014 communicated its offer to hand over the Project to NEEPCO on cost plus basis. • NEEPCO engaged consultant or carrying out Due Diligence Study of the project on 19.02.2015.
3.	Nafra HEP (120 MW), Arunachal Pradesh	<ul style="list-style-type: none"> • The Govt. of Arunachal Pradesh allotted the project to M/s SEW Energy Ltd. • SPV namely M/s Sew Nafra Power Corporation Private Ltd. on 03.03.2015 offered to Sale/Transfer of ownership of the project to NEEPCO, which is under examination of NEEPCO.
THERMAL		
4	Garo Hills Thermal Power Project (500 MW), Meghalaya	<ul style="list-style-type: none"> • The Project site identified near Darrugiri, East Garo Hills District of Meghalaya. • Preliminary survey works for the Project site completed. • NEEPCO has taken up the physical survey to identify the coal bearing area and Coal Bearing lands under the East Darrengiri Area have been identified as the primary source for the captive mining to cater the need of coal linkage for the Project. The District Administration, East Garo Hills have been pursued/being pursued for interaction with the Coal Bearing Land owners and get the consent/ Expression of Interest for providing land to NEEPCO on lease to take up further activities for establishing captive coal mining to supply requisite coal for the Project. A report on the same is prepared in Nov 2014. This being the target under MoU 2014-15 under “Initiative for growth” could be achieved as “Excellent”.
RENEWABLE		
5.	2 MW Solar PV Power Plant at Sonapur, Assam.	<ul style="list-style-type: none"> • MoU has been signed between NEEPCO and Assam Don Bosco University Sonapur, Assam, on 9th Feb’ 2015 for setting up of 2 MW Solar PV Power Plant.

RENEWABLE ENERGY INITIATIVES

The Strategic Business Plan for Renewable Energy Sector of NEEPCO for the next 5 years has been formulated. The Corporation has committed to put up 2500 MW of Renewable Energy Projects during 2015-19 as per Prime Ministers’ initiative for putting in 1 Lakh MW of Renewable Energy in the Country. The Commitment certificate was handed over to Government of India during the REINVEST 2015 (1st Renewable Energy Global Investors Meet & Expo), organized by MNRE w.e.f 15.02.2015 to 17.02.2015 at New Delhi. The targeted year-wise capacity addition is as below :

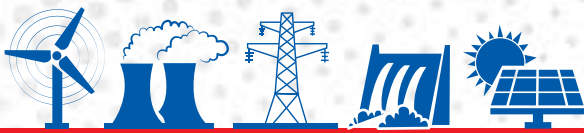
Type of RE Project	Year wise Capacity Addition (MW)					
	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Solar	95	150	550	555	600	1950
Wind	–	40	150	150	160	500
SHEP	–	–	–	20	30	50
Total	95	190	700	725	790	2500



JOINT VENTURES

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

S.N.	Project	Status
HYDRO		
1.	Dibbin HEP (120 MW), Arunachal Pradesh.	<ul style="list-style-type: none"> • KSK Dibbin Hydro Power Private Limited (JV between KSK Energy Ventures and NEEPCO) has submitted the Revised Hydrology to CWC for approval which is awaited.
2.	Siang Upper (Stage-II) HE Project (3750 MW), Arunachal Pradesh.	<ul style="list-style-type: none"> • Revised PFR confirming to the MOEF stipulation has been prepared. • Stage-I Forest Clearance was obtained on 01.07.2014. • TOR for EIA/EMP studies cleared by MOEF in Oct' 14 based on revised PFR. • Comprehensive EIA/EMP studies carried out by WAPCOS is in progress. • 80% of Topographical survey completed. • Investigation works are facing stiff resistance from local inhabitants.
3.	Siang Upper Stage-I HEP (6000 MW), Arunachal Pradesh	<ul style="list-style-type: none"> • As decided by Ministry of Power Government of India in its meeting on 06.06.2014, a single JV Company shall be formed for both the Siang Upper Stage-I & II HEP and a tripartite MOA amongst the JV partners and GOAP shall be signed for both the projects. • This tripartite MoA shall supersede the MoA already signed between GoAP and NEEPCO in respect of Siang Upper Stage- II HEP (3750 MW). • The draft Tripartite MOA to be signed among NHPC, NEEPCO and GOAP is under finalization.
4.	Tipaimukh HE Project (1500MW), Manipur.	<ul style="list-style-type: none"> • Finalization of the Draft Promoters' Agreement is in process between NEEPCO & NHPC. • Meanwhile, MOEF recommended exploring the feasibility with smaller dams involving smaller forest area. • As per the aforesaid recommendation and subsequent request of MOP and NEEPCO, NHPC is exploring for revision of the project to involve lesser forest area. • Meanwhile, MoP vide letters dated 20.08.2014 and 05.01.2015 suggested the State Governments of Manipur and Mizoram that forest clearance of the Project need not be pursued at this stage and desired that the State Governments may intimate their views if any, in the matter.
5.	Kurung HEP (330 MW), Arunachal Pradesh	<ul style="list-style-type: none"> • NEEPCO signed MOA with the Govt. of Arunachal Pradesh on 27.01.2015 for development of the project in Joint Venture with State Govt. Thus, NEEPCO achieved MOU Target with "Excellent" rating - "Taking up of new project of at least 100 MW in Hydro Sector under Joint Venture".
THERMAL		
6.	Margherita Coal Based Thermal Project (1320MW)	<ul style="list-style-type: none"> • The Draft MOU has been finalized between NEEPCO and APGCL with 51% and 49% equity share respectively and sought the in-principle approval of the Ministry of Power.
RENEWABLE ENERGY PROJECTS		
7.	50 MW Solar Power Project, Madhya Pradesh and Andhra Pradesh.	<ul style="list-style-type: none"> • WAANEPP Solar Pvt. Ltd, (a Joint Venture Company between WAAREE Energies Ltd. and NEEPCO) has started implementation of 50 MW Solar Project at Madhya Pradesh with schedule of completion in April 2015. • Projects of 50 MW at Andhra Pradesh is also being taken up by the JV for implementation for which Power Purchase agreement was signed on 06.12.2014, with target of commissioning by March 2016 in phases.
8.	100 MW Wind power project, Gujarat	<ul style="list-style-type: none"> • M/s Metatron Danke Green Energy Pvt. Ltd. (A Joint Venture Company between ECI Engineering and Construction Co. Ltd. and NEEPCO) has initialed implementation of 100 MW Wind Power Project at Gujarat for which land has since been identified.
9.	Ultra Mega Solar Power Plants (UMSPP) at Leh (5000 MW) and Kargil (2500 MW).	<ul style="list-style-type: none"> • The Govt. of India has envisaged for setting up of Ultra Mega Solar Power Plants (UMSPP) at LEH (5000 MW) and KARGIL (2500 MW) area of Jammu & Kashmir. • The Detailed Project Reports of the same are prepared by NEEPCO and under finalization. • The project, shall be implemented under the JV Route.



S.N.	Project	Status
OTHERS		
10	JV between NEEPCO and Govt. of Tripura.	<ul style="list-style-type: none"> MOU was signed between Govt. of Tripura and NEEPCO on 12.12.2014 for formation of a Power Generation Company in JV between Govt. of Tripura and NEEPCO. Draft SHA for the GENCO with NEEPCO equity at 10% is under preparation jointly with Tripura.
		<ul style="list-style-type: none"> Preparation of DPR for conversion of Rokhia & Baramura Thermal Projects to Combined Cycle is in final stage of completion. Work for RLA and preparation of DPR for R & M of Gumti HEP awarded to CPRI on 23.03.2015.

“Initiatives for Growth”- Status on achievement of MOU Target 2014-15:		
S.N.	Parameters	Status
1.	Identification of catchment, establishment of Hydro - Meteorological related infrastructure and submission of inception report of Hydrology Study in:	Inception Reports on Hydrology for a) Myntdu Basin, Meghalaya; b) Doyang Basin, Nagaland and c) Tuivai Basin, Manipur were prepared and completed in Jan’15, thus, NEEPCO has achieved “Excellent” rating against this milestone in the MOU 2014-15.
	a) Meghalaya	
	b) Nagaland	
	c) Manipur	

INFORMATION TECHNOLOGY

IT has been playing a pivotal role towards computerization of the major functions of the Corporation. There has been a constant strive to maintain state of the art IT infrastructure and totally networked Corporation, which makes the Corporation the proud possessor of a VSAT enable communication network, state of the art Project Monitoring System with Video Conferencing.

The Corporation has undertaken the following activities for the year 2014-15:

- The process for implementation of ERP with Data Centre and Disaster Recover site preparation has been started. The tender has already been floated and last date for online bid submission has been fixed as 26/06/2015.
- Implementation of E-Procurement at sites has been initiated. The training on the same for all sites has been completed.
- Process has been initiated to install Video Conferencing System in Kopili Hydro Electric Project and thereby to connect Kopili and Khandong Power House with Shillong Video Conferencing Centre.
- Online recruitment system for HR Department is developed in-house and the system is implemented successfully.
- Surveillance system for Corporate Office, Shillong has

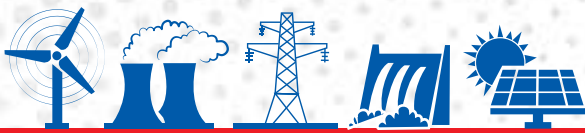
been successfully installed and commissioned.

- The development of Fixed Asset accounting module and web based portal for the same has been developed in house and currently implementation is going on across all sites.
- A new website on SWACHH VIDYALAYA ABHIYAAN (<http://swachhbharat.neepco.in>) has been developed separately in addition to the MHRD website (<http://vidyutindia.in>) of Ministry. A link to this newly developed website for SWACHH VIDYALAYA ABHIYAAN is being provided in NEEPCO corporate website. Now data on the status of the toilet construction is parallelly available on both the MHRD website and the newly developed website.
- The obsolete firewall at 14 locations are replaced and commissioned successfully.

RESEARCH & DEVELOPMENT

To address the new challenges and opportunities in the increasingly competitive global markets, R&D initiatives are taken by the Corporation to strengthen our country’s technological capabilities, ensure growth. The R&D Projects undertaken during the year 2014-15:

- Study of the catchments of the Ranganadi HE Plant (RHEP) through Remote Sensing to assess the status of soil erosion with reference to up-coming projects in the area and silt deposition in the reservoir. The study was completed on 22nd August, 2014.



- ii) Study of reduction of acidity of the responsible stream either by diversion from the main river feeding the Kopili Reservoir or by taking up some chemical treatment to prevent damages of metal parts of Kopili H.E. Plant at Umrongso. The Feasibility Report completed on 4th February, 2015.
- iii) Assessment of turbine efficiency under different reservoir level at Kopili Hydro Electric Plant The study was completed on 30th December, 2014.

SUSTAINABLE DEVELOPMENT

The Corporation continued to contribute for the sustainable growth of the country's economy while simultaneously working on and maintaining social and environment sustainability. The Corporation is committed towards the objectives of Sustainable Development through its activities and services.

Specific Sustainable Development plan has been developed in line with the guidelines issued by Department of Public Enterprises. The plan includes project/activities to be taken up for implementation, procedures and methodologies adopted for monitoring results and modalities of concurrent and final evaluation. The plan also considers the creation of suitable organization structures for guidance, implementation, monitoring and review of the projects / activities and target for Sustainable Development along with mandatory reporting of Sustainable Development efforts.

As measures towards reduction of Carbon Footprint and as part of MoU 2014-15 with Ministry of Power, Government of India, the Corporation took up 1 (one) project/ activity i.e. "To install and commission a 20 KW, off grid Solar Power Plant at Chaturdash Devta Mandir, Khayerpur, Agartala" during 2014-15. The Project was commissioned on 14th February, 2015.



20 KW Solar panel at Khayerpur, Tripura

In addition to the above mandatory requirement, the Corporation also took up additional 1(one) project, namely, supply, installation, testing and commissioning of solar LED street light in village Bahonigaon near Assam Gas Based Power Plant Bokulani The Project was completed on 3rd March, 2015.

PUBLIC PROCUREMENT POLICY FOR MICRO & SMALL ENTERPRISES (MSEs)

During the Year 2014-15, NEEPCO has made purchases of goods and services from Micro & Small Enterprises (MSE) worth ₹ 437.40 Lakh, comprising 7.25% of the total procurement during the year. For the year 2015-16, NEEPCO has set a goal of ₹ 16.86 Crore for procurement of products produced and services rendered by MSEs (including 4% from MSE owned by SC/ST entrepreneurs).



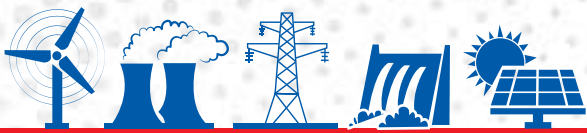
Souvenir released during Vendor Development Programme for MSEs

RISK MANAGEMENT POLICY

A Risk Management Policy was implemented in NEEPCO on 05.05.2011.

As per the policy, risks are to be identified, evaluated and managed by responsible officers and will be assessed with reference to the Company's strategic priorities, taking account the likelihood of the risk occurring, its potential impact and the range of implications. The policy further briefs regarding the risk mitigation, reporting practices and periodicity, communication and training, responsibility & authority and review mechanism etc.

During the process of analysis of risks, the Standing Committee, constituted for this specific purpose, recommended for certain modifications to the Risk Management Policy, which were further deliberated by the Audit Committee of the Board and suggested further changes. The Standing Committee was re-constituted with the Chairman & Managing Director, NEEPCO as its Chairman and the policy is being reframed through a reputed consultant.



HUMAN RESOURCE DEVELOPMENT

Human Resource Development is the most critical aspect in enhancing the development and sustainability of the manpower competencies which is an asset for sustaining organization's growth and achieving advantage in today's competitive world. In this regard, a number of HRD interventions was taken up to develop the employees by introducing the Annual Competency Development Plan 2014-15.

During the year 2014-15, a total of 1645 employees covering 19343 man-days i.e. 6.8 man days per employee of training were given to enhance their competency levels in their job apart from enhancing their skills & knowledge through various in-house programmes organized by HRD Centre & project sites for those at sites; and external training programmes organized by various reputed training agencies within the country & abroad.

NEEPCO HRD Centre, Corporate Office, Shillong and HRD Centers at all project & plants of NEEPCO have organized various in-house & external training programmes, for a total of 121 programmes during the year 2014-15. In total 1,642 employees attended these in-house & external programmes. Some of such programmes were on Hydro Power Station Design & Maintenance, Power System Protection, E-procurement, Maintenance of Steam turbines, Certification course on Project Management(CIPM & IPMA level-C), RTI, Mentorship Development, Knowledge Management, HR for non HR, Finance for non-Finance, Action Learning programme, Individual Coaching, Women Empowerment, Yoga & Meditation, Quality Management, Reservation Policy, GIS Applications, Computer application, General Awareness on Taxation, Labour Law Implementation, Industrial Safety, Contract Procedures & Implementation, Hindi Workshops, Fire & Safety Training. Besides this, 11 newly recruited employees comprising of Junior Engineers, Sr Translator & Assistant-III (Hindi) were given 4-day induction training at corporate office before their posting at different locations and departments.

Beside these, inter CPSE Knowledge Sharing Programmes were conducted and various Plants of NTPC & NHPC were visited by our engineers. Competency development programme for technicians, operators & supervisors, training programmes for re-mustration of employees of redundant category, attitude & skill development programmes for remustration to the post of Liaison assistant were conducted during the year 2014-15. A new system of organising Motivational Talks & Experience sharing sessions by eminent personalities was introduced. Awareness Programme on "Roles & Responsibilities of Union for collective decision making process, understanding NEEPCO's business, financial position and project plans" was organised for our union members in association with XLRI, Jamshedpur.

During the year 2014-15, 3 numbers of executives were nominated for two foreign training programmes. As per its HRD interventions the overall rating in regards to HRD parameters of NEEPCO in MoU with MoP is expected to be excellent during the year 2014-15.



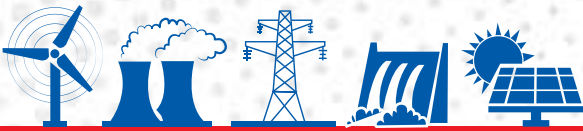
Attitude & Skill Development Programmes for Remusteration to the post of Liaison Assistant organised at NPTI, NER, Guwahati

TRAINING DYNAMICS

- As against annual target of 3 training man-days per employees, **7.5 training man-days** per employees were delivered during the year.
- **252** numbers of women employees were trained during the year.
- **445** numbers of employees were trained for the first time since the last 4 years.
- **42** numbers of employees holding redundant posts were trained, re-mustered and redeployed as Operator (Mechanical). Return on Training Investment (**ROTI**) in terms of cost saving is ₹ **9.18 Crore (approx.)**
- Training evaluation process were simplified with introduction of pre & post training evaluation, post training impact assessment on completion of one month of training delivery.
- Action Learning Programm were introduce, where a group of cross functional senior executives comes together to analyze problems and comes up with possible solutions to the problems with future action plans.
- Up-skilling programme in the field of liaison & Coordination function organized for 26 numbers and they were re-mustered and redeployed as Liason Assistant. They were given increment as incentive for having qualified in the test & interview. **ROTI** in terms of cost saving is **Rs. 3.65 Crore (approx.)**

MANPOWER REPORT AS ON 31/03/2015 (REGULAR)

Board level	Executive	Sup	Workmen	Total			
5	974	370	1210	2559			
Male	Female	General	SC	ST	OBC	PwD	ExSM
2193	366	1212	181	787	377	32	5



CORPORATE COMMUNICATION :

The Corporate Communication (CC) Section of NEEPCO continued its sustained efforts to work towards improvement of communication with the public and employees so that NEEPCO's mission and vision are known and appreciated. The Section continued to publish the Corporation's quarterly and monthly in-house journal

"NEEPCO NEWS" and "News Flash", respectively and other publications as required from time to time. It also worked to effectively project the image of the Corporation through print and electronic media. CC Section had also been conducting Swachh Bharat programmes covering the state of Meghalaya. The painting competition on Energy Conservation for the State of Meghalaya was also successfully conducted by the Section.



NEEPCO Day celebrations

RULES AND POLICIES :

The Management brought into effect the following HR Policies & Guidelines during the year 2014-15, as enumerated below:

1. WORLD CLASS TECHNICAL COMPETENCY MODEL DEVELOPED AND IMPLEMENTED.

Developed a World class Model for Competency enhancement of Technical Executives & Supervisors. The model developed by NEEPCO was appreciated and the same was circulated to all Hydro sector CPSEs for reference. The model was designed by crowd sourcing exercise involving experienced Engineers up to the level of EDs who facilitated in co-creating a practical approach on training interventions.

The model determines the Competency gaps based on the standard vis-à-vis Competency level of the Technical Executive & Supervisors. Specific training

& development programme were devised and implemented for bridging the gaps.

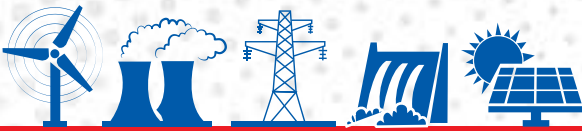
Some of the new interventions are :

- 46 nos. of Executives obtained Global standard Certification Programs (IPMA level C, CIPM).
- 7 Inter CPSEs Knowledge Exchange Programs with various CPSEs like NHPC, NTPC, etc.
- Competency Development for Operators, Technicians through customized programs with NPTI, Guwahati.

2. NEW POLICIES AND GUIDELINES INTRODUCED :

2.1 Policies :

- **Regular Management Committee Meeting (MCM) for senior level executives** to discuss policy level issues and strategic actions required for steering the company towards its set goal.



- Mobile phone handsets and monthly reimbursement of mobile usage charges for executives
- **Employees medical card introduced for cashless indoor treatment facility** in empanelled hospitals
- **System of bidding farewell to retiring employees** introduced
- **Acknowledgement of contribution of retired employees** by distribution of lapel pin embossed with NEEPCO logo
- **A system for recognition of outstanding performance of individual & team** with hosting their achievements in HR Portal, posting their stories on notice boards etc.
- New concept of **celebration of May Day as Employees' Day**, where all employees gather to have lunch together during office hour, exchange pleasantries etc.
- Child care leave, child care leave on adoption and paternity leave introduced.

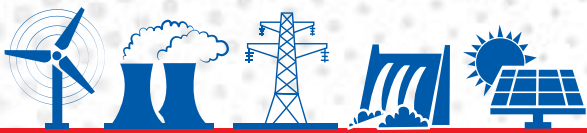
2.2 Guidelines :

- **A system for inter project cultural competition introduced for cultural awareness** and developing team-spirit and camaraderie.
- **Policy on standard terms and conditions for hiring and engagement of contract employees** has been developed.
- **Guidelines for mentorship development** for new entrants where they enter into a mentorship relationship with an assigned mentor for their overall well being and development.
- **A system for movement of file** for easy decision making developed.
- **Online HR updates on NEEPCO PORTAL** introduced
- **Retired employees' information made online** in company's website
- Publication of one page monthly **News Flash** started.
- Introduced a concept of **periodical meeting with all HR heads** of the projects.
- **Review meeting for heads of security** of Projects/Plants started.

- Published **ready reckoner on HR policy**, a ready to use handbook for everyday use by employees.
- **Employees' engagement survey** conducted for the first time in NEEPCO to know employee's expectations, aspirations, satisfaction levels and also the quality of services provided to them.
- **Post based roster as per reservation policy** has been approved by Ministry of Power, Government of India:
- **Introduced employee leave book** thereby saving time, manpower and papers.
- **Online recruitment introduced** for the first time in NEEPCO.
- **System of exchange of books & journals among employees** introduced to encourage reading habits among employees.

3. SIMPLIFICATION OF FORMS :

- **Online employee's grievance form** introduced.
- **Online grievance Redressal for SC / ST employees** introduced.
- **System of leave book introduced** reducing several numbers of separate forms for CL/RH, EL/HPL, EL encashment forms, etc.
- **Gratuity form** simplified.
- **Medical card for retired employees** simplified.
- **Medical identity card for employees** introduced.
- **Guest house booking application form** introduced.
- **Promotion orders** simplified.
- **Special performance report (SPR)** introduced.



INDUSTRIAL RELATIONS

Industrial Relations in NEEPCO had remained congenial and harmonious throughout the entire year. There was no loss of any man-days in NEEPCO on account of any industrial dispute. The Management also takes a pro-active approach to the extent possible in resolving the grievances of the employees. In order to encourage employees' involvement and effective participation for better performance and increasing efficiency and also having a coordinated approach for achieving organizational goals, a joint forum consisting of management and trade union representatives viz. NEEPCO National Bipartite Committee (NNBC) and NEEPCO Project Bipartite Committee (NPBC) have been formed. Regular NNBC and NPBC meetings were convened and also meetings between Management and the representatives of various Associations were held to discuss various issues across the table and resolved amicably for the greater interest of the Corporation.



NEEPCO National Bipartite Committee (NNBC) meeting

WELFARE ACTIVITIES

The Corporation has well equipped hospital/dispensaries in its plants and also in its Construction Projects manned by qualified doctors and paramedical staff which provides medical treatment not only to the employees but also provides free consultation to people of the neighboring villages as a social service measure. In addition to the Corporation's hospital /dispensaries several reputed hospitals are empanelled all over the country for the treatment of the employees and their dependent family members. For the benefit of employees, cashless facility has been introduced for treatment of employees and their dependents in the Empanelled hospitals of the Corporation.



Inuguration of Toilet facility at Netaji School, Dima Hasao

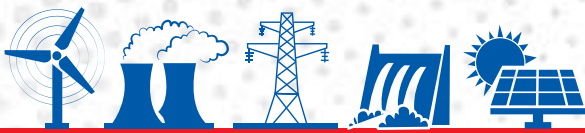
EDUCATION

The corporation continued to provide schooling facilities at Project site as a welfare measure for children and wards of the employees, where no schooling facilities are available nearby. In addition to the children and wards of the NEEPCO employees, a good number of children of neighboring village/localities are also admitted in these schools. NEEPCO had been sponsoring four Vivekananda Kendra Vidyalaya (VKV) Schools in four of its O&M plants. The Vivekananda Kendra Siksha Vibhag is the nodal agency for managing the Corporation schools. These are English medium schools of good academic standards affiliated to Central Board of Secondary Education. The average student teacher ratio of all VKVschoools in NEEPCO is 23:1.

In order to encourage the wards of NEEPCO employees under the NEEPCO Meritorious Scholarship scheme, Scholarships amounting to ₹ 24,72,000/- were released for the year of 2014-15.



Students of VKV, Ranganadi Hydro Electric Plant observing Earth Day



SWACHH BHARAT ABHIYAN

As part of the Swachh Bharat Campaign, NEEPCO organised several programmes and cleaning drives in the Corporate Office, at the project sites and other locations of Shillong throughout the year. At the Corporate Office, the Pledge was administered by Shri A.G. West Kharkongor, Director (Finance) in the presence of a large number of employees and residents of nearby localities. An intensive cleaning drive was then carried out involving officers and staff.



CMD leading the Cleaning Drive at New Delhi Office

INTER-PROJECT CULTURAL COMPETITION

NEEPCO organized its first ever inter-project cultural competition in Shillong. Children of NEEPCO employees across all the project sites/plants participated in healthy competition against one another in various platforms like singing and dancing either in groups or in solos. There was an over whelming response from the children and this stage created an amiable and nourishing environment for one and all.

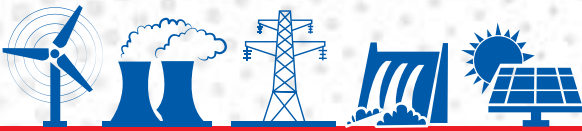


Participants from Arunachal Pradesh presenting a dance

RAJBHASHA

The Corporation is making all out efforts to effectively implement the Official Language Policy of the Government of India at its Corporate Office as well as in its Projects and other offices. Efforts were made to issue papers referred to in Section 3 (3) of the Official Language Act in bilingual. A center of Hindi Training is functioning at Corporate Office, Shillong conducting regular Prabodh, Praveen and Pragya courses. During the year, 55 employees were nominated for Hindi Language Training under regular course and 34 employees posted at project sites were nominated for Correspondence course. The contact programme was organized under Hindi Teaching Scheme at project office to provide guidance to the employees attending Hindi Training. Cash Awards were

given to the employees for passing Hindi examinations as per their eligibility. 05(five) employees of Corporate office were nominated for Hindi Typing Training on Computer conducted by TOLIC, Shillong under Hindi Teaching Scheme. To facilitate the employees for doing their official work in Hindi, 14 (Fourteen) Hindi workshops were organized and 331 officers & employees were trained in the workshops. Training materials were provided to the employees during the workshop. In the in-house Journal - NEEPCO News & NEEPCO News Flash valuable information relating to use of Hindi were provided for the guidance of the employees. NEEPCO website is also available in Hindi. Key words in Hindi with English equivalent were displayed everyday on the black 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 projects and other offices of the Corporation during the year to create awareness and to encourage the employees in performing their official works in Hindi. Various competitions were conducted in Hindi and attractive prizes were also awarded to the participants. Hindi patrika “NEEPCO JYOTI” was published from Corporate HQ, Panyor Pravah was published by project office on the occasion. An exhibition was also organized at Corporate Office where the achievements made in the use of Official Language Hindi in the Corporation were displayed. The officer & employees of the corporate office participated in the Hindi competitions organized by

TOLIC, Shillong on the occasion of Hindi Divas and were rewarded as well.

NEEPCO OLIC meetings were organized under the Chairmanship of CMD. In the meetings, reviews on the implementation work of Rajbahasha and varied suggestions were provided for its effective implementation.

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



Rajbhasha Implementation Committee Meeting at Corporate Office

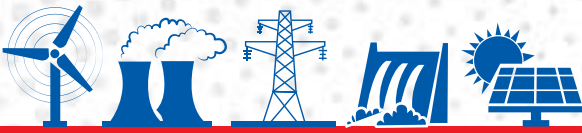
SPORTS ACTIVITIES

Reports on Sports Activities during 1st April, 2014 to 31st March, 2015

1. NEEPCO Carom Team participated in the Inter CPSU Carom Tournament organized by Power Finance Corporation Limited from 16th to 19th December, 2014 at New Delhi.
2. NEEPCO hosted the Inter CPSU Chess Tournament at Corporate H.Q. Shillong from 6th to 9th January, 2015. Altogether 7 (seven) teams participated in the Tournament. NEEPCO team emerged as Winners in the Team event and Runners up in the Open Single.
3. Football Coaching Camp was organized at DHEP, Nagaland from 20th January, to 19th February, 2015. Altogether 20(twenty) players joined the Camp.



Inauguration of Inter CPSU Chess Tournament



4. NEEPCO Bridge Team participated in the Inter CPSU Bridge Tournament organized by NHPC from 10th to 12th February, 2015 at Faridabad.
5. NEEPCO Badminton Team participated in the Inter CPSU Badminton Tournament organized by THDC from 1st to 4th March, 2015 at Dehradun. NEEPCO Team emerged as 2nd Runners up in the Team Event and 1st Runners up in the Open Single and Open Doubles.
6. NEEPCO Table Tennis team participated in the Inter CPSU Table Tennis Tournament organized by REC from 17th to 20th March, 2015 at New Delhi.

NEEPCO VIGILANCE ACTIVITIES

During the period from 01/04/2014 to 31/3/2015, NEEPCO Vigilance Department dealt with various aspects of Vigilance Mechanism under the directives and guidelines issued from the Central Vigilance Commission (CVC) from time to time. For exclusive and independent functioning of Vigilance Department, NEEPCO ensured transparency, objectivity and quality in vigilance functioning. Complaints received from various sources other than anonymous/pseudonymous were taken up for prompt investigation and the same have been disposed off in accordance with the time frame prescribed by the CVC. As on 1st April, 2014, 6 (six) complaints were pending. During that period, 4 (four) new complaints have been added which have also been investigated and out of these, 6 (six) complaints have already been disposed off. As on 31/3/2015, there were 4 (four) complaints pending in various stages for finalization.

As on 01/04/2014, 1 (one) disciplinary case was pending which has also been subsequently disposed-off. During the period under report, 3 (three) employees have been served "Show-cause" notice by the DA on the advice of this office for their various lapses and subsequently the case has been disposed off.

Emphasis was given to the aspect of preventive vigilance to streamline the rules and procedures and making all efforts to arrest the loopholes detected during investigation of various cases.

An amount of ₹ 2,04,30,549.00 has been recovered from the Contractor during the period against lapses found during intensive examination of works by CTE/CVC and subsequent persuasion with the concerned authority by the Vigilance Deptt.

On receipt of a complaint and after detailed investigation by the Vigilance office, a minor penalty of "Censure" and a

recovery of ₹ 17,700.00 has been imposed by the DA on an employee for submission of 2 (two) false Hotel Bills along with his tour TA Bills and for misuse of departmental vehicle respectively during the period under report. Subsequently, the above amount has been recovered from the employee concerned. The aforesaid employee concerned has also been charge sheeted for submission of false Consignment Note along with his transfer TA bill.

During this period 82 (eighty two) numbers of inspections have been conducted at different plants/ projects by site vigilance officials as well as by vigilance officials of the HQ. In order to improve vigilance administration by leveraging technology, the e-procurement, e-payment, registering online vigilance complaints and uploading of Annual Immovable Property Returns (AIPRs) of Executives in the NEEPCO's web site have been implemented.

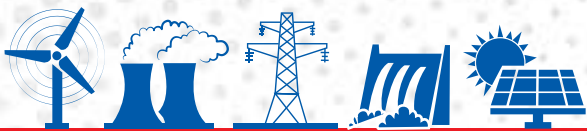
All the important CVC circulars and OMs issued during this period have also been circulated to all concerned with a view to improve overall system in the Corporation. 137 numbers of Annual Property Returns (APRs) of the employees have been scrutinized during the period from 01/4/2014 to 31/3/2015. Vigilance 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 based on the Minutes of the meetings. The CVO visited Kameng Hydro Electric Project, Agartala Gas Turbine Power Plant and Kopili Hydro Electric Plant during the period under report.

The "Vigilance Awareness Week" was observed in the Corporation w.e.f. 27.10.2014 to 01.11.2014.



Essay Competition on Vigilance at RHEP



VIGIL MECHANISM

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

In addition, the Company has a full-fledged Vigilance Department, which is headed by the Chief Vigilance.

EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return is enclosed as **Annexure – 2**.

BOARD MEETING

A total of 9 Board Meeting of the Board of Directors were held during the year 2014-15.

INDEPENDENT DIRECTORS

All the Independent Directors have furnished a declaration at the time of their appointment and also annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Act. The declarations are placed before the Board. Further, one separate Meeting of the Independent Directors were held during the year on 29th November, 2014.

CORPORATE SOCIAL RESPONSIBILITY

The detailed disclosure on Corporate Social Responsibility is enclosed as **Annexure – 13**.

FORMAL ANNUAL EVALUATION

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

KEY MANAGERIAL PERSONNEL (KMP)

The Board in its 214th Board Meeting held on 14th May, 2014 reaffirmed the appointment of the following as Key Managerial Personnel pursuant to the provisions of Section 203 of the Companies Act, 2013 and the details of KMP as on 31st March, 2015 are:

1. **Shri Prem Chand Pankaj, Chairman and Managing Director**

2. **Shri A. G. West Kharkongor, Director (Finance)-cum-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.

ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

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

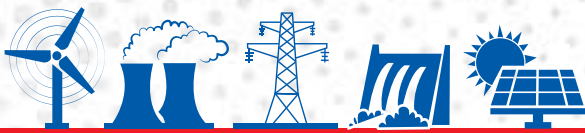
The effectiveness of the control system is monitored by a Board-level Audit Committee and an Independent Internal Audit Department. A summary of Audit Observations and Action Taken Note (ATNs) are placed before the Audit Committee at regular intervals and accordingly its recommendations and directions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

THE NOMINATION AND REMUNERATION COMMITTEE

The Corporation has a Remuneration Committee which was renamed as Nomination and Remuneration Committee in the 216th Board Meeting held on 13th July, 2015. The terms of reference of the Nomination and Remuneration Committee is as per section 178 of the Companies Act, 2013, read with the notification dated 5th June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated 26-11-2008. The payment of remuneration to the employees of the Corporation are guided by the relevant Guidelines as issued by the Department of Public Enterprises.

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

The Statement containing salient features of the financial



statement of subsidiaries / associate companies / joint ventures in the Format as per Form AOC-1 is enclosed as **Annexure – 3**.

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 41 & Note 42 of the 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

The details are enclosed in **Annexure – 1**.

PREVENTION AND REDRESSAL OF SEXUAL HARASSMENT OF WOMEN AT WORK PLACE.

The Corporation has a constituted a Committee for Prevention and Redressal of Sexual Harassment of Women at Workplace. The Committee examines the complaints as received regarding sexual harassment of any women at workplace and recommends necessary action as deemed fit. The Committee also examines and recommends actions required to be taken for prevention of sexual harassment of women at workplace.

CORPORATE GOVERNANCE

The Corporation is an unlisted Company with 100% shares held in the name of the President of India. The Corporation firmly believes in the importance of good Corporate Governance in the conduct of its affairs. It stresses in increasing efficiency along with adequate control systems in its operations. An Audit Committee regularly reviews all financial statements before placing to the Board. The Annual Report along with various other communications is hosted on the website for information of the public at large. A separate statement on Corporate Governance is produced as a part of this Report as **Annexure – 4** and the Management Discussion and Analysis Report as **Annexure – 5** of this Report. Certificate on Corporate Governance from the Statutory Auditors is enclosed as **Annexure – 7**.

AUDIT COMMITTEE

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

COMPOSITION OF THE AUDIT COMMITTEE

The composition of the Audit Committee as on 31-03-2015 are as follows:

- 1 Shri Santosh Saraf, Independent Director , Chairman
- 2 Shri Ardhendu Sen, Independent Director, Member
- 3 Shri Ashok Sinha, Independent Director, Member
- 4 Shri Utpal Moral, Director (Technical), Member

STATUTORY AUDITORS REPORT

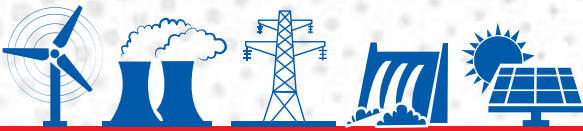
M/s. Nundi & Associates, Chartered Accountants, Kolkata were appointed as Statutory Auditors for the year 2014-15. The report of the Statutory Auditors and comments of the Comptroller & Auditor General of India on the Accounts in terms of the provisions of the Companies Act, 2013 are furnished in Annexure 8 & 9 respectively. There is neither any qualification made by Statutory Auditors in their Report nor any comments of C&AG on the Accounts of the Corporation.

SECRETARIAL AUDIT

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 2014-15. The Secretarial Audit Report in Form No. MR-3 for the financial year ended 31st March 2015 as audited by M/s. Narayan Sharma & Associates, Practicing Company Secretaries is enclosed as **Annexure – 10** Management's reply to the Secretarial Auditors' observations raised in the Secretarial Audit Report for the year 2014-15 is enclosed as **Annexure – 11**.

DIRECTORS' RESPONSIBILITY STATEMENT

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



- (a) In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- (b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at 31st March, 2015 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, one official Part-time Director was appointed to the Board:

Shri Kaling Tayeng

Commissioner (Power),

Govt. of Arunachal Pradesh

Appointed as a Part-time Director of the Board w.e.f. 11.11.2014.

During the year 2014-15, Shri T. P. Khaund, Part-time Official Director, ceased to be Director from the Board of NEEPCO

The tenure of the following Part Time Non-Official Directors (Independent Directors) came to an end on 05-07-2015.

1. **Shri Santosh Saraf, Independent Director.**
2. **Shri Ardhendu Sen, Independent Director.**
3. **Shri Shantikam Hazarika, Independent Director.**

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

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 2014-15 is annexed as **Annexure – 12**.

ACKNOWLEDGMENT


The Directors are grateful to the various Ministries and Departments of the Government of India particularly the Ministry of Power, Ministry of Home Affairs, Ministry of Finance, Ministry of Environment and Forest, Planning Commission, 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 2014-2015.

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

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

For and on behalf of the Board of Directors



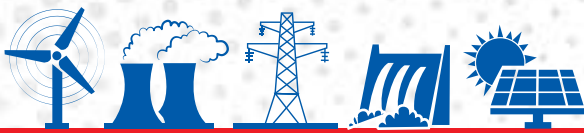
(P. C. Pankaj)

Chairman & Managing Director

DIN NO: 03640772

Dated : 27.08.2015

Place : New Delhi



ANNEXURE - 1

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

(i) The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;

Section 197(12)_Rule 5, Sl. (1)(i)

Sl.No.	EMPID	NAME	DESIGNATION	2014-15	MEDIAN Remuneration of Employees (₹ In lakhs)	Ratio to the Median
				Remuneration (₹ in lakhs)		
1	6307	Sri P. C. Pankaj	CMD	50.34	13.35	3.77:1
2	4860	Sri A. G. West Kharkongor	D(F)	39.49		2.96:1
3	2143	Sri Utpal Moral	D(T)	47.19		3.53:1
4	6387	Sri S. Borgohain	D(P)	30.28		2.27:1
5	4378	Sri I.P. Baruah*	Former D(P)	21.01		1.57:1
Total				188.31		

* PRP, Med & Leave Encashment

(ii) The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary, if any, in the financial year;

Section 197(12)_Rule 5, Sl. (1)(ii)

Sl.No.	EMPID	NAME	DESIGNATION	2014-15	2013-14	Ratio to the Median
				Remuneration (₹ in lakhs)	Remuneration (₹ in lakhs)	
1	6307	Sri P. C. Pankaj	CMD	50.34	35.85	40.42%
2	4860	Sri A. G. West Kharkongor	D(F)	39.49	47.62	-17.07%
3	2143	Sri Utpal Moral	D(T)	47.19	38.92	21.25%
4	6387	Sri S. Borgohain	D(P)	30.28	7.30*	3.7%
5	4378	Sri I.P. Baruah**	Former D(P)	21.01	34.25	-
Sub Total				188.31	163.94	-
6	5302	Sri Chiranjeeb Sharma	Comp Secy	21.75	19.51	11.48%

* For 3 months W.e.f 31.04.14 to 31.03.14 ** Superannuated 31.12.2013

(iii) The percentage increase in the median remuneration of employees in the financial year;

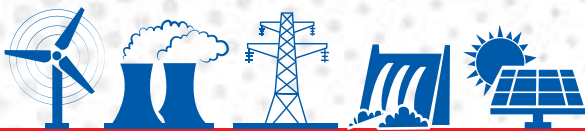
Section 197(12)_Rule 5, Sl. (1)(iii)

MEDIAN		Increase/Decrease(-) in F.Y.14-15 over F.Y.13-14
2014-15 (₹ In lakhs)	2013-14 (₹ In lakhs)	
13.35	11.94	11.81%

(iv) The number of permanent employee on the rolls of company;

Section 197(12)_Rule 5, Sl. (1)(iv)

No. of Permanent Employees on the Roll of the Company		Increase / Decrease(-) in F.Y.14-15 over F.Y.13-14
2014-15 (As on 31.03.2015)	2013-14 (As on 31.03.2015)	
2559	2723	-6.02%



(v) The explanation on the relationship between average increase in remuneration and company performance;

Section 197(12)_Rule 5, Sl. (1)(v)

Average Remuneration (₹ in lakhs)		Increase/ Decrease(-) in F.Y.14-15 over F.Y.13-14 (₹ In lakhs)	Company Performance PBT (₹ In lakhs)		Increase/ Decrease(-) in F.Y.14-15 over F.Y.13-14 (₹ In lakhs)
2014-15	2013-14		2014-15	2013-14	
14.74	12.92	1.82	42027.16	28800.44	13226.72

Explanation:- Increase in Company's Performance is mainly due to decrease in R & M Exps under Generation & Administration Charges.

(vi) Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;

Section 197(12)_Rule 5, Sl. (1)(vi)

Sl. No.	A EMPID	Remuneration		2014-15	2013-14	Percentage Increase in F.Y.14-15 over F.Y.13-14
		KEY MANAGERIAL PERSONNEL	DESIGNATION	Remuneration (₹ in lakhs)	Remuneration (₹ in lakhs)	
1	6307	Sri P. C. Pankaj	CMD	50.34	35.85	40.42%
2	4860	Sri A. G. West Kharkongor	D(F)-cum-CFO	39.49	47.62	-17.07%
3	5302	Sri Chiranjeeb Sharma	Comp Sect	21.75	19.51	11.48%

B	Company Performance (PBT)	2014-15	2013-14	% Increase/ Decrease (-)
		(₹ in lakhs)	(₹ in lakhs)	
		42027.16	28800.44	45.93%

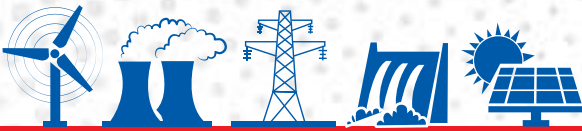
(vii) The variations in the net worth of the company as at the close of the current financial year and previous financial year;

The Net Worth of the Corporation excluding capital reserve as on 31st March, 2015 was ₹ 5594.47 Crore against ₹ 5279.71 Crore as on 31st March, 2014 representing a growth of 5.96%.

(viii) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Section 197(12)_Rule 5, Sl. (1)(viii)

A	Percentile Increase in the Managerial Remuneration			% Increase / Decrease (-)
		2014-15 (Average) (₹ in lakhs)	2013-14 (Average) (₹ in lakhs)	% Increase / Decrease (-)
B	Average percentile increase / decrease (-) already made in the salaries of employees other than the managerial personnel in the last financial year.	14.71	12.90	14.1%



(ix) Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;

Section 197(12)_Rule 5, Sl. (1)(ix)

Sl. No.	EMPID	KEY MANAGERIAL PERSONNEL	DESIGNATION	2014-15	
				Remuneration (₹ in lakhs)	Company Performance (PBT) (₹ in lakhs)
1	6307	Sri P. C. Pankaj	CMD	50.34	42027.16
2	4860	Sri A. G. West Kharkongor	D(F)	39.49	
3	5302	Sri Chiranjeeb Sharma	Comp Secy	21.75	

(x) The key parameters for any variable component of remuneration availed by the directors;

Variable component of the remuneration is paid as Performance Related Pay (PRP) as per DPE Guidelines. Pool for distribution of PRP is determined from

- (a) 3% of PBT
- (b) 10% of the incremental Profit

Out of the above pool for distribution of PRP, individual PRP is calculated considering the following key parameters :

Annual Basic Pay X Factor for MOU rating of the Corporation X Grade Pay (GP) X Individual Rating.

- i) Grade Pay for CMD : 200%
- ii) Grade Pay for Directors : 150%

(xi) The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;

Section 197(12)_Rule 5, Sl. (1)(ix) **NIL**

(xii) Affirmation that the remuneration is as per the remuneration policy of the company.

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

PARTICULARS OF EMPLOYEES

During the year 2014-15 there was no employee who was in receipt of remuneration for that year which, in the aggregate, was not less than Rs.60 lakh or if employed for a part of financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs.5 lakh per month; or if employed throughout the financial year or part thereof, was in receipt of remuneration during the year, which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director and holds by himself or along with his spouse and dependent and children not less than 2% of the equity shares of the company.



**Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31-03-2015**

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. Ph : 0364-2228652
vi)	Whether listed company Yes / No	Equity Shares not listed. PSU Bonds are listed in Bombay Stock Exchange.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	Equity – Not applicable. Bonds – MCS Ltd., Kolkatta

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Generation of Power	351	98.21%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	Waaneep Solar Pvt. Ltd.	U40300MH2014PTC254136	Associate	40	2(6)
2	Metatron Danke Green Energy Private Limited	U74140DL2009PTC192952	Associate	40	2(6)
3	KSK Dibbin Hydro Power Private Limited	U40108TG2007PTC053501	Associate	30	2(6)



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

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF									
b) Central Govt.		3362915400		100%		3426115400	3426115400	100%	1.88%
c) State Govt.									
d) Bodies Corp									
e) Banks / FI									
f) Any other									
Sub-total (A) (1)		3362915400		100%		3426115400	3426115400	100%	1.88%
(2) Foreign									
a) NRIs – Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other									
Sub-total (A) (2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B) (1)									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual share holders holding nominal share capital upto Rs.1 lakh									
ii) Individual share holders holding nominal share capital in excess of Rs.1 lakh									
Sub-total (B) (2)									
Total Public Shareholding (B)=(B)(1)+(B)(2)									



C. Shares held by Custodian for GDRs & ADRs								
Grand Total (A+B+C)		3362915400		100%		3426115400	3426115400	100% 1.88%

(ii) Shareholding of Promoters

Sl. No.	Shareholders Name	Shareholding at the beginning of the year			No. of shares held 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	
1.	The President of India	3362915400	100%		3426115400	100%		1.88%

(iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.		Date	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		3362915400	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.)	14-05-14 Allotment	22170000		3385085400	
		16-07-14 Allotment	41030000		3426115400	
	At the End of the year		3426115400	100%	3426115400	100%

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

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



(V) Shareholding of Directors and key Managerial Personnel. *

For each of the Directors and KMP	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				
Shri P. C. Pankaj, CMD	100			100
Shri A. G. West Kharkongor, D(F)-cum-CFO	100			100
Shri Utpal Moral, D(T)	100			100
Shri Satyabrata Borgohain, D(P)	100			100
Shri Chiranjeeb Sharma, Company Secretary	0			0
Date wise Increase/ Decrease in share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/swear equity etc).				
Shri P. C. Pankaj, CMD				100
Shri A. G. West Kharkongor, D(F)-cum-CFO				100
Shri Utpal Moral, D(T)				100
Shri Satyabrata Borgohain, D(P)				100
Shri Chiranjeeb Sharma, Company Secretary				
At the end of the year				
Held on behalf of the President of India				
Shri P. C. Pankaj, CMD				100
Shri A. G. West Kharkongor, D(F)-cum-CFO				100
Shri Utpal Moral, D(T)				100
Shri Satyabrata Borgohain, D(P)				100
Shri Chiranjeeb Sharma, Company Secretary				0

*Held on behalf of the President of India

V. INDEBTEDNESS

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

(₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	236892.80	75184.34		312077.14
ii) Interest due but not paid				
iii) Interest accrued but not due	4574.19	385.34		4959.53
Total (i+ii+iii)	241466.99	75569.68		317036.67
Change in Indebtedness during the financial year				
• Addition	395311.70	1888.00		397199.70
• Reduction	226097.93	4257.33		230355.26
Net Change				
Indebtedness at the end of the financial year				
i) Principal Amount	406106.57	72815.01		478921.58
ii) Interest due but not paid				
iii) Interest accrued but not due	831.09	365.63		1196.72
Total (i+ii+iii)	410680.76	73180.64		480118.30



VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD					Total Amount
		Shri P. C. Pankaj	Shri A. G. West Kharkongor	Shri Utpal Moral	Shri Satyabrata Borgohain	Shri I P Baruah	
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	5033929/-	3949434/-	4718646/-	3027569/-	2100616/-	18830194/-
2.	Stock Option	NIL	NIL	NIL	NIL	NIL	NIL
3.	Sweat Equity						
4.	Commission - as % of profit - Others specify						
5.	Others please specify						
	Total(A)	50.34 lac	39.49 lac	47.19 lac	30.28 lac	21.01 lac	188.30 lac
	Ceiling as per the Act						

B. Remuneration to other directors:

(in Rs.)

Sl. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Shri Santosh Saraf	Shri Shantikam Hazarika	Shri Ardhendu Sen	Shri Ashok Sinha	Dr. Ramesh B. Baheti	
1.	Independent Directors • fee for attending board / committee meetings	426968/-	337080/-	404496/-	404496/-	477375/-	2050415/-
	• Commission • Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL
	Total (1)	4.27 lac	3.37 lac	4.04 lac	4.05 lac	4.77 lac	2050415/-
2.	Other Non-executive Directors • fee for attending board / committee meetings • Commission • Others, please specify						
	Total (2)	NIL	NIL	NIL	NIL	NIL	NIL
	Total (B) = (1+2)	4.27 lac	3.37 lac	4.04 lac	4.05 lac	4.77 lac	2050415/-
	Total Managerial Remuneration						
	Overall Ceiling as per the Act						



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

(in Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary (Shri Chiranjeeb Sharma)	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961 (b) Value of perquisites u/s 17(2) Income tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income tax Act, 1961	N.A.	2174845/-	N.A.	2174845/-
2.	Stock Option	NIL	NIL	NIL	NIL
3.	Sweat Equity				
4.	Commission - as % of profit - Others specify				
5.	Others please specify				
	Total	NA	21.75 lac	NA	21.75 lac

VII. PENALTIES/PUNISHMENT / COMPOUNDING OF OFFENCES FOR THE YEAR 2014-15 AS ON 31st MARCH, 2015

(in Rs.)

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



Form AOC - I

Part "B":

Associates and Joint Ventures

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

Name of Joint Ventures	WAANEEP SOLAR PRIVATE LTD.	METATRON DANKE GREEN ENERGY PRIVATE LIMITED	KSK DIBBIN HYDRO POWER PRIVATE LIMITED
1. Latest Audited Balance Sheet Date	31.03.2015	31.03.2015	31.03.2015
2. Shares of Joint Ventures held by the company on the year end			
No.	40000000	-	15280000
Amount of Investment in Joint Venture (In Rs.)	450000000/-	200000/-	152800000/-
Extend of Holding %	40%	40%	30%
3. Description of how there is significant influence	Voting Right	Voting Right	Voting Right
4. Reason why the joint venture is not consolidated	The Ministry of Corporate Affairs (MCA) have vide notification dated October 14, 2014 amended the Companies (Accounts) Rules, 2014 (Amended Rules)		
5. Networth attributable to Shareholding as per latest audited Balance Sheet (In Rs.)	444651710/-	-	241380000/-
6. Profit / Loss for the year			
i. Considered in Consolidation	-	-	-
ii. Not Considered in Consolidation	-	-	-

1. Names of associates or joint ventures which are yet to commence operations.
Nil

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



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 acts in the best interest of all its stakeholders at all times and has adopted good Corporate Governance practices to benefit the greatest number of Stakeholders.

PHILOSOPHY ON CODE OF GOVERNANCE

- (i) To have adequate control system in operation and provide information to the Board on a timely basis in a transparent manner so as to enable the Board to monitor the performance and ensure accountability of the Management.
- (ii) To increase the efficiency of Business Enterprise for creation of wealth of the Enterprise and Country as a whole.
- (iii) To ensure that Employees and Board subscribe to the corporate values and apply them in their conduct.

1. Composition of Board and Particulars of Directors

(i) Composition of Board:

As on 31st March, 2015, the Board of Directors of the Company ("the Board") consists of 11 (eleven) Directors, including 4 (four) whole-time Directors, 2 (two) Government part-time Directors representing the Government of India and North Eastern State, presently representative from Government of Arunachal Pradesh representing the North Eastern State and 5 (five) Independent Directors.

The Composition of the Board and the number of other Directorship and Committee positions held by the Directors during the year ended as on 31st March, 2015 is as under:

FUNCTIONAL DIRECTORS

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of Other committee membership held**	
		Public	Private	Chairman	Member
Shri P.C.Pankaj DIN NO: 03640772	Chairman & Managing Director	Nil	2	Nil	Nil
Shri A.G.West Kharkongor DIN NO: 03264625	Director (Finance)	Nil	Nil	Nil	Nil
Shri Utpal Moral DIN NO: 03434273	Director (Technical)	Nil	Nil	Nil	Nil
Shri Satyabrata Borgohain DIN NO: 06801073	Director (Personnel)	Nil	Nil	Nil	Nil

DIRECTORS FROM MOP

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



DIRECTORS FROM N.E. STATE

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of Other committee membership held**	
		Public	Private	Chairman	Member
Shri Kaling Tayeng DIN NO: 07005188	Part-time Director Govt. of Arunachal Pradesh	1	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
Shri Shantikam Hazarika DIN NO: 00523656	Non-official Part-time Director	1	Nil	Nil	Nil
Shri Ardendu Sen DIN NO: 00297393	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Santosh Saraf DIN NO: 00073618	Non-official Part-time Director	Nil	2	Nil	Nil
Dr. Ramesh B. Baheti DIN NO: :00008202	Non-official Part-time Director	2	3	Nil	Nil
Shri Ashok Sinha DIN NO: 00299600	Non-official Part-time Director	2	1	Nil	Nil

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

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

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

The Company has paid sitting fee to Non-Executive Independent Director.

(iii) Board Meetings, Committee Meetings & Procedures:

- 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.
- 9 (nine) 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	205 th BM	14.05.2014	11	10
2	206 th BM	17.06.2014	11	11
3	207 th BM	16.07.2014	11	10
4	208 th BM	26.08.2014	11	10
5	209 th BM	17.09.2014	10	10
6	210 th BM	20.10.2014	10	9
7	211 th BM	11.11.2014	11	9
8	212 th BM	05.12.2014	11	7
9	213 th BM	10.02.2015	11	9



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 2014–15		
	Board Meeting held during tenure	Board Meeting attended	Last AGM
Shri P. C. Pankaj	9	9	Yes
Shri A. G. West Kharkongor	9	9	Yes
Shri Utpal Moral	9	9	Yes
Shri Satyabrata Borgohain	9	9	Yes
Shri Raj Pal	9	6	Yes
Shri T. P. Khaund**	4	2	N.A.
Shri Kaling Tayeng*	3	0	N.A.
Shri Shantikam Hazarika	9	9	Yes
Shri Ardhendu Sen	9	8	Yes
Shri Santosh Saraf	9	9	Yes
Shri Ashok Sinha	9	8	Yes
Dr. Ramesh B. Baheti	9	7	Yes

* Appointed during the year.

** Ceased during the year.

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

2. Code of Conduct:

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

3. Risk Management Policy:

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

4. Training of Board Members:

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

5. Audit Committee

The Audit Committee was constituted in the year 2001. The Audit Committee was reconstituted with the following members as on 12.11.2013. The Audit Committee as on 31st March, 2015 were as follows:

SI. No.	Name of the Director & Category	Chairman / Member
1	Shri. Santosh Saraf, Independent Director	Chairman
2	Shri Ardhendu Sen, Independent Director	Member
3	Shri Ashok Sinha, Independent Director	Member
4	Shri. Utpal Moral, Director (Technical), NEEPCO	Member



The Committee met 5(five) times during the year. The meetings were also attended by Director (Finance), Head of the Internal Audit and Statutory Auditors as Special Invitees. The Company Secretary acts as the Secretary to the Committee.

Sl. No.	Date	Committee Strength	No. of Members Present
1	14.05.2014	4	4
2.	16.07.2014	4	4
3.	16.09.2014	4	4
4.	10.11.2014	4	3
5.	10.02.2015	4	4

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



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

A. COMPOSITION

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

B. MEETINGS OF THE COMMITTEE

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

C. POWERS OF THE COMMITTEE

The Committee shall have the following powers: -

- i) To investigate any activity / matter within its terms of reference or referred to it by the Board and for this purpose shall have power to obtain professional advice from external sources and have full access to information contained in the records of the company.
- ii) To obtain outside legal or other professional advice.
- iii) To seek attendance of any employee or officer or statutory Auditor for obtaining information if it considers necessary.
- iv) To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the company.

D. TERMS OF REFERENCE OF THE AUDIT COMMITTEE

- 1) Review of the Corporation's financial reporting process and the disclosures made in its financial reports to ensure that the financial statements are sufficient, correct and credible
- 2) Review and examination of the half-yearly and annual financial statements and the auditors' report thereon; before submission to the Board, focusing primarily on the following
 - Any change in accounting policies and practice
 - Major accounting entries based on exercise of judgement by management.
 - Qualification in draft audit report.
 - Compliance of all legal requirements concerning financial statements.
- 3) Review of the adequacy of internal control systems and evaluation of internal financial controls.
- 4) Review the adequacy of internal audit function, including the structure of the internal audit department, staffing of the department, reporting structure, coverage and frequency of internal audit.
- 5) Recommend fixation of audit fee, terms of appointment of the auditor, approval for rendering other services by the auditor as per section 144 and other applicable provisions, if any, of the Companies Act, 2013.
- 6) Recommend the appointment and remuneration of cost auditors of the company.
- 7) Discuss with internal auditors on any significant findings and follow up thereon.
- 8) Review the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.



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

6. REMUNERATION COMMITTEE

The Remuneration Committee was re-constituted with the following members as on 4th February, 2014. The Remuneration Committee as on 31st March, 2015 were as follows:

Name	Chairman / Member	Independent/ Executive
Shri. Ardhendu Sen	Chairman	Independent
Shri Ashok Sinha	Member	Independent
Shri. Santosh Saraf	Member	Independent
Shri. Utpal Moral	Member	Director (Technical)
Shri Satyabrata Borgohain	Member	Director (Personnel)

The Remuneration Committee has been constituted in terms of DPE OM No. 2(70)/08- DPE(WC)-GL-XVI/08 dated 26th November, 2008.

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 2014-15 are given below :



Director's Remuneration for the FY 2014-15

Amount in ₹

Name	Chairman / Member	Salary (₹)	Benefits(₹)	PRP (₹)	Total (₹)
Shri P. C. Pankaj	Chairman & Managing Director	29,05,461	14,21,498	7,06,970	50,33,929
Shri A. G. West Kharkongor	Director (Finance)	27,92,077	6,56,327	5,01,030	39,49,434
Shri Utpal Moral	Director (Technical)	27,50,789	14,69,459	4,98,398	47,18,646
Shri Satyabrata Borgohain	Director (Personnel)	25,23,783	5,03,786	-	30,27,569
Shri I. P. Barooah	Former Director (Personnel)	-	12,52,792	8,47,824	21,00,616
Total		1,09,72,110	53,03,862	25,54,222	1,88,30,194

8. DISCLOSURES

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

9. GENERAL BODY MEETING

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

Financial Year	Date	Time	Location
2011-12	28.08.2012	11.00 A.M.	Shillong
2012-13	13.09.2013	12.00 P.M.	Guwahati
2013-14	17.09.2014	12:30 PM	New Delhi

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

Date of Annual General Meeting	Special Resolution passed
28.08.2012	1. Amendment of Articles of Association 2. Creation of Mortgage for Bonds issued for mobilisation of funds for the Tripura Gas Based Power Project at Monarchak, Tripura
13.09.2013	1. Creation of Mortgage for XIII series PSU Bond of ₹ 72.50 Crore For TGBP 2. Creation Security for external control Borrowing of US\$100.00 Million for the TGBPP(101 MW) and the AGTP extension (46 MW)
17.09.2014	1. To ratify the remuneration of the Cost Auditors for the financial year 2014-15. 2. Mobilization of Rs. 2500.00 crore in the form of Redeemable Non-Convertible Taxable Debentures (NEEPCO PSU Bonds XIVth series) for funding the capital expenditure of the Corporation. 3. Creation of Security for borrowings within the borrowing powers of the Board. 4. Enhancement of borrowing powers of the Board.

10. SHAREHOLDERS INFORMATION:

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

For and on behalf of the Board of Directors

(P. C. Pankaj)

Chairman & Managing Director
DIN NO: 03640772

Dated: 27.08.2015
Place: New Delhi



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

With an objective of providing 24x7 power supply to all by 2022, the Government has embarked on a journey designed to propel India to become an economic powerhouse in the global arena. India is the fourth largest consumer of energy in the world after USA, China and Russia. India's energy-mix comprises both non-renewable (coal, lignite, petroleum and natural gas) and renewable energy sources (wind, solar, small hydro, biomass, cogeneration, bagasse etc.). The major portion of this energy is met from electricity produced from various sources such as Hydro, Thermal, Nuclear and other Non-Conventional sources such as Solar/Wind/Waste Incineration etc. Growth in production of electricity has led to its extensive use in all the sectors of economy.

India has made rapid strides in the development of the power sector both in terms of enhancing power generation as well as in making power available to widely distributed geographical boundaries. In order to meet the increasing demand for electricity and to fuel the economic growth of the country, large additions to the generating capacity and development of associated transmission and distribution network are planned which are within the realms of sustainable development and environmental concerns.

As on 31st March, 2015, the total installed capacity in India stood at 2, 67,637.35 MW. Capacity added during the 12th Five Year Plan (till 31.03.2015) is 61,014 MW which is 68.9% of the capacity addition target of 88, 537 MW. With two more years left for the end of the 12th FY Plan, the target is very much achievable. In capacity addition, it is seen that growth was fuelled mainly due to capacity addition in the Thermal Sector, where the change was 24% in 2014-15 as compared to 2013-14. However, in Hydro, the growth was on the negative side at -30% in 2014-15 as compared to the previous year.

The generation in the country went up from 967.150 BU in 2013-14 to 1048.403 BU in 2014-15, a growth of 8.4%. In terms of Power Supply Position (Demand/availability) in the country, the deficit was 2.1% in March 2015 as compared to 3.6% in March 2014, while the shortfall in the NE Region was to the tune of 6.2% as on 31st March, 2015. In terms of Peak Demand/Peak Met, the deficit in the country in March 2015 was 3.2%, while that in the NE Region was 11.3%. The all India PLF stood at 62.99% in March 2015 as compared to 66.76% in March 2014. All India per capita consumption of electricity went up from 914.41 Units in 2012-13 to 957 Units (Provisional) in 2013-14.

NEEPCO on its part made a modest beginning with the 50 MW Khandong Power Station which was commissioned in 1984 as a part of the 275 MW integrated Kopili H.E Power Station. Today, NEEPCO operates five hydro, two thermal and one Solar power stations spread over the North Eastern Region of India with a total installed capacity of 1135 MW, out of which 755 MW in Hydro, 375 MW in Thermal and 5 MWp in Solar sectors. Another 922 MW is likely to be added during the 12th FY Plan by NEEPCO, thereby raising the total installed capacity to 2057 MW.

OPPORTUNITIES AND STRENGTH

Keeping in mind the National energy security and mitigation of Climate Change issues, the Government has emphasized on the increased use of Renewable Energy Sources. The other advantages of Renewable Energy are due to its universal access, can be locally tapped and has unlimited potential with low operating cost which can play significant role in providing 100% access to electricity. India relies on import for 79% of its petroleum needs and also imported 169 MT of coal in FY 14 (which is ~30% of domestic production, costing ~ 11Bn USD). High fuel imports adversely impacts India's trade deficit. It is expected that increased use of Renewable Energy, shall help India to reduce import bills and contribute in building sustainable energy sources. In the area of mitigating Climate changes issues, it is pertinent to note that Fossil fuels are the



largest source of Green House Gas (GHG) emissions. India is the 4th Largest emitter of GHG (though the per capita GHG emission is still quite low). Utilization of RE can significantly contribute to reducing India's carbon emissions (Target of 20% emission reduction by 2020)

Considering these relevancies of Renewable Energy, RE capacity addition targets were revised manifolds by the new Government with a target of 100 GW of solar and 60 GW by wind by 2022. India is endowed with vast solar energy potential. About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per sq. m per day. Hence, both technology routes for conversion of solar radiation into heat and electricity, namely, solar thermal and solar photovoltaic, can effectively be harnessed providing huge scalability for solar in India. Also, the installable wind power potential assuming 9 MW per square kilometer area in the country at 50 m level is estimated at 49 GW (As per Indian Wind Atlas published by CWET), while, for 80 m level with the KAMM generated meso scale map the estimated installable potential at 80 m level is found to be around 103 GW. There is also high potential for generation of renewable energy from various other sources such as biomass, small hydro and cogeneration bagasse. However, there is a strong need that all stakeholders work hand-in-hand and address prevalent concerns to successfully achieve the ambitious target ahead. Measures like preparation of Green Energy Corridors and preparation of State specific documents of 24x7 power for all States / UTs are required in order to meet the energy demands in the country.

In the global context, currently India ranks 5th in terms of Wind Power generation while it ranks 11th in Solar Energy. In order to boost capacity addition in these areas, the Government has announced several schemes during the Budget 2014-15. Among them are scheme for Development of Solar Parks and Ultra Mega Solar Power Projects for which an amount of ₹ 500 Cr has been earmarked, project for development of Grid Connected Solar PV Power Plants on Canal Banks and Canal Tops for ₹100 Cr and Solar Pumping Programme for Irrigation and Drinking Water for ₹400 Cr. The Government plans to rope in the unemployed youth, MSME, Gram panchayats in this process and also plans to boost Solar Power generation through grid connected Rooftop Solar Projects. The target through this Rooftop Solar scheme is 40 GW by 2022 of which 10 GW during 2015-16 to 2017-18, where an estimated potential of 124 GW exists. The table below shows the proposed targets in the Renewable Energy sector.

Source	Current installed Capacity MW (March 2015)	Proposed Targets till 2022 (MW)
Solar Power	3,383	1,00,000
Wind power	22,645	60,000
Small Hydro	4,025	10,000
Biomass Power	4,183	5,000
TOTAL	34,351	1,75,000

India is also endowed with an enormous hydro power potential. Out of 1, 45,320 MW hydropower potential, only around 41,000 MW has been developed so far, excluding the SHP under RES. The entire North Eastern Region alone is bestowed with a huge Hydro Power Potential, particularly the State of Arunachal Pradesh. The total identified Hydro Power potential in this region is estimated to be around 58971 MW. With only about 2% utilization of the hydro power capacity in the NE Region, NEEPCO has a huge role to play in the economic development of the Region. Low carbon growth Strategy would ensure use of clean hydropower to its maximum potential for meeting peak loads. The CPSUs which have trained manpower, equity and technical capability to develop hydropower projects – from concept to commissioning are in an advantageous situation to exploit this area. However the full development of India's hydro-electric potential, while technically feasible, faces issues of water rights, resettlement of project affected people and environmental concerns among others. Also, issues like sharing costs / benefits of hydropower generation, navigation & flood moderation, development of roads and other infrastructure, inter-state issues including Land Acquisition, downstream issues /development of the people and ensuring law & order needs to be addressed for rapid development of the Hydro Sector.

With estimated reserves of coal and lignite in India at around 301.05 and 43.24 billion tones respectively and natural gas of



1427.15 billion cubic meters (BCM), the growth of Thermal Power Projects is necessary for rapid capacity addition. As per a report published by the MOSPI in March 2015, the NE region alone has vast quantities of Natural Gas particularly in the states of Assam (Estimated quantity of 147.72 BCM) and huge reserves of Coal particularly in the states of Assam (0.52 Billion Tonnes) & Meghalaya (0.58 Billion Tonnes). Given the abundance of Fossil Fuel in the region, there is also ample scope for the development of the Thermal Power in the region. The projected energy requirement of the NE Region by the year 2021-22 stands at 22421 MU with the peak demand touching 3905 MW. Emphasis must be laid for Utilization of Stranded Gas Based Generation Capacity, support by States for land acquisition, and right to way for setting up power projects.

It is with this potential and opportunity at hand, that, NEEPCO can emerge as the leading power producer in the Region. It has ambitious growth plans for which it has started preliminary investigation for several projects both in the Hydro and Thermal sectors which have been highlighted in the Directors' Report. With its pool of skilled manpower, mainly drawn from the region, NEEPCO has a substantial advantage over other players in the field to harness and exploit the vast potential of the region. However, with a wider vision, NEEPCO is now spreading its wings across the country both on its own and through Joint Ventures and has also made inroads to the Renewable Energy Sector.

WEAKNESS AND THREATS

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

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

RISKS AND CONCERNS

Some of the major Risks and Concerns faced by NEEPCO are

- Land acquisition is a persistent issue involved in the implementation of hydro projects
- There is severe impact on the commercial viability of mainly storage based hydro power projects that involves large forest land, as the payment of Net Present Value (NPV) is in addition to the Compensatory Afforestation to be grown normally over double the forest land under diversion
- Subterranean geological surprises leading to time and cost overrun in hydro project implementation
- Law and Order issues along with lack of infrastructure at sites leading to project time and cost overruns.
- Acidic water in the reservoir of Kopili HE Plant due to Acid Mine Drainage at the catchment of the Plant is major threat, which is causing not only frequent shutdown of plant, but also huge expenditures for rectification/renovation works.
- Non-payment of the dues by the beneficiaries against sale of power is another major concern for the Corporation which is affecting the cash flow of the Corporation.



OUTLOOK FOR THE FUTURE

NEEPCO has drawn out plans for huge capacity addition during the 12th Plan and beyond which have been already highlighted in the Directors' Report. Already NEEPCO is poised to add another 922 MW in the 12th FY Plan through various projects which are presently at various stages of development. Apart from capacity addition through projects on ownership basis in the Hydro, Thermal and Renewable Energy sectors, NEEPCO is also looking forward to accelerated development of projects through the Joint Venture route in all of the three sectors. In this regard, three JVs have been formed, while other proposals are in the pipeline.

With the Government laying emphasis on the development of Renewable Energy Sources, NEEPCO too has taken up several initiatives for capacity addition through Renewable sources, for which a road map has been prepared. As per this road map, by the year 2020, NEEPCO is poised to add at least 2500 MW in the form of Solar, Wind and Small Hydro Projects.

NEEPCO has a very ambitious growth plan for capacity addition in the pipeline. With a Mission to harness the vast Hydro and Thermal Power Potential of the NE Region of the country, NEEPCO is committed to bring about a significant socio economic development of the region in a planned and sustainable manner keeping in mind the rich bio-diversity and fragile eco system of the region. By continuously upgrading technologies and adopting newer methodologies, NEEPCO is constantly expanding its domain of expertise in the power sector in order to cope up with the changing environment.

ENVIRONMENTAL CONSERVATION, RENEWABLE ENERGY USE AND R&D DEVELOPMENTS

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

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

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

To address the new challenges and opportunities in the increasingly competitive global market, R&D initiatives are taken by NEEPCO to strengthen our country's technological capabilities. The R&D Projects undertaken during the year 2014-15 are highlighted under the heading **Research & Development**.

It is also worth mentioning that NEEPCO has adopted several measures against Sustainable Development (SD) in its MOU with the MOP, Government of India as part of its commitments towards the conservation of the environment during the financial year 2014-15. These also include parameter on energy conservation. The SD Projects undertaken during the year 2014-15 are highlighted under the heading **Sustainable Development**.



YEARLY GENERATION POWER STATION WISE

Power Station	Generation Target (MU) 2014-15 for "V-Good" MOU rating	Actual Generation (MU) 2014-15	Actual Generation (MU) 2013-14	P.A.F. Target (%) 2014-15 for "Very Good" MOU rating	Actual Plant Availability Factor for (%) 2014-15	Actual Plant Availability Factor for (%) 2013-14
Thermal						
AGBP (291 MW)	1725	1741	1726	67	69.26	68.56
AGTP (84 MW)	609	622	642	85	84.64	86.72
TGBPP (101 MW)	160	–	–	65	–	–
Thermal Total	2494	2363	2368	–	–	–
Hydro						
Kopili H E Plant (4 X 50 + 3 X 25) = (275 MW)	931	717	973	64	50.42	54.63
Doyang H E Plant (75 MW)	227	165	246	73	62.91	75.03
Ranganadi HE Plant (405 MW)	1200	1110	981	87	86.16	93.17
Hydro Total	2358	1992	2200	–	–	–
Renewable						
Solar Monarchak (5 MW)	–	1	–	–	13.95 (CUF)	–
NEEPCO	4852	4356	4568	–	–	–

ANALYSIS OF GENERATION

Generation achieved during the year 2014-15 was 4356 MU against generation of 4568 MU achieved during 2013-14. The decrease in generation with respect to the previous year is around 4.66%. The decline in Generation during the period 2014-15 was mainly due to less generation from Doyang H. E. Plant due to scanty rainfall in the Catchment area and from Kopili H. E. Plant for huge repairing works of underwater parts of the units were to be carried out due to damage caused by acidic nature of reservoir water. The water conductor system of both Kopili and Khandong had to put under shut down for repairing works.

FINANCIAL DISCUSSION AND ANALYSIS

A. RESULTS OF OPERATIONS

A detailed financial discussion and analysis is furnished below on the Audited Financial Results of the Corporation for the FY 2014-15 as compared to the FY 2013-14.

Income

	2014-15	2013-14
Units of electricity sold (in MU)	4083.02	4264.40
Income:		
Revenue from Operation (₹ in Lakh)	153051.04	127974.79
Other Income (₹ in Lakh)	2789.93	13796.95
Total Revenue (₹ in Lakh)	155840.97	141771.74



NEEPCO's income arises from sale of energy and other income, viz. interest on Power Bonds (securitized dues), surcharge on delayed payments on energy sales, etc. NEEPCO's total income increased by 9.92% to ₹155840.97 lakh in FY 2014-15 from ₹141771.74 lakh in FY 2013-14 due to increase in revenue from operation.

In exercise of the power conferred under section 178 of the Electricity Act, 2003, the Central Electricity Regulatory Commission (CERC) is empowered to make tariff regulations for the matter relating to terms and conditions for determination of tariff under section 61 of the Act, which provides for determination of tariff applicable to the generating stations. Accordingly, the Central Electricity Regulatory Commission have issued tariff regulations vide notification no. L-1/144/2013/CERC dated 21.02.2014 for determination of Tariff for the period 2014-19.

NEEPCO has filed petitions before the CERC for determination of tariff for each of its generating stations for the period 2014-19. Pending approval of the tariff, billings to the beneficiaries for the financial year 2014-15 continued on the basis of the AFC approved by the CERC for the financial year 2013-14. The aforesaid procedure has been adopted in compliance to the regulation 7 (8) (i) of the CERC (Terms and conditions of Tariff) Regulations, 2014.

Tariff of a Power Station consist of Capacity Charge and Energy Charge. The Recovery of the Capacity Charge (50% of AFC for hydro and 100% of AFC for gas based power stations) depends on "Actual Plant Availability Factor achieved during the year (PAFY)" as compared to the "Normative Annual Plant Availability Factor (NAPAF)" allowed by the CERC for each of the power stations. The fixed cost of the thermal (gas based) power stations are recovered on monthly basis under Capacity Charge. Incentive to the thermal generating station or unit thereof is payable at a flat rate of 50 paise/kWh for the excess of ex-bus energy corresponding to scheduled generation as compared to the ex-bus energy corresponding to the Normative Annual Plant Load Factor (NAPLF). The Energy Charge is the fuel price recovery, calculated based on the landed cost of fuel, gross calorific value of the fuel, normative station heat rates of the plants and normative auxiliary consumption.

The fixed cost of hydro generating stations are recovered on monthly basis under capacity charge (inclusive of incentive) and energy charge, which shall be payable by the beneficiaries in proportion to their respective allocation in the saleable capacity of the generating station. The recovery of Energy Charges for Hydro Power station (50% of AFC), is based on "Scheduled Energy" of the Plant as a proportion of its Design Energy with adjustment for normative auxiliary consumption and Free Electricity Supply to Home State.

During the financial year 2014-15, NEEPCO received an incentive for Ranganadi Hydro Power station. PAFY for RHEP has exceeded its NAPAF by 1.18% during the year. The Normative vs. Actual Plant Availability achieved during the financial year 2014-15 are as follows:

Name of the Power station	Normative Plant Availability (in %)	Actual Plant Availability achieved (in %)
Kopili Hydro Power Station (200 MW)	79	48.33
Khandong Hydro Power Station (50 MW)	69	52.47
Kopili Stage II (25 MW)	69	63.02
Ranganadi Hydro Power Station (405 MW)	85	86.18
Doyang Hydro Power Station (75 MW)	73	62.91
AGBPP (291 MW)	72	69.26
AGTPP (84 MW)	85	84.64

SALE OF ELECTRICITY

NEEPCO sells electricity to bulk consumers comprising of the seven State-owned electricity utilities in the North Eastern Region (excluding Sikkim) of the country under long terms power purchase agreements as per the allocation made by the Ministry of Power for each of the beneficiary States. Total revenue from operation during the financial year 2014-15 is ₹ 153051.04 lakh (incl. supply to colony amounting to ₹164.90 lakh), which constituted about 98% of the total revenue for the year.



During the financial year 2014-15, NEEPCO regulated supply of electricity to the Meghalaya Energy Corporation Ltd (MeECL) during the months of April, 14 and May, 14 (till 07.05.2014) due to nonpayment of dues. The regulated quantum of electricity was traded by NEEPCO through M/s PTC India Ltd. Of the gross trading proceeds for the aforesaid period amounting to ₹1081.47 lakh, the net proceeds credited to NEEPCO's account after deduction of all charges & fees amounts to ₹1016.47 lakh. Of the regulated electricity and trading thereof, adjustment made with the outstanding dues of MeECL amounts to ₹391.08 lakh.

During the year, the 5 MW Solar Plant at Monarchak, Tripura has been commissioned. The energy generated from the plant was 0.98 MU which contributed ₹ 38.82 lakh as revenue.

The Corporation achieved a generation of 4356.27 MU during the year from its installed capacity of 1135 MW as compared to total generation of 4567.89 MU during the previous year.

Other Income

'Other Income' mainly comprises of income from securitized power bonds issued under one time settlement scheme, late payment surcharge and miscellaneous income, reversal of liability/ provision made in previous years.

Other Income was ₹ 2789.93 lakh in FY 2014-15 as compared to ₹13796.95 lakh in FY 2013-14, i.e. decrease by 80%.

The decrease in interest income from securitized Power Bonds to the extent of ₹ 811.67 lakh is due to redemption of these bonds amounting to ₹ 9549.06 lakh.

During the financial year 2014-15, the Corporation received an amount of ₹ 621.92 lakh on account of late payment surcharge as against ₹ 1843.15 lakh during financial year 2013-14. Liability / Provision written back have been decreased from ₹ 6376.94 lakh to ₹ 318.16 lakh i.e. a decrease of ₹6058.78 lakh. The Provision written back relates to write back of electricity charges.

Expenditure

(₹ in Lakh)

	2014-15	2013-14
Cost of material consumed	58055.47	53012.31
Employee benefit expenses	16113.19	14976.72
Finance costs	340.57	271.06
Depreciation	14637.81	13202.14
Generation & administration expenses	25844.35	28111.08
Other expenses	1872.18	2057.37
Prior period adjustment	(3049.76)	1340.62
Total	113813.81	112971.30

Total Expenditure

The total expenditure in FY 2014-15 increased by 0.75% as compared to the previous year mainly due to an increase in the cost of gas, Employees benefit expenses & depreciation and decrease in Generation & Administration expenses, other expenses & Prior Period Adjustment.

Cost of Material Consumed

Cost of Material Consumed consists of cost of gas and transportation charges thereon. Gas prices are fixed by the Ministry of Petroleum and Natural Gas (MoPNG), Government of India. During the current year, the expenditure on cost of material consumed was ₹ 58055.47lakh (consisting of cost of gas ₹56915.14 lakh and transportation charges ₹ 1140.33 lakh) as against ₹ 53012.31 lakh in the previous year (consisting of cost of gas - ₹51849.87 lakh and transportation charges - ₹1162.44 lakh).



Expenditure on Gas constituted 51.01 % of the total expenditure as against 46.92% of previous year. The cost of gas has gone up due to enhancement of gas price w.e.f.Nov'14 by 33.57%.The price of gas has gone up from USD 4.2 per MMBTU to USD 5.61 per MMBTU.

Employees' Remuneration and Benefits

Employees' remuneration and benefits include salaries and wages, allowances, incentives, contribution to Provident Fund, other welfare expenses and provision for Gratuity and Pension fund. These expenses accounted for approximately 14.16 % of NEEPCO's total expenditure during the year as compared to around 13.25% in the previous year.

Generation, Administration and Other Expenses

Generation, administration and other expenses consists primarily of repair and maintenance of plant and machinery, buildings, etc., share of general establishment expenses, NERLDC fees and charges, Corporate Social Responsibility expenses, security and insurance expenses, transport expenses, etc. These expenses represented approximately 24.35% of NEEPCO's total expenditure during the year as compared to 26.70% in FY 2013-14. In absolute terms, these expenses decreased by ₹ 2451.92lakh (i.e. 8.13%) from the previous year which is mainly attributable to decrease in Repair & maintenance expenditure.

Depreciation

As per NEEPCO's accounting policy, depreciation is charged on the Straight Line Method to the extent of 90% of the cost of assets as per the rates and methodology notified by the CERC vide its notification dated 21st February, 2014, except in case of some items for which depreciation is charged at rates assessed by NEEPCO.

Depreciation cost increased by 10.87% to ₹ 14637.81 lakh in FY 2014-15 from ₹13202.14 lakh in FY 2013-14.

Finance Costs

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

Finance Cost increased by 25.64% to ₹ 340.57lakh from ₹ 271.06 lakh in the previous year due to increase in working capital loan.

Prior Period Adjustments (Net)

Prior Period Adjustment (net) has decreased during the current financial year. In absolute terms prior period adjustment decreased by ₹ 4390.38 lakh mainly due to adjustment of NERLDC fees, Repair & Maintenance etc. relating to earlier years.

Profit before Tax

As a cumulative effect of all the above, NEEPCO's profit before tax increased by 45.93% to ₹ 42027.16 lakh in FY 2014-15 from ₹ 28800.44 lakh in FY 2013-14.

Provision for Tax

The Corporation provides Current Tax & Deferred Tax in accordance with the provision of Income Tax Act'1961. Net provision for the financial year 2014-15 is ₹10173.51 lakh in comparison to ₹ 5648.27 lakh in financial year 2013-14, an increase of ₹4525.24 lakh.



Liquidity And Capital Resources

Liquidity

Funds for working capital requirements as well as capital expenditure for construction of projects are mobilized from both internal and external sources. Funds are sourced externally in the form of long term loans, either in Indian Rupees or in foreign currencies and through privately placed PSU Bonds. As on 31st March, 2015, NEEPCO had Cash and Bank balances of ₹ 72711.27 lakh as compared to ₹ 29755.80 lakh as on 31st March, 2014.

Cash Flow

(₹ in Lakh)

	2014-15	2013-14
Net cash inflow from operating activities	49031.93	30575.10
Net cash outflow from investment activities	(138459.35)	(147570.63)
Net cash inflow from financing activities	132382.89	106645.76

Net Cash from Operations

NEEPCO's net cash inflow from operating activities was ₹ 49031.93 lakh in FY 2014-15 after booking a net profit before tax of ₹ 42027.16 lakh. The net cash from operating activities has been arrived at after adjusting the non-cash items viz. depreciation (including prior period) of ₹ 14713.05 lakh, interest cost of ₹ 340.57 lakh, provision for write-off and DRE of ₹ 54.73 lakh, provision for rebate of ₹ 522.76 lakh and interest earned on investments of ₹ 1420.42 lakh. The changes in the current assets and current liabilities impacting the current period cash flow amounted to ₹ 761.02 lakh (i.e. an increase in the working capital as the net effect of an increase in inventories and decrease in receivables and trade & other payables). Income tax payment of ₹ 7960.68 lakh was also made during the year.

Net Cash from Investing Activities

NEEPCO's net cash outflow from investing activities was ₹ 138459.35 lakh in FY 2014-15 which includes expenditure on construction projects of ₹ 129766.73 lakh, purchase of fixed assets of ₹ 3262.62 lakh and investment in Joint Venture in the form of Equity shares fully paid up and Share Application Money amounting to ₹ 5430.00 lakh.

Net Cash from Financing Activities

In FY 2014-15, NEEPCO's net cash inflow from financing activities was ₹ 132382.89 lakh. The Corporation raised funds of ₹ 397199.70 lakh consisting of domestic term loans, PSU bonds, foreign currency borrowings, subordinate loan from Government of India and also effected loan repayment and interest payments to the tune of ₹ 230355.26 lakh and ₹ 38860.52 lakh respectively. During the year the Corporation paid dividend of ₹ 7046.00 lakh out of which final dividend for 2013-14 was ₹ 4446.00 lakh and interim dividend for 2014-15 was ₹ 2600.00 lakh. During the year the Corporation has paid dividend tax of ₹ 1275.45 lakh.

Discussion on Balance Sheet Items

Financial Condition

1. Net Worth

The net worth of the Corporation (excluding committed reserves) as on 31st March, 2015 was ₹ 559446.73 lakh as compared to ₹ 527971.93 lakh as on 31st March, 2014 representing a growth of 5.96%.

2. Non-Current Liability

(a) Long Term Borrowing

Long Term Borrowing consists of PSU Bonds raised through private placement, term loans, foreign currency borrowings and subordinate loan from the Government of India. These Loans are to be redeemed beyond



12 months from the date of Balance Sheet. The total liabilities against the Corporation as on 31st March, 2015 are detailed below:

i. PSU Bonds	₹ 333250.00 lakh
ii. External Commercial Borrowing	₹ 50125.13 lakh
iii. Loan from KfW	₹ 40070.44 lakh
iv. Loan from Govt of India	₹ 29096.42 lakh

(b) Other Long Term Liabilities:

Deferred foreign currency fluctuation liabilities

Foreign Exchange Rate Variation on account of restatement of foreign currency borrowing recoverable from or payable to the beneficiaries as per CERC Regulation and adjusted to carrying cost of fixed assets are accounted as Deferred Foreign Currency Fluctuation Account with corresponding credit/debit to Deferred Income/Expenditure from Foreign Currency Fluctuation Account. Deferred income/expenditure from foreign currency fluctuation account is adjusted in the proportion in which depreciation is charged on such Foreign Exchange Rate Variation by corresponding credit/debit to other income/ expenditure in the Statement of Profit and Loss of the relevant year. Deferred foreign currency fluctuation liability accounted as on 31st March, 2015 was ₹ 206.85 lakh.

(c) Long Term Provisions:

Long Term Provisions as on 31st March, 2015 mainly includes Provision for Employee Benefits (Gratuity ₹479.00 lakh, Leave Encashment ₹ 6307.83 lakh and Post-Retirement Medical Benefits ₹ 2795.35 lakh) which are expected to be settled beyond 12 months from the date of Balance Sheet. There was a decrease in the Provision for Employee Benefits by 36.05% in FY 2014-15, mainly due to payment of ₹ 5051.00 lakh to the gratuity fund.

3. Current Liabilities

(a) Short Term Borrowing

As on 31st March, 15, the Short Term Loan and working capital demand loan availed from bank amounts to ₹ 12500.00 lakh & ₹ 3500.00 lakh respectively.

(b) Trade Payables

Trade Payables includes the amount due on account of goods purchased or services received in the normal course of business. The trade payables as on 31st March, 2015 were ₹7909.68 lakh as compared to ₹9195.24 lakh as on 31st March, 2014.

(c) Other Current Liabilities

These include current maturity of long term debts, term loans from Financial Institutions, interest accrued but not due on the outstanding loans and bonds and other liabilities like creditors for Capital expenditure, amount payable to employees, other statutory dues etc. which are to be redeemed within 12 months from the date of Balance Sheet. Other Current Liabilities as on 31st March, 2015 were ₹ 51178.64 lakh as compared to ₹ 49030.11 lakh as on 31st March, 2014. The increase in Current Liabilities by 4.38% is primarily on account of advance received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Rajiv Gandhi Grameen Vidyutikaran Yojana, increase in the amount of creditors for Capital Expenditure, increase in deposit, retention money from contractor & others.

(d) Short Term Provisions

Short Term Provisions as on 31st March, 2015 was ₹ 20440.81 lakh as compared to ₹ 19702.85 lakh in the previous FY. These provisions include Provision for Employee Benefits (Gratuity ₹1503.73 lakh, Leave



Encashment ₹ 475.99 lakh and Post - Retirement Medical Benefits ₹ 147.61 lakh, Dividend payable of ₹ 6956.00 lakh, Dividend Tax of ₹1416.10 lakh ,Current Tax of ₹ 8623.13 lakh and Provision for Tariff Revision/ Adjustment ₹1318.25 lakh) which are expected to be settled within 12 months from the date of Balance Sheet. Increase in Short Term Provisions during FY 2014-15 is mainly due to increase in Gratuity, Current Tax, Proposed Dividend, Dividend tax.

Assets

1. Non Current Assets

(a) Net Fixed Assets:

NEEPCO's net Fixed Assets as on 31st March, 2015 stood at ₹892038.54 lakh (comprising of Tangible Assets after depreciation of ₹ 220968.86 lakh, Intangible Assets after depreciation of ₹6.72 lakh and Capital Work in Progress of ₹671062.96 lakh). The Tangible Assets consist of land, dams, tunnels, buildings including power house buildings, plant and machinery, office equipment, computers and Intangible Assets consist of Computer Software etc.

(b) Non Current Investment:

Investments (UN-Quoted)

During the year 2014-15, the Corporation has invested an amount of ₹ 6030.00 lakh in the Joint Venture Companies as fully paid up Equity Share and Share Application Money.

(c) Long Term Loans and Advances

Long term loan & advance includes those long term advances which are expected to be realized after a period of 12 months from the Balance Sheet date. It includes advance to contractor for capital expenditure and advance for land.

Advance to contractors which is capital in nature (both secured and unsecured, considered good) after adjustment of doubtful debts as on 31st March, 2015 was ₹ 21992.46 lakh as compared to the previous year's amount of ₹17819.74 lakh.

The Advance towards Land amounting to ₹117.41 lakh as on 31st March, 2015 was against Tripura Gas Based Power Project.

(d) Other Non-Current Assets

Other non-current assets include Advance Tax and Advance to staff. As on 31st March, 2015, other non-current assets of the company is ₹129.42 lakh as against ₹758.51 lakh as on 31st March 2014.

2. Current Assets

(a) Current Investments

The Power Bonds which are due to be redeemed within 12 months from the Balance Sheet date and valued at ₹ 9549.06 lakh have been shown under this head.

(b) 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 in a year. Inventories were valued at ₹ 20716.52 lakh and ₹17817.08 lakh as on 31st March, 2015 and 31st March, 2014 respectively.

(c) Trade Receivables

Trade Receivables consist primarily of receivables relating to sale of energy. The Trade Receivables as on 31st March, 2015 were ₹ 76853.69 lakh as compared to ₹ 79190.08 lakh on 31st March, 2014.



(d) Cash and Bank Balances

The Corporation's Cash and Bank Balances consist of (i) current accounts maintained with Bank, (ii) Cash and stamps in hand and (iii) Short Term Deposits on the Balance Sheet date. As on 31st March, 2015 and 31st March, 2014, the Cash and Bank Balances of the Corporation were ₹ 72711.27 lakh and ₹ 29755.80 lakh respectively.

(e) Short Term Loans and Advances

Short Term Loans and Advances include Advance to suppliers & contractors and Accounts Receivables. As on 31st March, 2015, the Corporation's short term loans and advances after providing for bad and doubtful debts was ₹ 4570.44 lakh as against ₹ 3775.52 lakh on 31st March, 2014.

(f) Other Current Assets

Other Current Assets mainly consist of advance tax, tax deducted at source, prepaid expenses and interest accrued on STDR, Power Bonds etc. NEEPCO's other current assets as on 31st March, 2015 and 31st March, 2014 was ₹ 14168.45 lakh and ₹ 9847.41 lakh respectively. There was a net increase of 43.88% in financial year 2014-15 mainly due to increase in advance tax, prepaid expenses & Asset Held for sale and decrease in Tax Deducted at Source.

Off-Balance Sheet Items

Contingent Liabilities

The components of Contingent Liabilities for the FY 2014-15 and 2013-14 are as follows :

(₹ in Lakh)

	2014-15	2013-14
Claims against the Company not acknowledged as debts in respect of:		
Capital Works	84979.69	79738.34
Disputed Land Compensation cases	1099.19	1099.19
Income Tax and Service Tax	48.15	48.15
Others	27.31	50.95
Total	86154.34	80936.63

Human Resources and HRD

- As on 31st March, 2015 the organization has 2559 employees including 4 members in the board of Directors. Out of these, 974 are Executives, 370 are in Supervisory Cadre and 1210 are Workmen cadre employees. The proportion of male to female employees is 6:1 (approx.).
- Analyses of age profile of employees were carried out and the following are the findings.

Age group	Percentage of employees	Male	Female
Less than 30 years	3.7%	67	28
31 to 40 years	9.45%	190	52
41 to 50 years	38.5%	809	176
51 to 55 years	23.45%	522	78
56 to 60 years	24.9%	604	32

The above findings indicate that close to half (i.e. ~48.35%) of the manpower in the organization are in the upper age brackets (51 years and above) and about 809 employees will be attaining superannuation by the year 2020 (32% -



roughly a third of our employee strength). These figures suggest that population of NEEPCO is moving towards inverted population pyramid shape, which requires immediate attention. A phase-wise addition and promotion of manpower in the lower age bracket is vital to the sustenance of the human resources of the organization.

3. Total medical expenditure incurred for the financial year is ₹ 1719.01 lakhs against ₹ 1948.61 lakhs the previous year which indicates an 11.78% decrease.
4. In this period, five category A employees (two are yet to join), zero category B and eleven category C employees have been recruited in NEEPCO.
5. Human Resource Development and Talent Management is considered critical in developing and sustaining workforce competencies which is the life line for sustenance of company's growth and developing a competitive edge in today's corporate world. It has been our endeavour to develop our employees through various HRD interventions. During the year 2014-15, a total of 1645 employees covering 19343 man days of training were given to enhance competency levels in their job besides enabling them to sharpen their skills and broaden their knowledge in work life sphere through various in-house programmes organised at HRD Centre & project sites, external programmes organised by various reputed training agencies in the country.

42 selected employees have been re-mustered after completion of the 6 month training programme. During the year, a total of 3 executives were nominated to attend overseas training programmes on Trimble Dimensions User Conference in USA and Canada and an Advanced Leadership Programme for Public Sector Enterprises in Slovenia.

6. An employee engagement survey was carried to understand the employees' perceptions about the HR policies, systems, procedure & practices, employees' benefits & facilities provided, the factors responsible for their engagement in the workplace, etc. in association with Tata Institute of Social Sciences, Guwahati covering a structured sample numbers of workmen, supervisor and executives posted in all locations. A few of the outcome are listed below:
 - A transparent transfer policy is required for systematic movement of employees to remove complacency, job exposures which will enable employees also to plan their life. Accordingly, necessary actions have been initiated for devising an effective transparent policy.
 - Promotional policy requires revision to promote career progression, encouraging employees acquiring necessary skills & knowledge for taking up higher responsibility, removing ambiguity in interpretation & implementation etc. Process has been started for revisiting and revising a promotion policy.
 - Employees posted at the projects under construction expressed inadequacy in quality and quantity with the existing transport and telecommunication & health care facilities, etc. Remedial measures to improve them have been initiated wherever such issues were raised.

Throughout the year, industrial relations remain cordial. Meeting and discussions between Unions /Associations and Management were carried out on various issues concerning improvement of work-life of employees, progress on works of the organizations. Suggestions generated out of the discussions were carried out in a practical manner. There were zero man-days losses, no strike or lockout during the year.



NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED
PART - I Balance Sheet as at 31st March, 2015

Annexure - 6

(₹ in Lakhs)

	Particulars	Note No	As at 31 st March, 2015	As at 31 st March, 2014
1)	I. EQUITY AND LIABILITIES			
	Shareholders' funds			
	(a) Share Capital	2	342611.54	336291.54
	(b) Reserve and Surplus	3	216849.27	189476.29
2)	Share application money pending allotment	4	–	2217.00
3)	Non-Current liabilities			
	a) Long-term borrowings	5	452541.99	289938.13
	b) Deferred Tax liabilities		52181.92	52731.10
	Less : Deferred Tax Recoverable		<u>50625.62</u>	<u>52716.31</u>
			1556.30	14.79
	c) Other Long term Liabilities	6	206.85	227.59
	d) Long term provisions	7	9582.18	14983.15
4)	Current liabilities			
	a) Short term borrowings	8	16000.00	11000.00
	b) Trade Payables	9	7909.68	9195.24
	c) Other Current Liabilities	10	51178.64	49030.11
	d) Short term Provisions	11	20440.81	19702.85
	TOTAL		1118877.26	922076.69
	II. ASSETS			
1)	Non-Current Assets			
	(a) Fixed Assets			
	(i) Tangible assets	12	220968.86	219947.89
	(ii) Intangible assets	13	6.72	12.90
	(iii) Capital work -in-progress	14	671062.96	522579.25
	(b) Non-Current investments	15	6030.00	10149.06
	(c) Long-term loans and advances	16	22109.87	18694.13
	(d) Other non-current assets	17	129.42	758.51
2)	Current assets			
	(a) Current investments	18	9549.06	9549.06
	(b) Inventories	19	20716.52	17817.08
	(c) Trade Receivables	20	76853.69	79190.08
	(d) Cash and cash Equivalents	21	72711.27	29755.80
	(e) Short-term loans and advances	22	4570.44	3775.52
	(f) Other current assets	23	14168.45	9847.41
	TOTAL		1118877.26	922076.69

The accompanying notes 1 to 68 form an integral part of these financial statements.

In terms of our report of even date
 For M/s Nundi & Associates
 Chartered Accountants
 F.R.N.309090E

C.Sharma
 Company Secretary

A.G.West Kharkongor
 Director (Finance)- cum-
 Chief Financial Officer
 DIN : 03264625

P.C.Pankaj
 Chairman & Managing Director
 DIN : 03640772

B N Pal
 Partner
 Membership No.065144

Date : 14-07-2015
 Place : New Delhi



NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED
PART - II Statement of Profit and loss for period ended 31st March, 2015

(₹ in Lakhs)

	Particulars	Note No	For the year ended 31 st March, 2015	For the year ended 31 st March, 2014
I.	Revenue from operations	24	153051.04	127974.79
II.	Other income	25	2789.93	13796.95
III.	Total Revenue (I+II)		155840.97	141771.74
IV.	Expenses :			
	Cost of materials consumed	26	58055.47	53012.31
	Employee benefits expense	27	16113.19	14976.72
	Finance Costs	28	340.57	271.06
	Depreciation	29	14637.81	13202.14
	Generation & Administration Expense	30	25844.35	28111.08
	Other expenses	31	1872.18	2057.37
	Prior Period Adjustment	32	(3049.76)	1340.62
	Total Expenses		113813.81	112971.30
V.	Profit before tax (III-IV)		42027.16	28800.44
VI.	Tax expense:			
	(1) Current tax		14073.78	9565.96
	Less: Mat Credit Adjustment		<u>5450.65</u>	<u>3978.48</u>
	Net Current Tax		8623.13	5587.48
	(2) Deferred tax		(549.18)	14.79
	Less: Deferred Tax Recoverable		<u>(2090.69)</u>	<u>0</u>
			1541.51	14.79
	(3) Interest on Income Tax		8.87	46.00
	Profit for the period (V-VI)		31853.65	23152.17
VII	Earnings per equity Share:			
	(1) Basic (₹)		0.94	0.70
	(2) Diluted (₹)		0.94	0.70

The accompanying notes 1 to 68 form an integral part of these financial statements.

In terms of our report of even date
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 Company Secretary

A.G.West Kharkongor
 Director (Finance)- cum-
 Chief Financial Officer
 DIN : 03264625

P.C.Pankaj
 Chairman & Managing Director
 DIN : 03640772

B N Pal
 Partner
 Membership No.065144

Date : 14-07-2015
 Place : New Delhi



Cash Flow Statement for the period ended 31st March, 2015

(₹ in Lakhs)

		2014-15		2013-14	
A)	Cash Flow From Operating Activities:				
	Net Profit before Tax		42027.16		28800.44
	ADD:				
	Depreciation	14713.05		13233.34	
	Interest	340.57		270.76	
	Provision for Rebate/Incentive	522.76		971.11	
	Provision for write off	54.73		54.34	
	DRE Amortized	-	15631.11	117.12	14646.67
	LESS:				
	Non cash receipts, if any				
	Intt. Power Bond	1420.42		2232.09	
	Grant-in -Aid	6.26	1426.68	73.43	2305.52
	Cash Flow From Operating Activities before working capital adjustments:		56231.59		41141.59
	Working Capital Changes:				
	(Increase) / Decrease in Inventories	(2899.44)		(4400.66)	
	(Increase) / Decrease in receivables	9240.16		4742.25	
	Increase / (Decrease) in trade & other payables	(5579.70)	761.02	(4681.60)	(4340.01)
	Cash Flow From Operating Activities before taxes:		56992.61		36801.58
	Income Tax Paid		(7960.68)		(6226.48)
	Net Cash Flow From Operating Activities :		49031.93		30575.10
B)	Cash Flow From Investing Activities :				
	Purchase of fixed assets	(3262.62)		(6167.90)	
	Expenditure on construction projects	(129766.73)		(140802.73)	
	Investment in Joint venture	(5430.00)		(600.00)	
	Net Cash Flow From Investing Activities :		(138459.35)		(147570.63)
C)	Cash Flow from Financing Activities :				
	Proceeds from issue of share capital (Including pending allotment)	4103.00		6234.00	
	Grant -in-aid	7197.00		6197.00	
	Dividend Paid	(7046.00)		(7269.03)	
	Loan Raised	397199.70		125713.18	
	Repayment of Loan	(230355.26)		(5451.50)	
	Interest paid	(38860.52)		(19774.60)	
	Interest received	1420.42		2232.09	
	Dividend Tax paid	(1275.45)	132382.89	(1235.38)	106645.76
D)	Net increase/(decrease) in cash and cash equivalents		42955.47		(10349.77)
E)	Cash and cash equivalents - Opening	Note 1(a)	29755.80	Note 1(a)	40105.57
F)	Cash and cash equivalents - Closing	Note 1(b)	72711.27	Note 1(b)	29755.80



Notes to the Cash and Cash Equivalents:

(₹ in Lakhs)

	Mar, 2015	Mar, 2014
1. A. Cash and Cash Equivalents :: Opening		
(i) Balance with Banks		
Current Accounts	6048.31	4794.83
Deposits with original maturity upto 3 months	23557.09	35120.00
Cheques , drafts in hand	–	10.00
(ii) Cash, Stamps in hand	7.62	6.24
(iii) Other bank balances		
i) Deposits with original maturity more than 3 months but less than 12 months	–	154.50
ii) Others (Balance with Bank as Margin Money)	142.78	20.00
Total	29755.80	40105.57
	Mar, 2015	Mar, 2014
B. Cash and Cash Equivalents :: Closing		
(i) Balance with Banks		
Current Accounts	11677.04	6048.31
Deposits with original maturity upto 3 months	48700.00	23557.09
Cheques , drafts in hand		
(ii) Cash, Stamps in hand	9.19	7.62
(iii) Other bank balances		
i) Deposits with original maturity more than 3 months but less than 12 months	12020.00	–
ii) Others (Balance with Bank as Margin Money)	305.04	142.78
Total	72711.27	29755.80

- The Cash Flow Statement is prepared in accordance with the format included in Accounting Standard.
- In Part-A of Cash Flow Statement, figures in brackets indicate deductions made from the Net Profit for deriving the net cash flow from operating activities. In Part-B and Part-C figures in brackets indicate cash outflows.

In terms of our report of even date
For M/s Nundi & Associates
Chartered Accountants
F.R.N.309090E

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Company Secretary

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DIN : 03264625

P.C.Pankaj
Chairman & Managing Director
DIN : 03640772

B N Pal
Partner
Membership No.065144

Date : 14-07-2015
Place : New Delhi



Notes to the financial statements for the year ended 31st March, 2015

1. Summary of significant accounting policies

a. ACCOUNTING CONVENTIONS

- a1 The Accounts are prepared on Historical Cost Basis.
- a2 Income and Expenses are accounted for on Mercantile Basis.
- a3 Prepaid expenses and prior period expenses/income of items of ₹ 20000/- and below are charged to natural head of accounts.
- a4 Contingent liabilities are generally not provided for in the accounts and are separately shown in the Notes on Accounts. Contingent assets are neither recognized nor disclosed in the financial statement in terms of AS-29.

b. FIXED ASSETS

- b1 Fixed Assets are stated at cost . Cost includes purchase price and any directly attributable cost of bringing the assets to working condition for the intended use. Assets and systems common to more than one generating unit are capitalized in the ratio of installed capacity.
- b2 In the case of commissioned assets, where the final settlement of bill with the contractors is yet to be effected, capitalization is made on a provisional basis subject to necessary adjustment in the year of final settlement.
- b3 The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on test runs and experimental production is capitalized as an indirect element of the construction cost. However, after commencement of commercial operation, the expenditure incurred is charged to Revenue expenditure although the contract stipulation provides for final taking over of the plant after satisfactory completion of the guarantee period.
- b4. Net pre- commissioning income/ expenditure is adjusted directly in the cost of related assets and systems.
- b5 Capital expenditure not represented by Assets and Capital expenditure on land not belonging to the Corporation is allocated to other capital assets that are directly or indirectly benefited by such expenditure.
- b6 Leased Assets are accounted in accordance with AS-19.
- b7 Intangible Assets are recognized as assets of the Corporation in terms of AS-26.
- b8 Physical verification of Fixed Assets are undertaken by the management once in a year.

c. CAPITAL WORK IN PROGRESS

- c1 Administrative and other General Overhead expenses attributable to Construction of Fixed Assets are identified and allocated on a systematic basis to Construction Projects.
- c2 Common Expenditure of an Operating Project and its extension is being apportioned on the basis of the cost as provided in the approved Project Cost estimate.
- c3 Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.
- c4 Incidental expenditure during construction including depreciation and interest are allocated / apportioned to the project/works forming part of work-in-progress on the basis of accretion thereto during the year.
- c5 Expenditure in relation to Survey & Investigation of the projects is carried as Capital Work in Progress. Such expenditure is either capitalized as cost of the project on completion of the project or the same is expensed / charged off in the year that is decided to abandon such project.

d. DEPRECIATION

- d1 (a) Depreciation is charged as per Electricity Act, 2003 on straight line method following the rates notified by Central Electricity Regulatory Commission constituted under the Act. Where prescribed rate has not been



laid down under the aforesaid Act, depreciation is being provided at the rates followed by the Electricity Boards/ other PSUs/ Power Utilities on straight line method.

Further, in accordance with the Tariff Regulation 2014-19, the methodology depreciation is as follows:

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

(ii) Depreciable value as at 31st March closing after a period of 12 years from the date of commercial operation or from the year the asset becomes available for use shall be spread over the balance useful life of the assets keeping 10% of the Asset as residual value.

For the purpose of calculation of depreciation, the useful life of the various classes of assets shall be taken as 35 years for Hydro generating station & 25 years for Thermal generating station as specified in the Regulations.

(b) IT Equipments are being depreciated @30%, being the rate assessed by the Corporation based on useful life of the Asset.

d2 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 fully depreciated during the year leaving a nominal balance of ₹ 1/- only.

d3. Low value items, which are in the nature of assets (excluding immovable assets) and valuing up to ₹ 750/- are not capitalized and charged off to revenue during the year.

d4. Intangible Assets' are amortized on straight line method over a period of legal right to use or three years, whichever is earlier.

d5. The depreciation as a result of the foreign exchange gain/loss adjusted to the assets is charged prospectively as per Accounting Standard 11 issued by the Institute of Chartered Accountants of India.

e. INVENTORY

Stores and Spares are valued at cost, determined on weighted average basis or net realizable value whichever is lower.

e1. Value of scrap is adjusted in the account as and when sold.

e2. Depreciation on Capitalized Machinery Spare shall be charged prospectively at the same rate at which main asset would be depreciated till completion of 12 years and thereafter depreciable value of such machinery spares would be spread over the balance useful life of the main asset keeping 10% as residual value .

e3. Physical verification of Inventory are done by the management once in a year.

f. GRANT-IN-AID

f1. Grant-in-aid received from the Central Govt. for procurement of spares are treated initially as reserve and subsequently adjusted as other income to the extent of utilisation of such spares.

f2. Grant-in-aid received from the Central Govt. for setting up a project are being shown as Grant-in-aid under Reserve & surplus and subsequently the grant will be deducted from the gross value of assets / projects concerned on completion of Project.

g. INVESTMENT

Investment are intended for long term and carried at cost. Provision for diminution, other than temporary, in the value of such investment is provided.

h. BORROWING COST

Borrowing cost attributable to the Fixed Assets during construction/renovation & modernization are capitalized.



Other borrowing costs are recognized as expenses in the period in which they are incurred.

i. EMPLOYEE BENEFIT

Employee benefits consist of provident fund, pension, gratuity, post-retirement medical facilities, and other terminal benefits.

- i1.** Provision for gratuity, leave encashment and post -retirement medical benefits are made at the end of the period on actuarial basis.
- i2.** Company's contributions paid/payable during the year to provident fund and pension fund is recognised in the statement of profit and loss. The same is paid to funds administered through separate trusts.

k. REVENUE RECOGNITION

- k1.** Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission.
- k2.** The incentives/disincentives are recognized based on norms notified/approved by the Central Electricity Regulatory Commission.
- k3.** Interest on Debt on account of sale of power (post securitization) is accounted for on cash basis.
- k4.** Interest on amount involved in consequent securitization of sundry debtors duly confirmed by all the States is accounted for on accrual basis.
- k5.** Reimbursement of CERC filing fee by the beneficiaries in terms of CERC regulations are being accounted for on cash basis.
- k6.** Recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis.

I. FOREIGN EXCHANGE TRANSACTION

- I1.** Transactions in foreign currency are initially recorded at exchange rates prevailing on the date of transaction. At each Balance Sheet date monetary items denominated in foreign currency are translated at the exchange rate prevailing on the Balance Sheet date.
- I2.** Exchange Differences in respect of liabilities relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to 01/04/2004 are adjusted to the carrying cost of respective fixed asset / Capital Work-in-Progress. Such exchange differences arising from settlement/translation of long term foreign currency monetary items in respect of transactions entered on or after 1st April' 2004 are adjusted in the carrying cost of related fixed assets / capital work-in-progress.
- I3.** Other exchange differences are recognised as income & expenses in the period in which they arise in Profit & Loss Account in case of operational stations and to Incidental Expenditure during Construction in case of projects under construction.

m. MISCELLANEOUS

- m1.** Interest on advances to contractors are accounted for on due basis.
- m2.** Claims, liquidated damage, co-operative societies, interest subsidy etc., are accounted for on receipt basis.
- m3.** Claims for price variation / Bonus in case of contracts / supply / consultancy etc., are accounted for on acceptance of the bills.
- m4.** Arbitration award for and against the Corporation is accounted for in the year of final settlement.
- m5.** Prepayment charges on repayment of loan in full will be charged off to the IEDC / Profit & Loss account in the year of repayment itself.

n. WRITE OFF:-

Incidental Expenses incurred on abandoned as well as suspended Projects are written off in the year of abandonment / suspension/ discontinuation.



2. Share Capital

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
AUTHORISED CAPITAL 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)	500000.00	500000.00
ISSUED, SUBSCRIBED AND PAID -UP CAPITAL 3,42,61,15,400 nos. of equity shares of ₹10/- each (Previous year 3,36,29,15,400 nos. of equity shares of ₹10/- each)	342611.54	336291.54
Total	342611.54	336291.54

a. Reconciliation of Number of Shares & Share Capital outstanding

Particulars	As at 31 st March, 2015			As at 31 st March, 2014		
	No.of Shares	Per value per share (₹)	Amount (₹)	No.of Shares	Per value per share (₹)	Amount (₹)
Opening Balance	3362915400	10/-	33629154000	3314640400	10/-	33146404000
Add: Shares issued during the year	63200000	10/-	632000000	48275000	10/-	482750000
Less: Reduction in shares / shares Capital						
Closing balance	3426115400	10/-	34261154000	3362915400	10/-	33629154000

b. Shares in the Company held by each Shareholder holding more than 5% shares specifying the number of Shares held

Particulars	As at 31 st March, 2015			As at 31 st March, 2014		
	No.of Shares	Per value per share (₹)	Amount (₹)	No.of Shares	Per value per share	Amount (₹)
President of India	3426114800	10/-	34261148000	3362914800	10/-	33629148000

c. Aggregate number of shares allotted without payment being received in cash in pursuant to an agreement is Nil.

3. Reserve & Surplus

(₹ in lakhs)

	Capital Reserve	Bond Redemption Reserve	Grant-in-Aid	General Reserve	Surplus as per Profit & Loss A/C	Total
Opening balance as on 01.04.2014	14.08	1542.84	11164.66	176691.68	63.03	189476.29
Add Addition during the period		10728.76	7197.00	9600.00	95.97	27621.73
Adjustment during the period			(185.72)		(63.03)	(248.75)
Closing Balance as on 31.03.2015	14.08	12271.60	18175.94	186291.68	95.97	216849.27



Appropriation of Profit

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Profit/(Loss) for the period	31853.65	23152.17
Add :		
i) Balance of Profit from last year	63.03	58.76
ii) Write back from Bond Redemption Reserve		
Profit for the year available for appropriation	31916.68	23210.93
Less:		
i) Transferred to Bond Redemption Reserve	10728.76	721.42
ii) Transferred to General Reserve	9600.00	14300.00
iii) Interim Dividend	2600.00	2500.00
iv) Proposed Final Dividend	6956.00	4446.00
v) Dividend Tax :		
Interim	519.85	424.88
Proposed	1416.10	755.60
	1935.95	1180.48
Carried over to Balance Sheet	95.97	63.03

The Company has declared dividend of ₹ 9556.00 lakhs (₹ 0.28 per share) including proposed final dividend of ₹ 6956.00 lakhs (₹ 0.20 per share) for the year 2014-15.

4. Share Application money pending allotment

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Share application money pending allotment	–	2217.00

NON-CURRENT LIABILITIES

5. Long term borrowings

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
I BONDS :		
(A) SECURED		
Bonds - PRIVATE PLACEMENT:		
a. Fifteenth issue		
9.15%(Taxable), Secured, Redeemable Non-Convertible Bonds of ₹ 10,00,000.00 each, Redeemable at 20% of face value on 25 th March ₹ 2021, 25 th March ₹ 2022, 25 th March' 2023 , 25 th March' 2024 and 25 th March' 2025. (The value of Assets in the Agartala GasTurbine Project (original open cycle plant) in Agartala, Tripura, value of Assets except the Gas Turbine & Steam Turbines in the Assam Gas Based Power Plant in Kathalguri, Assam, value of Assets except Plant & Machinery in generating station in the Ranganadi Hydro Electric Project in Arunachal Pradesh along with landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed trustee)	60000.00	–



(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
b. Fourteenth issue 9.60%(Taxable),Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at 20% of face value on 1 st October' 2020, 1st October' 2021, 1st October' 2022, 1 st October ₹ 2023 and 1 st October' 2024. (The asset value of Kameng Hydro Electric Project along with the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through the Trust Deed with the appointed Trustee)	250000.00	-
c. Thirteenth issue 9.00% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at 20% of face value on 15 th March 2019, 15 th March 2020, 15 th March 2021, 15 th March ₹2022 and 15 th March 2023 . (The asset value of Steam Turbine of the Assam Gas Based Power Project, Assam along with the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Trustee)	7250.00	7250.00
d. Twelfth issue 9.25 % (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable 20% of Face value on each date on 27 th June, 2018, 27 th June 2019, 27 th June 2020, 27 th June 2021 & 27 th June 2022. (The Assets value of Plant & Machinery in generating station of the Ranganadi Hydro Electric Project located in Arunachal Pradesh along with the landed property of the Corporation in the district of Mehsana, Gujarat have been charged by way of mortgage through a trust deed with the appointed Trustee.)	12000.00	12000.00
e. Eleventh issue 10.20% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹ 10,00,000.00 each ,Redeemable at par on 15 th December, 2021 with a put & call option on 15 th December,2018. (The asset value of Gas Turbine of the Assam Gas Based Power Project, Assam along with the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Trustee)	4000.00	4000.00
II Term loan-Secured Rupee Loan		
a. Loans from Power Finance Corporation Ltd. [secured by first charge on all movable assets of Kameng Hydro Electric Project, Arunachal Pradesh created/ to be created from the proposed loan save & except stocks & book debts [debt Repayable in 60 equal quarterly installment w.e.f. 15.10.2017. However the loan was fully prepaid on 1 st October' 2014 along with interest.]	-	159551.80
b. Loans from Life Insurance Corporation of India Secured by the assets of Kopili HEP : Khandong Dam, Umrong Dam, Power House Khangdong, Khandong Penstock, Dykes - Khandong, Tunnel-Khandong, Dyke-Umrong, Power House Khandong - Electrical Works (P&M)- Khandong, Tunnel Umrong, Steel Liner and	-	264.00



(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Penstock KdPH. Also secured by the assets of Doyang HEP: Residential & Non Residential Buildings (Permanent), Road and Bridges and Diversion Tunnel.) Repayable annually & will be relinquished fully in July'2015.		
c. Foreign Currency Loan External Commercial Borrowing [secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects - Extension, Agartala [debt Repayable in 39 equal quarterly installment w.e.f. 20.06..2014]	50125.13	36139.14
Total Secured Loans (A)	383375.13	219204.94
III. Term Loan- Unsecured		
a. Foreign Currency Loan Loan from Kfw (Guaranteed by the Govt. Of India) (Loan taken for construction of Pare Hydro Electric Project at Arunachal Pradesh) Repayable in 30 equal half yearly installment w.e.f. 30.12.2013	40070.44	41636.77
Rupee Loan		
b. Loans from Govt. of India		
l) Subordinate Loans from Govt. of India Repayable in 15 equal annual installment starting from the 16th year after commissioning of Tuiral Hydro Electric Project	29096.42	29096.42
Total Unsecured Loans (B)	69166.86	70733.19
GRAND TOTAL (A + B)	452541.99	289938.13

6. Other Long Term Liabilities

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Deferred foreign currency fluctuation liabilities	206.85	227.59

7. Long Term Provisions

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Provision for Employee benefits		
Provision for Gratuity	479.00	6645.40
Provision for Leave encashment	6307.83	5907.61
Medical benefit for retired employees	2795.35	2430.14
Total	9582.18	14983.15



CURRENT LIABILITIES

8. Short Term Borrowing

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
From Bank:		
Short Term Loan - (For construction Projects) - Secured against hypothecation of the stocks of stores and spares and book Debt of the Company to the extent of drawal - Repayable in 4(four) quarterly installments, commencing after 3(three) months from the date of first drawal i.e., from 11.02.2014.	12500.00	7500.00
Working Capital Demand Loan		
(Secured against hypothecation of the stocks of stores and spares and book Debt of the Company to the extent of drawal – Repayable on demand)	3500.00	3500.00
Total	16000.00	11000.00

9. Trade Payables

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Operation & Maintenance :		
Micro & Small Enterprises		
Others	7909.68	9195.24
Total	7909.68	9195.24

10. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Current maturity of Long Term Debt		
I Term loan-Secured		
a. External Commercial Borrowing		
[secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects – Extension, Agartala [debt Repayable in 39 equal quarterly installment w.e.f. 20.06..2014]	6467.43	6203.86
b. Loans from Life Insurance Corporation of India		
Secured by the assets of Kopili HEP : Khandong Dam,Umrong Dam, Power House Khangdong, Khandong Penstock, Dykes - Khandong, Tunnel - Khandong, Dyke-Umrong, Power House Khandong - Electrical Works (P&M)-Khandong, Tunnel Umrong, Steel Liner and Penstock KoPH. Also secured by the assets of Doyang HEP : Residential & Non Residential Buildings(Permanent), Road and Bridges and Diversion Tunnel	264.00	484.00
Sub Total	6731.43	6687.86



(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
II. Term Loan- Unsecured		
Loan from Kfw (Guaranteed by the Govt. of India) (Loan taken for construction of Pare Hydro Electric Project at Arunachal Pradesh) - Repayable in 30 equal half yearly installment w.e.f. 30.12.2013	3648.15	4451.15
Sub total	3648.15	4451.15
III Interest accrued but not due on:		
Loans from Life Insurance Corporation of India	5.22	14.80
Bonds	637.26	531.97
Loans from Power Finance Corporation Ltd.	–	3892.16
Loans from KfW	365.63	385.34
Working Capital Demand Loan	46.92	29.61
Short term borrowing	107.79	67.02
External Commercial Borrowing	33.90	38.63
Sub total	1196.72	4959.53
IV. Other liabilities		
Creditors for Capital Expenditure	13739.32	13521.88
Amount payable to Employee's	5156.10	4668.60
Tax deducted at source & other statutory dues	869.29	785.52
CPF, LIP, NESSS etc.	1005.47	984.07
Deposit, retention money from contractors & others	16638.29	12950.76
Advance from REC for RGGVY	2173.13	–
Deferred foreign currency fluctuation liabilities	20.74	20.74
Sub Total	39602.34	32931.57
Total	51178.64	49030.11

11. Short term provisions

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
a. Provision for Employee benefits		
Gratuity	1503.73	422.06
Leave encashment	475.99	437.41
Post Retirement Medical Benefit	147.61	120.14
b. Others		
Proposed Dividend	6956.00	4446.00
Dividend Tax	1416.10	755.60
Current Tax	8623.13	5587.48
Provision for Tariff Revision/ Adjustment	1318.25	7934.16
Total	20440.81	19702.85



NON CURRENT ASSETS

12. Tangible Assets

Particulars	GROSS BLOCK			
	As at 1 st April, 2014	Additions during the period	Sales/Adjust during the period	As at 31 st March, 2015
A) ASSETS				
I. HYDRAULIC POWER , SOLAR GAS PLANT & TRANSMISSION LINES :				
Building and civil engineering works containing generation plant & equipment, main plant	26743.13	83.35	–	26826.48
Hydraulic works including Dams, Dykes, Reservoirs & Tunnels	165018.92	1117.97	(33.46)	166103.43
Plant & Machinery in Generating Station	56256.00	7478.28	(1189.80)	62544.48
Transformer having a rating of 100 K.V. ampere and above	5434.96	483.70	(28.00)	5890.66
Sub-station equipment and other fixed apparatus	508.58	–	–	508.58
Switchgear including cable connections	12064.61	231.71	(2.00)	12294.32
Transmission Lines	708.77	154.21	–	862.98
PV modules including Mounting structures	–	3009.42	–	3009.42
Inverters including Battery Bank (O & M)	–	281.61	–	281.61
Gas Turbine	92343.43	–	–	92343.43
Gas Booster Station	17005.93	35.65	(12.82)	17028.76
Gas Pipeline	36.60	–	–	36.60
Gas Steam Turbine	53549.85	169.09	(194.84)	53524.10
Gas Cooling Tower	3296.90	–	–	3296.90
Make-up Water System	3283.33	–	–	3283.33
Total	436251.01	13044.99	(1460.92)	447835.08



(₹ in lakhs)

DEPRECIATION			NET BLOCK	
As at 1 st April, 2014	Depreciation for the period including adjustment	Upto 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
14070.64	649.36	14720.00	12106.48	12672.49
67372.97	7161.22	74534.19	91569.24	97645.95
25437.00	2130.80	27567.80	34976.68	30819.00
2823.30	247.46	3070.76	2819.90	2611.66
393.68	3.15	396.83	111.75	114.90
6881.07	484.94	7366.01	4928.31	5183.54
580.47	7.94	588.41	274.57	128.30
–	14.62	14.62	2994.80	–
–	1.37	1.37	280.24	–
77293.49	605.98	77899.47	14443.96	15049.94
15511.13	(10.20)	15500.93	1527.83	1494.80
32.95	–	32.95	3.65	3.65
34498.41	1246.21	35744.62	17779.48	19051.44
2096.84	87.04	2183.88	1113.02	1200.06
1922.78	103.22	2026.00	1257.33	1360.55
248914.73	12733.11	261647.84	186187.24	187336.28



Particulars	GROSS BLOCK			
	As at 1 st April, 2014	Additions during the period	Sales/Adjust during the period	As at 31 st March, 2015
II GENERAL ASSETS (FOR PROJECTS UNDER OPERATION)				
Buildings	7684.75	253.35	–	7938.10
Furniture & Fixtures	509.69	24.13	(6.94)	526.88
Roads, Bridges, Culverts & Helipads	3390.30	31.24	–	3421.54
Vehicles	646.21	–	(99.23)	546.98
Railway Siding	10.65	–	–	10.65
Electrical Installation	839.35	0.97	–	840.32
Temporary Buildings/Erections	2409.71	–	–	2409.71
Hospital Equipment	14.24	5.15	–	19.39
Tools & Plants	3334.53	149.39	(6.72)	3477.20
Office Equipment	214.34	6.92	–	221.26
IT Equipment	702.45	62.12	(4.56)	760.01
Other Equipment	569.50	29.58	–	599.08
Water supply, sewerage & drainage	896.86	–	–	896.86
Plant & Machinery in Generating Station (Diesel Power House)	467.32	–	–	467.32
Communication Equipment	171.25	4.40	–	175.65
Lightning Arrester (Pole Type Magazine Building)	139.01	–	–	139.01
Telephone Line	103.69	–	–	103.69
Cellular Phone	–	2.95	–	2.95
Fixed Assets of Minor value	18.98	2.32	–	21.30
Land & Land Rights :				
Free hold	1116.94	–	103.99	1220.93
Lease hold	4373.69	–	(1.16)	4372.53
	27613.46	572.52	(14.62)	28171.36
TOTAL (A)	463864.47	13617.51	(1475.54)	476006.44



(₹ in lakhs)

DEPRECIATION			NET BLOCK	
As at 1 st April, 2014	Depreciation for the period including adjustment	Upto 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
3046.07	275.06	3321.13	4616.97	4638.68
382.81	12.04	394.85	132.03	126.88
1423.21	106.04	1529.25	1892.29	1967.09
397.91	(71.07)	326.84	220.14	248.30
7.70	0.19	7.89	2.76	2.95
630.54	11.35	641.89	198.43	208.81
2409.71	–	2409.71	–	–
8.80	0.75	9.55	9.84	5.44
2600.90	143.93	2744.83	732.37	733.63
172.68	5.36	178.04	43.22	41.66
459.64	100.16	559.80	200.21	242.81
391.65	13.22	404.87	194.21	177.85
367.25	41.41	408.66	488.20	529.61
388.16	1.59	389.75	77.57	79.16
123.66	3.24	126.90	48.75	47.59
118.89	0.60	119.49	19.52	20.12
91.84	0.07	91.91	11.78	11.85
–	0.83	0.83	2.12	–
18.97	2.32	21.29	0.01	0.01
–	–	–	1220.93	1116.94
1314.38	209.19	1523.57	2848.96	3059.31
14354.77	856.28	15211.05	12960.31	13258.69
263269.50	13589.39	276858.89	199147.55	200594.97



Particulars	GROSS BLOCK			
	As at 1 st April, 2014	Additions during the period	Sales/Adjust during the period	As at 31 st March, 2015
B) ASSETS (FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)				
Building	6211.07	334.29	–	6545.36
Furniture & Fixtures	753.33	180.18	2.16	935.67
Roads, Bridges, Culverts & Helipads	1934.35	1347.55	–	3281.90
Vehicles	143.35	–	(6.76)	136.59
Electrical Installations	385.70	114.15	–	499.85
Temporary Buildings / Erections	1922.59	45.27	(13.76)	1954.10
Tools & Plants	1818.41	0.28	(0.16)	1818.53
Office equipment	567.35	37.52	(3.25)	601.62
IT Equipment	1338.03	78.45	(20.32)	1396.16
Water Supply, sewerage & drainage	481.26	135.11	–	616.37
Plant & Machinery in Generating Station (Diesel Power House)	172.24	–	–	172.24
Communication Equipment	168.68	7.81	(0.24)	176.25
Plant & Machinery	1.16	–	–	1.16
Weigh Bridge	13.34	–	–	13.34
Land & Land Rights	5256.08	1282.19	(102.83)	6435.44
Other Equipment	1003.29	60.65	(1.93)	1062.01
Hospital Equipment	12.80	0.57	–	13.37
Substation Equipment	304.02	3.92	–	307.94
Transformer having a rating of 100 KV & above	14.82	146.07	–	160.89
Transmission Line	6249.74	5.62	–	6255.36
Fixed assets of Minor value	51.46	6.53	(0.32)	57.67
Cellular Phone	–	9.48	0.16	9.64
TOTAL (B)	28803.07	3795.64	(147.25)	32451.46
GRAND TOTAL (A + B)	492667.54	17413.15	(1622.79)	508457.90

13. Intangible Assets

Particulars	GROSS BLOCK			
	As at 1 st April, 2014	Additions during the period	Sales/Adjusted during the period	As at 31 st March, 2015
Intangible Assets (software)	76.27	–	–	76.27



(₹ in lakhs)

DEPRECIATION			NET BLOCK	
As at 1 st April, 2014	Depreciation for the period including adjustment	Upto 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
1136.02	232.87	1368.89	5176.47	5075.05
412.51	46.82	459.33	476.34	340.82
167.03	126.75	293.78	2988.12	1767.32
53.74	3.40	57.14	79.45	89.61
233.99	20.86	254.85	245.00	151.71
1922.59	31.50	1954.09	0.01	–
1203.90	41.80	1245.70	572.83	614.51
382.81	13.91	396.72	204.90	184.54
1024.09	97.70	1121.79	274.37	313.94
76.83	21.50	98.33	518.04	404.43
124.56	3.10	127.66	44.58	47.68
89.07	7.34	96.41	79.84	79.61
1.04	–	1.04	0.12	0.12
7.80	0.55	8.35	4.99	5.54
–	67.39	67.39	6368.05	5256.08
308.39	53.80	362.19	699.82	694.90
3.45	0.75	4.20	9.17	9.35
38.17	23.33	61.50	246.44	265.85
12.71	43.21	55.92	104.97	2.11
2200.73	334.67	2535.40	3719.96	4049.01
50.72	6.92	57.64	0.03	0.74
–	1.83	1.83	7.81	–
9450.15	1180.00	10630.15	21821.31	19352.92
272719.65	14769.39	287489.04	220968.86	219947.89

DEPRECIATION			NET BLOCK	
As at 1 st April, 2014	Depreciation for the period including adjustment	Upto 31 st March, 2015	As at 31 st March, 2015	As at 31 st March, 2014
63.37	6.18	69.55	6.72	12.90



Non Current Assets

14. Capital Work in Progress

(₹ in Lakh)

Particulars	As at 1 st April, 2014	Additions during the period	Adjustments during the period	Capitalized during the period	As at 31 st March, 2015
Building	1384.69	1515.07	1.47	(620.52)	2280.71
Temporary Buildings/ Erections	243.50	100.31	(2.35)	(106.14)	235.32
Roads, Bridges, Culverts & Helipads	22543.45	548.00	(2.83)	(1178.67)	21909.95
Electrical Installation	116.25	20.22	(4.16)	(75.15)	57.16
Water Supply, Sewerage & Drainage	259.35	133.97	(0.26)	(121.37)	271.69
Hydraulic works including Dams, Dykes etc.	170739.12	62894.19	(589.89)	(247.66)	232795.76
Other Civil works	732.83	403.19	(7.30)	(10.05)	1118.67
Power house	32273.21	7825.90	(113.97)	–	39985.14
Switch Yard including cable connection	11707.83	824.60	–	–	12532.43
Environment & Ecology	4987.83	39.41	–	–	5027.24
Transmission Lines	700.44	48.90	(2.84)	(21.86)	724.64
Transformer having a rating of 100 KV ampere and above	2358.51	141.15	–	(134.01)	2365.65
Survey & Investigation	11856.16	5438.80	2043.15	–	19338.11
Provision for S & I Units	(5674.18)	–	–	–	(5674.18)
Substation	612.39	77.82	(90.00)	(3.70)	596.51
Plant, etc. in generating station	83213.62	20623.36	(3552.57)	(5967.19)	94317.22
Steam Turbine	16567.22	7958.38	0.09	(169.09)	24356.60
Plant etc. in generating Station (in transit)	280.02	16.75	(280.02)	–	16.75
Gas Booster Station	683.23	2303.80	–	–	2987.03
Solar Plant	–	394.64	3041.97	(3436.61)	–
Incidental Expenditure during construction	166993.78	49253.80	(53.82)	(373.20)	215820.56
TOTAL	522579.25	160562.26	386.67	(12465.22)	671062.96





Non Current investment
15. Investment (Un-quoted)

Particulars	Number of Bonds /Shares	Face Value per bond/Share	As at 31 st March, 2015	As at 31 st March, 2014
	Current year (Previous year)	Current year (Previous year)	(₹ In lakhs)	(₹ In lakhs)
A Trade Investment				
Joint venture with WAANEPP Solar Pvt Ltd. (Equity Shares-Fully paid-up) (Share application Money)	40000000 (0)	10 (0)	4000.00 — 500.00	— — 600.00
Joint venture with MDGEPL Wind power (Share application Money)	— —	— —	— 2.00	— —
Joint venture with KSK Dibbin Hydro Power (Equity Shares-Fully paid-up)	15280000 (0)	10 (0)	1528.00 —	— —
Sub-Total			6030.00	600.00
B. Investment in Power Bond 8.5% Tax free State Govt. Bonds of the Government of :				
Arunachal Pradesh	17880.00 (35760.00)	1000.00 (1000.00)	— —	178.80 —
Assam	638270.00 (1276540.00)	1000.00 (1000.00)	— —	6,382.70 —
Manipur	125394.00 (250788.00)	1000.00 (1000.00)	— —	1,253.94 —
Meghalaya	13026.00 (26052.00)	1000.00 (1000.00)	— —	130.26 —
Mizoram	42336.00 (84672.00)	1000.00 (1000.00)	— —	423.36 —
Nagaland	58070.00 (116140.00)	1000.00 (1000.00)	— —	580.70 —
Tripura	59930.00 (119860.00)	1000.00 (1000.00)	— —	599.30 —
Sub total			—	9549.06
Total			6030.00	10149.06



16. Long Term Loans & Advances

(₹ in lakhs)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Capital advances				
i. Secured, considered good		—		—
ii. Unsecured, considered good				
Against Bank Guarantee		3800.73		4950.10
Others	18191.73		12869.64	
iii. Unsecured, considered bad		41.28		28.00
Less :Provision against Bad & Doubtful debts	41.28	18191.73	28.00	12869.64
Advance towards Land		117.41		874.39
Total		22109.87		18694.13

17. Other non-current assets

(₹ in lakhs)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
Advance Tax		—		684.84
Advance to staff		129.42		73.67
Total		129.42		758.51

Current Assets

18. Current Investment

(₹ in lakhs)

Particulars	Number of Bonds / Securities		Face Value per bond		As at 31 st March, 2015	As at 31 st March, 2014
	Current year		Current year			
	(Previous year)		(Previous year)			
Investment in Power Bond (Un-quoted) 8.5% Tax free State Govt.Bonds of the Government of:						
Arunachal Pradesh	17880.00	1000.00	1000.00	1000.00	178.80	178.80
	(17880.00)	(1000.00)	(1000.00)	(1000.00)	—	—
Assam	638270.00	1000.00	1000.00	1000.00	6382.70	6382.70
	(638270.00)	(1000.00)	(1000.00)	(1000.00)	—	—
Manipur	125394.00	1000.00	1000.00	1000.00	1253.94	1253.94
	(125394.00)	(1000.00)	(1000.00)	(1000.00)	—	—
Meghalaya	13026.00	1000.00	1000.00	1000.00	130.26	130.26
	(13026.00)	(1000.00)	(1000.00)	(1000.00)	—	—
Mizoram	42336.00	1000.00	1000.00	1000.00	423.36	423.36
	(42336.00)	(1000.00)	(1000.00)	(1000.00)	—	—
Nagaland	58070.00	1000.00	1000.00	1000.00	580.70	580.70
	(58070.00)	(1000.00)	(1000.00)	(1000.00)	—	—
Tripura	59930.00	1000.00	1000.00	1000.00	599.30	599.30
	(59930.00)	(1000.00)	(1000.00)	(1000.00)	—	—
Total					9549.06	9549.06



19. Inventories

(₹ in lakhs)

Particulars	As at 31 st March, 2015		As at 31 st March, 2014	
General Stores	5035.56		3511.33	
Goods in Transit	—		271.67	
	5035.56		3783.00	
Less : Provision for loss of stock	31.11	5004.45	18.23	3764.77
Operational stores				
a) Components, spare-parts and other spares	10818.07		12560.07	
b) Consumable stores	192.12		187.73	
c) Stores & spares against Grant - in - aid	1423.09		1429.35	
d) Goods in Transit	3438.22		10.45	
	15871.50		14187.60	
Less: Provision for non- moving stock	159.43	15712.07	135.29	14052.31
Total	20716.52		17817.08	

20. Trade Receivables

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured, considered good Trade receivables outstanding for a period exceeding 6 months from the date they are due for payment	27380.23	51921.98
Other Debts	49473.46	27268.10
Total	76853.69	79190.08

21. Cash & Bank Balances

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
A. Cash & Cash Equivalents		
Balance with Banks		
i) Current Accounts	11677.10	6048.31
ii) Deposit with original maturity upto 3 months	48700.00	23557.09
iii) Cash, Stamps in hand	9.13	7.62
Sub-Total	60386.23	29613.02
B. Other bank balances		
i) Deposit with original maturity more than three months but not more than twelve months	12020.00	—
ii) Others (Balance with Bank as Margin Money)	305.04	142.78
Sub-Total	12325.04	142.78
Total	72711.27	29755.80



22. Short term Loans & Advances

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Unsecured , considered good :		
Advances recoverable in cash or in kind ::		
Advance to Suppliers & Contractors	1814.78	1537.67
Less : Provision for bad & doubtful debts	<u>53.03</u>	<u>62.67</u>
	1761.75	1475.00
Accounts receivables	2808.69	2300.52
Total	4570.44	3775.52

23. Other Current Assets

(₹ in lakhs)

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Interest accrued on STDR, Power Bonds etc.	1327.62	1639.63
Advance to staff	709.59	738.30
Deposits with other authorities	80.83	79.09
Advance tax	9563.34	4291.00
Tax deducted at source	509.29	2408.95
Prepaid expenses	1347.74	489.59
Asset Held for sale	630.04	200.85
Total	14168.45	9847.41

24. Revenue from Operation

- Pending approval of Tariff by Central Electricity Regulatory Commission (CERC) for the tariff period 2014-19, sales have been recognised provisionally based on the tariff approved for all the power stations for the year 2013-14 notified under the Central Electricity Regulatory Commission (CERC) 2009-14.
- Deferred tax liabilities for the period upto 31st March, 2009 whenever it materialises is recoverable from the beneficiaries. Accordingly sales includes an amount of ₹ 15360.97 lakhs being the materialisation of deferred tax liabilities upto financial year 2013-14 and ₹ 2808.69 lakhs being materialisation of deferred tax liabilities for the financial year 2014-15 which has been recognised as income due to change in accounting policy (refer k5 of note no 65).
- Sales includes an amount of ₹ 164.90 lakhs (previous year ₹ 196.67 lakhs) as the cost of internal consumption of electricity.
- Thus the total Sales for the period ended 31st March, 15 amounts to ₹ 153051.04 lakhs.

25. Other Income

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
Misc receipts	395.09	1361.02
FERV Recoverable/Payable (Net)	20.74	20.74
Interest on investment(State Govt. Bonds)	1420.42	2232.09
Liability/Provision written back	318.16	6376.94
Profit on Sale of Assets	7.34	2.87
Delayed Payment surcharge	621.92	1843.15
Interest on arrear sale	—	1886.71
Other income (Grant-in-aid)	6.26	73.43
Total	2789.93	13796.95



26. Cost of Material Consumed

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
Purchase of Gas	56915.14	51849.87
Transportation charges of gas	1140.33	1162.44
Total	58055.47	53012.31

27. Employees Remuneration & Benefits

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
Salary, Wages	13412.57	12504.61
Contribution to Provident Fund	1210.38	1153.68
Provision for Gratuity	630.46	510.71
Contribution to Pension Fund	818.88	764.13
Staff welfare expenses	40.90	43.59
Total	16113.19	14976.72

28. Finance Costs

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
A. Interest Expenses		
i) Loans from Life Insurance Corporation of India	38.50	89.56
ii) Cash Credit from State Bank of India	268.93	181.20
iii) Bonds	33.14	–
B. Other Borrowing Costs	–	0.30
Total	340.57	271.06

29. Depreciation

Depreciation of ₹ 14637.81 lakhs (previous year ₹ 13202.14 lakhs) including amortisation on land has been calculated & charged to Profit & Loss Account.

(₹ in lakhs)

Particulars	Operation & Maintenance	Construction & Office
Total (as per notes 12 & 13)	13589.39	1186.18
Add: Depreciation from Note No 60	1123.66	39.51
Less :		
PPA Note no 32	75.24	–
PPA Note no 34	–	61.79
PPA Note no 35	–	92.91
Depreciation written off Note no.31	–	0.10
Total (excluding PPA)	14637.81	1070.89



30. Generation & Administration Expenses

(₹ in lakhs)

Particulars	Note No	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
Generation Expenses			
Repairs & maintenance :			
a) Roads & buildings		609.92	470.41
b) Power house		4835.13	6744.30
c) Hydraulic works		312.98	237.76
d) Line & sub-stations		57.50	52.36
e) Others		317.10	259.73
f) Stores & spares (against Grant-in-Aid)		<u>6.26</u>	<u>73.43</u>
Sub Total		6138.89	7837.99
Administration Expenses			
1. Travelling expenses		204.25	151.38
2. Advertisement expenses		36.77	37.49
3. Insurance charges		626.42	651.98
4. Rents		2.05	1.94
5. Rates & taxes		33.35	71.99
6. Entertainment expenses		3.11	2.88
7. General expenses	33	6590.61	5744.60
8. Publicity expenses		4.17	9.94
9. Legal charges		29.31	17.72
10. Filing fees to CERC		49.64	67.44
11. NERLDC Fees & Charges		812.57	1502.10
12. Wealth Tax		1.98	2.26
13. Research & Development Expenses		125.89	153.15
14. Corporate Social Responsibility & SD		962.47	596.10
15. Interest to beneficiary states		13.84	1121.63
16. Share of General Establishment	37	<u>10209.03</u>	<u>10140.49</u>
Sub Total		19705.46	20273.09
Total		25844.35	28111.08

31. Other Expenses

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
Purchase of Power	355.61	318.16
Lubricants, oil etc	264.59	189.52
Electricity Duty	16.70	14.64
U I Charge	657.79	392.48
Write off	54.73	54.34
Deferred Revenue Expenditure written off	-	117.12
Rebate to customers	522.76	971.11
Total	1872.18	2057.37



32. Prior Period Adjustment (Operation & Maintenance)

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
A) Income		
Repair & Maintenance Power House	770.51	–
NERLDC fees	2334.68	–
Rates & Taxes	8.81	–
Depreciation	0.21	–
NLDC fees	5.07	–
Liability written back	5.54	–
Rebate	–	9.76
Repair & Maintenance others	116.19	89.54
Recovery of electrical charges	–	19.23
Total Income	3241.01	118.53
B) Expenditure		
Surcharge	–	715.86
Sale of Power	115.80	–
NLDC	–	53.34
ULDC	–	631.12
Others	–	27.63
Depreciation	75.45	31.20
Total expenditure	191.25	1459.15
Net Expenditure / (income)	(3049.76)	1340.62





33. General Expenses

(₹ in lakhs)

Particulars	Operation & Maintenance		General Administration		Project (Under Construction)		Total	
	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14	Mar-15	Mar-14
Leave encashment	1570.18	707.55	651.74	278.30	1170.97	915.65	3392.89	1901.50
Transport expenses	580.47	543.85	208.70	183.84	591.93	567.22	1381.10	1294.91
Printing & stationery	23.72	26.52	57.35	65.22	26.77	34.52	107.84	126.26
Postage & telegram	1.19	1.60	4.14	5.29	3.41	4.38	8.74	11.27
Medical expenses	548.89	526.31	727.42	996.44	442.70	425.86	1719.01	1948.61
Licence & registration	5.75	5.74	1.41	1.27	3.24	0.10	10.40	7.11
Paper & periodicals	0.60	0.45	3.70	1.64	0.35	0.30	4.65	2.39
Uniforms & liveries	4.86	13.07	0.86	1.53	1.18	1.16	6.90	15.76
Honorarium	0.00	0.00	0.30	0.50	0.00	0.00	0.30	0.50
Electric & water charges	164.90	514.83	57.37	50.31	1521.45	920.00	1743.72	1485.14
Bank charges	18.36	39.45	6.48	24.15	2.29	2.93	27.13	66.53
Social welfare	576.88	835.22	94.18	92.49	64.81	60.66	735.87	988.37
Consultancy charges	327.40	5.84	96.64	22.01	119.35	216.86	543.39	244.71
Security arrangement	2106.41	2032.78	108.68	105.52	428.46	500.22	2643.55	2638.52
Training expenses	224.36	160.82	0.00	0.00	0.00	0.00	224.36	160.82
Staff recruitment expenses	0.07	0.84	1.83	7.32	0.00	0.03	1.90	8.19
Hospital facilities	5.37	6.35	0.00	0.00	4.57	4.48	9.94	10.83
Subscription & membership fees	0.01	0.10	35.82	16.23	0.00	0.00	35.83	16.33
Communication expenses	21.38	21.73	320.61	218.90	98.99	66.10	440.98	306.73
Office furnishing	2.47	2.97	7.08	4.50	1.67	9.89	11.22	17.36
Miscellaneous expenses	57.37	50.87	147.89	170.69	113.76	97.65	319.02	319.21
I.B. expenses	36.61	27.64	44.33	42.01	80.74	66.70	161.68	136.35
Laboratory & meter testing charges	0.20	0.20	0.00	0.00	6.04	8.99	6.24	9.19
Photographic records	0.04	0.26	0.52	0.52	0.19	0.05	0.75	0.83
Stock/Advance written off	109.07	137.90	22.57	0.00	7.37	15.07	139.01	152.97
I T Expenses	68.59	55.05	195.06	101.46	73.15	65.29	336.80	221.80
Loss on sale of fixed Assets	0.46	4.16	2.50	9.61	13.40	3.29	16.36	17.06
Compensation	135.00	22.50	5.00	0.00	36.00	26.25	176.00	48.75
TOTAL	6590.61	5744.60	2802.18	2399.75	4812.79	4013.65	14205.58	12158.00



34. Prior Period Adjustment in respect of General Administration

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
A) Income		
Consultancy Charges	3.54	–
Hire charges	–	0.28
Total Income	3.54	0.28
B) Expenditure		
Insurance	–	12.52
Tax Deducted at Source	–	1.42
Post Retirement Medical Benefit	–	1499.33
Depreciation	61.79	1.38
Total expenditure	61.79	1514.65
Net Expenditure / (income)	58.25	1514.37

35. Prior Period adjustment in respect of Projects under construction

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
A) Income		
Liability written back	10.55	–
Depreciation	–	46.04
Total Income	10.55	46.04
B) Expenditure		
Depreciation	92.91	67.65
Others	–	3.98
Total expenditure	92.91	71.63
Net Expenditure / (income)	82.36	25.59

36. Payment to Auditors

(₹ in lakhs)

Particulars	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
a. Statutory Audit		
Audit Fees	6.74	6.18
Limited Review fees	4.50	4.04
b. Tax audit fees	0.56	0.56
c. Cost Audit Fees	1.12	1.01
d. Other expenses	9.71	9.73
Total	22.63	21.52



37. Incidental Expenditure of Corporate Office

(₹ in lakhs)

Particulars	Note No	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
A. Employees Remuneration & Benefit			
Salaries and Wages		5942.50	5683.28
Contribution to Provident Fund		584.85	559.81
Provision for Gratuity		234.56	186.36
Contribution to Pension Fund		425.46	390.88
Staff Welfare Expenses		18.43	21.39
Sub Total (A)		7205.80	6841.72
B. Administration & other Expenses			
Travelling expenses		292.18	238.05
Rent		114.10	39.43
Rates & taxes		6.29	4.79
Wealth Tax		0.39	0.45
General expenses	33	2802.18	2399.75
Repairs & maintenance		179.30	127.51
Audit fees & expenses	36	22.63	21.52
Legal expenses		2.68	10.86
Insurance charges		14.06	4.50
Entertainment expenses		0.00	0.18
Advertisement expenses		84.61	89.38
Publicity expenses		147.02	232.54
Board meeting expenses		41.86	62.62
Depreciation		207.49	174.15
Prior period adjustment (Net)	34	58.25	1514.37
Sub Total (B)		3973.04	4920.10
Total (A+ B)		11178.84	11761.82
Less : Non operating receipts :			
i) Interest on Investment		926.57	923.22
ii) Others		43.24	698.11
		<u>969.81</u>	<u>1621.33</u>
Net expenditure		10209.03	10140.49
Expenditure charged to Profit & Loss Account	30	10209.03	10140.49



38. Incidental Expenditure during construction

(₹ in lakhs)

Particulars	Note No	For the year ended on 31 st March, 2015	For the year ended on 31 st March, 2014
A. Employees Remuneration & Benefit			
Salaries and Wages		12320.91	11390.97
Contribution to Provident Fund		929.57	862.28
Provision for Gratuity		437.74	463.54
Contribution to Pension Fund		679.52	610.17
Staff Welfare Expenses		31.89	33.00
Sub Total (A)		14399.63	13359.96
B. Administration & other Expenses			
Travelling expenses		331.24	280.99
Rents		19.54	25.99
Rates & taxes		0.38	0.44
Wealth tax		0.33	0.37
General expenses	33	4812.79	4013.65
Repairs & maintenance		648.47	908.78
Depreciation		863.40	804.70
Legal expenses		12.82	24.51
Insurance charges		610.92	17.20
Prior period adjustment (Net)	35	82.36	25.59
Entertainment expenses		1.25	0.27
Tender expenses		44.62	44.71
Sub Total (B)		7428.12	6147.20
C. Interest & Finance Charges			
Interest on :			
i) Bonds		14350.99	2068.07
ii) PFC		15783.56	16813.10
iii) KfW Loan		1550.09	1313.69
iv) External Commercial Borrowing		954.19	260.97
v) Short term Borrowing		2118.31	325.79
Exchange rate variation		(6378.17)	3971.63
Finance charges :			
i) Guarantee fees		557.68	289.07
ii) Commitment fees		39.49	81.21
iii) Loan expenses		316.24	1665.08
Sub Total (C)		29292.38	26788.61
Total (A + B + C)		51120.13	46295.77
Less : Non-operating receipts			
i) Interest on advances from Suppliers / Contractors		583.43	418.00
ii) Others		1282.90	1245.14
		1866.33	1663.14
Net Expenditure		49253.80	44632.63
Expenditure transferred to Capital Work-in-Progress		49253.80	44632.63



39. In the opinion of the Management, the value on realization of current assets, loans and advances in the ordinary course of business, will not be less than the value at which these are stated in the Balance Sheet.

40. Confirmation of balances

Balances shown under Advances to Contractors, Trade payables and Materials in transit / with contractors / issued on loan, Trade receivables, Accounts receivable are subject to confirmation/reconciliation and consequential adjustment, if any.

41. Related party disclosure

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

A. Joint Ventures :

- i) WAANEEP Solar Private Limited, 602, Western Edge-I, Western Express 3Highway, Borivali (E), Mumbai - 400066, India.
- ii) Metatron Danke Green Energy Private Limited, 116- Samrat Apartment, B-11, Vasundhara Enclave, New Delhi -110 096, India
- iii) KSK Dibbin Hydro Power Private Limited, 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad - 500 033, India

B. Whole Time Directors :

1	Sri P.C.Pankaj	Chairman & Managing Director
2	Sri A G West Kharkongor	Director (Finance)
3	Sri Utpal Moral	Director (Technical)
4	Sri Satyabrata Borgohain	Director (Personnel)

42. Related party Transaction

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

Particulars	Current year (2014-15) (₹ in lakhs)	Previous year (2013-14) (₹ in lakhs)
Salary and allowances	109.72	104.40
Contribution to Provident Fund and other funds	15.91	8.59
Other benefits	62.67	50.94

In addition to the above remuneration, the whole- time Directors have been allowed to use Corporation's car including for private journey on payment of a fixed monthly amount in accordance with the provisions of B.P.E.'s Circular as amended from time to time/ terms of their appointment.

43. Advance towards land

Amount spent in connection with acquisition of land including land compensation and rehabilitation expenses has been booked under "Advance towards land" and has been exhibited under "Long term Loans & Advances (note no-16)", pending completion of legal formalities. The land is in the possession of the Corporation.

Particulars	As at 31 st March, 2015 (₹ in lakhs)	As at 31 st March, 2014 (₹ in lakhs)
Advance towards land	117.41	874.39



44. Quantitative information

Particulars	Unit	As at 31 st March, 2015	As at 31 st March, 2014
Installed Capacity	MW	1135.54	1130.00
Design Energy	MU	5545.31	5698.73
Actual Generation	MU	4356.27	4567.89
Sales including internal consumption but excluding free supply of Power, Auxiliary consumption	MU	4083.02	4264.40

45. Contingent liabilities

Particulars	As at 31 st March, 2015 (₹ in lakhs)		As at 31 st March, 2014 (₹ in lakhs)	
Claims against the Company not acknowledged as debt in respect of :				
- Capital Works	84979.69		79738.34	
- Land compensation cases	1099.19		1099.19	
- Disputed Income tax demand	48.15		48.15	
- Others	<u>27.31</u>	86154.34	<u>50.95</u>	80936.63

46. Capital and other commitments

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 224791.84 lakhs (previous year ₹ 175890.31 lakhs).

47. Value of imports calculated on C.I.F. basis

Particulars	As at 31 st March, 2015 (₹ in lakhs)	As at 31 st March, 2014 (₹ in lakhs)
Spares	2752.80	4055.83

48. Expenditure in foreign currency

Particulars	As at 31 st March, 2015 (₹ in lakhs)	As at 31 st March, 2014 (₹ in lakhs)
Interest	1929.87	1343.03
Others (TA / Commitment charges / consultancy)	441.89	2926.99

49. Stores in Transit

Particulars	As at 31 st March, 2015 (₹ in lakhs)	As at 31 st March, 2014 (₹ in lakhs)
Stores in transit	3438.22	282.12



50. Deferred Tax Liability

In compliance to the Accounting Standard 22 on "Accounting for Taxation on Income" provision for Deferred Tax Liability for the year ended 31.03.2015 has been made as under :-

	(₹ in lakhs)	
	2014-15	2013-14
a) Deferred Tax Liability opening balance	52181.92	52731.10
Less: Deferred Tax Recoverable	<u>50625.62</u>	<u>52716.31</u>
Net Deferred Tax Liability	1556.30	14.79
Deferred Tax Liability for the year	(549.18)	14.79
Less: Deferred Tax Recoverable	<u>(2090.69)</u>	(-)
Net Deferred Tax for the year charged to Profit & Loss A/c	1541.51	14.79

(b) The item wise details of Deferred Tax Liability (Net) are as under :-

Deferred Tax Liability (Difference of Book depreciation and Tax depreciation) ₹ **52181.92 lakhs** as on 31.03.2015.

51. Segment reporting

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 17. Interest income earned by the Corporation in respect of Bonds issued to the Corporation by various State Electricity Board/ Power Department in liquidation of the debts owed by them against energy supplied is attributable to the generation activity only.

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

52. Earnings per share

In compliance to the Accounting Standard 20 on "Earning per Share" the elements considered for calculation of earnings per share are as under

Particulars	As at 31 st March, 2015	As at 31 st March, 2014
Profit after Tax (₹ in lakhs)	31853.65	23152.17
Weighted Average number of equity shares (Nos.)	3405974660	3327625058
Earnings Per Share (Basic and Diluted) (Rupees)	0.94	0.70
Face value per share (Rupees)	10.00	10.00

53. Cut-off date

The Company has taken all known ascertainable liabilities pertaining to the year upto 31.03.2015 taking into consideration 10th April, 2015 as the cut-off date.



54. Information in respect of Micro, Small and Medium Enterprises as at 31st March, 2015

Sl. No.	Particulars	₹ in lakhs
(a)	Amount remaining unpaid to any supplier Principal Amount Interest due thereon	— —
(b)	Amount of interest paid in terms of section 16 of the Micro, Small and Medium Enterprises Act, 2006 along with the amount paid to the suppliers beyond the appointed day	—
(c)	Amount of interest due and payable for the period of delay in making payment (which has been paid beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Act,2006 .	—
(d)	Amount of interest accrued and remaining unpaid.	—
(e)	Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Act,2006 .	—

55. Employee Benefits

a. Provident Fund

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 ₹ **2724.81** lakhs (previous year ₹ **2575.76** 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. Pension

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 ₹ **1923.86 lakhs** (previous year ₹ **1765.18** lakhs).

c. 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 ₹ 10.00 lakhs, on superannuation, resignation, termination, disablement or on death. The liability for the same is recognized on the basis of actuarial valuation.

The Board of Directors in their meeting held on 01.04.2013 has approved the creation of Gratuity Fund Trust vide its Resolution No.195/16 dt. 01.4.2013 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. Total amount paid to LIC for the said scheme till 31.03.2015 amounts to ₹ **10051.00 lakhs**.



d. Post Retirement Medical Benefit scheme

The Company has a Contributory Scheme for Post - Retirement Medical Facilities for Superannuated Employees. Under the scheme the retired employee and spouse of retiree, spouse and dependent children of deceased employees are provided medical facilities on contributory basis which is as follows:

Reimbursement of medical expenses incurred for indoor treatment restricted to the rates of nearest authorized / approved hospital.

For outpatient / 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.

e. 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.

f. 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.

56. Gratuity & Other post-retirement benefits plan

The company has adopted AS 15 (revised 2005) 'Employee Benefits':- Defined Benefit Schemes are as under [figure in brackets contains previous year's figures].

Table a. Expenses recognized in statement of Profit & Loss / IEDC:

(₹ in lakhs)

	Gratuity	Earned leave	PRMB
Current service cost	921.63 (895.30)	1053.33 (809.80)	83.09 (76.96)
Interest Cost	887.92 (1007.57)	372.89 (522.62)	200.93 (27.13)
Expected return on Plan Asset	(-)485.95 (-)	- (-)	- (-)
Past Service Cost	- (-)	- (-)	- (1499.33)
Actuarial gain/loss recognized in the year	(-) 20.84 (-742.25)	1966.68 (569.08)	185.95 (654.65)
Expense recognized in statement of Profit & Loss / IEDC	1302.76 (1160.62)	3392.90 (1901.50)	469.97 (2258.07)



Table b. The amount recognized in Balance Sheet:

(₹ in lakhs)

	Gratuity	Earned leave	PRMB
Closing Fund/Provision at end of the year	12768.38 (12407.54)	6783.82 (6345.01)	2942.95 (2550.27)
Fair Value of Plan Assets as at 31.3.2015	10785.65 (5340.08)	— (—)	— (—)
Closing Net Liability	1982.73 (7067.46)	3392.90 (1901.50)	469.97 (2258.07)

Table c. Changes in the present valuation of obligations:

(₹ in lakhs)

	Gratuity	Earned leave	PRMB
Present Value of obligation on 31.03.14	12407.54 (12123.44)	6345.01 (7502.13)	2550.27 (327.94)
Interest Cost	887.92 (1007.57)	372.89 (522.62)	200.93 (27.13)
Current service cost	921.63 (895.30)	1053.33 (809.80)	83.09 (76.96)
Past Service Cost	— (—)	— (—)	— (1499.33)
Benefits paid	1631.78 (1216.60)	2954.09 (3058.61)	77.29 (35.74)
Actuarial gain / loss on obligations	183.07 ((-)402.17)	1966.68 (569.08)	185.95 (654.65)
Present value of obligation on 31.03.2015	12768.38 (12407.54)	6783.82 (6345.01)	2942.95 (2550.27)

Table d. During the year, the company has provided liability towards:

(₹ in lakhs)

SI No.	Particulars	31.03.2015	31.03.2014
1.	Gratuity	1302.76	1160.62
2.	Earned Leave Encashment (EL & HPL)	3392.90	1901.50
3..	Post-Retirement Medical Benefit	469.97	2258.07

Table e. The effect of one percentage point increase/decrease in the medical cost of PRMB will be as under :

(₹ in lakhs)

Particulars	Increase by	Decrease by
Service cost	83.92	82.26
Interest cost	200.96	200.96
Present value of obligation	2972.39	2913.51



Table f. Actuarial Assumptions:

Principal Assumptions used for actuarial valuation are:

SI No.	Particulars	31.03.2015	31.03.2014
1.	Method used	Projected Unit Credit Method	Projected Unit Credit Method
2.	Discount Rate	8.00	8.75
3.	Salary Inflation Rate	8.00	7.00
4.	Return on Asset	9.10	9.00

g. The schemes d and e are un-funded.

57. Grant in Aid

a. 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 ₹ **6.26 lakhs** (previous year ₹ 73.43) 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.

b. 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. An amount of ₹ **71.97** crores (previous year ₹ 61.97 crores) has been received during the current financial year 2014-15 and the same has been utilized fully during the year. The total amount of ₹ **169.91** crores are included in Grant in Aid which will be carried forward till the commissioning of the project.

58. Provisions

(₹ in lakhs)

Particulars	As at 31 st March, 2015			As at 31 st March, 2014		
	Long Term	Short Term	Total	Long Term	Short Term	Total
a) Provision for Employees benefit						
Opening Balance	14983.15	979.61	15962.76	19127.41	826.10	19953.51
Addition during the year	3039.50	2126.12	5165.62	4352.92	967.26	5320.18
Utilisation during the year	7922.70	1496.17	9418.87	8497.18	813.75	9310.93
Reversal during the year	—	—	—	—	—	—
Closing balance	10099.95	1609.56	11709.51	14983.15	979.61	15962.76
b) Provision for Dividend						
Opening Balance	—	4446.00	4446.00	—	4769.03	4769.03
Addition during the year	—	6956.00	6956.00	—	4446.00	4446.00
Utilisation during the year	—	4446.00	4446.00	—	4769.03	4769.03
Reversal during the year	—	—	—	—	—	—
Closing balance	—	6956.00	6956.00	—	4446.00	4446.00
c) Provision for Dividend Tax						
Opening Balance	—	755.60	755.60	—	810.50	810.50
Addition during the year	—	1416.10	1416.10	—	755.60	755.60
Utilisation during the year	—	755.60	755.60	—	810.50	810.50
Reversal during the year	—	—	—	—	—	—
Closing balance	—	1416.10	1416.10	—	755.60	755.60



(₹ in lakhs)

Particulars	As at 31st March, 2015			As at 31st March, 2014		
	Long Term	Short Term	Total	Long Term	Short Term	Total
d) Provision for Current Tax						
Opening Balance	–	5587.48	5587.48	–	5313.51	5313.51
Addition during the year	–	8623.13	8623.13	–	5587.48	5587.48
Utilisation during the year	–	5587.48	5587.48	–	5313.51	5313.51
Reversal during the year	–	–	–	–	–	–
Closing balance	–	8623.13	8623.13	–	5587.48	5587.48
e) Provision for Tariff Revision/ Adjustment						
Opening Balance	–	7934.16	7934.16	–	3768.25	3768.25
Addition during the year	–	1318.25	1318.25	–	7934.16	7934.16
Utilisation during the year	–	7934.16	7934.16	–	3768.25	3768.25
Reversal during the year	–	–	–	–	–	–
Closing balance	–	1318.25	1318.25	–	7934.16	7934.16

59. Any expenses on maintenance of software system payable annually are charged to revenue. Pending technical assessment of residual value of IT Equipment, the company continues to follow residual value of 10% in respect of I.T.Equipment as per the existing accounting policy. As per the assessment of the Company the financial impact is not material.

60. Asset held for sale

(₹ in lakhs)

Particulars	Gross Block as on 01.04.2014	Accumulated Depreciation	Net Block as on 31.03.2015
Gas Turbine	1348.54	1143.81	204.73
Plant & Machinery in Generating Station	1254.96	855.33	399.63
Tunnel	33.46	18.93	14.53
Furniture & Fixture	1.50	1.02	0.48
Office Equipment	6.48	4.16	2.32
Misc Equipment	0.50	0.21	0.29
EDP Equipment	3.11	2.81	0.30
Other EDP Machine	8.02	7.25	0.77
Ordinary Tools & Plants	0.38	0.24	0.14
Transport Equipment	7.25	6.46	0.79
Diesel Generating Set	25.55	23.00	2.55
Special Tools & Plants	2.26	1.74	0.52
Laboratory & Meter Testing Equipment	0.09	0.09	0.00
Minor Assets	0.16	0.15	0.01
Switch gear including cable connection	30.00	27.00	3.00
Total	2722.26	2092.22	630.04

The above assets have been held for sale at net book value and no provision has been made in the accounts. The Accumulated depreciation includes ₹1163.17 lakhs relating to the current financial year. Out of which ₹ 1123.66 lakhs has been charged to revenue.



- 61.** Interest and finance charge, related to construction projects, amounting to ₹ **29292.38 lakhs** (previous year ₹ 26788.61 lakhs) has been transferred to IEDC (Ref. Note No-38). This also includes foreign exchange difference credited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹ **8998.42 lakhs** (previous year debit ₹ 5096.63 lakhs) and foreign exchange difference debited to carrying amount CWIP in respect of Agartala Gas Based Power Plant Extension, Agartala & Tripura Gas Based Power Plant, Monarchak amounting to ₹ **2620.25 lakhs** (previous year credit ₹ 1125.00 lakhs). The foreign exchange borrowings are un-hedged.
- 62.** The Corporation has spent an amount of ₹ **21726.85 lakhs** (previous year ₹ 21206.87 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 accounted in line with the existing accounting practice (sl no.b5 of Significant Accounting Policy) which is not in line with the opinion of Expert Advisory Committee of ICAI. The Company is further of the view that capitalization of such expenditure is supported by exposure draft in line with AS 10 & Guidance Note on Rate Regulated Entity issued by ICAI. Pending receipt of further opinion from the EAC the accounting treatment as per the existing accounting practice/policy has been continued.

63. Financial reporting of Interest in Joint Venture

a) Joint venture entities

Name of the Companies	Proportion of Ownership interest as at	
	31.03.2015	31.03.2014
1. WAANEER Solar Private Limited	40%	40%
2. MDGEPL Wind Power	40%	Nil
3. KSK Dibbin Hydro Power	30%	Nil

- b) The above Joint Venture Company is incorporated in India. The Company's share of the assets and liabilities as on 31st March, 2015 and Income & Expenditure for the financial year ended 31st March, 2015 in respect of joint venture entity is based on accounts which are given below:

(₹ in lakhs)

SI No.	Particulars	As at 31.03.2015	As at 31.03.2014
A	Assets		
	Long term Assets	13343.97	360.00
	Current Assets	6598.33	240.52
	Total	19942.30	600.52
B	Liabilities		
	Current Liabilities	12570.34	0.08
C	Contingent Liabilities	-	-
D	Capital Commitments	1983.81	-
E	Expenditure in foreign Currency	-	-
F	Income	-	-
G	Expenditure	-	-

- c) An amount of ₹ 12.65 Crores will be recovered from M/s KSK Dibbin Hydro Power by way of adjustment against subscription of shares for the expenditure incurred by NEEPCO for survey and investigation of the project.

64. Corporate Social Responsibility and Sustainable development

- a) Gross amount required to be spent by the Company during the year - ₹ 5.65 cr.
 b) Amount spent during the year on :

(₹ In Crore)

SI No.	Particulars	In Cash	Yet to be paid in cash	Total
i	Construction / acquisition of any asset	8.62	-	8.62
ii	On Purposes other than (i) above	1.00	-	1.00
	Total	9.62	-	9.62



65. Changes in Accounting Policy and its impact on Profit

During the financial year 2014-15, there are some addition / modification /deletion in the accounting policy which is detailed below:

Policy No.	Description	Impact on Profit for the year (₹ In lakhs)
c5	Withdrawal of Accounting policy on interest during construction	Nil
f1	Withdrawal of Accounting Policy on Grant in Aid received from Central Govt through North Eastern Council	Nil
k2	Withdrawal of Accounting Policy on accounting of incentive / disincentive in case of power station where tariffs have not been notified	Nil
k5	Withdrawal of Accounting Policy on reimbursement of income tax on cash basis	(+) 18169.66
k6	Introduction of Accounting Policy on Recovery/ refund towards foreign exchange variation	Nil
i4	Withdrawal of Accounting Policy on Foreign Exchange Rate variation	Nil
m5	Modification of Accounting Policy on Prepayment charges on repayment of loan	Nil

66. Rajiv Gandhi Grameen Vidyutikaran Yogana

Cash & Bank balances of ₹ **72711.27 lakhs** (previous year ₹ 29755.80 lakhs) includes an amount of ₹ **2173.13 lakhs** (previous year nil) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Rajiv Gandhi Grameen Vidyutikaran Yogana. The Corporation has spent an amount of ₹ **65.49 lakhs** (previous year ₹ 30.37 lakhs) towards this scheme which is included in Capital Work in Progress (Note no 14).

67. Survey and Investigation

An amount of ₹ **50.00 crores** (Previous year ₹ 50.00 crores) has been paid during the year as upfront fee to the Government of Arunachal Pradesh for the Siang Upper Stage II Hydro Electric Project.

68. Impairment Loss

In compliance with the Accounting Standard 28 the company have assessed the earning capacity of all its fixed assets in comparison to their carrying cost and observed no impairment loss. Accordingly no provision has been made.

69. Previous year figures

The previous year's 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 Nundi & Associates
Chartered Accountants
F.R.N.309090E

C.Sharma
Company Secretary

A.G.West Kharkongor
Director (Finance)- cum-
Chief Financial Officer
DIN : 03264625

P.C.Pankaj
Chairman & Managing Director
DIN : 03640772

B N Pal
Partner
Membership No.065144

Date : 14-07-2015
Place : New Delhi



CORPORATE GOVERNANCE CERTIFICATE

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

We have examined the compliance of the conditions of Corporate Governance by North Eastern Electric Power Corporation Limited (hereinafter referred as the company) for the year ended 31st March, 2015 as stipulated in Guidelines on Corporate Governance for Central Public Sector Enterprises 2010 vide notification no 1 no 18(18)/2005 GM originally issued on 22-06-2007 and revised guidelines vide office memorandum dated 14th may, 2010 by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexure mentioned there under (hereinafter referred as the guidelines)

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 compliance of the conditions of corporate governance as stipulated in above mentioned guidelines. 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 hereby certify that the company has complied with the conditions of corporate governance as stipulated in the above mentioned guidelines except as regards the following :

Women director on the board. The composition of the board of directors is not in accordance to with the guidelines to the extent that there are no woman director on the board.

We further state that such compliance is neither an assurance as the future viability of the company nor the efficiency of the effectiveness with which the management has conducted the affairs of the company.

Place : Kolkatta
Date : 20.08.2015

For **Nundi & Associates**
Chartered Accountants

(**B. N. Pal**, Partner)

Membership number: 065144



INDEPENDENT AUDITOR'S REPORT

To The Members of North Eastern Electric Power Corporation Limited

Report on the Financial Statements

We have audited the accompanying financial statements of North Eastern Electric Power Corporation Limited ('the Company'), which comprise the balance sheet as at 31 March 2015, the statement of profit and loss and the cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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 and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the 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 statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015 and its profit and its cash flows for the year ended on that date.

Emphasis of Matters

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

- a) Notes No 14, on Capital Work In Progress which includes a cumulative expenditure of Rs.19338.11 lakhs under Survey and Investigation projects. Of this a sum of Rs.1867.34 lakhs relating to Tipaimukh Hydro Electric project where uncertainty is attached in view of denial of forest clearance of the project by Ministry of Environment & Forest (MoEF).
- b) Note No 24 read with Note No 65(f5) which describe current sale include Rs.18169.66 lakhs on materialization of deferred tax relating to the tariff period upto 31st March, 2009 for the financial year 2009-10 to 2014-15 which has been recognized as income during the current financial year due to change in accounting policy.
- c) Note No 40, which describes balances which are subject to reconciliation, confirmation and consequential adjustment.
- d) Note No. 45, which describes the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not foresee any possible outflow in respect of decisions against the company other than those already provided for in the books of account.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in the paragraph 3 and 4 of the order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - c) The balance sheet, the statement of profit and loss and the cash flow statement dealt with by this Report are in



agreement with the books of account;

- d) In our opinion, the aforesaid 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) On the basis of the written representations received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act; and
- f) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer to Note 45 to the financial statements;
 - The Company did not foresee any provision for any long-term contracts including derivative contracts for which provision, as required under the applicable law or accounting standards, for material foreseeable losses was required.
 - There have been no such instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

3. Report pursuant to direction and additional direction issued by office of C & AG u/s 143(5) of the Companies Act, 2013.

Report pursuant to direction and additional direction issued by Comptroller and Auditor General of India as per section 143(5) of the Companies Act, 2013 has been reported vide **Annexure B** attached.

For **Nundi & Associates**

(Chartered Accountants)

Firm Registration Number: 309090E

(**B. N. Pal, Partner**)

Membership number: 065144

Place : New Delhi

Date : 14th July, 2015



Annexure to the Independent Auditors' Report

The Annexure 'A' referred to in our Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2015, we report that:

- (i)
 - (a) The Company has generally maintained proper records including quantitative details and situation of fixed assets but identification marks, tagging of assets has not been updated in Fixed Assets. Also register and records in respect of Land has not been updated.
 - (b) The fixed assets as explained to us have been physically verified by the management during the year and no serious discrepancies were noticed. In our opinion, the frequency of verification is reasonable. But physical verification reports in few projects are required to be compared with book records.
- (ii)
 - (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
 - (b) According to the information and explanation given to us and in our opinion procedures for physical verification of inventory followed by the management are generally reasonable and adequate in relation to the size of the Corporation and nature of its business. However corporation needs to strengthen the procedure of recording of physical verification w.r.t. book records and physical records.
 - (c) The company is maintaining proper records of inventory. The discrepancies notices on physical verification of inventory, wherever material, have been properly dealt with in the books of accounts.
- (iii) The Company has not granted loans secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act').
- (iv) In our opinion and according to the information and explanation given to us, there are adequate internal control procedure commensurate with the size of the Corporation and the nature of its business for purpose of inventories, fixed assets and sale of energy. The Corporation has no service activity. We have not noticed any continuing failure to correct major weakness in internal control.
- (v) The Company has not accepted any 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) The Central Govt. has prescribed under sub section (1) of section 148 of the Act for the maintenance of cost records. We have broadly reviewed the records and prima-facie are of the opinion that such records have been made and maintained. However, we have not made detailed examination of those records.
- (vii)
 - (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, duty of customs, value added tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of employees' state insurance and duty of excise. According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, wealth tax, service tax, duty of customs,



value added tax, cess and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.;

- (b) According to the information and explanations given to us, there are no material dues of wealth tax, duty of customs and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax and value added tax have not been deposited by the Company on account of disputes

Name of the statute	Nature of dues	Amount (in Rs.in lakhs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	3.92	2001-02	Commissioner of Income Tax (Appeal)
Income Tax Act, 1961	Income Tax	44.23	2011-12	Commissioner of Income Tax (Appeal)
	Total	48.15		
Sales Tax Act of various states	Sales Tax	8.76	1995-96	Guwahati High Court
	Total	8.76		

- (c) According to the information and explanations given to us there were no amounts required to be transferred to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956(1 of 1956) and hence the clause is not applicable.

- (viii) The company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the financial year and in the immediately preceding financial year.
- (ix) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to a financial institution or bank or debenture holders.
- (x) In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xi) According to the information and explanations given to us, in our opinion, term loans were applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **Nundi & Associates**
(Chartered Accountants)

Firm Registration Number: 309090E

(**B. N. Pal**, Partner)

Membership number: 065144

Place : New Delhi

Date : 14th July, 2015



Annexure to Directions under section 143(5) of the Companies Act, 2013

Sl. No	Direction	Auditors Observation
1	If the company has been selected for disinvestment, a complete status report in terms of valuation of Assets (including intangible assets and land) and Liabilities (including Committed & General Reserves) may be examined including the mode and present stage of disinvestment process.	The company has not been selected for disinvestment.
2	Please report whether there are any cases of waiver/ write off of debts/ loan/ interest etc., if yes, the reason there for and the amount involved.	No such information is available with us.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	The company has no inventories lying with third party and no assets received as gift from Government or other authorities.
4	A report on age - wise analysis of pending legal / arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases (foreign and local) may be given.	The company has submitted age-wise analysis report of pending legal/ arbitration cases. Also existence / effectiveness of a Monitoring Mechanism for expenditure on all legal cases has given. Details given in Annexure -1 .
	Additional Direction	
1	Examine the recognition of revenue based on tariff approved by the Central Electricity Regulatory Commission.	We have examined that recognition of revenue is based on tariff approved by the CERC as mentioned in summary of Significant Accounting Policies in clause 1(k) under "Revenue Recognition".

For **Nundi & Associates**
(Chartered Accountants)

Firm Registration Number: 309090E

(**B. N. Pal**, Partner)

Membership number: 065144

Place : New Delhi

Date : 14th July, 2015



Annexure - I

**Referred to Annexure - B to the Independent Auditor's Report in paragraph 4 of our Report of even date
Details of major pending legal/arbitration cases as on 31-3-2015**

Sl. No.	Type of Case	Year of Commencement	Particulars	Amount (Rs. in lakhs)	Present status of the case	Reason of pendency and existence/ effectiveness of a monitoring mechanism	Pending with
1	Shri Ranjul Baruah (Claimant)	2001	Arising out of contract for construction of RCC outfall drain from AGBPP Plant Area to Tipling Nallah	28,586,099.00	Matter was under amicable settlement	Further steps to be taken by Claimant	Arbitral Tribunal
2	Smt. Ibil Dkhar & 302 others (KHEP)	2002	Enhancement of land compensation for construction of KHEP	109,443,600.00	The cases were transferred before the Special Judicial Officer, Jowai for evidence	Evidence stages	Spl. Judicial Officer, Jowai
3	Associated Commercial Transport (Claimant)	2003	Arising out of contract for transportation of O.D Consignment from BHEL Bhopal to the various Hydro Electric Project Sites of NEEPCO	11,429,523.37	The Award was challenged before Dy. Commissioner (Judicial), Shillong	Pending for hearing	D.C (Judicial) Shillong
4	M/s Delta Mehcons (India) Ltd. (Claimant)	2004	Arising out of contract for civil works of Gas Based Power Project at Kathalguri, District Dibrugarh, Assam	204,764,104.61	Matter is at the stage of rebutal argument by the Claimant's Counsel	Hearing is going on and the same is yet to be concluded	Arbitral Tribunal
5	M/s Bhagheeratha Engineer Ltd. (Claimant)	2004	Arising out of contract for construction of Rock Fill Dam on River Doyang at DHEP	238,011,398.00	The matter is at the stage of arguments by the Claimant's Counsel	Argument is going on and the same is yet to be concluded	Arbitral Tribunal
6	M/s Astra Construction Pvt.Ltd (Claimant)	2004	Arising out of contract for sill works of Plant and Auxiliary Building under Agartala Gas Turbine Power Project	102,436,838.00	Hearing concluded	Award awaited	Arbitral Tribunal
7	M/s Delta Mehcons (India) Ltd. (Claimant)	2005	Arising out contract for construction of Make-up Water System for Gas Based Power Project at Kathalguri	50,065,021.00	Matter is at the stage of rebutal argument by the Claimant's Counsel	Hearing is going on and the same is yet to be concluded	Arbitral Tribunal
8	M/s Patel Engineering Ltd. (1 st Reference) (Claimant)	2005	Airsing out of contract for construction of Diversion Tunnel under Tuirial Hydro Electric Power Station Project, Mizoram	880,139,635.00	Hearing concluded	Award awaited	Arbitral Tribunal
9	M/s Patel Engineering Ltd. (1 st Reference) (Claimant)	2005	Arising out of contract for construction of Dam and Spillway (Lot-II) under Tuirial Hydro Electric Power Station Project, Mizoram	375,842,489.00	Hearing concluded	Award awaited	Arbitral Tribunal



Annexure - I

Referred to Annexure - B to the Independent Auditor's Report in paragraph 4 of our Report of even date
 Details of major pending legal/arbitration cases as on 31-3-2015

Sl. No.	Type of Case	Year of Commencement	Particulars	Amount (Rs. in lakhs)	Present status of the case	Reason of pendency and existence/ effectiveness of a monitoring mechanism	Pending with
10	M/s Patel Engineering Ltd. (1 st Reference) (Claimant)	2005	Arising out of contract for construction of Power House, switchyard and Power water way (Lot-III) under Tuirial Hydro Electric Power Station Project, Mizoram	116,332,600.00	Hearing concluded	Award is awaited	Arbitral Tribunal
11	M/s Patel Engineering Ltd. (1 st Reference) (Claimant)	2005	Arising out of contract for construction of road from Saiphai to Zero Point (Saiphum) under Tuirial Hydro Electric Power Station Project, Mizoram	103,575,473.00	Hearing concluded	Award is awaited	Arbitral Tribunal
12	M/s Advance Construction Co. Ltd. (1 st Reference) (TrHEP)	2005	Arising out of contract for construction of road from Zero Point (Saiphum) to Power House, under Tuirial Hydro Electric Power Station Project, Mizoram	43,987,967.00	Hearing concluded	Award is awaited	Arbitral Tribunal
13	National Projects Corporation Ltd. (AGBPP)	2011	Arising out of contract for construction of bailey bridge on Chubi Nullah in DHEP	19,883,017.00	Pending in the court of Civil Judge No.1 Guwahati	Pending for hearing	Civil Judge, Guwahati.
14	M/s Delta Mechcons (India) Ltd. (AGBPP)	2011	Arising out of contract for construction of Gas Turbine Gas Based Power Project at Kathalguri, District Dibrugarh, Assam	5,500,000.00	Pending before the Hon'ble Gauhati High Court, Guwahati for hearing	Pending for hearing	Guwahati High Court.
15	M/s Patel Engineering Ltd. (Claimant)	2011	Arising out of contract for construction of Tenga Dam under Kameng H.E. Project (Revision of rates)	The amount has not been quantified	Suggested issues were framed	The Sole Arbitrator Shri Tathagata Roy has tender his resignation. New Arbitrator in his place is yet to be appointed.	Arbitral Tribunal
16	M/s Sigma Engineering Pvt. Ltd. Vs NEEPCO Ltd. (KHEP)	2013	Arising out of contract for supply, Erection and commissioning of surge shaft gate etc. of Kopili Hydro Electric Project	16,145,239.00	The matter is under amicable settlement	Some of the claims were under process for payment	MSEFC, Odisha
17	Shri Gyamar Taje Vs. State of Arunachal Pradesh & 4 others (Pare HE)	2013	Claimed lodged by Petitioner for alleged encroachment of quarry at Pare H.E. Project	6,000,000.00	Pending before the Hon'ble Gauhati High Court, Itanagar Bench	Pending for hearing	Guwahati High Court, Itanagar Bench.



Annexure - I

**Referred to Annexure - B to the Independent Auditor's Report in paragraph 4 of our Report of even date
Details of major pending legal/arbitration cases as on 31-3-2015**

Sl. No.	Type of Case	Year of Commencement	Particulars	Amount (Rs. in lakhs)	Present status of the case	Reason of pendency and existence/ effectiveness of a monitoring mechanism	Pending with
18	M/s Patel Engineering Ltd. (Claimant)	2013	Arising out of contract for construction of Head Race Tunnel) under Kameng Hydro Electric Project (Revision of Rates)	The amount has not been quantified	Suggested issues were framed	The Sole Arbitrator Shri Tathagata Roy has tender his resignation. New Arbitrator in his place is yet to be appointed.	Arbitral Tribunal
19	M/s P.Das & Company (Claimant)	2013	Arising out of contract for construction of Power House etc. for KHEP Stage-II	25,182,186.22	Award was challenged before the Dy. Commissioner (Judicial), Shillong	Pending for hearing	D.C (Judicial Shillong)
20	M/s Gammon India Ltd. (Claimant)	2014	Arising out of contract for construction of concrete dams one on Kopili River and one on Umrong Stream.	101,125,915.00	The matter is at the pleading stages	Hearing is going on and the same is yet to be concluded.	Arbitral Tribunal
21	M/s Hindustan Construction Co. Ltd. Vs. NEEPCO Ltd (Claimant)	2014	Arising out of contract for construction of concrete Gravity Dam, Spillway and Appurtenant Works, Cofferdam and Diversion Tunnel, of Pare HE Project	474,099,309.00	Hearing concluded	Award awaited	Arbitral Tribunal
22	M/s S. Marbaniang (Claimant)	2014	Arising out of contract for construction of civil works of Dikrong Power House (3x135 MW) under Ranganadi Hydro Electric Project, Arunachal Pradesh	148,829,000.00	The matter is at the arguments stage	Hearing could not be concluded	Arbitral Tribunal
23	M/s Patel Engineering Ltd. (2 nd Reference) (TrHEP)	2014	Arising out of contract for construction of Dam and Spillway under Tuirial Hydro Electric Power Station Project, Mizoram. (For the period from 01/10/2005 to 14/01/2011)	1,918,537,346.53	The matter is at the pleading state	Hearing yet to be held	Arbitral Tribunal
24	M/s Patel Engineering Ltd. (2 nd Reference) (TrHEP)	2014	Arising out of contract for construction of Diversion Tunnel under Tuirial Hydro Electric Power Station Project, Mizoram, for the period 01/10/2005 to 14/01/2011)	1,613,023,901.14	The matter is at the pleading state	Hearing yet to be held	Arbitral Tribunal
25	M/s Patel Engineering Ltd. (2 nd Reference) (TrHEP)	2014	Arising out of contract for construction of Diversion Tunnel under Tuirial Hydro Electric Power Station Project, Mizoram, for the period 01/10/2005 to 14/01/2011)	320,680,484.73	The matter is at the pleading state	Hearing yet to be held	Arbitral Tribunal



Annexure - I

**Referred to Annexure - B to the Independent Auditor's Report in paragraph 4 of our Report of even date
Details of major pending legal/arbitration cases as on 31-3-2015**

Sl. No.	Type of Case	Year of Commencement	Particulars	Amount (Rs. in lakhs)	Present status of the case	Reason of pendency and existence/ effectiveness of a monitoring mechanism	Pending with
26	M/s Patel Engineering Ltd. (2 nd Reference) (TrHEP)	2014	Arising out of contract for construction of road from Saiphai to Zero Point (Saiphum) under Tuirial Hydro Electric Power Station Project, Mizoram, for the period 01/10/2005 to 14/01/2011)	646,351,597.55	The matter is at the pleading state	Hearing yet to be held	Arbitral Tribunal
27	M/s Advance Construction Co. Ltd. (2 nd Reference) (TrHEP)	2014	Arising out of contract for construction of Road from Zero Point (Saiphum) to Power House, (13. km), under Tuirial Hydro Electric Power Station Project, Mizoram, for the period 01/10/2005 to 14/01/2011)	300,906,614.79	The matter is at the pleading state	Hearing yet to be held	Arbitral Tribunal
28	M/s P.Das & Company (KHEP)	2014	Arising out of contract for construction of Power House etc. for KHEP Stage-II	6,687,459.47	The Award was challenged before Dy. Commissioner (Judicial), Shillong	Pending for hearing	D.C (Judicial) Shillong
29	M/s Patel-Unity JV (Claimant)	2014	Arising out of contract for construction of Bichom Dam, under Kameng Hydro Electric Project (Package-II) Revision of Rates	The amount has not been quantified	The Award was challenged before Dy. Commissioner (Judicial), Shillong	Pending for hearing	D.C (Judicial) Shillong
30	M/s Gammon India Ltd., Vs. NEEPCO (Claimant)	2015	Arising out of contract for Construction of Water Conductor System of Doyang Hydro Electric Project, Nagaland	39,299,536.00	Pending before the Meghalaya High Court for appointment of Arbitrator	Arbitrator yet to be appointed	Arbitral Tribunal
31	M/s Gammon India Ltd., Vs. NEEPCO (Claimant)	2015	Arising out of contract for construction of approach channel and spillway in Doyang Hydro Electric Project, Nagaland.	141,122,286.00	Pending before the Meghalaya High Court for appointment of Arbitrator	Arbitrator yet to be appointed	Arbitral Tribunal
32	M/s Hindustan Construction Co. Ltd. Vs. NEEPCO Ltd (Claimant)	2015	Arising out of contract for construction of concrete Gravity Dam, Spillway and Appurtenant Works, Cofferdam and Diversion Tunnel including Adits, Surge Shaft, Civil works of Pressure Shaft, Power House and Tail Race of Pare HE Project	532,654,325.78	The matter is at the pleading states	Hearing yet to be commenced	Arbitral Tribunal
33	Mr. D.A. Khuma (TrHEP)	2015	Arising out of contract for construction of 20(twenty) Nos. of A-Type permanent Residential Buildings at TrHEP, Mizoram.	19,534,250.00	The Award was challenged before Dy. Commissioner (Judicial), Shillong	Pending for Hearing	D.C (Judicial) Shillong



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED FOR THE YEAR ENDED 31st MARCH, 2015

The preparation of financial statements of North Eastern Electric Power Corporation Limited for the year ended 31st March, 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with 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 14th July, 2015.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6)(a) of the Act of the financial statements of North Eastern Electric Power Corporation Limited for the year ended 31st March, 2015. 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. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors report.

Place : Kolkata
Date : 19-08-2015

For and on the behalf of the
Comptroller & Auditor General of India

(Praveen Kumar)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board - I
Kolkata



FORM NO.MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2015

[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,
Distt. 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 compliance 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, 2015** ('Audit Period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter :

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2015 according to the provisions of :

- I. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the ruler made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings (**Not applicable to the Company during the Audit Period**);
- 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;
- vi. Other laws specifically applicable to the Company as per the representation made by the Management.
- vii. I have also examined compliance with the applicable clauses of the following:
 - i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board & General Meetings. (**Not applicable to the Company during the Audit Period**).



- ii) Debt Listing Agreement entered into by the Company with BSE Limited.
- iii) Guidelines for Corporate Governance for CPSEs issued by the Department of Public Enterprise, 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) During the Financial year 01-04-2014 to 31-03-2015 the company has not appointed any Women Director as required under section 149(1) of the Act.
- b) The Company did not have a committee with nomenclature "Nomination & Remuneration Committee" as required under section 178 of the Companies Act 2013, However the company has a 'Remuneration Committee'.
- c) The Company issued further shares during the year pursuant to Section 62 (1) (a) of the Act but procedure specified under the relevant section and rules there under could not be followed while receiving the share application money. Being a Govt. Company it made allotments as and when the administrative ministry released the fund for increasing the paid up capital.
- d) The Company does not have a policy specifying training requirement for Board Members as stipulated under the Guidelines for Corporate Governance for CPSEs issued by the Department of Public Enterprises, Govt of India.

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. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings as represented by the management were carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period:

- a) The company has issued non-convertible debentures of aggregating Rs. 3100 crores.
- b) The Company has issued 6,32,00,000 equity shares of Rs 10/- each.

For **Narayan Sharma & Associates**
Company Secretaries

Narayan Sharma
(Proprietor)

FCS No. 5117 C P No. 3844

Place : Guwahati
Date : 30th June, 2015

This Report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.



'Annexure A'

To,
The Members,
North Eastern Electric Power Corporation Limited
Brookland Compound, Lower New Colony,
Dist. East Khasi Hills,
Shillong-793003

Our report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **Narayan Sharma & Associates**
Company Secretaries

Narayan Sharma
(Proprietor)

FCS No. 5117 C P No. 3844

Place : Guwahati
Date : 30th June, 2015



Reply to the Secretarial Auditor's observations raised in the Secretarial Auditor Report for the year 2014-15

Secretarial Auditor's Observation	Reply / Explanation of the Mngement
a) During the Financial year 01-04-2014 to 31-03-2015 the Company has not appointed any Women Director as required under section 149(1) of the Act.	As per the Articles of Association of the Company, all members of the Board of Directors shall be appointed by the President of India. Accordingly, after coming into effect of the Section 149 of Companies Act 2013, the matter relating to appointment of woman director was taken up with the Ministry of Power on several occasions and the matter is under process. As such, it is expected that the appointment of a Woman Director on the Board of NEEPCO shall be made by the Government at the earliest, enabling NEEPCO to comply with the said requirement. It is assured that NEEPCO is taking all necessary action as regard appointment of a women director.
b) The Company did not have a Committee with the nomenclature 'Nomination & Remuneration Committee' as required under Section 178 of the Companies Act 2013	The Company had a Committee with the nomenclature "Remuneration Committee". However, the same Committee has now been renamed as "Nomination & Remuneration Committee" in the 216th Board Meeting held on 13-07-2015 at New Delhi.
c) The Company issued further shares during the year pursuant to Section 62 (1) (a) of the Act but procedure specified under the relevant section and rules there under could not be followed while receiving the share application money. Being a Govt. Company it made allotments as and when the administrative ministry released the fund for increasing the paid up capital.	Being a Government Company where the entire paid up capital is owned by the Government of India, the Company made allotments as and when the administrative ministry released the fund for increasing the paid up capital. As such, the procedure required for share issue as per Section 62(1)(a) of the Companies Act, 2013 could not be followed. Apart from the above, the Company is complying with the other applicable provisions of the Companies Act, 2013.
d) The Company does not have a policy specifying training requirement for Board members as stipulated under the Guidelines for Corporate Governance for CPSEs issued by the Department of Public Enterprises, Govt. of India.	Noted for compliance.

For and on behalf of the Board of Directors

(P. C. Pankaj)

Chairman & Managing Director

DIN NO: 03640772

Dated : 27-08-2015

Place : New Delhi

**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 2014-15 are as under:

A. CONSERVATION OF ENERGY:**(i) Steps taken or Impact on Energy Conservation:**

- a) With a view to optimize the performance of Power Station, Energy Audit of Power Stations has already been completed and to improve energy saving measures are being implemented in phased manner by Power Stations.
- b) Conversion of Open Cycle Gas Based Power Station at AGTP to combined cycle power plant incorporating Heat Recovery Steam Generators with Air Cooled Condensing system, which increases in plant efficiency with minimal use of water.
- c) Replacement of old lighting system with energy efficient lighting system in AGBPP, Kopili HEP, Doyang HEP and New Delhi Office Complex which has led to considerable energy saving. Also LED lights have been used in 5 MWp Solar Plant at Tripura.
- d) Occupancy Sensors, LED Lighting and energy saving air conditioners units have been installed in Agartala Gas Turbine Project.

(ii) Steps taken by the Company for utilizing alternate sources of Energy:

- a) Solar Energy PV System of 1KWp installed in AGTP for the Tripura State Rifles (TSR) rest camp inside the AGTP Complex as well as for the security road.
- b) A 20 KW off grid Solar Power Plant is installed at Chaturdash Devta Mandir, Khayerpur, Agartala on 14th February 2015.
- c) Solar LED street light system has been provided for Bahonigaon village near Assam Gas Based Power Plant Bokulani. The Project was completed on 3rd March 2015.
- d) A 1000 LPD Solar water heating system has been installed in the Guwahati Guest House Complex.

(iii) Capital Investment on Energy Conservation Equipment:

For the above energy conservation steps, the Corporation has made considerable investment during the year, which has also resulted in substantial saving in energy consumption.

B. TECHNOLOGY ABSORPTION:**(i) Efforts made towards technology absorption:**

One of the areas where NEEPCO forayed in the field of technology absorption is in the adoption of "Air Cooled Condensing" technology while converting the existing Open Cycle 84 MW Agartala Gas Turbine Plant to Combined Cycle by adding Steam Turbines. Here, NEEPCO has instead of using conventional "Cooling Towers" for condenser cooling, adopted Air Cooled Condensers, which use nominal quantity of water as makeup in comparison with conventional wet cooling water system.

Additionally, the Corporation during 2014-15 has implemented:

- Installation and Implementation of Restricted Governor Mode of Operation (RGMO) in its Kopili HEP unit 1 & 2.



- Installation and Implementation of Restricted Governor Mode of Operation (RGMO) in its Doyang HEP unit 2 & 3.
- Up-gradation of HMI system of Turbine Generator for Ranganadi HEP.

(ii) Benefits derived like product improvement, cost reduction, product development or import substitution:

In view of the conversion of the AGTP from Open Cycle to Combined Cycle, the overall Thermal Efficiency of the Plant has increased, while also increasing the plant output. With adoption of Air Cooled Condenser Technology, there has been much reduction in the scope of Auxiliaries required for handling cooling water, besides resulting in better efficiency in terms of lesser energy consumption by auxiliaries and also due to non requirement of huge amount of make-up water which otherwise is required in case of conventional cooling towers in order to make up for evaporation losses. This shall also result reduction in cost of generation from the plant.

(iii) Imported Technology (imported during the last three years reckoned from the beginning of the financial year):

The Corporation has adopted mostly indigenous technology for construction of the ongoing projects. During the last three years, up-gradation of the control systems of the existing gas based stations and renovation of the gas booster compressor station of AGBP has been carried out:

- 2012-13: Up-gradation of Gas Turbine Control System (GE) in unit no. 5 of AGBP from Mark V to Mark Vie.
- 2012-13: Up-gradation of Gas Turbine Control System (GE) in unit no. 1 & 2 of AGTP from Mark V to Mark Vie.
- 2013-14: Up-gradation of GT Control System (Mitsubishi HI Make, Japan) in unit no. 3 & 4.
- 2014-15: Renovation of Gas Booster Compressor Station of AGBP with replacement of Waukesha USA make Gas Engines in three units in progress.

(iv) Expenditure incurred on Research and Development:

During the year 2014-15, the Corporation spent a total of **Rs. 125.90** lakh under Research and Development against the minimum stipulated amount of **Rs. 115.76 lakh** as per DPE's guidelines i.e 0.5% of Profit after Tax (PAT) for the year 2013-14. PAT for the year 2013-14 was Rs. 231.52 crores.

C. FOREIGN EXCHANGE EARNING & OUTGO

Foreign Exchange Earning & Outgo	
Particulars	Amount in ₹ in crores
Foreign Exchange Earning	288.50
Foreign Exchange Outgo	119.37
Note : The above figures represents actual inflow & actual outflow in foreign currency during the year 2014-15	

For and on behalf of the Board of Directors

(P. C. Pankaj)
Chairman & Managing Director
DIN NO: 03640772

Dated : 27-08-2015
Place : New Delhi



PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY

CSR Policy:

Our Motto : **Committed Sustainable Responsible**

As a responsible corporate citizen, NEEPCO is committed for sustainable development of the society.

Our Approach : NEEPCO CSR policy is steadfast on the area and its related activities as per Companies Act 2013 with focus on:

Education - We Nurture the talents and arouse their potential for making bright future.

Health - We care for making healthy and clean society.

Rural Development - We Concern for improvement of quality of life of the society where we serve.

Entrepreneurship Development Programme - We inspire the un-employed youth to become self-reliance and making them productive.

Swachh Vidyalaya Abhiyan - Subsequent to the mission launched by the Hon'ble Prime Minister on 15th August 2014, NEEPCO is constructing a total of 664 nos. of toilets in various schools.

CSR Committee:

A. Board Level Committee as on 31st March, 2015.

- a) Shri P.C. Pankaj, Chairman & Managing Director - Chairman
- b) Shri S. Hazarika, Independent Director - Member
- c) Shri A.G. West Kharkongor, Director (Finance) - Member
- d) Shri U. Moral, Director (Technical) - Member
- e) Shri S.B. Borgohain, Director (Personnel) - Member

B. Nodal Officer:

Nodal Officer-Shri M.S. Jyrwa, Executive Director (O&M) assisted by Standing Committee on CSR & Sustainability.

Average Net Profit of Last three Financial Years: (Rs. In Cr.)

Year	Profit (PBT)
2011-12	264.27
2012-13	295.43
2013-14	288.00
Total	847.70
Average Net Profit	282.56
2% of Average Net Profit	5.65

CSR & S Budget for the FY 2014-15 : Rs. 10.13 Cr. i.e. 3.58% of PBT

CSR & S Expenditure (utilization) : Rs. 9.62 Cr. i.e. 3.40% of PBT

Details of CSR spent during the financial Year :

- a) Total amount to be spent for the financial year: Rs. 10.13 Cr. i.e. 3.58 % of PBT.
- b) Amount unspent if any: Nil
- c) Manner in which the amount spent during the financial year is detailed below.



Expenditure during the year 2014-15 as per the heads specified at Companies Act, 2013:

(₹ in Lakhs)

Sports / Rural Sports : play Ground	Rural Development Projects	Promoting Education	Skill Development / Vocational Training	Preventive Health Care	Soil / Energy Conservation / SD	Sanitation	Drinking Water / Water Supply	Old Age Home	Swachh Vidyalaya Abhiyan (SVA)	Fees / Adjustment	Grand Total
33.86	117.55	85.82	111.55	24.85	80.20	16.01	20.36	5.79	461.54	4.94	962.47

Reasons for not spending the amount: NIL

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 govt. guidelines.

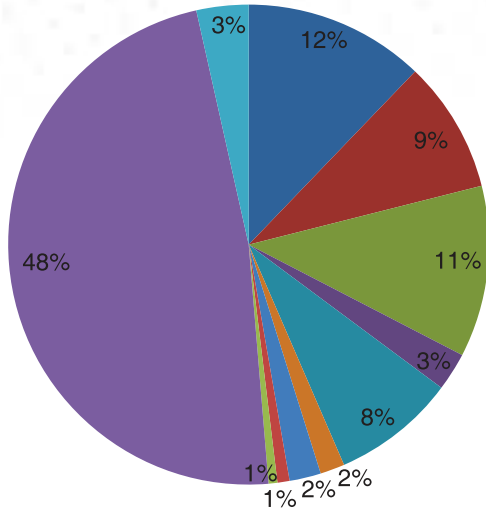
For and on behalf of the Board of Directors

(P. C. Pankaj)
Chairman & Managing Director
DIN NO: 03640772

Dated : 27-08-2015
Place : New Delhi

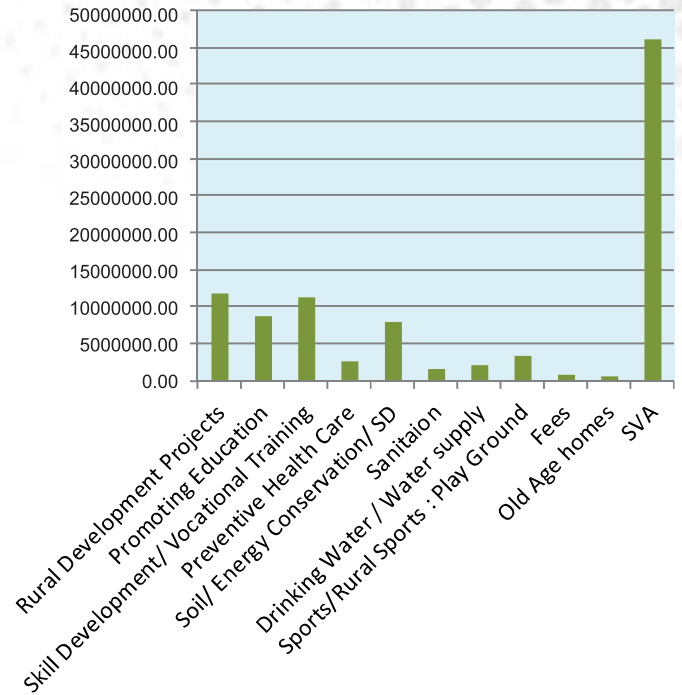


Expenditure Ratio



- Rural Development Projects
- Promoting Education
- Skill Development/ Vocational Training
- Preventive Health Care
- Soil/Energy Conservation/SD
- Sanitation
- Drinking Water/ Water Supply
- Fees
- Old Age Homes
- SVA
- Sports/Rural Sports/Play Ground

Expenditure in Lakhs



School toilets in progress at wokha Nagaland



GPS 1 Mile, West Kameng



Agartala Gas Turbine Plant, Tripura

Dances of North East India



Mask Dance, Sikkim



Hojagiri, Tripura



Cheraw, Mizoram



Shad Nongkrem, Meghalaya



Bihu, Assam



Rikham Pada, Arunachal Pradesh



Dhol Cholom, Manipur



Zeliang Folk Dance, Nagaland



NORTH EASTERN ELECTRIC POWER CORPORATION LTD.

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

Regd. Office : Brookland Compound, Lower New Colony, Shillong 793003, Meghalaya.

EPABX : 0364 - 2222094, 2222070, Fax : 0364-2226417

e-mail : info@neepco.gov.in, Website : www.neepco.gov.in

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