



# Annual Report

## 2015-16

**North Eastern Electric Power Corporation Limited**

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

*Doyang Hydro Electric Plant, Nagaland*





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***Agartala Gas Turbine Plant, Tripura***

**Reference Information**

**Registered Office**

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

**Statutory Auditor**

M/s. SPAN & Associates  
Chartered Accountants, Guwahati

**Cost Auditor**

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

**Secretarial Auditor**

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

**Company Secretary**

Mr. Chiranjeeb Sharma

**Bankers**

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

**CIN:**

U40101ML1976GOI001658



## Vision

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

## Mission

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

## Corporate Objectives

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

## Profile of the present Directors



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

**Shri A. G. West Kharkongor** (57 Years) was appointed as the Chairman & Managing Director of NEEPCO w.e.f. 29-08-2016. Prior to this, he was holding the charge of Director (Finance) of NEEPCO Ltd. from 19-08-2010. He is an alumnus of IIT, Bombay as well as IIM, Calcutta. Shri A. G. West Kharkongor is an experienced Finance professional having worked in various areas of the Finance & Accounts Department of the Corporation including Treasury, Internal Audit, Budgeting, Taxation, Compilation, Fund mobilization etc. During his tenure as General Manager (Finance), he successfully mobilized funds for several on-going projects including a Structured Syndicated Term Loan of ₹800 crs. Before joining the Corporation in 1993 he had worked in Bharat Petroleum Corporation Ltd. He is a member of Finance Committee of the Tezpur University, Assam. He was also a Member (Finance) of Damodar Valley Corporation. He is keenly involved in community and societal activities.



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

**Shri Satyabrata Borgohain** (57 years) joined as Director (Personnel) of NEEPCO on 1<sup>st</sup> 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 Medallist in his post graduation studies with specialisation in Personnel Management & Labour Welfare and obtained LLB degree. He is an HR professional with over 32 years of rich experience in Strategic Human Capital Engagement (SHCE) in social responsibility initiatives, talent attraction & development, industrial relations, formulation of personnel policies, improvement of HR systems, nurturing successors and developing committed team. Three decades of his post qualification experience began with a stint of initial service in a leading private sector organisation, and, thereafter, in a state PSE & three CPSEs in the areas of cotton spinning mills, polyester textile, central sector hydro power generation projects and National Power Transmission Corporation.



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

**Shri Vinod Kumar Singh** (54 years) joined as Director (Technical) of NEEPCO on 1<sup>st</sup> March, 2016. He has completed his Bachelors of Electrical Engineering from Regional Engineering College (now NIT), Durgapur (West Bengal) and M.Tech (Control Systems) from IIT, Kharagpur. Before joining NEEPCO he was working as the Executive Director (Uttarakhand Power Stations) at NHPC. Shri V. K. Singh has a vast experience of over 31 years covering entire gamut of Hydro Power Development in NHPC. He was responsible for Electro Mechanical Design & Engineering of 6 (six) Hydro Power Plants of NHPC. He was actively involved for 8 years in the construction of 540 MW Chamara-I H.E Project (Himachal Pradesh) with Canadian Collaboration.



**Shri Raj Pal**  
*Government Nominee*  
 (DIN: 02491831)

**Shri Raj Pal** (55 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 27 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 K. V. Eapen**  
Government Nominee  
(DIN: 01613015)

**Shri K. V. Eapen** (57 years) is presently the Additional Chief Secretary to the Government of Assam. He was recruited by the Government of India to the Indian Administrative Service on 1984 and allocated Assam Meghalaya cadre. As a member of Indian Administrative Service, he has experience of about 32 years working in different Government Departments like Director, Union Bank of India, Director, FCI Limited, Members, Governing Body Banking Institution of Rural Development, Member, Governing Body, Institute of Banking Personnel Selection, Member, Selection Committee for the new symbol for the Indian Rupee, Member of Task Force on credit related issues of Farmers and Member, Advisory Boards on Financial Inclusion Fund and Financial inclusion Technology Fund. He joined our Board on 09-10-2015.



**Dr. Amitabha De**  
Independent Director  
(DIN: 07466659)

**Dr. Amitabha De** (63 years) is presently the Director of IIM Shillong. He has more than 38 years of experience in teaching, research, consultancy and administration. Before joining as the Director of IIM Shillong, he was a Professor and Founder Coordinator of TIFAC Centre of Relevance & Excellence in Ergonomics & Human Factors Engineering, set up by Technology Innovation, Forecasting and Assessment Council, Department of Science & Technology, Govt. of India at National Institute of Industrial Engineering Mumbai and was holding Director In Charge position for a period of 23 months. He has more than 60 publications including Conference proceedings to his credit. He has successfully completed more than 10 Research Projects and more than 18 Industrial Consultancy in the areas of his interest and expertise. His areas of specialization are Ergonomics, Work Systems Design, Executive Stress, Organisational Excellence and Psychosocial factors and Corporate Governance. He joined our Board on 17-11-2015.



**Shri Gopal Krishan Agarwal**  
Independent Director  
(DIN: 00226120)

**Shri Gopal Krishan Agarwal** (54 years) is a Chartered Accountant having 23 years of experience in financial markets and economic issues with vast knowledge and experience in financial structuring, revenue generation, tax planning and cost control consultations. His experiences include Member Managing Committee & Chairman Water Resources Committee of PHD Chamber of Commerce & Industry, National President of Association of National exchanges Member of India, Government Nominee of the Central Council of the Institute of Company Secretaries of India, Member of the task force on financial architecture of MSME, Ministry of Finance, Govt. of India, Member of the Corporate Affairs Committee of ASSOCHAM etc. His other Professional Associations include as the National President of the Depository Participant Associations of India, National President of the Commodity Participant Association of India and Member of the Secondary Market Advisory Committee of SEBI. He joined our Board on 17-11-2015.



**Shri Siddhartha Bhattacharya**  
*Independent Director*  
(DIN: 07411794)

**Shri Siddhartha Bhattacharya** (54 years) was elected as the Executive Member of All Assam Lawyer's Association, and was also the Secretary and Vice President of Gauhati High Court Bar Association. He has served as Addl. Central Govt. Standing Counsel in the Gauhati High Court and was engaged by the BSNL as Standing Counsel and also served as Special Public Prosecutor in the Special Court (Narcotics) for the Ministry of Finance, Govt. of India, CBN, NE Zone. He joined our Board on 17-11-2015.



**Shri Vijay Kumar Gupta**  
*Independent Director*  
(DIN: 07353011)

**Shri Vijay Kumar Gupta** (61 years) is the President of Wholesale General Merchants Association and North East Distributors Association. He was the convener and advisor of Assam Chamber of Commerce. He is a diligent social worker with an experience of over 35 years in Social Development. His key competencies include promoting Government policies and program building relationship with credentials in initiating and managing the projects including undertaking research work and networking with different stakeholders of the society like State Authorities, Community leaders, NGOs and Government Organizations and agencies. He joined our Board on 17-11-2015.



## Chairman's Speech

Dear members,

It gives me immense pleasure to welcome all of you to the **40<sup>th</sup> Annual General Meeting** of your company. True to its stature as one of the largest Power Utilities in the region, your Company has greatly contributed in making power available to the region with reliability, quality and economy. A network of seven O&M Plant including one Solar Power Plant with 30 units in the Grid at present, NEEPCO has been rendering incredible service to the socio-economic development and strategic growth of the region in particular and the country as a whole. The Annual Report for the financial year ending 31<sup>st</sup> March, 2016, comprising of Director's Report, Audited Annual Accounts and Auditors Report are with you and with your permission, I take them, as read. Fiscal year 2015-16 has been another landmark year for the growth of your Company.

Let me share with you the performance highlights of your Company over the last financial year. As a step towards meeting the deficit in power supply of the country, your Company added installed capacity of **101 MW** during the year with the commencement of Commercial Operation of Gas Turbine Unit and synchronization of Steam Turbine Unit of Tripura Gas Based Combined Cycle Power Project (**TGBCCP**). Another **51 MW** has been added at Agartala Gas Turbine Combined Cycle Extension Plant (**AGTCCEP**) Tripura by converting it from open cycle mode to combined cycle mode with commissioning of two Steam Turbine Units of 25.5 MW each in July '15 and September '15 respectively. In addition to the above, **50 MWp** Grid Interactive Solar Power Plant has also been commissioned at **Ichhavar, M.P.** in June '15 by M/s WAANEER, a joint venture between NEEPCO and M/s WAAREE Energies Ltd.

Generation during the year 2015-16 was **5,220 MU** against MOU 2015-16 (Very Good) Target of **5,400 MU**, which was **96.67%**. Achievement from Hydro Plants was **2,457 MU** which is more than the **Excellent Target** i.e. **2,390 MU**. Less availability of gas, under requisition by the beneficiaries as well as delay in commissioning of the Steam Turbine Units at Agartala Gas Turbine Combined Cycle Extension Plant (**AGTCCEP**) and non-availability of gas at Tripura Gas Based Combined Cycle Power Project are the major hurdles in achieving 100% generation target.

The Gross Revenue (Standalone) of the Corporation for the year 2015-16 increased to **₹1,743.66 Crore** from **₹1,558.41 Crore** in the year 2014-15, an increase of 11.9 % against 9.92 % in the previous year. The Corporation earned a Profit Before Tax (**PBT**) **₹445.48 Crore** as against **₹420.27 Crore** of previous year, which is the highest ever PBT of your Company since inception. Your Company has paid an Interim Dividend of ₹22.59 Crore in March '16 and proposes a final Dividend of ₹89.17 Crore. Therefore, total dividend payout for the year amounts to **₹111.76 Crore** i.e. ₹0.32 per equity share. The Corporation's average profit figure in the last 10 years continues to be above ₹300.00 Crore.

### Ongoing Projects

In **600 MW, Kameng HE Project**, boring of Head Race Tunnel (HRT), concreting of Tenga Dam and Power House have been almost completed. Works are progressing satisfactorily at the Bichom Dam, HRT Lining, Power House Electro-Mechanical front, Hydro-Mechanical front and Switchyard. Commissioning of the Project has been re-scheduled to **March, 2017** due to major design changes of various hydraulic structures and Dam parameters, extremely poor



*Kameng Hydro Electric Project*

geology, contractual issues etc. The Revised Cost Estimate of the Project stands at **₹6,179.96 Crore** (including IDC) at **March '15 Price Level** and is under process of approval in the MoP, Gol.

In respect of **110 MW Pare HE Project**, Head Race Tunnel (HRT) including lining, Power House civil works and Switchyard erection works have already completed. Works are progressing satisfactorily at the Dam and Steel Liner Erection work of High Pressure Tunnel. Erection of Unit – I Turbine and 25% of Unit – II Turbine are completed. Completion of the Project has been re-scheduled to **December 2016** due to initial delay in award of Package works through re-tendering for cost saving, 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 of the Project stands at **₹1,581.04 Crore** (including IDC & FC of ₹174.99 Cr) at **January '16 Price Level** and presently under scrutiny at CEA / MoP.



*Pare Hydro Electric Project*

satisfactorily. Almost all the Electro-Mechanical equipment for Power House have reached at site. Due to deplorable condition of the approach road leading to the project site and series of massive slope failures at Power House site, the project is re-scheduled for completion (Boxing up of Unit-I) in **March 2017**. The Revised Cost Estimate, amounting to **₹1441.52 Crore** (including IDC) at **December '15 Price Level** is under scrutiny at CEA.

In the **101 MW Tripura Gas Based Combined Cycle Power Project**, the Gas Turbine Unit of the Project was successfully synchronized on 11<sup>th</sup> March'15 and thereafter, ONGC failed to supply gas on a continuous basis. Continuous gas supply was resumed from 27<sup>th</sup> November 2015 and continued till end of January, 2016 thereby the Commercial Date of Operation (COD) of the Gas Turbine could be declared on **24<sup>th</sup> December 2015** and synchronization of the Steam Turbine was achieved on 14<sup>th</sup> January 2016. Due to inconsistent gas supply by ONGC, the COD of the Steam Turbine unit could not be carried out. The RCE of the Project amounting to **₹1,007.57 Crore** at March '15 price level has been vetted by CEA.

Another **50 MW Solar Power Project** is being set up by M/s WAANEEP, a Joint Venture between WAAREE Energies Ltd. and NEEPCO in the State of Andhra Pradesh in two locations. 25 MW at Gurramkonda and another 25 MW at Nagari. The Gurramkonda Project is in the advanced stage of synchronization while for Nagsri Project, land acquisition is under progress. In addition to the above, NEEPCO is also implementing Rural Electricity Infrastructure including Household electrification scheme under 12<sup>th</sup> Plan of "Deen Dayal Upadhyaya Gram Jyoti Yojana (erstwhile RGGVY)" in two Districts of the State of Tripura, viz. South Tripura and Sepahijala.

Further, your Company has taken up the preparation of PFR / DPR for several others Hydro and Thermal Project for subsequent implementation in ownership as well as JV basis. Some of the major projects are 85 MW Mawphu Stage-II HEP, 170 MW Selim HEP, 500 MW Garo Hills Thermal Power Project in Meghalaya, 120 MW Dibbin HEP, 330 MW Kurung HEP in Arunachal Pradesh, 815 MW Lungreng HEP, 635 MW Chhimtuipei HEP and 210 MW Tuivai HEP in Mizoram.

### Renewable Energy (RE) Initiatives

Renewable energy (RE) has become an important mission of India's energy planning process especially since climate



*Mawphu Stage - II, Meghalaya*

change has taken centre stage in the domestic and international policy arena. To demonstrate its commitment to renewable energy, the Government has set aggressive targets for renewables and policy initiatives at the Central and State levels for grid connected and off-grid renewable energy. NEEPCO has already commissioned two Solar Power Projects, one 5 MWp at Tripura and another 50 MWp at M.P. in ownership / JV basis respectively. Further NEEPCO has committed to add 2,500 MW in the Renewable Sector during 2015-19 as per Prime Ministers' initiative of "Green India". NEEPCO has already signed MoU with Solar Energy Corporation of India (SECI) in June '15 for development of 1000 MW Grid Connected Solar Power Project by 2017-18. MoA / MoU was also signed between NEEPCO and M/s SURYA URJA Company of Rajasthan Ltd and Tamil Nadu Generation and Distribution Corporation (TANGEDCO) for setting up of 500 MW Solar Project each at Rajasthan and Tamil Nadu respectively in the next 5 years.

### Joint Ventures Projects

With a view to enhance generation capacity, NEEPCO has formed / is in the process of forming Joint Ventures with other CPSUs, State Utilities and Private Developers to undertake various projects. The projects taken up/ to be taken up through the JV route are **120 MW Dibbin HEP** with KSK Energy Ventures in Arunachal Pradesh, and **330 MW Kurung HEP** with Govt. of Arunachal Pradesh. MoU was also signed between Govt. of Tripura and NEEPCO for formation of a **Power Generation Company** (GENCO). Preparation of

DPR for conversion of Rokhia & Baramura Thermal Projects to Combined Cycle projects and R & M work of Gumti HEP of Tripura are in the final stage of completion.

### Information Technology

Power utilities have made major gains in term of productivity, efficiency, reliability and commercial management through the use of modern IT tools. IT should be utilized to minimize human interface in commercial processes to minimize human errors. There has been a constant endeavor in NEEPCO to maintain state of the art IT infrastructure in its endeavor to become a totally networked Corporation. The corporation has undertaken initiatives for implementation of **ERP** and **E-Procurement** at Project sites. NEEPCO Information Security Manual (**NISM**) is being revised in accordance with the National Information Security Policy and Guidelines (**NISPG**) circulated by the Ministry of Home Affairs. Process has also been initiated to promote the **e-office** software (developed by NIC) as per instruction from Inter Ministerial Committee.

### Research & Development

Your Company has taken up several initiatives to address the challenges and opportunity in the increasingly competitive global market for strengthening technological capabilities and growth. Some of the major initiatives taken by the Corporation during 2015-16 are study of reduction of acidity of the responsible stream of 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, application of remote sensing and GIS in forecasting inflow/ discharge into the reservoir of Kameng Hydro Electric Project and feasibility study for implementing HTS generator in place of conventional generator in a hydro-electric power plant. Under the R & D program, the Corporation spent a total amount of **₹1.11 Crore** during the year.

### Corporate Social Responsibility (CSR) & Sustainable Development (SD)

Since inception, your company has always given top priority towards all round development of the people residing in and around its area of operation with due consultation and participation of stakeholders according to their specific needs. Our core areas of intervention remain livelihood, education, employability, empowerment, health and



Medical Camp under CSR-CD Scheme

drinking water, sanitation, sports and rural infrastructure development supported by initiatives for renewable energy and other environment protection programme along with the nationwide agenda on Swachh Bharat, school toilets and Skill India interventions.

Dear Members, your Company is committed towards the objectives of Sustainable Development through its activities and services. The Corporation took up the activity titled "To prepare a feasibility report on alternate water transport for the public through the reservoir of Tuirial H.E. Project and submitted to the Inland Water Transport Department for further studies". The Feasibility Report confirmed that the reservoir could be an alternate mode of transport for the local villagers and the Report has been submitted to the Govt. of Mizoram. CSR & Sustainability Development Budget for the FY 2015-16 was kept at **₹11.99 Crore** (i.e. 3.58% of PBT), out of which **₹10.306 Crore** has been utilized (i.e. 3.37% of PBT) during the year.

### Rules and Policies

The Corporation has made purchases of goods and services from Micro & Small Enterprises (MSE), to the tune of 3.63% of the total procurement during the year 2015-16, as per the **Public Procurement Policy for Micro & Small Enterprises** (MSEs). NEEPCO has conducted two Vendor Development Programme (VDP) for MSEs. Today's fast changing environment demands an evolving and dynamic **Risk Management Policy**. Therefore, the existing Risk Management Policy has been thoroughly reviewed and prepared afresh with external professional assistance. The identified top risks were deliberated in the Audit Committee

of the Board and the revised **Risk Management Policy** has been approved by the Board in February, 2016. Welfare policies such as “Child Care Leave, Child Care Leave on adoption and Paternity Leave” to enable employees to take care of parenting needs of their children, **Guidelines for re-skilling, re-musteration and re-deployment of employees** etc. were also introduced during the year.

### Human Resource Development

Your Company recognizes that its human resource is the biggest asset and efforts are being made to channelize towards overall objectives of the Company. Training and developmental interventions play a vital role in improving and enhancing employees’ performance and organizational growth. In the year 2015-16, **1928 employees** were imparted training under Annual Competency Development Plan, to enhance their competency levels, skills, sets and knowledge profile through various in-house and external training programmes organized by various reputed training agencies within the country and abroad. This includes 16 numbers of executives nominated to attend overseas training programme. During the year ₹5.4 crore was allocated against training and development of employees and building of training infrastructure.

Further, your Company has also maintained congenial and harmonious Industrial Relations throughout the year. 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) were formed. Meetings with these Committees and between Management and the representatives of various Associations were convened regularly to discuss various issues across the table.

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. To facilitate the employees for doing their official work in Hindi, 23 (Twenty three) Hindi Workshops were organized and 441 officers and employees participated in the workshops.

### NEEPCO Vigilance Activities

During the year 2015-16, NEEPCO Vigilance Department dealt with various aspects of Vigilance Mechanism under the



Employees participating in tree plantation programme in celebration of World Environment Day at Shillong



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

### Report of Corporate Governance

The paid-up share capital of the Company is not listed and all the equity shares are held by 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.

### Acknowledgement

In all its endeavours and achievements, your Corporation has been receiving constant guidance and support 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 and Lending Agencies, media etc. I, on behalf of you, take this opportunity

to express the 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, Secretarial Auditors and Comptroller & Auditor General of India for their constructive suggestions.

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

Lastly, I on behalf of the Board of Directors of the Company, would like to place on record the Corporation's appreciation for sincere and devoted service rendered by each individual employee who are the main architect in maintaining its steady growth and 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 31<sup>st</sup> March, 2016 be considered and adopted.

Thanking you,

Dated : 02-09-2016  
Place : New Delhi

**(A. G. West Kharkongor)**  
Chairman & Managing Director



## Directors' Report for the year 2015-16

**Dear Members,**

On behalf of the Board of Directors, it is my privilege to present the 40<sup>th</sup> Annual Report on the performance of your Corporation during the Financial year ended on 31<sup>st</sup> March 2016 along with the audited Statement of Accounts, Auditors Report and Review of the Accounts by the Comptroller & Auditor General India for the period.

### **FINANCIAL PERFORMANCE**

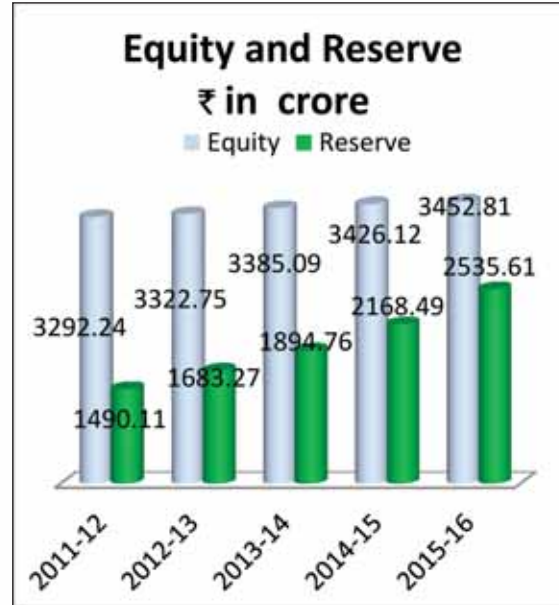
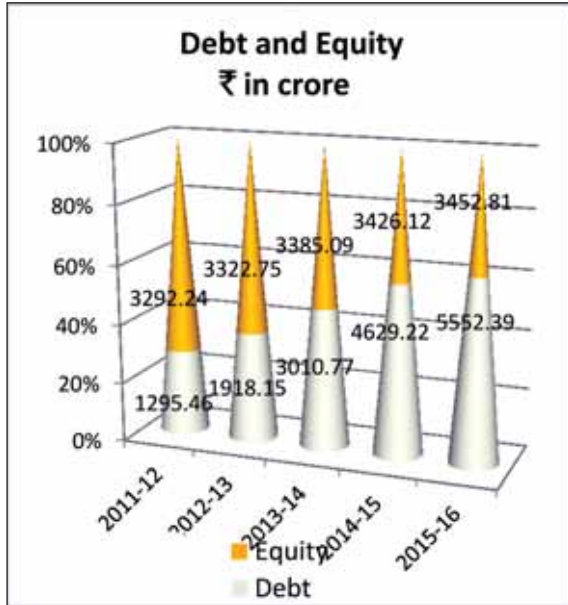
The performance of the Corporation for the financial year ended 31<sup>st</sup> March 2016 is summarized below:

## PERFORMANCE AT A GLANCE

(₹ In Crore)

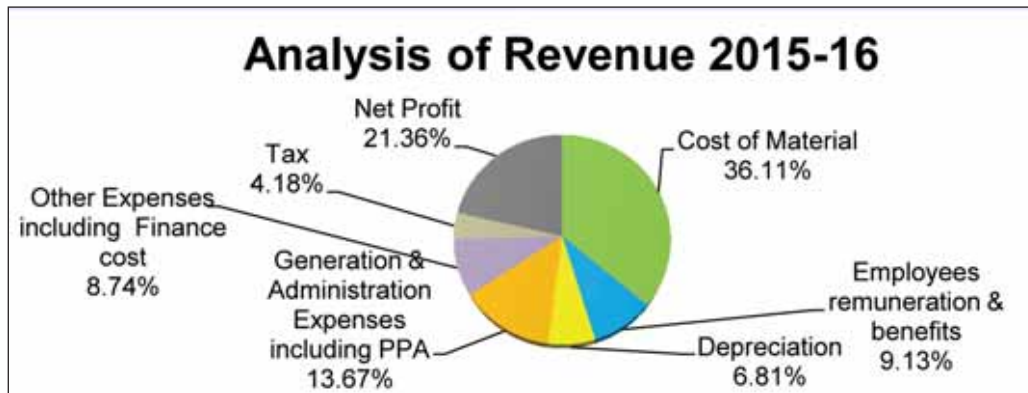
Sl. No	Items	2015-16	2014-15
A	Revenue from Operation	1608.41	1530.51
B	Other Income	135.25	27.90
C	Total Revenue	1743.66	1558.41
D	Profit before depreciation, interest and tax	580.65	570.06
E	Depreciation	118.83	146.38
F	Profit after depreciation but before interest and tax	461.82	423.68
G	Interest and finance charges	16.34	3.41
H	Profit before tax but after depreciation and interest	445.48	420.27
I	Current Tax	72.94	101.73
J	Profit after tax	372.55	318.54
K	Surplus of earlier year	0.96	0.63
L	Profit available for appropriation	373.51	319.17
M	Appropriation		
	a) Interim Dividend	22.59	26.00
	b) Proposed final dividend	89.17	69.56
	c) Dividend Tax	22.75	19.36
	d) Transfer to Bond Redemption Reserve	124.80	107.29
	e) Transfer to General Reserve	114.00	96.00
	f) Balance of Profit carried forward	0.19	0.96
N	Share Capital	3452.81	3426.12
O	Reserve & Surplus	2535.61	2168.49
P	Capital Reserve	0.14	0.14
Q	Net Worth (N+O-P)	5988.28	5594.47
R	Gross Block	6199.28	5085.34
S	Capital Employed	4089.22	3240.16
T	Number of Employees	2421	2559
U	Financial Ratios		
	Gross Operating Margin	447.94	547.39
	Net Profit to Net Worth (%)	6.22	5.69
	PAT /Total Employment (₹ in lakhs)	15.39	12.45
	Debt Equity Ratio	1.61	1.35
	Liquidity (ratio)	1.77	1.86
	Current Ratio	1.92	2.08
	Sales Turnover/ Net Block (%)	50.09	69.26
	Debtor Turnover Ratio ( days)	204	186
	Dividend per Share (₹)	0.32	0.28*
	Earning per Share (₹)	1.09	0.94

\*including final dividend recommended by the Board



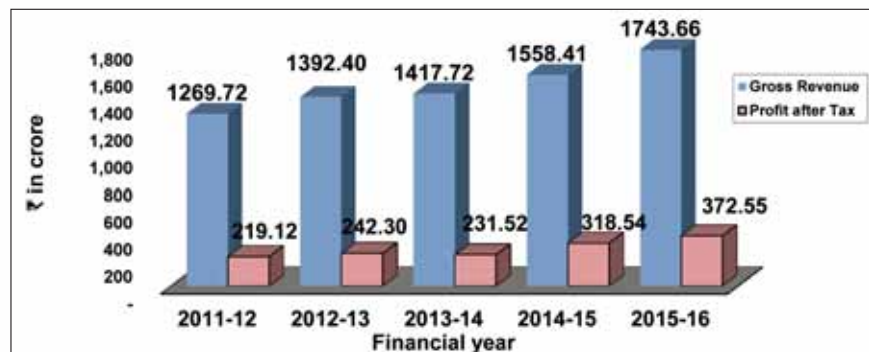
## Revenue

The Gross Revenue of the Corporation for the year 2015-16 increased to ₹1743.66 Crore from ₹1558.41 Crore, an increase by 11.89 % from the previous year.



## Profit Before and After Tax

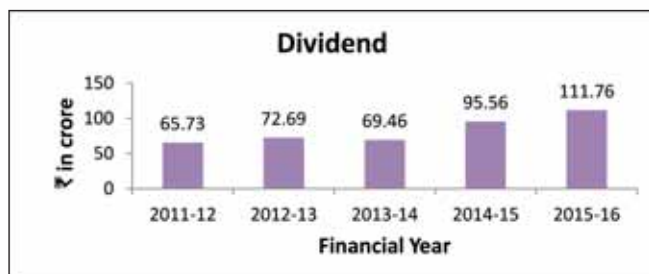
The Corporation earned a profit before tax of ₹445.48 Crore as against of ₹420.27 Crore of previous year and the profit after tax amounts to ₹372.55 Crore against previous year figure of ₹318.54 Crore.



## Dividend

The Corporation has paid an interim dividend of ₹22.59 crore in March, 2016. Your Directors have recommended a final dividend of ₹89.17 crore for the year 2015-16. The total dividend payout for the year amounts to ₹111.76 Crore i.e. ₹0.32 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 36.11% of Profit after Tax of the Company.



## Financial Review

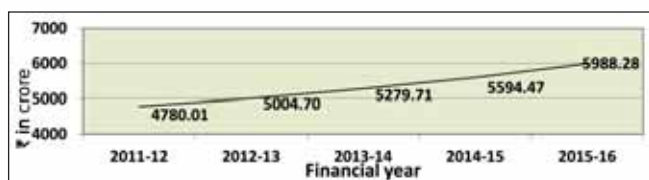
### Capital Structure

The Authorised Share Capital of the Corporation as on 31.03.2016 stood at ₹5000 Crore and the Paid up Capital including pending allotment was ₹3452.81 Crore (Previous year ₹3426.12 Crore). During the financial year 2015-16 the Corporation has issued share certificate of ₹26.69 crore to the Government of India.

### Borrowings

The Corporation mobilised a loan of ₹1222.97 Crore from various domestic and international lending agencies during the year 2015-16.

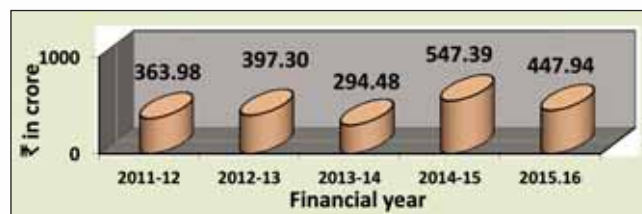
### Net Worth



The Net Worth of the Corporation excluding capital reserve as on 31<sup>st</sup> March, 2016 was ₹5988.28 Crore against ₹5594.47 Crore as on 31<sup>st</sup> March, 2015 representing a growth of 7.04%.

### Gross Operating Margin

The Gross Operating Margin of the Corporation as on 31<sup>st</sup> March, 2016 was ₹447.94 Crore against ₹547.39 Crore as on 31<sup>st</sup> March, 2015.



### Statutory Auditor's Report

M/s S P A N & Associates, Kolkata was appointed as the Statutory Auditor of the Company, by the Comptroller & Auditor General of India for the financial year 2015-16. The Statutory Auditor of the company has submitted the report on the Standalone and Consolidated Financial Statements of the Company for the financial year 2015-16. The reports of the Statutory Auditor are given in **Annexure - 6A & 6B**.

The Management's reply to the Report on Internal Financial Controls under Section 143(3)(1) of the Companies Act, 2013 are enclosed as **Annexure - 6C**.

### Review of Accounts by Comptroller & Auditor General of India

Comptroller & Auditor General of India has reviewed the financial statements of the Company for the year 2015-16. Copy of the report is enclosed as **Annexure - 7**

### 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 2015-16. The Secretarial Audit Report in Form No. MR-3 for the financial year ended 31<sup>st</sup> March 2016 as audited by M/s. Narayan Sharma & Associates, Practicing Company Secretaries is enclosed as **Annexure - 8A**. Management's reply to the Secretarial Auditors' observations raised in the Secretarial Audit Report for the year 2015-16 is enclosed as **Annexure - 8B**.

### 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 2015-16. 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 2015-16 has been completed and the Cost Auditor has submitted the report. The Cost Audit Report for the financial year 2014-15 was filed with the Cost Audit Branch, Ministry of Corporate Affairs, Govt. of India on 26<sup>th</sup> Sept, 2015. The due date for filing Cost Audit Reports for the financial year 2015-16 is September 27, 2016 and the same shall be filed with the Cost Audit Branch within the stipulated time.

### Plants under Operation

#### Power Generation

Generation during the year 2015-16 was 5220 MU against MOU (Very Good) Target of 5400 MU with Generation from Thermal, Hydro & Solar Plants being 2757 MU, 2457 MU & 6 MU respectively. Thus the achievement in generation with respect to the MOU Target was 96.67%. The decline in Generation during the period 2015-16 was mainly due to less generation from AGTP, TGBP & Doyang H. E. Plant. Generation from AGTP was less due to delay in commissioning of the Steam Turbine units, less availability of gas as well as under requisition by the beneficiaries. Generation from TGBP was affected due to delay in project commissioning and non-availability of Gas. Generation from DHEP was less due to scanty rainfall in the Catchment area.

Power Station	Generation Target (MU) 2015-16 for "V-Good" MOU rating	Actual Generation (MU) 2015-16	Achievement in % age	P.A.F. Target (%) 2015-16 for "Very Good" MOU rating	Actual Plant Availability Factor for Power Plants (%) 2015-16
<b>Hydro</b>					
Kopili H E Plant (275 MW)	935	957	102.35	69.73	62.19
Doyang H E Plant (75 MW)	227	163	71.81	73	62.18
Ranganadi H E Plant (405 MW)	1125	1337	118.84	85	96.34
<b>Thermal</b>					
AGBP (291 MW)	1725	1759	101.97	67	70.16
AGTCCP (135 MW)	1000	871	87.10	85.5	81.40
TGBPP (101 MW)	380	127	33.42	58	40.30
<b>Renewable</b>					
Solar Monarchak (5 MW)	8	6	75.00	--	12.23
<b>NEEPCO (TOTAL) 1287 MW</b>	<b>5400</b>	<b>5220</b>	<b>96.67</b>	<b>--</b>	<b>--</b>

## Hydro Electric Plants

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

The Plant consists of three power stations namely, Kopili Power Station (4 X 50 MW), Khandong Power Station (2 X 25 MW) and Kopili Stage-II Power Station (1 X 25 MW). During the year 2015-16, total energy generated from the Plant was 957 MU against MOU (very good) Target of 935 MU and Design Energy of 1550.09 MU. The energy generated was lower than its Design Energy primarily due to shutdown of the water conductor system for rectification of excessive leakage. The most affected steel lined portion of Umrong Tunnel (65 m) has been re-lined with 26 mm thick BQ plate and extensively effected vital under water parts like Guide-Vanes, Pivot Ring, and Top Cover have been replaced with stainless steel material. Stay Vanes, Stay ring etc. have been clad with stainless steel materials.



*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 163 MU during the year 2015-16 due to scanty rainfall in the catchment area. The Plant Availability Factor achieved during 2015-16



*A view of dam and spillway, Doyang Hydro Electric Plant*

was 62.18 % 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 1337 MU during the year 2015-16 against MOU very good target of 1125 MU. The Plant Availability Factor of the Plant during 2015-16 was 96.34% against Normative Plant Availability Factor & MOU Very Good target of 85%.



*Ranganadi Hydro Electric Plant*

## Thermal Plants

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

Generation achieved from the Plant was 1759 MU during 2015-16 with Plant Load Factor of 68.82 % and Plant Availability Factor of 70.16 % against normative Plant Availability Factor of 72%. With the present Calorific value and contracted gas quantity of 1.4 MMSCUMD, generation level of around 190–210 MW is only possible. However, even this contracted quantity could not be made available by M/s OIL, which resulted in lower PAF during 2015-16.



*Assam Gas Based Power Plant*

For achieving 80% availability, NEEPCO has taken up the matter to increase the gas linkage from existing 1.4 MMSCUMD to 1.65 MMSCUMD with Oil India Ltd., on several occasions. Matter has also been taken up with other appropriate authority for enhancement of gas linkage. However, Oil India Ltd., informed that they are not in a position to consider commitment of additional gas to any existing or new customer on a firm basis. Further, they also intimated that, based on future discovery of any new Gas reserves, possibility of additional Gas supply will be relooked depending on priority given to different sectors by Govt. of India.

**E) Agartala Gas Turbine Combined Cycle Plant (135 MW), Tripura:**

Agartala Gas Turbine Plant has achieved generation of 871 MU during 2015-16 against MOU very good target of 1000 MU with Plant Load Factor of 73.47 % and Plant Availability Factor of 81.40 %. The reason for low generation was due to delay in commissioning of the Steam Turbine units, less availability of gas as well as under requisition by the beneficiaries. The plant has been converted from open cycle mode to combined cycle mode with installation of four Waste Heat Recovery Boiler and two Steam Turbine of 25.5 MW Capacity each during the year 2015-16. Commercial date of Operation (COD) of STG # II was achieved on 29/07/2015 and STG # I was achieved on 01/09/2015.



*Agartala Gas Turbine Plant*

**F) Tripura Gas Based Combined Cycle Power Project (101 MW), Tripura:**

The generation from Tripura Gas Based Project during 2015-16 was 127 MU with Plant Availability Factor of 40.30 %, against MOU very good target of 380 MU. The reason for less generation as well as PAF is due to

delay in commissioning of the plant as M/s ONGC Ltd., failed to supply contracted quantity of gas to the plant. The Commercial date of Operation (COD) of the Gas Turbine of the plant was achieved on 24/12/2015 and the COD of the Steam Turbine is yet to be achieved due to non-availability of gas for running the Gas Turbine. However, the Steam Turbine was test synchronized on 14/01/2016.



*Control Room, Tripura Gas Based CC Power Project*

## Renewable Energy Plants

**G) 5 MW<sub>p</sub> Grid Interactive Solar Power Plant at TGBP Site, Tripura**

The energy generated from the plant during 2015-16 was 6 MU with Capacity Utilization Factor (CUF) of 12.23% against MOU very good target of 8 MU.

**H) 50 MW Solar Power Project, Madhya Pradesh (Joint Venture)**

The Project has been developed by WAANEPP Solar Private Limited as a Joint Venture between WAAREE Energies Ltd. and NEEPCO. **The Project was commissioned on 15-June-2015.** Generation from the Plant for the year 2015-16 was 69.8019 MU.

## Ongoing Projects (Ownership Basis)

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

In 600 MW, Kameng HEP, 74% concreting works in Bichom Dam and Intake Structure, while 96% in Tenga Dam has been completed till March 2016. Boring of Head Race Tunnel (HRT) completed and 66% lining also completed. 82% erection of Steel Liner has been achieved and 98% concreting works completed in the Power House. Till March '16, 20% concreting of Tail



Bichom Dam

Race Channel (TRC) achieved. Barrel Concreting in Unit-I & II completed up to the operating floor (EL 236.7 m), while Barrel concreting of Unit-III and IV are in progress. Hydro test of Spiral Casings of Unit – III & IV completed and encasement of Unit-III completed while Unit-IV is in progress. Erection of MIV for Unit I completed. Assembly work of stator and rotor for unit - I and II are in progress. Erection of bus duct at Unit-I and II is under progress. Final Assembly of Guide Apparatus of Unit-I and II is under progress. Erection of middle and lower DT cone of Unit -III is in progress. Laying and fixing of second stage embedded pipes, sleeves etc., of Unit-IV is in progress. Erection of equipment structures and equipment of 400 kV & 132 kV switchyard in progress. In Transformer Bay, foundations of 3 nos. Auto transformers completed and foundation of Generator Transformers (Unit - IV) in progress.

Due to major design changes necessitated by 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 periods due to natural hindrances and contractual issues, commissioning of the Project has been reviewed and is now scheduled for March 2017.

Revised RCE with Hard Cost of ₹4,724.67 Cr (₹3988.17 Cr for Civil cost + ₹736.50 Cr for Electro-Mechanical Cost) excluding ID&FC has been vetted by CEA on 29.01.16. IDC&FC calculation amounting to ₹1,455.29 Cr submitted to CEA on 05.02.16. The RCE now stands at ₹6,179.96 Cr. The cumulative expenditure incurred in the project up to 31<sup>st</sup> March 2016 was ₹4480.06 Crore, out of which an amount of ₹717.51 crore was spent during 2015-16.

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

In respect of 110 MW Pare HEP, 47% Dam concreting completed till Mar '16. Boring of Head Race Tunnel completed and 99% lining achieved. HPT Boring also completed and 83% Steel Liner Erection achieved. 94% Power House concreting completed till Mar'16. Barrel concreting of both the Units completed. Erection Unit – I Turbine including lowering of Stator/Rotor completed. Erection Unit – I Turbine 25% completed. Switchyard erection works 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 during monsoons of 2011 to 2013, 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, flash floods from 15.05.14 to 30.08.14, inundation of the whole Dam area from 7<sup>th</sup> June to 24<sup>th</sup> September 2015 and frequent law & order problem, completion of the project has been rescheduled to be commissioned in December 2016.

RCE at December '14 PL for an amount of ₹1,262.27 Cr was vetted by CEA with Establishment cost kept provisionally. As desired by CEA, the RCE was again updated for an amount of ₹1581.04 Cr (including IDC & FC of ₹174.99 Cr) at January'16 PL. The cumulative expenditure incurred in the project up to 31<sup>st</sup> March 2016 was ₹1176.54 Crore, out of which an amount of ₹242.66 crore was spent during 2015-16.

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

In regards to 60 MW Tuirial HEP, 85% boring of Power Water Way completed till March '16 (including Cut & Cover portion and Bifurcation). Also, 28% concreting work completed in Power Water Way. 96% filling in Main Dam completed and 74% concreting in Power House (excluding Tail Race Channel) achieved till March, 2016. In Spillway concreting, 95% concreting was completed. 85% of concreting works in the Switchyard and Steel liner fabrication works for penstock was also completed. Most of the Electro-Mechanical equipment and materials have reached site.

With sustained efforts, the project was revived in January 2011 after a gap of almost 6 (Six) years. However, deplorable condition of the approach road



*Tuirial Hydro Electric Project*

leading to the project has hindered transportation of material to the project from time to time. 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 (Boxing up of Unit-I) in March, 2017.

RCE-II of the Project was updated to ₹1441.52 (Civil cost ₹1112.39 Cr., EM cost ₹218.14 Cr. & IDC & FC of ₹110.99 Cr.) at Dec '15 PL as per CEA's directives and in line with decision of the MoP. The cumulative expenditure incurred in the project up to 31<sup>st</sup> March 2016 was ₹1002.48 Crore, out of which an amount of ₹190.16 crore was spent during 2015-16.

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

**The Gas Turbine Unit was declared for Commercial Operation with effect from 24<sup>th</sup> December 2015.**

The commissioning targets (Very Good) for the Project as per MOU 2015-16 was June 2015 for the Gas Turbine and August 2015 for the Steam Turbine subject to supply of gas by March 2015. ONGC commenced supply of gas to the Project on 04-02-2015. The Gas Turbine

Unit of the Project was successfully synchronized on 11<sup>th</sup> March '15 and was fully loaded up to 66 MW on 30<sup>th</sup> March '15. Thereafter, ONGC failed to supply gas on a continuous basis. Continuous supply of gas was resumed from 27<sup>th</sup> November 2015, enabling NEEPCO to declare COD of the Gas Turbine on 24<sup>th</sup> December 2015 and **synchronization of the Steam Turbine on 14<sup>th</sup> January 2016**. However, gas supply was once again discontinued from 29<sup>th</sup> February 2016. As a result of this erratic supply, the COD of the Steam Turbine unit could not be carried out.

The RCE of the Project amounting to ₹1007.57 Cr at March '15 price level has been vetted by CEA. The cumulative expenditure incurred in the project up to 31<sup>st</sup> March, 2016 was ₹963.23 Crore, out of which an amount of ₹95.00 Crore was spent during 2015-16.

**Ongoing Projects (Joint Venture Basis)**

**E) 50 MW SPP at Andhra Pradesh with WAAREE Energies Ltd. and NEEPCO (WAANEPP)**

This 50 MW Solar Power Project is being set up by M/s WAANEPP, a Joint Venture between WAAREE Energies Ltd., and NEEPCO in the State of Andhra Pradesh in two locations comprising of 25 MW each at the following sites:

- i) **Gurramkonda (25 MW):** Synchronisation of this unit is expected to be done very shortly on receipt of clearance from APTRANSCO.
- j) **Nagari (25 MW):** Land acquisition is under progress.

**Other Projects**

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

NEEPCO is implementing Rural Electricity Infrastructure including Household electrification scheme under 12<sup>th</sup> Plan of Deen Dayal Upadhyaya Gram Jyoti Yojana (erstwhile RGGVY) in two Districts of the State of Tripura, viz. South Tripura and Sepahijala. The cost of the projects are ₹46.87 Cr. and ₹40.84 Cr. respectively with scheduled completion in September 2016. Works in both the districts are progressing satisfactorily and around 55% works have been completed till March, 2016.

## Upcoming Projects

Under S&I SCHEME: (Ownership Basis)		
S.N.	Project	Status
<b>HYDRO</b>		
1.	Mawphu H.E. Project, Stage-II (85 MW), Meghalaya	<ul style="list-style-type: none"> <li>▪ Forest Clearance (Stage –I) for diversion of forest land submitted to the DFO, East Khasi Hills District, Government of Meghalaya on 28.04.2014.</li> <li>▪ Draft EIA/EMP reports have been commented upon by MoEF and final reports shall be prepared incorporating the observations and approved project features.</li> <li>▪ 2<sup>nd</sup> consultation meeting was held on 22<sup>nd</sup> March '16. Preparation of revised DPR is in advanced stage.</li> </ul>
2.	<b>Projects in Mizoram</b>	
	Lungreng HEP (815 MW)	<ul style="list-style-type: none"> <li>▪ Clearance of MEA for taking up the S &amp; I works in the International Border area of Myanmar is awaited.</li> </ul>
	Chhimtuipei HEP (635 MW)	<ul style="list-style-type: none"> <li>▪ Based on the suggestions of Govt. of Mizoram, NEEPCO explored the possibility of limiting the projects within the Indian Territory. The combined capacity of both the projects with relocated dam sites was found to be 12 MW which does not seem to be a viable option as the river stretch is not suitable for small projects.</li> </ul>
	Mat HEP (76 MW)	<ul style="list-style-type: none"> <li>▪ NEEPCO prepared PFR for 115 MW installed capacity. However, the project cost and tariff were very high.</li> <li>▪ DPR for a Small Hydro Project with installed capacity of 17 MW at the same location has been prepared by NEEPCO and is under examination.</li> </ul>
	Tuivai HEP (210 MW), Mizoram	<ul style="list-style-type: none"> <li>▪ NEEPCO signed MOA with the State Govt. of Mizoram on 10.02.2015 for execution of the project.</li> <li>▪ Different project alternatives are being explored to optimize the cost and tariff of the project along with financial restructuring for arriving at required quantum of grant.</li> </ul>
3.	Killing Hydro Electric project (50 MW), Assam/ Meghalaya	<ul style="list-style-type: none"> <li>▪ Pre-Feasibility Report (PFR) has been prepared.</li> <li>▪ Clearance on Terms of Reference (TOR) for EIA/EMP Studies obtained from MoEF on 30.12.2014.</li> <li>▪ MoP vide letter dated 17<sup>th</sup> Aug '15 conveyed the decision of MoWR, that the Brahmaputra Board shall continue with the balance works and the DPR of the Project and hand over to NEEPCO on completion for execution.</li> </ul>
4.	<b>Manipur Projects:</b>	
	Pabram HEP (150 MW)	<ul style="list-style-type: none"> <li>▪ Project Feasibility Report (PFR) for all four projects prepared and submitted to Govt. of Manipur.</li> <li>▪ Techno-commercial viability issues were taken up with the State Government for consideration of grant.</li> <li>▪ Following the consent of the State Govt. for consideration of grant for Irang HEP, sensitivity analysis for Irang HEP has been prepared for onward submission to Government of Manipur.</li> </ul>
	Khongnem Chakha HEP (50 MW)	
	Irang HEP (60 MW)	
	Tuivai HEP (51 MW)	

PROJECTS IN PIPELINE: (Ownership Basis)		
S.N.	Project	Status
<b>HYDRO</b>		
1.	Selim HEP (170 MW), Meghalaya	<ul style="list-style-type: none"> <li>▪ NEEPCO submitted application in Dec., 2014 along with requisite fee for allotment of the Selim H.E. Project in the prescribed format to the Government of Meghalaya.</li> <li>▪ The matter is being pursued with the State Government for an early decision in favour of NEEPCO.</li> </ul>
<b>THERMAL</b>		
2.	Garo Hills Thermal Power Project (500 MW), Meghalaya	<ul style="list-style-type: none"> <li>▪ MOA with the Govt. of Meghalaya signed on 17th March 2011.</li> <li>▪ Coal linkage is yet to be established.</li> </ul>

RENEWABLE ENERGY PROJECTS		
S.N.	Project	Status
1.	Grid Interactive Solar Power Project (2 MW), Lanka, Assam	<ul style="list-style-type: none"> <li>▪ DPR prepared through consultant M/s STEAG Energy Services (India) Pvt. Ltd., Noida.</li> <li>▪ Investment approval accorded on 28<sup>th</sup> November 2014.</li> <li>▪ NIB for setting up of the project on EPC basis including O&amp;M for 5 years was floated on 19<sup>th</sup> December '14 and the bids were opened on 18<sup>th</sup> February '15 and evaluated.</li> <li>▪ Due to non-fulfillment of qualifying criteria by bidders, fresh NIB was floated on 11<sup>th</sup> March '15.</li> <li>▪ Techno-commercial Bids opened on 17<sup>th</sup> April '15. Price Bid opened on 10.06.15. The quoted price of the lone bidder was very high. Efforts to reduce the price were not accepted by the lone bidder during negotiations, as a result the tender was cancelled.</li> <li>▪ Fresh NIB was floated on 17<sup>th</sup> September '15 and opening of bids extended to 4<sup>th</sup> December '2015.</li> <li>▪ Technical bids opened on 4<sup>th</sup> December 2015, and evaluation completed.</li> <li>▪ None of the Bidders qualified in the Tender.</li> <li>▪ In view of the repeated non-qualification of bidders and the consequent delay, Revised Cost Estimate (RCE) of the Project is under preparation.</li> </ul>
2.	3 MW Grid Interactive Solar Power Project, at Kopili HEP, Assam	<ul style="list-style-type: none"> <li>▪ LOI placed for the Project on 17<sup>th</sup> February '16 with a completion target of 9 months from the date of issue of LOI.</li> </ul>
3.	1000 MW Grid Connected Solar Projects in India.	<ul style="list-style-type: none"> <li>▪ MoU has been signed between NEEPCO and SECI on 19<sup>th</sup> June, 2015 for implementation of 1000 MW Grid Connected Solar Projects in India.</li> </ul>
4.	500 MW Solar Project in the Solar Park at Bhadla – 3 in Rajasthan	<ul style="list-style-type: none"> <li>▪ MoA was signed between NEEPCO and M/s SURYA URJA Company of Rajasthan Limited on 04.08.2015 for Setting up of 500 MW Solar Project in the Solar Park at Bhadla – 3 in Rajasthan.</li> </ul>
5.	500 MW Solar PV Project in Tamil Nadu	<ul style="list-style-type: none"> <li>▪ Memorandum of Understanding (MoU) was signed between NEEPCO and Tamil Nadu Generation and Distribution Corporation (TANGEDCO) on 10.09.2015 for setting up of 500 MW Solar PV Project in the next 5 years.</li> </ul>

## Joint Ventures

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

S.N.	Project	Status
<b>HYDRO</b>		
1.	Dibbin HEP (120 MW), Arunachal Pradesh	<p><b>KSK Dibbin Hydro Power Private Limited</b> (JV between KSK Energy Ventures and NEEPCO) has submitted the Revised Hydrology to CWC for approval which is awaited.</p> <ul style="list-style-type: none"> <li>▪ Techno Economic Clearance obtained from Central Electricity Authority in Dec 2009.</li> <li>▪ Deputy Commissioner, Bomdila passed the award for acquisition of land in May 2011.</li> <li>▪ Environment Clearance accorded by the Ministry of Environment &amp; Forests in July 2012.</li> <li>▪ Application has been forwarded on 25-04-2015 to initiate process for compliance of Forest Rights Act.</li> <li>▪ For diversion of forest land, Stage I Forest Clearance accorded by Ministry of Environment &amp; Forests in Feb 2012.</li> <li>▪ Application has been forwarded in May 2015 for Stage II Forest Clearance.</li> <li>▪ Payment to MoEF towards Compensatory Afforestation, NPV etc. related to diversion of forest land for the project amounting to ₹3.99 Crore has been effected on 22-04- 2015.</li> <li>▪ Meanwhile, M/S KSK Energy Ventures expressed its interest to divest its equity to NEEPCO for total taking over of the project by NEEPCO, which is under examination.</li> </ul>
2.	Siang Upper Stage-I HE Project (6000 MW)  And Siang Upper Stage-II HE Project (3750 MW), Arunachal Pradesh.	<ul style="list-style-type: none"> <li>▪ As per Gol decision, both these projects were to be developed in Joint Venture mode between NEEPCO and NHPC for which formation of JV Company is in process.</li> <li>▪ The Siang Upper (Stage-II) HEP was under survey &amp; investigation by NEEPCO (MoA signed with State Govt. on 28.05.2013) which was stopped due to vehement local protest.</li> <li>▪ Subsequently, the project works were put on hold as per the communication of MoP, Gol vide letters dated 18<sup>th</sup> November, 2015 and 2<sup>nd</sup> February, 2016, till a final decision is taken regarding development of the projects in single stage or two stages.</li> </ul>
3.	Tipaimukh HE Project (1500 MW), Manipur	<ul style="list-style-type: none"> <li>▪ MoP conveyed on 10.12.2012 its decision to induct NEEPCO as a partner in the aforesaid JV in lieu of SJVNL.</li> <li>▪ Finalization of the Draft Promoters' Agreement is in process between NEEPCO &amp; NHPC.</li> <li>▪ Meanwhile, MoEF denied approval to the forest diversion proposal in Manipur and Mizoram and further recommended to explore the feasibility with smaller dams involving smaller forest area.</li> <li>▪ 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.</li> <li>▪ MoP vide letter dated 20.08.2014 has communicated its decision for not pursuing the Forest Clearance further at this stage and requested the State Governments of Manipur and Mizoram to intimate their views/ comments on the matter, which is awaited.</li> </ul>



4.	Kurung HEP (330 MW), Arunachal Pradesh	<ul style="list-style-type: none"> <li>▪ MOA signed with the Govt. of Arunachal Pradesh on 27<sup>th</sup> January, 2015 for development of the Project in joint venture with the State Govt.</li> <li>▪ NEEPCO prepared the PFR afresh.</li> <li>▪ TOR meeting held on 09.02.16 at New Delhi and MOEF &amp; CC accorded clearance. Formal order awaited.</li> <li>▪ Preparation of DPR and EIA/EMP are in process.</li> <li>▪ Manpower posted at site.</li> </ul>
<b>THERMAL</b>		
5.	Margherita Coal Based Thermal Project (1320 MW)	<ul style="list-style-type: none"> <li>▪ Draft MOU to be signed between NEEPCO and APGCL with 51% and 49% share of equity respectively has been approved by the BOD and sent to MoP, Gol for in principle approval which is awaited.</li> </ul>
<b>OTHERS</b>		
6.	JV between NEEPCO and Govt. of Tripura.	<ul style="list-style-type: none"> <li>▪ MOU was signed between Govt. of Tripura and NEEPCO on 12.12.2014 for formation of a Power Generation Company (GENCO) in JV between Govt. of Tripura and NEEPCO.</li> <li>▪ Draft SHA for the GENCO with NEEPCO equity at 10% is under finalisation jointly with Govt. of Tripura.</li> <li>▪ Preparation of DPR for conversion of Rokhia &amp; Baramura Thermal Projects to Combined Cycle projects is in final stage of completion.</li> <li>▪ DPR for R &amp; M of Gumti HEP prepared.</li> </ul>

**“Initiatives for Growth”- Status on achievement of MOU Target 2015-16:**

S.N.	Parameter	Status
1.	Finalisation of DPR of Mawphu, Stage-II HE Project (85MW), Meghalaya.	DPR submitted for scrutiny by CEA/CWC/GSI/CSMRS. However due to change in guideline, revised DPR is in advanced stage of preparation. The target of finalization of DPR, therefore, could not be achieved.
2.	Completion of Preparation of DPR of Siang Upper Stage-II HE Project (3750 MW), Arunachal Pradesh.	Works in the project held up due to law & order issue since December '14 and therefore, the target could not be achieved.
3.	Preparation of DPR of Two Hydro Projects in North East	MOU Target regarding preparation of Detailed Project Reports (DPR) of two HE Projects in the NE was <b>achieved with Excellent Rating</b> . DPRs for Gumti HE Project (3x5 MW), Jatanbari, South Tripura and 17 MW Mat Sekawi HE Projects were submitted on 25 <sup>th</sup> January 2016.
4.	Signing of MoA with Government of Arunachal Pradesh for Development of Panyor Hydro Electric Project in Arunachal Pradesh.	In view of economic infeasibility of the Panyor HEP, the proposal was dropped and hence, the target could not be achieved.
5.	Catchment area treatment in upper Catchment of Ranganadi HEP Basin.	Action taken up through Forest Department. Government of Arunachal Pradesh for plantation of trees on payment basis. However, due to non-availability of sufficient forest land, the target could not be achieved.

**“Expansion/Diversification/acquisition/joint ventures”- Status on achievement of MOU Target 2015-16:**

S.N.	Parameter	Status
1.	Commissioning of 50 MW Wind Power Project in Gujrat	Based on C-WET Report, MDGEPL informed that the project was unviable and therefore requested for termination of the JV. In view of the above, MoU target could not be achieved.

2	Allotment Letter for development of 50MW Solar Project in Solar Park at Gujarat from Govt. of Gujarat	The Allotment Letter was received from Govt. of Gujarat on 03.08.2015. MoU Target has been achieved with <b>Excellent Rating.</b>
3	Finalization & award of EPC contract on behalf of M/s KSK Dibbin Hydro Power Pvt. Ltd. for development of 120 MW Dibbin HEP, Arunachal Pradesh in JV mode.	<p>As per the meeting held with M/s. KSK Dibbin Hydro Power Pvt. Ltd. on 09-06-2015 it was decided that the Joint-Venture Company shall conduct the tendering process for the Project.</p> <p>In terms of the meeting held between NEEPCO and M/s. KSK Dibbin Hydro Power Pvt. Ltd. on 30<sup>th</sup> November 2015 &amp; 1<sup>st</sup> December 2015, M/s. KSK shall handover all the revised design details along with Auto-CAD drawings to NEEPCO for finalization of the Design Memorandum and preparation of Tender Documents. M/s. KSK was requested to furnish details on justification of design changes performed by M/s. KSK in respect of the TEC parameters for jointly reviewing/firming up project parameters for approval prior to the tendering process. However, finalization of project parameters, and subsequent submission of requisite data/information i.e. approved cost estimate, Technical Specifications, Project Profile, BOQ, tender drawings to conduct the tendering process for the Project is yet to be concluded and hence the target could not be achieved.</p>

**Project Implementation and Implementation Parameters of MOU 2015-16**
**No. of new / ongoing projects to be completed during the year.**

S.N.	Parameter	Status
1	Commissioning of Tripura Gas Based Power Project (101 MW), Monarchak in combined cycle mode. (Subject to supply of contracted quantity of gas by ONGC by March 2015)	<ul style="list-style-type: none"> <li>▪ GT (65.42 MW) synchronized on 11.3.15 and full load achieved on 30<sup>th</sup> March 2015. COD declared on 24<sup>th</sup> Dec'15.</li> <li>▪ Steam Turbine (35.58 MW) synchronized on 14.01.16. COD is due.</li> </ul>
2	Commissioning of Pare Hydro Electric Project (110 MW), Arunachal Pradesh.	Target could not be achieved in respect of Pare HEP because of successive overtopping of Upstream Cofferdam due to monsoon rain from the month of June 2015 to September 2015, forcing discontinuance of Dam concreting and breach of main haul road leading to Dam site coupled with intermittent Law & order situation at Project site.
3	Commissioning of 2 MW Solar Power Project in Lanka, Assam	Target could not be achieved because of repeated failure (three times) to select the contractor through tendering process for execution of the Project, as each time the bidders either did not meet Techno-commercial criterion or the quoted price was excessive.

Technology, Quality, Innovative Practices Parameters of MOU 2015-16		
S.N.	Parameter	Status
1	Improvement of Station Heat Rate of AGBP (291 MW)	Target not achieved because the primary reasons for higher heat rate is part loading of units due to less availability of gas, under requisition by beneficiaries, on going R&M works of gas compressor, etc. Although the average Gross SHR of AGBP for the year 2015-16 was 2674 Kcal/KWh, it has been observed that after completion of the R&M works of three units of Gas Compressors in December, 2015, the Gross SHR improved substantially to 2552 Kcal/KWh during January, 2016 to March, 2016.
2	Developing a dashboard for monitoring security threats through acquisition of data in real time from the firewall at Corporate Office, Shillong	A Firewall Analyzer was installed and commissioned successfully. The target was achieved with <b>“Excellent Rating”</b> before November 2015.

### Information Technology

IT Department 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 enabled communication network, state of the art Project Monitoring System with Video Conferencing.



*IT-In-house training programme on Cyber Security for Non IT personnel*

The corporation initiated the following activities for the year 2015-16:

1. The technical aspect of tendering process for implementation of ERP in NEEPCO has been completed.
2. The e-tendering process was implemented from November 2013 through the service provider M/s e-Procurement Technologies Ltd. The initial service subscribed for a period of 3 years till 26/11/2015 was further extended for a period of another 3 years on the

ground of satisfactory and prompt services from M/s e-Procurement Technologies Ltd. Based on NEEPCO’s requirements, a considerable number of additional features has been customized and incorporated along with payment gateway option. Presently, the Beta version of the new system is under testing by the C&P department. The new e-procurement system is expected to go online effective from May 2016 and will be implemented throughout NEEPCO.

3. Video Conferencing facility installed across 13 locations of NEEPCO is being expanded to another 3 (three) locations of Kopili Hydro Electric Project namely HOP Office, Kopili Power House and Khandong Power House which in turn is connected with Shillong Video Conferencing Centre. Besides, for the purpose of conducting Video Conferencing outside NEEPCO, a video firewall was successfully installed and commissioned in the PMC centre, Shillong.
4. The NEEPCO Information Security Manual (NISM) is being revised in accordance with the National Information Security Policy and Guidelines (NISPG) circulated by the Ministry of Home Affairs.
5. The process of installing Structured LAN at TrHEP and at Kimi, KaHEP is nearing completion. The process shall ensure total network connectivity in the new administrative building of both the locations.
6. **As per 2015-16 MoU target** set for developing a dashboard for monitoring security threats through acquisition of data in real time from the firewall at Corporate Office, Shillong, a Firewall Analyser is installed

and commissioned successfully. **The target was achieved with “Excellent Rating” before November 2015.**

7. Internet leased line bandwidth from PGCIL for Shillong was increased from 20 Mbps to 70Mbps to satisfy the ever growing demand of internet at corporate office. New internet leased line of 8 Mbps and 20 Mbps capacity from PGCIL have been subscribed for Guwahati office and AGTCCP plant respectively.
8. A process has been initiated to promote the e-office software (developed by NIC) as per instruction from Inter Ministerial Committee.

## Research & Development

R&D initiatives are taken by the Corporation to strengthen the country's technological capabilities and ensure growth. The R&D Projects undertaken during the year 2015-16:

1. 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 Report concluded that diversion of water was not suitable because of geographical obstructions but treatment with diethyl amine could be one of the options as it was found to be the most cost effective chemical treatment. It was observed that ₹9.8 crs / day will be required to increase the pH from 4 to 6.5 with the said chemical.
2. Application of remote Sensing and GIS in forecasting inflow/discharge into the reservoir of Kameng Hydro Electric Project. The Final Report concluded that heavy rainfall forecast by Weather Research Forecasting (WRF) Model was comparable with data from Automatic Weather Station (AWS) at Bomdila, Arunachal Pradesh. The results by a basin model generated for hydrologic run-off / discharge & flood using Hydrologic Engg. Centre – Geospatial Hydrologic Modeling Extension (HEC-GeoHMS), Hydrologic Engg. Centre – Geospatial River Analysis System (HEC- Geo RAS) & HEC-HMS Modeling packages were validated with the gauged data.
3. Feasibility study for implementing HTS generator in place of conventional generator in a hydro-electric power plant for generation modernization to increase efficiency. The report concluded that the High Temperature Superconductor Generator can be installed at Ranganadi HEP (the place of study) after due consideration on the

cost of replacement of Stator, Rotor, maintenance etc. and on commercial availability HTS machines.

Total expenditure against R & D during the year 2015-16 is ₹1.11 Crore

## Sustainable Development

There is a constant endeavor by the Corporation to contribute and maintain social and environmental sustainability. The Corporation is committed towards the objectives of Sustainable Development through its activities and services.

The Corporation took up the activity titled “To prepare a feasibility report on alternate water transport for the public through reservoir of Tuirial H.E. Project and submit to the Inland Water Transport Department for further studies” which was also a commitment in the MoU with the Ministry of Power, Government of India. The Feasibility Report confirmed that the reservoir could be an alternate mode of transport for the local villagers and could be a popular mode of transport between villages. The Feasibility Report was submitted to the Engineer-in-Chief, Public Works Department (PWD), Tuikhuahtlang, Aizawl who is looking after the Inland Water Transport Department.

## Rules and Policies

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

During the year 2015-16, NEEPCO has made purchases of goods and services from micro & small enterprises (MSE) worth ₹5.13 Crore, comprising 3.63% of the total procurement during the year. Total value of goods and services procured from MSEs owned by SC/ST entrepreneurs is ₹0.03 Crore,



Training programme for MSEs

comprising of 0.02% of the total procurement. Two numbers of Vendor Development Programme (VDP) for MSEs were conducted by NEEPCO, while being associated with four numbers of VDPs organized by other organizations.

## Risk Management Policy

Today's fast changing environment demands an evolving and dynamic Risk Management Policy. The Risk Management Policy has been thoroughly reviewed and prepared afresh with external professional assistance. The identified top risks were deliberated in the Audit Committee of the Board. The modified Risk Management Policy was approved by the Board in February, 2016 and circulated for implementation.

## Human Resource Development

We in NEEPCO understand that the training and developmental interventions play a vital role in improving and enhancing employees' performance and organisational growth. Training & development interventions, allow employees to acquire new skills, update the existing ones, perform better and enhance productivity. As such, NEEPCO has been working towards offering the best of training and developmental opportunities to our employees so that they can undertake their responsibilities in a more effective manner.

The training & development activities in NEEPCO were undertaken in accordance with the Annual Competency Development Plan, 2015-16. The plan had been prepared after incorporation of the training inputs received and through the analysis of the training need forms, training requirements forwarded by various departments from time to time, past participant's feedback, training calendars



*Training programme on PMS*

of external training agencies, etc. Apart from budget allocated for organizing training programmes, budget was also allocated for training infrastructure development and organising interactive talks by eminent personalities in experience sharing sessions.

During the year 2015-16, a total of budget ₹5.4 crore was allocated for investment in training & development of employees and building of training infrastructure across projects. In the year 2015-16, 1928 employees were imparted training to enhance their competency levels apart from enhancing their skills, sets & knowledge profile through various in-house programmes organized by HRD Centre & project sites; and external training programmes organized by various reputed training agencies within the country & abroad. The man-days of training from these training programmes were 8002 man-days resulting into 4.15 man-days of training per employee.

HRD Centre at Corporate Office, Shillong and HRD Centers at all projects of NEEPCO have organized various in-house, external & overseas training programmes. A total of 129 programmes were conducted during the year 2015 -16.

Some of such programmes were on Maintenance of Transformers - Erection, Testing, Commissioning, etc; Competency Development Programme for Technicians/ Operators/Supervisors, Turbine Efficiency, Turbine Governing System & Turbine Protection System, Environmental Impact Assessment, Conservation of environment & ecology, Roles & Responsibilities of Union for collective decision making process, Programme on Shaping Industrial Relations Climate for trade union leaders, Business Communication & Writing Skills, Advanced Management Program, Planning for superannuation, Stress Management/ Healthy Mind in a healthy Body/Yoga programme, Individual Coaching, HR Analytics, Advanced Leadership Program, GIS Applications, Computer application, General Awareness on Taxation, Labour Law Implementation, Industrial Safety, Hindi Workshops, Fire & Safety Training, etc.

Besides this, 21 newly recruited employees in different posts reserved for Persons with Disabilities in the category of Executives, Supervisor and Workman were given 10 days induction training at corporate office before their posting at different locations and departments.

Awareness Programme on "Roles & Responsibilities of

Union for collective decision making process, understanding NEEPCO's business, financial position and project plans" was also organised for members of NEEPCO National Bipartite Committee (NNBC) in association with XLRI, Jamshedpur during 2015-16. The representatives of the unions who attended the awareness programme, shared their experiences and learnings during a session organized at Shillong. The session turned out to be an interactive one where the audience earnestly participated in the discussion.

During the session, the members of the NEEPCO National Bipartite Committee (NNBC) expressed that the training program helped them to apprehend and learn leadership qualities, team building, cooperation & coordination and importance of oneness in an organization to achieve individual and organizational greater growth & profitability.

## Training Dynamics

### • Employees trained during the year 2015-16

Category	In-house	External	Overseas	Total
Executives	1016	111	16	1143
Supervisor	319	15	0	334
Workman	424	27	0	451
<b>Total</b>	<b>1759</b>	<b>153</b>	<b>16</b>	<b>1928</b>

- Training man-days achieved: 4.15 man days per employee
- Total numbers of Women employees trained : 287

### MANPOWER REPORT AS ON 31/03/2016 (REGULAR)

Board Level	Executive	Supervisors	Workmen	Total
5	962	340	1114	2421

Male	Female	General	SC	ST	OBC	PwD	ExSM
2063	358	1114	176	757	374	49	5

## Corporate Communication

NEEPCO continued its sustained efforts to work towards improvement of communication with the public and employees so that NEEPCO's mission, vision and activities are known and appreciated. It continued to publish the quarterly and monthly in-house journal "NEEPCO NEWS" and "News



CMD interacting with Doordarshan

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. We have 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.

## Rules and Policies

The Management brought into effect the following HR Policies & Guidelines during the year 2015-16, as enumerated below:

### New Policies and guidelines introduced

#### Policies:

- Introduced Child Care Leave, Child Care Leave on adoption and Paternity Leave to enable employees to take care of parenting needs of their children.
- NEEPCO Lease Accommodation Rules was revised in accordance with prevailing market trends.
- The rates for calculation of interest subsidy on House Building Advance was revised and the maximum limit of House Building Advance was enhanced from ₹7.5 lakhs to ₹20 lakhs for all categories of Employees.

#### HR Initiatives during the year 2015-16:

To effectively adapt and thrive in today's business world, NEEPCO implemented a set of effective humane interventions aimed at improving performances at organizational, group and individual levels during 2015-16 manifesting cooperation &

coordination amongst employees, thereby creating a climate of trust & support. These new initiatives are outlined as under:

- “Guidelines for re-skilling, remusteration and re-deployment of employees” was introduced.
- **HR PORTAL** for publishing **online HR updates** was launched.
- **Retired Employees’ Information was made available online** in Company’s website.
- **A Concept of holding Periodical Review Discussion with all HR executives** was introduced.
- **Booking of Guest house rooms was made online in the NEEPCO intranet.**
- **To consolidate the database of training details of all the employees, Training Information Management Systems (TRIMS) has been introduced & implemented.**
- **Online Recruitment introduced** for the first time in NEEPCO.
- To encourage reading habits amongst employees a **system of exchange of books & journals amongst employees** was introduced.
- A Telephone Directory in the form of a portable handbook was published and distributed to all employees for facilitating effective communication amongst employees.
- **Empowering of women employees** to take part in community development activities was initiated.
- **Awareness programme was organized for SC community** living in nearby areas.
- **Survey on health profile** of employees was conducted for imparting specific curing methods for diseases identified, creating awareness on healthcare & work-life balance of employees.
- Percentage **rate of PRP brought at par with other CPSEs** and payment of PRP was regulated in time by introducing a system for moderation for APAR by a high level committee.
- For the first time in the corporation, a system for **empanelment of advertising agencies** for print media corporate communications was introduced.

## Industrial Relations

In terms of enhancing peaceful IR scenario in NEEPCO, there was no loss of any man-days in NEEPCO on account

of any industrial dispute. The Management of NEEPCO has been taking 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) 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.

## 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.

## Health Awareness Program in Corporate Office, NEEPCO

Focusing on the Health aspects of the employees of NEEPCO, a programme on “Speciality OPD and Health Awareness” was organized by Corporate Office, NEEPCO in association with the Indraprastha Apollo Hospitals, New Delhi at Corporate Office, Shillong. The awareness programme was undertaken



*Health Awareness Camp at Corporate Office, Shillong*

by renowned and reputed doctors of Indraprastha Apollo Hospitals namely, Dr. Rajeev Rajput, Sr. Consultant, Cardiology and Dr. Raju Vaishya, Sr. Consultant, Orthopedics.

## 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 in the neighbourhood. 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's schools. These are English medium schools of good academic standards affiliated to Central Board of Secondary Education. The average student teacher ratio of all VKV schools in NEEPCO is 23:1.

In order to encourage the wards of NEEPCO employees under the NEEPCO Meritorious Scholarship scheme, Scholarships amounting to ₹26,16,000/- were released for the year of 2015-16.

## Swachh Bharat Abhiyan

As a part of the Swachh Bharat Campaign, NEEPCO organised several programmes and launched 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 Satyabrata Borgohain, Director (Personnel) 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.



*Employees participating in a Cleaning Drive at TGBP, Tripura*



*Students of VKV, KHEP presenting a march past display*

### Activities under Swachh Bharat 2015-16

STATE	PROJECT/ OFFICE	NOS. OF PROGRAMME
Assam	Guwahati	4
Meghalaya	Shillong	6
	Other Locations	19
Assam, Meghalaya, Tripura, Nagaland, Mizoram, Arunachal Pradesh	Special cleaning drive at NEEPCO	NEEPCO corporate office and all project locations

### Inter-Project Cultural Competition

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

### Sports Activities

Reports on Sports Activities during 1<sup>st</sup> April 2015 to 31<sup>st</sup> March, 2016

1. NEEPCO Bridge Team participated in the Inter CPSU Bridge Tournament organized by THDC from 2<sup>nd</sup> to

4<sup>th</sup> February 2016 at Rishikesh.

2. NEEPCO Carrom Team participated in the Inter CPSU Carrom Tournament organized by REC from 9<sup>th</sup> to 12<sup>th</sup> February 2016 at Kolkata. NEEPCO Team emerged as the winners in the Team Event and Open singles event and 2<sup>nd</sup> Runners up in the Open Doubles event.
3. NEEPCO Cricket Team participated in the Inter CPSU T20 Cricket Tournament organized by POWERGRID from 16<sup>th</sup> to 21<sup>st</sup> February, 2016 at Indore.
4. NEEPCO Chess team participated in the Inter CPSU Chess Tournament organized by NHPC from 16<sup>th</sup> to 18<sup>th</sup> March 2016 at Faridabad. NEEPCO Team emerged as the winners in the Team Event. NEEPCO also had a winner and a First Runners Up in the Open Singles event.
5. NEEPCO hosted the Inter CPSU Badminton Tournament at the U Tirot Singh Indoor Stadium, Shillong from 15<sup>th</sup> to 18<sup>th</sup> March 2016. Altogether, 10 (ten) teams participated in the Tournament. NEEPCO team emerged as Winners in the all the three events, i.e. Open Singles, Open Doubles and Team Event.

### 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.



Inter CPSU Badminton Tournament winning team NEEPCO with officials of NEEPCO at the U Tirot Singh Indoor Stadium, Shillong

Employees posted at different offices/ Projects were nominated for Hindi Prabodh, Praveen and Pragya exams. In order to provide guidance to the employees who opt to appear in Hindi Prabodh, Praveen and Pragya exams, training programmes known as “Sampark karyakram” programmes were organized across different projects/ plants/ offices under the Hindi Teaching Scheme. During the year 2015-16 cash awards were also given to the employees who qualify in the Hindi Prabodh, Praveen and Pragya exams. To facilitate the employees for doing their official work in Hindi, 23 (Twenty three) Hindi Workshops were organized and 441 officers & employees participated 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 2015-16 to create awareness and to encourage the employees to do their official works in Hindi. Various competitions were conducted in Hindi and attractive prizes were also awarded to the participants. Hindi patrika “NEEPCO JYOTI”, “Panyor Pravah”, “Ratandeeep” & “Vidyut Prava” were published from Corporate HQ, RHEP, New Delhi & AGTP respectively. An exhibition was also organized at Corporate Office where the achievements made in the use of Official Language Hindi; in the Corporation were displayed. Under Incentive Scheme, officers/ employees were also awarded Cash award for noting/ drafting in hindi.



Rajbhasha Workshop at Corporate Office, Shillong

NEEPCO TOLIC meetings were organized under the chairmanship of CMD. In the meeting review was made on the implementation work of Rajbhasha and valuable suggestions were provided for effective implementation of the same.

The corporation was also awarded the Third prize by Town Official Language Implementation Committee (TOLIC), Shillong for commendable works done in the implementation of official language policy.

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.

### NEEPCO Vigilance Activities

During the period from 01/04/2015 to 31/3/2016, 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 1<sup>st</sup> April, 2015, 4 (four) complaints were pending. During this period, 1 (one) new complaint has been received.

Apart from investigation of complaints received from various sources, the Vigilance Department has investigated various issues in a pro-active manner. Emphasis was given to the aspect of preventive vigilance to streamline and simplify the rules and procedures and making all efforts to arrest the loopholes detected during investigation of various cases.



Winners of the Essay competition on Vigilance, KHEP, Umrangso



Vigilance Wing gave several advices by way of preventive vigilance. These have also led to systemic improvements in Technical as well as Personnel wings. In Kameng Hydro Electric Project, a major systemic improvement in sourcing river bed materials has been effected. Notable process issues have also been pointed out to the management in the areas of awarding of contracts, signing of MoUs, Joint Ventures, and in transfers/promotions of employees as well as resource usage.

During this period, 59 (fifty nine) numbers of routine inspections have been conducted by site vigilance officials besides conducting CTE type inspections in the project sites. Regarding improving of vigilance administration by leveraging technology, the e-procurement, e-payment, registering online vigilance complaints and uploading of Annual Immovable Property Returns (AIPRs) of Executives in the NEEPCO's web site have been implemented.

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

1769 numbers of Annual Property Returns (APRs) of the employees have been scrutinized during the period from 01/4/2015 to 31/3/2016. Vigilance clearances in respect of officials required for various purposes like DPC, NOC for obtaining of Passport, promotion regularization, private foreign visit, out-side employment, retirement, resignation, release of terminal benefit etc. were given as and when sought for by the concerned department of the Corporation.

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

The "Vigilance Awareness Week" was observed in the Corporation w.e.f. 26.10.2015 to 31.10.2015.

## 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 Officer.

## Extract of the Annual Return

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

## Board Meeting

A total number of 7 Board Meeting of the Board of Directors were held during the year 2015-16.

## Independent Directors

All the Independent Directors have furnished a declaration at the time of their appointment and also annually that they qualify the tests of their being independent as laid down under Section 149(6) of the Companies Act, 2013. The declarations are placed before the Board. Since the Corporation did not have Independent Directors for a major part of the year and the new Independent Directors were appointed on the Board only w.e.f. 17<sup>th</sup> November, 2015, no Separate Meeting of the Independent Directors was held during the year 2015-16.

## Corporate Social Responsibility

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

## Formal Annual Evaluation

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

## Key Managerial Personnel (KMP)

The following are the Key Managerial Personnel (KMP) as on 31<sup>st</sup> March, 2016:

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.

### Internal Control Systems and their adequacy with reference to the Financial Statements

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

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

### The Nomination and Remuneration Committee

The Nomination & Remuneration Committee as on 31<sup>st</sup> March, 2016 as are follows:

Name	Chairman/Member	Independent/Executive
Shri Uttam K. Sangma	Chairman	Independent
Dr. Amitabha De	Member	Independent
Shri Vijay Kumar Gupta	Member	Independent
Shri Satyabrata Borgohain	Member	Director(Personnel)
Shri Utpal Moral *	Member	Director (Technical)

\*Ceased during the year

The Committee has been constituted in terms of DPE OM No. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26<sup>th</sup> November, 2008 and the terms of reference is as per section 178 of the Companies Act, 2013, read with the notification dated 5<sup>th</sup> June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated

26<sup>th</sup> November, 2008. The payment of remuneration to the employees of the Corporation are guided by the relevant Guidelines as issued by the Department of Public Enterprises.

### Statement containing Salient Features of the Financial Statement of Subsidiaries/ Associate Companies / Joint Ventures

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

### Material contracts / related party transaction

The Company has not entered into any material contracts/ arrangements with the related parties. Therefore, Form AOC-2 is not applicable. The Company has obtained declarations from all concerned in this regard. **Note 39 & Note 40** of the Consolidated Financial Statements & **Note 41 & 42** of the Standalone Financial Statements may be referred.

### Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

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

### Prevention and Redressal of Sexual Harassment of women at workplace

As per the requirement of the Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013 and Rules made thereunder, NEEPCO has constituted an Internal Committee on Sexual Harassment of Women at Workplace. There were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during 2015-16.

### Corporate Governance

The shares of the Company are not listed and 100%

shares are 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 - 3** and the Management Discussion and Analysis Report as **Annexure-4** of this Report. Certificate on Corporate Governance from the Practicing Company Secretary is enclosed as **Annexure-5**.

### Audit Committee

The Audit Committee regularly reviews all financial statements before placing 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 Board has accepted the recommendations of the Audit Committee. The composition of the Audit Committee as on 31-03-2016 are as follows:

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

\*Ceased during the year

### 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 31<sup>st</sup> March, 2016 and of the profit of the company for the period ended on that date;
- (c) The directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors have prepared the annual accounts of the Company on a going concern basis;
- (e) The directors, have laid down internal financial controls which are being followed by the company and that such internal financial controls are adequate and are operating effectively; and
- (f) The directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### Directors

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

Sl. No.	Name	Date of Appointment
1.	Shri K.V. Eapen	09.10.2015
2	Dr. Amitabha De	17.11.2015
3	Shri Gopal Krishan Agarwal	17.11.2015
4	Shri Siddhartha Bhattacharya	17.11.2015
5	Shri Vijay Kumar Gupta	17.11.2015
6	Shri Uttam K. Sangma	17.11.2015
7	Shri Vinod Kumar Singh	01.03.2016

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

1. Shri Kaling Tayeng, Part-Time Official Director
2. Shri Ashok Sinha, Independent Director
3. Dr. Ramesh B. Baheti, Independent Director

4. Shri Utpal Moral, Director (Technical)

5. Shri P. C. Pankaj, Chairman & Managing Director

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

With the superannuation of Shri P. C. Pankaj as Chairman & Managing Director on 30-06-2016, the Ministry of Power, Govt. of India vide letter F. No.7/30/2015-H-I dated 30<sup>th</sup> June, 2016 has entrusted the additional charge of Chairman & Managing Director, NEEPCO to Shri Gurdeep Singh, Chairman & Managing Director, NTPC.

### Particulars of Employees

During the year 2015-16 there was no employee who was in receipt of remuneration for that year which, in the aggregate, was not less than ₹60 lakh or if employed for a part of financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than ₹5 lakh per month; or if employed throughout the financial year or part thereof, was in receipt of remuneration during the year, which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director and holds by himself or along with his spouse and dependent and children not less than 2% of the equity shares of the company.

### Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Pursuant to Section 134 (m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 the information on conservation of energy, technology absorption, foreign exchange earnings and outgo during the year 2015-16 is annexed as **Annexure – 9**.

### Acknowledgement

The Directors are grateful to the various Ministries and Departments of the Government of India particularly the Ministry of Power, Ministry of Home Affairs, Ministry of Finance, Ministry of Environment and Forest, NITI Aayog, Department of Public Enterprises, North Eastern Council, Central Electricity Authority, Central Water Commission, Central Electricity Regulatory Commission, Central Soil and Material Research Station, Geological Survey of India, Survey of India and North Eastern Regional Electricity Board for their continued cooperation and assistance.

The Directors express their sincere gratitude to the State Government of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura for the co-operation and help extended by them. The Directors further express their appreciation to the State Governments who had made all payment against their current dues during the period 2015-16.

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



**(Gurdeep Singh)**

Dated : 04-08-2016

Place : New Delhi

Chairman & Managing Director

DIN : 00307037

*Nohkalikai Falls, Cherrapunji*





**ANNEXURE - 1**

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN****As on the financial year ended on 31-03-2016**

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

**I. REGISTRATION AND OTHER DETAILS**

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

**III. 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	92.24%

**IV. 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)

\* In view of the unviability of the project, the Joint Venture Partner requested NEEPCO for termination of the Joint Venture. Therefore, the Board of NEEPCO in its 222<sup>nd</sup> Board Meeting held on 10<sup>th</sup> May, 2016, decided to exit from the SPV and the termination deed was signed on 21<sup>st</sup> July, 2016.

**VI. SHARE HOLDING PATTERN (Equity Share capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**



Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual / HUF									
b) Central Govt.		3426115400	3426115400	100%		3452810400	3452810400	100%	0.7%
c) State Govt.									
d) Bodies Corp									
e) Banks / FI									
f) Any other									
<b>Sub-total (A) (1)</b>		3426115400	3426115400	100%		3452810400	3452810400	100%	0.7%
<b>(2) Foreign</b>									
a) NRIs – Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other									
<b>Sub-total (A)(2)</b>									
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
<b>Sub-total (B)(1)</b>									
<b>2. Non-Institutions</b>									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lakh									



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	
i) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
<b>Sub-total (B)(2)</b>									
Total Public Shareholding (B)=(B)(1)+(B)(2)									
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>		<b>3426115400</b>	<b>3426115400</b>	<b>100%</b>		<b>3452810400</b>	<b>3452810400</b>	<b>100%</b>	<b>0.7%</b>

(ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% changes in shareholding during the year
		No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	The President of India	3426115400	100%		3452810400	100%		0.7%

(iii) Change in Promoters' Shareholding (please specify, if there is not 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	01.04.2015	3426115400	100%	3426115400	100%
	Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	27.08.2015 Allotment	65000		3426180400	
		15.02.2016 Allotment	26630000		3452810400	
	At the End of the year	31.03.2016	3452810400	100%	3452810400	100%

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

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

## (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
<b>At the beginning of the year</b>					
1	Shri P. C. Pankaj, CMD	100		100	
2	Shri A. G. West Kharkongor, D (F)-cum-CFO	100		100	
3	Shri Utpal Moral, D (T)*	100		100	
4	Shri Satyabrata Borgohain, D (P)	100		100	
5	Shri V. K. Singh, D (T)**	0		0	
6	Shri Raj Pal, Economic Advisor, MoP	100		100	
7	Shri Chiranjeeb Sharma, Company Secretary	0		0	
<b>Date wise Increase/ Decrease in shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/swear equity etc).</b>					
1	Shri P. C. Pankaj, CMD	100		100	
2	Shri A. G. West Kharkongor, D(F)-cum-CFO	100		100	
3	Shri Utpal Moral, D (T)*	100		100	
4	Shri Satyabrata Borgohain, D (P)	100		100	
5	Shri V. K. Singh, D (T)**	0		0	
6	Shri Raj Pal, Economic Advisor, MoP	100		100	
7	Shri Chiranjeeb Sharma, Company Secretary	0		0	
<b>At the end of the year</b>					
1	Shri P. C. Pankaj, CMD	100		100	
2	Shri A. G. West Kharkongor, D (F)-cum-CFO	100		100	
3	Shri Utpal Moral, D (T)*	100		100	
4	Shri Satyabrata Borgohain, D (P)	100		100	
5	Shri V. K. Singh, D (T)**	0		0	
6	Shri Raj Pal, Economic Advisor, MoP	100		100	
7	Shri Chiranjeeb Sharma, Company Secretary	0		0	

#Held on behalf of the President of India.

\*Ceased during the year.

\*\*Appointed during the year.



**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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	4,06,106.57	72,815.01	-	4,78,921.58
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	831.09	365.63	-	1,196.72
<b>Total (i+ii+iii)</b>	<b>4,06,937.66</b>	<b>73,180.64</b>	<b>-</b>	<b>4,80,118.30</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	1,22,116.21	10,704.04	-	1,32,820.25
Reduction	50,117.90	4,216.70	-	54,334.60
<b>Net Change</b>	<b>71,998.31</b>	<b>6,487.34</b>	<b>-</b>	<b>78,485.65</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	4,75,976.70	79,262.59	-	5,55,239.29
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2,959.28	405.40	-	3,364.67
<b>Total (i+ii+iii)</b>	<b>4,78,935.97</b>	<b>79,667.99</b>	<b>-</b>	<b>5,58,603.96</b>

**VI. Remuneration of Directors and Key Managerial Personnel**

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

Sl. No.	Particulars of Remuneration	Name of MD / WTD					Total Amount
		Shri P. C. Pankaj	Shri A. G. West Kharkongor	Shri Utpal Moral *	Shri Satyabrata Borgohain	Shri V. K. Singh **	
1.	Gross salary						
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961	44,53,472	39,85,299	47,91,079	35,43,005	2,80,945	1,70,53,800
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961						
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	-
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	-
4.	Commission						
	- as % of profit	Nil	Nil	Nil	Nil	Nil	-
	- Others specify	Nil	Nil	Nil	Nil	Nil	-
5	Others please specify	Nil	Nil	Nil	Nil	Nil	-
	<b>Total (A)</b>	<b>44,53,472</b>	<b>39,85,299</b>	<b>47,91,079</b>	<b>35,43,005</b>	<b>2,80,945</b>	<b>1,70,53,800</b>
	Ceiling as per the Act						

\* Ceased during the year

\*\*Appointed during the year

**B. Remuneration to other directors**

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 *	Dr. Amitabha De **	Shri Gopal Krishan Agarwal **	Shri Siddhartha Bhattacharya **	Shri Vijay Kumar Gupta **	Shri Uttam K. Sangma **	
<b>1</b>	<b>Independent Directors</b>											
	- fee for attending board/ committee meetings	1,12,360	44,944	1,12,360	2,26,688	1,36,144	68,700	22,900	45,800	68,700	NIL	8,38,596
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (1)</b>	1,12,360	44,944	1,12,360	2,26,688	1,36,144	68,700	22,900	45,800	68,700	NIL	8,38,596
<b>2</b>	<b>Other Non-executive Directors</b>											
	• Fee for attending board / committee meetings	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Commission	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	• Others, please specify	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (2)</b>	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
	<b>Total (B) = (1+2)</b>	1,12,360	44,944	1,12,360	2,26,688	1,36,144	68,700	22,900	45,800	68,700	NIL	8,38,596
	Total Managerial Remuneration											
	Overall ceiling as per the act											

\* Ceased during the year

\*\*Appointed during the year

**C. Remuneration to Key Managerial Personnel; other than MD / WTD**

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.	24,22,656	N.A.	24,22,656
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat equity				
4.	Commission - as % of profit - others, specify				
5.	Others, please specify				
	<b>Total</b>	N.A.	24,22,656	N.A.	24,22,656

**VII. Penalties / Punishment / Compounding of offences**

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



## ANNEXURE - 2

## 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	31.03.2016	31.03.2016	31.03.2016
2. Shares of Joint Ventures held by the company on the year end			
No.	750,00,000	-	2,79,30,000
Amount of Investment in Joint Venture (In ₹)	75,00,00,000	2,00,000	27,93,00,000
Extent 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	CFS prepared as per AS-21		
5. Networth attributable to Shareholding as per latest audited Balance Sheet (In ₹)	70,80,00,000	(21,78,365)	2,79,33,000
6. Profit / Loss for the year			
i. Considered in Consolidation	(10,50,00,000)	(58,47,212)	-
i. Not Considered in Consolidation	-	-	-

\* In view of the unviability of the project, the Joint Venture Partner requested NEEPCO for termination of the Joint Venture. Therefore, the Board of NEEPCO in its 222<sup>nd</sup> Board Meeting held on 10<sup>th</sup> May, 2016, decided to exit from the SPV and the termination deed was signed on 21<sup>st</sup> July, 2016.

**1. Names of associate or joint ventures which are yet to commence operations.**

KSK DIBBIN HYDRO POWER PRIVATE LIMITED

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

Nil

**ANNEXURE - 3**
**REPORT OF CORPORATE GOVERNANCE**

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

**PHILOSOPHY ON CODE OF GOVERNANCE**

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

**1. COMPOSITION OF BOARD AND PARTICULARS OF DIRECTORS:**
**(i) Composition of Board:**

As on 31<sup>st</sup> March, 2016, 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 States 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 31<sup>st</sup> March, 2016 is as under:

**FUNCTIONAL DIRECTORS / WHOLE TIME DIRECTORS**

Name	Executive/ Non-executive/ Independent	No. of other Directorships held *		No. of other committee membership held **	
		Public	Private	Public	Private
Shri 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 Satyabrata Borgohain DIN NO: 06801073	Director (Personnel)	Nil	Nil	Nil	Nil
Shri Vinod Kumar Singh DIN NO: 07471291	Director (Technical)	Nil	Nil	Nil	Nil

**DIRECTOR FROM THE MINISTRY OF POWER, GOVT. OF INDIA**

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

### DIRECTOR REPRESENTING FROM NORTH EASTERN STATES

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of other committee membership held**	
		Public	Private	Chairman	Member
Shri K.V. Eapen DIN NO: 01613015	Part-time Director	5	Nil	Nil	Nil
<b>INDEPENDENT DIRECTORS</b>					
Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of other committee membership held**	
		Public	Private	Chairman	Member
Dr. Amitabha De DIN NO: 07466659	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Gopal Krishan Agarwal DIN NO: 00226120	Non-official Part-time Director	2	4	Nil	Nil
Shri Siddhartha Bhattacharya DIN NO: 07411794	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Vijay Kumar Gupta DIN NO:07353011	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Uttam K. Sangma	Non-official Part-time Director	Nil	Nil	Nil	Nil

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

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

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

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

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

- 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.
- 7 (Seven) 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.	214 <sup>th</sup> BM	08.04.2015	11	11
2.	215 <sup>th</sup> BM	12.05.2015	11	11
3.	216 <sup>th</sup> BM	13.07.2015	8	6
4.	217 <sup>th</sup> BM	14.07.2015	8	7
5.	218 <sup>th</sup> BM	27.08.2015	8	7
6.	219 <sup>th</sup> BM	18.12.2015	11	9
7.	220 <sup>th</sup> BM	15.02.2016	11	8



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

Name of the Directors	Attendance of Meetings during 2015-16		
	Board Meeting held during tenure	Board Meeting attended	Last AGM
Shri P. C. Pankaj	7	7	Yes
Shri A. G. West Kharkongor	7	7	Yes
Shri Utpal Moral**	7	7	Yes
Shri Satyabrata Borgohain	7	7	Yes
Shri Vinod Kumar Singh*	NA	NA	NA
Shri Raj Pal	7	6	Yes
Shri Kaling Tayeng**	5	3	N.A.
Shri K. V. Eapen*	2	0	N.A.
Shri Shantikam Hazarika**	2	2	N.A.
Shri Ardhendu Sen **	2	2	N.A.
Shri Santosh Saraf **	2	2	N.A.
Shri Ashok Sinha **	5	5	N.A.
Dr. Ramesh B. Baheti**	5	4	N.A.
Dr. Amitabha De*	2	2	N.A.
Shri Gopal Krishan Agarwal*	2	1	N.A.
Shri Siddhartha Bhattacharya*	2	2	N.A.
Shri Vijay Kumar Gupta*	2	2	N.A.
Shri Uttam K. Sangma*	2	0	N.A.

\*Appointed during the year.

\*\*Ceased during the year.

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

## 2. Code of Conduct

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

## 3. Risk Management Policy

The Company has implemented the Risk Management Policy, as approved by the Board of Directors 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 re-constituted during the year and the Audit Committee as on 31<sup>st</sup> March, 2016 were as follows:



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

\*Ceased during the year

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

Sl. No	Date	Committee Strength	No. of Members Present
1.	12.05.2015	4	4
2.	14.07.2015	3	2
3.	27.08.2015	3	2
4.	15.02.2016	4	3

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

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

#### A. COMPOSITION

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

#### B. MEETINGS OF THE COMMITTEE

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

#### C. POWERS OF THE COMMITTEE

The Committee shall have the following powers: -

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

**D. TERMS OF REFERENCE OF THE AUDIT COMMITTEE**

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



## 6. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee as on 31<sup>st</sup> March, 2016 as are follows:

Name	Chairman/ Member	Independent/ Executive
Shri Uttam K. Sangma	Chairman	Independent
Dr. Amitabha De	Member	Independent
Shri Vijay Kumar Gupta	Member	Independent
Shri Satyabrata Borgohain	Member	Director(Personnel)
Shri Utpal Moral *	Member	Director (Technical)

\*Ceased during the year

The Committee has been constituted in terms of DPE OM No. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26<sup>th</sup> November, 2008 and the terms of reference is as per section 178 of the Companies Act, 2013, read with the notification dated 5<sup>th</sup> June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated 26<sup>th</sup> November, 2008.

## 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 2015-16 are given below:

### Director's Remuneration for the FY 2015-16

No.	Name	Designation	Salary & Allowances	Cont. to PF & Other Funds	Other Benefits	Total
1	Shri P. C. Pankaj	CMD	31,14,524	4,80,241	8,58,707	44,53,472
2	Shri A. G. West Kharkongor	Director (Finance)-cum-CFO	29,92,914	4,61,490	5,30,895	39,85,299
3	Shri Utpal Moral *	Director (Technical)	26,76,037	4,11,771	17,03,271	47,91,079
4	Shri Satyabrata Borgohain	Director (Personnel)	26,57,532	4,17,102	4,68,371	35,43,005
5	Shri V. K. Singh **	Director (Technical)	2,30,126	35,681	15,138	2,80,945
<b>Total</b>			<b>1,16,71,133</b>	<b>18,06,285</b>	<b>35,76,382</b>	<b>1,70,53,800</b>

\* Ceased during the year

\*\* Appointed during the year

## 8. DISCLOSURES

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

## 9. GENERAL BODY MEETING

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

Financial Year	Date	Time	Location
2012-13	13.09.2013	12.00 PM	Guwahati
2013-14	17.09.2014	12:30 PM	New Delhi
2014-15	30.09.2015	04:30 PM	Shillong



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

Date of AGM	Special Resolution passed
13.09.2013	<ol style="list-style-type: none"><li>1. Creation of Mortgage for XIII series PSU Bond of ₹72.50 Crore for TGBP.</li><li>2. Creation Security for external control Borrowing of US\$100.00 Million for the TGBPP (101 MW) and the AGTP extension (46 MW).</li></ol>
17.09.2014	<ol style="list-style-type: none"><li>1. To ratify the remuneration of the Cost Auditors for the financial year 2014-15.</li><li>2. Mobilization of ₹2500.00 crore in the form of Redeemable Non-Convertible Taxable Debentures (NEEPCO PSU Bonds XIV<sup>th</sup> series) for funding the capital expenditure of the Corporation.</li><li>3. Creation of Security for borrowings within the borrowing powers of the Board.</li><li>4. Enhancement of borrowing powers of the Board.</li></ol>
30.09.2015	<ol style="list-style-type: none"><li>1. To Mobilize ₹2000 Crore Long Term Borrowing for Funding the Capital Expenditure of the Corporation and creation of security by way of Mortgage and/ or Hypothecation of the Assets of the Corporation against these Borrowings</li></ol>

#### 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

**(Gurdeep Singh)**

Chairman & Managing Director

DIN : 00307037

Dated: 04-08-2016

Place: New Delhi

## ANNEXURE - 4

# MANAGEMENT DISCUSSION AND ANALYSIS REPORT

## INDUSTRY STRUCTURE AND DEVELOPMENTS

India is a country with more than 1.2 billion people accounting for more than 17% of world's population. It faces a formidable challenge in providing adequate energy supplies to users at a reasonable cost. It 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.

As on 31<sup>st</sup> March 2016, the total installed capacity in India stood at 2,98,059.97 MW. Capacity added during the 12<sup>th</sup> Five Year Plan (till 31.03.2016) is 84,990.72 MW which is 95.99% of the capacity addition target of 88,537 MW. With more than a year left for the end of the 12<sup>th</sup> FY Plan, the target is very much achievable. **Capacity addition from conventional source was 23976 MW during the year 2015-16, which is the highest ever during a given financial year.** In capacity addition, it is seen that growth was fuelled mainly due to capacity addition in the Hydro Sector, where the change was 106% in 2015-16 as compared to 2014-15. However, in Nuclear Energy, there has been no growth in 2015-16.

In 2015-16, the generation in the country went up from 1048.672 BU in 2014-15 to 1107.385 BU, a growth of 5.6%. In terms of Power Supply Position (Demand/availability) in the country, the deficit was 2.1% during 2015-16, while the shortfall in the NE Region was 5.2% during the same period. **This 2.1% deficit in the Country during 2015-16 is the lowest ever deficit.** In terms of Peak Demand/Peak Met, the deficit in the country in 2015-16 was 3.2%, while that in the NE Region was 8%.

Electricity consumption in India is expected to rise to around 2280 BkWh by 2021-22 and around 4500 BkWh by 2031-32. 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.

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, three thermal and one Solar power stations spread over the North Eastern Region of India with a total installed capacity of 1287 MW, out of which 755 MW in Hydro, 527 MW in Thermal and 5 MW<sub>p</sub> in Solar sectors. Another 773 MW is likely to be added during the 12<sup>th</sup> FY Plan by NEEPCO, thereby raising the total installed capacity to 2057 MW.

### Opportunities and Strength

India is endowed with an enormous hydro power potential. Out of around 1,45,320 MW hydropower potential, approximately 43,000 MW has been developed so far. 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 306.60 and 43.25 billion tones respectively and natural gas of 1488.49 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 2016, the NE region alone has vast quantities of Natural Gas particularly in the states of Assam (Estimated quantity of 151.40 BCM) and huge reserves of Coal particularly in the state of Meghalaya (0.58 Billion Tonnes). Given the abundance of Fossil Fuel in the region, there is also ample scope for the development of the Thermal Power in the region. The projected energy requirement of the NE Region by the year 2021-22 stands at 22421 MU with the peak demand touching 3905 MW. 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.

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 heavily on importing its petroleum needs and coal requirement. 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 4<sup>th</sup> 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 Government with a target of 100 GW of solar and 60 GW through wind by 2022. In the global context, currently India ranks 5<sup>th</sup> in terms of Wind Power generation while it ranks 11<sup>th</sup> in Solar Energy.

India is endowed with vast solar energy potential. About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per sq. m per

day. Hence, both technology routes for conversion of solar radiation into heat and electricity, namely, solar thermal and solar photovoltaic, can effectively be harnessed providing huge scalability for solar in India. In order to boost capacity addition in these areas, the Government has announced several schemes. Among them are schemes for Development of Solar Parks and Ultra Mega Solar Power Projects, project for development of Grid Connected Solar PV Power Plants on Canal Banks and Canal Tops and Solar Pumping Programme for Irrigation and Drinking Water. The Government plans to rope in the unemployed youth, MSME, Gram panchayats in this process and also plans to boost Solar Power generation through grid connected Rooftop Solar Projects. The target through this Rooftop Solar scheme is 40 GW by 2022, where an estimated potential of 124 GW exists.

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.

There is, however, a strong need for all stakeholders to 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.

With ample potential and opportunity at hand, 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.

### 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 involving 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 overrun.
- Acidic water in the reservoir of Kopili HE Plant due to Acid Mine Drainage at the catchment of the Plant is a major threat, which is not only causing frequent shutdown of plant, but also huge expenditures have to be incurred for rectification/renovation works.

- Non-clearing of 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 a very ambitious growth plan for capacity addition. It has drawn out plans for huge capacity addition during the 12<sup>th</sup> Plan and beyond which have already been highlighted in the Directors' Report. Already NEEPCO is poised to add another 773 MW in the 12<sup>th</sup> FY Plan through various projects which are in various stages of development. Apart from capacity addition through projects on ownership basis comprising the sectors of Hydro, Thermal and Renewable Energy, NEEPCO is also looking forward to accelerated development of projects through the Joint Venture route in all of the three sectors. In this regard, already three JVs were 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.

### Environmental Conservation, Renewable Energy use and R&D developments

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

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

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

To address the new challenges and opportunities in the increasingly competitive global market, R&D initiatives were taken by NEEPCO. The R&D Projects undertaken during the year 2015-16 are indicated under the heading **Research & Development**.

NEEPCO has also taken up activities under Sustainable Development (SD) as part of its commitment towards the conservation of the environment. The SD Projects undertaken during the year 2015-16 are highlighted under the heading **Sustainable Development**.

### Yearly generation Power Stationwise

Power Station	Generation Target (MU) 2015-16 for "V-Good" MOU rating	Actual Generation (MU) 2015-16	Actual Generation (MU) 2014-15	P.A.F. Target (%) 2015-16 for "Very Good" MOU rating	Actual Plant Availability Factor (%) 2015-16	Actual Plant Availability Factor (%) 2014-15
<b>THERMAL</b>						
AGBP (291 MW)	1725	1759	1741	67	70.16	69.26
AGTCCP (135 MW)	1000	871	622	85.5	81.40	84.64
TGBPP (101 MW)	380	127	--	58	40.30	--
<b>Thermal Total</b>	<b>3105</b>	<b>2757</b>	<b>2363</b>			
<b>HYDRO</b>						
Kopili H E Plant (4 X 50 + 3 X 25) = (275 MW)	935	957	717	70	62.19	50.42
Doyang H E Plant (75 MW)	227	163	165	73	62.18	62.91
Ranganadi H E Plant (405 MW)	1125	1337	1110	85	96.34	86.18
<b>Hydro Total</b>	<b>2287</b>	<b>2457</b>	<b>1992</b>			
<b>RENEWABLE</b>						
Solar Monarchak (5 MW)	8	6	1		12.23	
<b>NEEPCO (TOTAL) 1287 MW</b>	<b>5400</b>	<b>5220</b>	<b>4356</b>			

**Note:** Generation of 6.6068 MU from STGs of AGTP during 2014-15, which was injected to grid as infirm power prior to COD of the units has not been considered above.

## Analysis of Generation

Generation achieved during the year 2015-16 was 5220 MU against generation of 4356 MU achieved during 2014-15. The increase in generation with respect to the previous year is around 19.85 % against increase of installed capacity by 10.75 % w.r.t. installed capacity of previous years.

## 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 2015-16 as compared to the FY 2014-15.

#### Income

	2015-16	2014-15	Increase
<b>Units of electricity sold (in MU)</b>	4793.35	4083.02	710.33
<b>Income:</b>			
Revenue from Operation (₹ in Lakh)	160841.22	153051.04	7790.18
Other Income (₹ in Lakh)	13524.83	2789.93	10734.90
<b>Total Revenue (₹ in Lakh)</b>	<b>174366.05</b>	<b>155840.97</b>	<b>18525.08</b>

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 11.89% to ₹174366.05 lakh in FY 2015-16 from ₹155840.97 lakh in FY 2014-15.

In exercise of the powers conferred under section 178 of the Electricity Act, 2003, the Central Electricity Regulatory Commission (CERC) has 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 had 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 FY 2015-16 continued on the basis of the AFC (Annual Fixed Charge) approved by the CERC for the FY 2013-14. The aforesaid procedure has been adopted in compliance

with regulation 7 (8) (i) of the CERC (Terms and conditions of Tariff) Regulations, 2014. Subsequently, tariff orders for the various projects for the period 2014-19 were issued by the CERC during the period January, 2016 to March, 2016 on the basis of which arrear bills were raised. In addition, bills worth ₹10602.67 lakh were raised during the FY 2015-16 on account of deemed generation for the period 2009 to 2012 as allowed by CERC.

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

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

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

During FY 2015-16, PAFY for Khandong, Kopili Stage II & Ranganadi Hydro Power station exceeded the respective NAPAF. The PAFY versus NAPAF achieved during FY 2015-16 are as follows:

Name of the Power station	Normative Plant Availability (NAPAF) (in %)	Actual Plant Availability (PAFY) achieved (in %)
Kopili Hydro Power Station (200 MW)	79.00	56.34
Khandong Hydro Power Station (50 MW)	69.00	76.34
Kopili Stage II (25 MW)	69.00	80.66
Ranganadi Hydro Power Station (405 MW)	85.00	96.34
Doyang Hydro Power Station (75 MW)	73.00	62.18
Assam Gas Based Power Plant (291 MW)	72.00	70.16
Agartala Gas Turbine Combined Cycle Power Plant (135 MW)	85.00	81.40
Tripura Gas Based Combined Cycle Power Plant (101 MW)	58.00	40.30
Solar PV Power Project, Monarchak (5 MW)	19.00 (CUF)	12.23 (CUF)

### Sale of Electricity

NEEPCO sells electricity to bulk consumers comprising of the state-owned electricity utilities and power departments in the North Eastern Region (excluding Sikkim) under long term Power Purchase Agreements (PPAs) and as per the allocation made by the Ministry of Power for each of the beneficiary States. Total revenue from operations during 2015-16 was ₹160841.22 lakh (incl. supply to colony amounting to ₹193.97 lakh).

The commercial operation of the two Steam Turbines (51 MW) of the Agartala GTP-Extension Project was declared on 29<sup>th</sup> July, 2015 and 1<sup>st</sup> September, 2015 while commercial operation of the Gas Turbine (65.42 MW) of the Tripura GBPP was declared on 24<sup>th</sup> December, 2015. The addition to sales from energy generated by these newly commissioned units was ₹1907.10 lakh and ₹2605.40 lakh respectively.

The Corporation achieved a generation of 5220.37 MU during the year from its total installed capacity of 1252.09 MW as compared to total generation of 4356.27 MU during the previous year.

### Other Income

'Other Income' mainly comprises late payment surcharge, interest earned from Power Bonds (securitization scheme) and miscellaneous income.

Other Income was ₹13524.83 lakh in FY 2015-16 as compared to ₹2789.93 lakh in FY 2014-15, i.e. an increase of 384.77%.

During the 2015-16, the Corporation received an amount of ₹12622.21 lakh on account of late payment surcharge as against ₹621.92 lakh during 2014-15 i.e. an increase of ₹12000.29 lakhs. Liability /Provision written back have

decreased from ₹318.16 lakh to ₹2.37 lakh. The decrease in interest income from securitized Power Bonds to the extent of ₹811.67 lakh is due to the final redemption installment of these bonds amounting to ₹9549.06 lakh.

### Expenditure

The total expenditure in FY 2015-16 increased by 14.06% as compared to the previous year mainly due to an increase in the cost of material consumed, finance cost, other expenses & Prior period adjustment. Further, there was decrease in Employee benefits expenses, Depreciation, Generation & administration expenses.

(₹ in lakh)

	2015-16	2014-15	Increase/Decrease
Cost of material consumed	62955.03	58055.47	4899.56
Employee benefit expenses	15916.87	16113.19	-196.32
Finance costs	1633.82	340.57	1293.25
Depreciation	11882.84	14637.81	-2754.97
Generation & administration expenses	23831.89	25844.35	-2012.46
Other expenses	13334.11	1872.18	11461.93
Prior period adjustment	263.21	(3049.76)	3312.97
<b>Total</b>	<b>129817.77</b>	<b>113813.81</b>	<b>16003.96</b>

### Cost of Material Consumed

Cost of material consumed consists of cost of gas and transportation charges thereon. The gas price is fixed by the Ministry of Petroleum and Natural Gas (MoPNG), Government

of India. Domestic Gas Price for the FY 2015-16 are USD 4.66 and USD 3.82 per MMBTU (on GCV basis) for the period of Apr '15 to Sep '15 and Oct '15 to Mar'16 respectively. During the current year, the expenditure on cost of material consumed was ₹62955.03 lakh (consisting of cost of gas ₹61858.71 lakh and transportation charges ₹1096.32 lakh) as against ₹58055.47 lakh in the previous year (consisting of cost of gas - ₹56915.14 lakh and transportation charges - ₹1140.33 lakh). Expenditure on gas constituted 48.49% of the total expenditure as against 51.01% of previous year.

### Employees' Remuneration and Benefits

Employees' remuneration and benefits includes salaries and wages, allowances, incentives, contribution to Provident Fund, other welfare expenses and provision for Gratuity and Pension fund. These expenses accounted for approximately 12.26% of NEEPCO's total expenditure during the year as compared to around 14.16% 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 28.63% of NEEPCO's total expenditure during the year as compared to 24.35% in FY 2014-15. In absolute terms, these expenses increased by ₹9449.47 lakh (i.e. 34.09%) from the previous year.

### Depreciation

As per NEEPCO's accounting policy, depreciation is charged on the Straight Line Method to the extent of 90% of the cost of assets as per the rates and methodology notified by the CERC vide its notification dated 21<sup>st</sup> February, 2014, except in case of some items for which depreciation is charged at rates assessed by NEEPCO. Depreciation cost decreased by 18.82% to ₹11882.84 lakh in FY 2015-16 from ₹14637.81 lakh in FY 2014-15 is mainly due to reduction in the depreciation applicable in respect of the Ranganadi H.E. Project. As per the CERC Regulation No. 27(5), the balance depreciable value is to be spread equally over the remaining useful life of the plant after applying individual depreciation rates during the first 12 years.

### Finance Costs

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

Finance Cost (revenue account) increased by 379.73% to ₹1633.82 lakh from ₹340.57 lakh in the previous year due to commissioning of the two Steam Turbines of Agartala GTP-Extension Project and the Gas Turbine of the Tripura Gas Turbine Project.

### Prior Period Adjustments (Net)

Prior Period Adjustment (net expenditure) has increased during the current financial year as there was a net income in the previous year on account of receipt of NERLDC fees. In absolute terms Prior Period Adjustment increased by ₹3312.97 lakh.

### Profit before Tax

The cumulative effect of all the above is an increase in NEEPCO's profit before tax in FY 2015-16 by 6% to ₹44548.28 lakh from ₹42027.16 lakh in FY 2014-15.

### Provision for Tax

The Corporation provides Current Tax & Deferred Tax as per the Income Tax Act, 1961. Net provision for FY 2015-16 is ₹7293.62 lakh in comparison to ₹10173.51 lakh in financial year 2014-15 i.e. a decrease of ₹2879.89 lakh due to recognition of "Deferred Tax Assets" in compliance with AS 22.

### Liquidity and Capital Resources

#### Liquidity

Funds for working capital requirements as well as capital expenditure for construction of projects are mobilized from both internal and external sources. Funds are sourced externally in the form of long term loans either in Indian Rupees or in foreign currency and through privately placed PSU Bonds. As on 31<sup>st</sup> March, 2016, NEEPCO had Cash and Bank balances of ₹44795.16 lakh as compared to ₹72711.27 lakh as on 31<sup>st</sup> March, 2015. The bank balance in the previous year was higher on account of a Bond mobilization on 25<sup>th</sup> March, 2015.

## Cash Flow

(₹ in lakh)

	2015-16	2014-15
1. Net cash inflow from operating activities	41639.24	48305.51
2. Net cash outflow from investment activities	(107553.46)	(144111.10)
3. Net cash inflow from financing activities	37998.11	138761.06

### 1. Net Cash from Operations

NEEPCO's net cash inflow from operating activities was ₹41639.24 lakh in FY 2015-16 after booking a net profit before tax of ₹44548.28 lakh. The net cash from operating activities has been arrived at after adjusting the non-cash items viz. depreciation (including prior period) of ₹12262.98 lakh, interest cost of ₹1378.43 lakh, provision for write-off of ₹12450.82 lakh, provision for rebate of ₹253.58 lakh and non-operating receipts of ₹3805.44 lakh. The changes in the current assets and current liabilities impacting the current period cash flow amounted to ₹13148.90 lakh (i.e. an increase in the working capital as the net effect of a decrease in inventories and increase in receivables and trade & other payables). Income tax payment of ₹12643.48 lakh was also made during the year.

### 2. Net Cash from Investing Activities

NEEPCO's net cash outflow from investing activities was ₹107553.46 lakh in FY 2015-16 which includes expenditure on construction projects of ₹103680.92 lakh, purchase of fixed assets of ₹2680.08 lakh. Interest income on investment of ₹3072.54 lakhs and Investment in Joint Venture in the form of Equity shares fully paid up and Share Application Money amounting to ₹4265.00 lakh.

### 3. Net Cash from Financing Activities

In FY 2015-16, NEEPCO's net cash inflow from financing activities was ₹37998.11 lakh. The Corporation raised funds of ₹117442.83 lakh through PSU bonds and foreign currency borrowings and also effected loan repayment and interest payments to the tune of ₹47441.54 lakh and ₹37199.45 lakh respectively. The Corporation also received Equity of ₹2669.50 lakh from the Government of India. During the year the Corporation paid dividend of ₹9215.00 lakh out of which final dividend for 2014-15 was ₹6956.00 lakh and interim dividend for 2015-16 was ₹2259.00 lakh. During

the year the Corporation has paid dividend tax of ₹1875.98 lakh.

## Discussion on Balance Sheet Items

### Financial Condition

#### 1. Net Worth

The net worth of the Corporation (excluding committed reserves) as on 31<sup>st</sup> March, 2016 is ₹598827.79 lakh as compared to ₹559446.73 lakh as on 31<sup>st</sup> March, 2015 representing a growth of 7.04%.

#### 2. Non-Current Liabilities

##### (a) Long Term Borrowings

Long Term Borrowing consists of PSU Bonds raised through private placement, foreign currency loans and subordinate loan from the Government of India. These Loans are to be redeemed beyond 12 months from the date of Balance Sheet. The total liabilities against the Corporation as on 31<sup>st</sup> March, 2016 are detailed below:

i.	PSU Bonds	₹423250.00 lakh
ii.	External Commercial Borrowing from SBI, Singapore	₹45923.60 lakh
iii.	Loan from KfW, Germany	₹46062.08 lakh
iv.	Loan from Government of India	₹29196.42 lakh
	<b>TOTAL</b>	<b>₹544432.10 lakh</b>

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

Deferred Tax Asset (Net) as on 31<sup>st</sup> March, 2016 amounts to ₹2940.87 lakh as compared to ₹1556.30 lakh deferred tax liability (net) as on 31<sup>st</sup> March, 2015.

##### (c) 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 31<sup>st</sup> March, 2016 was ₹186.11 lakh.

#### (d) Long Term Provisions:

Long Term Provisions of ₹9959.47 lakh as on 31<sup>st</sup> March, 2016 include Provisions for Employee Benefits (Gratuity ₹296.55 lakh, Leave Encashment ₹6645.22 lakh and Post-Retirement Medical Benefits ₹3017.70 lakh) which are expected to be settled beyond 12 months from the date of Balance Sheet.

### 3. Current Liabilities

#### (a) Short Term Borrowing

During the year 2015-16 the Corporation has fully repaid the Short Term Loan and working capital demand loan availed from bank amounting to ₹12500.00 lakh and ₹3500.00 lakh respectively.

#### (b) Trade Payables

Trade Payables include the amount due on account of goods purchased or services received in the normal course of business. The trade payables as on 31<sup>st</sup> March, 2016 were ₹7106.01 lakh as compared to ₹7909.68 lakh as on 31<sup>st</sup> March, 2015.

#### (c) Other Current Liabilities

These include current maturity of long term debt, interest accrued but not due on outstanding loans and bonds and other liabilities like creditors for Capital expenditure, amounts payable to employees, other statutory dues, etc. which are to be paid within 12 months from the date of Balance Sheet. Other Current Liabilities as on 31<sup>st</sup> March, 2016 amounted to ₹50632.38 lakh as compared to ₹51178.64 lakh as on 31<sup>st</sup> March, 2015. The decrease in Current Liabilities by 1.07 % is primarily on account of decrease in advance received from Rural Electrification Corporation Limited for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yojana and a decrease in the deposits, retention money from contractor & others.

#### (d) Short Term Provisions

Short Term Provisions as on 31<sup>st</sup> March, 2016 was ₹37270.94 lakh as compared to ₹20440.81 lakh in the previous FY. These include Provision for Employee Benefits (Gratuity

₹1684.50 lakh, Leave Encashment ₹437.83 lakh and Post Retirement Medical Benefits ₹174.69 lakh) and other provisions (Dividend payable ₹8917.00 lakh, Dividend Tax ₹1815.31 lakh, Current Tax ₹11790.79 lakh and Provision for write off ₹12450.82 lakh) which are expected to be settled within 12 months from the date of Balance Sheet. Increase in Short Term Provisions during FY 2015-16 is mainly due to increase in Current Tax, Proposed Dividend, Dividend tax and Provision for write off.

### Assets

#### 1. Non Current Assets

##### (a) Net Fixed Assets

NEEPCO's net Fixed Assets as on 31<sup>st</sup> March, 2016 stood at ₹1026742.70 lakh (comprising of Tangible Assets after depreciation of ₹316565.63 lakh, Intangible Assets after depreciation of ₹4541.83 lakh and Capital Work in Progress of ₹705635.24 lakh). The Tangible Assets consist of land, dams, tunnels, buildings including power house buildings, plant and machinery, office equipment, computers and so on while Intangible Assets consist of Land - right to use, Computer Software, etc.

##### (b) Non Current Investment:

#### Investments (Un-Quoted)

As on 31<sup>st</sup> March, 2016 the Corporation has invested an amount of ₹10295.00 lakh (₹6030.00 as on 31<sup>st</sup> March, 2015) in Joint Venture Companies as fully paid up Equity Share and Share Application Money.

##### (c) Long Term Loans and Advances

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

Advances to contractors which are capital in nature (both secured and unsecured, considered good) after adjustment of doubtful debts as on 31<sup>st</sup> March, 2016 stood at ₹21997.71 lakh as compared to the previous year's amount of ₹18191.73 lakh.

##### (d) Other Non-Current Assets

Other non-current assets include Advance Tax and Advance to staff. As on 31<sup>st</sup> March, 2016, other non-current assets of the company is ₹151.34 lakh as against ₹129.42 lakh as on 31<sup>st</sup> March 2015.



**2. Current Assets**

(₹ in lakh)

**(a) Current Investments**

The remaining Power Bonds worth ₹9549.06 lakh have been fully redeemed during the year 2015-16.

**(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 a year. Inventories were valued at ₹14579.78 lakh and ₹20716.52 lakh as on 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 respectively.

**(c) Trade Receivables**

Trade Receivables consist primarily of receivables against sale of energy. The Trade Receivables as on 31<sup>st</sup> March, 2016 were ₹102586.97 lakh as compared to ₹76853.69 lakh as on 31<sup>st</sup> March, 2015.

**(d) Cash and Bank Balances**

The Corporation's Cash and Bank Balances consist of (i) current accounts maintained with the Bank, (ii) cash and stamps in hand and (iii) Short Term Deposits on the Balance Sheet date. As on 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 the Cash and Bank Balances of the Corporation were ₹44795.16 lakh and ₹72711.27 lakh respectively.

**(e) Short Term Loans and Advances**

Short Term Loans and Advances include Advance to suppliers & contractors and Accounts Receivables as on 31<sup>st</sup> March, 2016, the Corporation's short term loans and advances after providing for bad and doubtful debts was ₹2647.74 lakh as against ₹4570.44 lakh on 31<sup>st</sup> March 2015.

**(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 31<sup>st</sup> March, 2016 and 31<sup>st</sup> March, 2015 was ₹18214.27 lakh and ₹14168.45 lakh respectively. There was a net increase of 28.56% in FY 2015-16 mainly due to increase in advance tax, tax deducted at source & asset held for sale and decrease in interest accrued on STDR, Power Bonds, etc. & prepaid expenses.

**Off-Balance Sheet Items**

**Contingent Liabilities**

The components of Contingent Liabilities for the FY 2015-16 and 2014-15 are as follows:

	2015-16	2014-15
Claims against the Company not acknowledged as debt in respect of:		
Capital Works	146413.64	84979.69
Disputed Land Compensation cases	3416.74	1099.19
Income Tax and Service Tax	48.15	48.15
Others	90.40	27.31
<b>Total</b>	<b>149968.93</b>	<b>86154.34</b>

**Financial review of Joint Venture Companies**

NEEPCO has three Joint Venture Companies as follows:

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

The above Joint Venture Companies are incorporated in India.

\* In view of the unviability of the project, the Joint Venture Partner requested NEEPCO for termination of the Joint Venture. Therefore, the Board of NEEPCO in its 222<sup>nd</sup> Board Meeting held on 10<sup>th</sup> May, 2016, decided to exit from the SPV and the termination deed was signed on 21<sup>st</sup> July, 2016.

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

₹ in lakh

Particulars	For the year ended 31 <sup>st</sup> March, 2016
Total revenue	175943.25
Total expenses	131809.17
Profit before tax	44134.08
Profit after tax	36864.86

**Human Resources and HRD**

1. As on 31<sup>st</sup> March, 2016 the organization has 2421 employees including 5 members in the board of Directors. Out of these, 962 are Executives, 340 are in Supervisory Cadre and 1114 are Workmen cadre employees. The proportion of male to female employees is 6:1 (approx.).
2. Analyses of age profile of employees were carried out and the following are the findings.

Age group	Total	Percentage of employees	Male	Female		
Up to 30 years	88	3.6	63	25		
31 to 40 years	229	9.4	180	49		
41 to 50 years	870	36.00	712	158		
51 to 55 years	591	24.5	506	85		
56 to 60 years	638	26.5	597	41		
STATUS	SUPERANNUATION IN NEXT 5 YEARS					
	2016-17	2017-18	2018-19	2019-20	2020-21	Total
Executive	70	36	52	51	36	245
Supervisors	12	14	19	20	11	76
Workmen	62	75	79	72	61	349
<b>Grand Total</b>	<b>144</b>	<b>125</b>	<b>150</b>	<b>143</b>	<b>108</b>	<b>670</b>

The above findings indicate that more than half (i.e. ~51%) of the manpower in the organization are in the upper age brackets (51 years and above) and about 670 employees will be attaining superannuation by the year 2021 (28 % 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 for sustenance of the human resources of the organization.

- Total Medical expenditure incurred for the financial year 2015-16 is ₹1520.32 lakhs against ₹1719.01 lakhs of previous year (2014-15) which indicates an 11.6% decrease.
- During this period (2015-16), 12 (Twelve) category-A employees, 1(one) category-B, 9(nine) category-C employees and 5(five) category-D employees have been recruited in NEEPCO.
- 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 2015-16, a total of 1928 employees covering 8002 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.
- The HRM MoU Target (2015-16) of nominating executives to Advance programme on Sustainable Development, R&R and CSR was also achieved during the year 2015-16.



Programme on Sustainable Development at Hyderabad

#### 7. Experience sharing session by the members of the NNBC

For the first in the history of NEEPCO, the members of NNBC and the representatives of all unions shared their experiences and learning from their leadership development program in XLRI at Corporate Office Shillong during 2015-16. The session turned out to be an interactive one where the audience earnestly participated in the discussion. These lead to the earnest satisfaction of the union members, who expressed that the training program helped them to apprehend and learn the importance of oneness in an organization to achieve individual and organizational growth & profitability.

- Throughout the year, industrial relations remained cordial. Meeting and discussions between Unions /Associations and Management and meetings of NEEPCO National Bipartite Committee (NNBC) & NEEPCO Project Bipartite Committee (NPBC) were carried out on various issues concerning improvement of work-life of employees, progress on works of the organizations. Suggestions generated out of the discussions were carried out in a practical manner. There were zero man-days losses, no strike or lockout during the year 2015-16.



## Annexure - 5

### Corporate Governance Certificate

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

We have examined the compliance of the conditions of Corporate Governance by North Eastern Electric Power Corporation Limited (hereinafter referred as 'the company') for the year ended 31<sup>st</sup> March, 2016 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 14<sup>th</sup> May, 2010 by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexures mentioned there under (hereinafter referred as '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 the 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 certify that except for the matters referred to in (a), (b) and (c) below, the Company has complied with the conditions of corporate governance as stipulated in the above mentioned DPE guidelines.

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March 2016 according to the provisions of:

- The Company did not have requisite number of independent directors from 30<sup>th</sup> September 2015 to 16<sup>th</sup> November 2015.
- The Composition of Audit Committee and frequency of the Audit Committee Meetings also got affected due to not having required number of independent directors during the above period.
- The Company did not have a policy specifying training requirement for Board members as stipulated under the DPE Guidelines.

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.

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.

For Narayan Sharma & Associates  
Company Secretaries

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

Place : Guwahati  
Date : 26<sup>th</sup> July 2016



## Annexure - 6A

# Independent Auditors' Report

To,

**The Members of North Eastern Electric Power Corporation Limited**

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of North Eastern Electric Power Corporation Limited ('the company'), which comprise the Balance Sheet as at 31<sup>st</sup> March 2016, 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 Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation and presentation of this standalone 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 and as per the Electricity Act, 2003 and relevant Central Electricity Regulatory Commission (CERC) regulation in respect of Depreciation and other recognized accounting practices and policies. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error..

### Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the 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 auditors' 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. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the management of the company, as well as evaluating the overall presentation of the 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act, the Electricity Act 2003, and CERC Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31<sup>st</sup> March 2016 and its profit and its cash flows for the year ended on that date.

### Emphasis of Matter

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

1. Note No. 5 in respect of recognition of deferred tax asset in the current year on account of timing difference in employees' benefits, not recognized in earlier years.
2. Note No. 12 & 13 in respect of re-classification of freehold land into land-right to use.
3. Note No. 24 (b) & (c) in respect of unusual increase in revenue in the current year because of Deemed Generation of electricity as allowed by CERC and sales arising out of finalization of tariff of earlier years in the current year.
4. Note No. 40 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.
5. Note No. 14(a) and (b), on Capital Work in Progress, which includes cumulative expenditure of ₹5.97 Crore under Survey and Investigation and Upfront premium including processing fees of ₹100 Crore respectively, relating to Siang Upper Stage II Hydro Electric Project, where uncertainty is attached in view of the Govt. of India decision to keep the project on hold. Accordingly provision has been made in books- Refer Note No. 31 on Other Expenses.
6. Note No. 45 in respect of the uncertainty related to the outcome of the claims/arbitration proceedings and lawsuit filed by the/against the company on/by contractors and/or others. In some cases, the arbitration award has been decided against the company/lost in lower courts and the company is pursuing the matter in higher courts.

The management doesn't foresee any possible outflows in respect of decision against the company other than those already provided in the books of account. Our 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, 2016 ('the Order') issued by the Central Government of India in terms of Section 143 (II) of the Act, we have given in the Annexure A, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the Annexure B on the directions and sub-directions issued by the Comptroller and Auditor General of India.
3. As required by Section 143 (3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c. The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;



- d. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards Specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. Being a Government Company, pursuant to the Notification No. GSR463(E) dated 5<sup>th</sup> June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure C; and
- g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer to Note 45 to the financial statements;
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts;
  - iii. The Company has no case of transferring any amount to the Investor Education and Protection Fund as per the provisions of the Act.

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

*Tapan Kumar Das*

**(T. K. DAS)**

Partner

Membership No.:053080

Place : Kolkata  
Date : August 4, 2016

## Annexure A to the Independent Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the standalone financial statements for the year ended 31<sup>st</sup> March 2016, we report that:

- (i) (a) The Company has generally maintained records showing full particulars including quantitative details and situation of fixed assets but tagging of assets is under process.
- (b) There is a regular programme of physical verification of all fixed assets on an annual basis. No material discrepancies were noticed on such verification. In our opinion, programme of physical verification as informed is reasonable having regard to the size of the Company and the nature of its assets. Reconciliation of physical records with book records of Fixed Asset has been done barring few cases.
- (c) The title deeds of all the immovable properties are held in the name of the Company except in case of one of the project (KHEP) title deed of freehold land measuring 183.19 hectares, valued at ₹4.52 Crores is pending and the company is taking appropriate steps for completion of legal formalities.
- (ii) The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013. In view of the above, the clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- (iv) The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. In respect of investment in the Joint Venture Companies, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted deposits from the public covered by section 73 to 76 of the Companies Act 2013. Therefore clause (v) of the order is not applicable.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (l) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) Undisputed statutory dues including provident fund, income tax, sales-tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31<sup>st</sup> March 2016 for a period of more than six months from the date they became payable. We have been informed that employees' state insurance is not applicable to the Company.
- (b) The disputed statutory dues aggregating to ₹56.91 Lakhs that have not been deposited on account of matters pending before appropriate authorities are detailed below:

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



- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
- (ix) The Company has not raised any money by way of initial public offer or further public offer. According to the information and explanations given to us, the money raised by the Company by way of term loans have been applied for the purpose for which they were obtained.
- (x) According to the information and explanations given to us and as represented by the Management and based on our examination of the books and records of the Company and in accordance with generally accepted auditing practices in India, no case of frauds by the Company or any fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) As per notification no. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by the Ministry of Corporate Affairs, Government of India, Section 197 is not applicable to the Government Companies. Accordingly, provisions of clause 3 (xi) of the Order are not applicable to the Company.
- (xii) The provisions of clause 3 (xii) of the Order, for Nidhi Company, are not applicable to the Company.
- (xiii) The Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 w.r.t. transactions with the related parties, wherever applicable. Details of the transactions with the related parties have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, provisions of clause 3 of the Order are not applicable to the Company.
- (xv) The Company has not entered into any non-cash transactions with the directors or persons connected with them as covered under Section 192 of the Companies Act, 2013.
- (xvi) According to information and explanation given to us, the Company is not required to be registered u/s 45-IA of Reserve Bank of India Act, 1934. Accordingly, provision of clause 3(xvi) of the Order is not applicable to the Company.

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

*Tapan Kumar Das*  
(T. K. DAS)

Partner

Membership No.: 053080

Place : Kolkata  
Date : August 4, 2016



## Annexure B to the Independent Auditors' Report

Referred to in our report of even date to the members of NEEPCO LIMITED on the accounts for the year ended 31<sup>st</sup> March 2016.

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

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

*Tapan Kumar Das*  
(T. K. DAS)

Partner

Membership No.: 053080

Place : Kolkata  
Date : August 4, 2016

## Annexure C to the Independent Auditors' Report

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

We have audited the internal financial controls over financial reporting of North Eastern Electric Power Corporation Limited ('the Company') as of 31<sup>st</sup> March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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



### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

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

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31<sup>st</sup> March 2016:

- a) the company did not have documented manual for the different components of established internal control;
- b) the company has old information technology (IT) application system and is unable to cater the emerging needs and complete information consistent with financial reporting objectives; which could potentially result in to weakness in the internal financial controls over financial reporting of the company.

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

In our opinion, the company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31<sup>st</sup> March 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March 2016 .

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31<sup>st</sup> March 2016 standalone financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

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

*Tapan Kumar Das*

(T. K. DAS)

Partner

Membership No.:053080

Place : Kolkata

Date : August 4, 2016

*Solar PV Power Project, TGBPP, Tripura*





**PART I: Balance Sheet as at 31<sup>st</sup> March, 2016**

(₹ in lakhs)

Particulars	Note No	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I. EQUITY AND LIABILITIES</b>			
<b>1) Shareholders' funds</b>			
(a) Share Capital	2	345281.04	342611.54
(b) Reserve and Surplus	3	253560.83	216849.27
<b>2) Non-Current liabilities</b>			
a) Long-term borrowings	4	544432.10	452541.99
b) Deferred Tax liabilities (Net)	5	-	1556.30
c) Other Long term Liabilities	6	186.11	206.85
d) Long term provisions	7	9959.47	9582.18
<b>3) Current liabilities</b>			
a) Short term borrowings	8	-	16000.00
b) Trade Payables	9	7106.01	7909.68
c) Other Current Liabilities	10	50632.38	51178.64
d) Short term Provisions	11	37270.94	20440.81
<b>TOTAL</b>		<b>1248428.88</b>	<b>1118877.26</b>
<b>II. ASSETS</b>			
<b>1) Non-Current Assets</b>			
(a) Fixed Assets			
(i) Tangible assets	12	316565.63	219046.24
(ii) Intangible assets	13	4541.83	1929.34
(iii) Capital work-in-progress	14	705635.24	671062.96
(b) Non-Current investments	15	10295.00	6030.00
(e) Deferred Tax Assets (Net)	5	2940.87	-
(c) Long-term loans and advances	16	25475.05	22109.87
(d) Other non-current assets	17	151.34	129.42
<b>2) Current assets</b>			
(a) Current investments	18	-	9549.06
(b) Inventories	19	14579.78	20716.52
(c) Trade Receivables	20	102586.97	76853.69
(d) Cash and cash Equivalents	21	44795.16	72711.27
(e) Short-term loans and advances	22	2647.74	4570.44
(f) Other current assets	23	18214.27	14168.45
<b>TOTAL</b>		<b>1248428.88</b>	<b>1118877.26</b>
<b>Summary of significant accounting policies</b>	<b>1</b>		
The accompanying notes 1 to 68 form an integral part of these financial statements.			

In terms of our report of even date

For and on behalf of the Board of Directors

For M/s. S P A N & Associates

Chartered Accountants  
F.R.N. 302192E

Date: 04-08-2016  
Place: New Delhi

**C. Sharma**  
Company Secretary

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

**Gurdeep Singh**  
Chairman & Managing Director  
DIN: 00307037

**T. K. Das**  
Partner  
Membership No. 053080



## PART II: Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2016	For the year ended 31 <sup>st</sup> March, 2015
I. Revenue from operations	24	160841.22	153051.04
II. Other income	25	13524.83	2789.93
<b>III. Total Revenue(I+II)</b>		<b>174366.05</b>	<b>155840.97</b>
IV. Expenses:			
Cost of materials consumed	26	62955.03	58055.47
Employee benefits expense	27	15916.87	16113.19
Finance Costs	28	1633.82	340.57
Depreciation	29	11882.84	14637.81
Generation & Administration Expense	30	23831.89	25844.35
Other expenses	31	13334.11	1872.18
Prior Period Adjustment	32	263.21	(3049.76)
<b>Total Expenses</b>		<b>129817.77</b>	<b>113813.81</b>
V. Profit before tax (III-IV)		<b>44548.28</b>	<b>42027.16</b>
VI. Tax expense:			
(1) Current tax		12173.36	14073.78
Less: Mat Credit Adjustment		<u>382.57</u>	<u>5450.65</u>
Net Current Tax		11790.79	8623.13
(2) Deferred tax		(5856.80)	(549.18)
Less: Deferred Tax Recoverable		<u>(1359.63)</u>	<u>(2090.69)</u>
		(4497.17)	1541.51
(3) Interest on Income Tax			8.87
<b>Profit for the period (V-VI)</b>		<b>37254.66</b>	<b>31853.65</b>
VII Earnings per equity Share:			
(1) Basic (₹)		1.09	0.94
(2) Diluted (₹)		1.09	0.94
The accompanying notes 1 to 68 form an integral part of these financial statements.			

In terms of our report of even date

For and on behalf of the Board of Directors

For M/s. S P A N & Associates

Chartered Accountants

F.R.N. 302192E

Date: 04-08-2016

**C. Sharma**  
Company Secretary

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

**Gurdeep Singh**  
Chairman & Managing Director  
DIN: 00307037

**T. K. Das**  
Partner  
Membership No. 053080

Place: New Delhi



## Cash Flow Statement for the period ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

	2015-16		2014-15
<b>A) Cash Flow From Operating Activities:</b>			
Net Profit before Tax	44548.28		42027.16
<b>ADD:</b>			
Depreciation	12262.98		14920.54
Interest	1378.43		340.57
Provision for Rebate/Incentive	253.58		522.76
Provision for write off	12450.82		<u>54.73</u>
Exchange loss on Foreign currency borrowings	<u>342.97</u>	26688.78	<b>15838.60</b>
<b>LESS:</b>			
Non cash receipts, if any			
Interest on Power Bond	608.75		1420.42
Liability Written back	2.37		318.16
Grant-in -Aid	100.93		6.26
Profit on sale of Assets	0.11		7.34
Interest on Investment	3072.54		926.57
Deferred foreign currency fluctuation Liabilities	<u>20.74</u>	3805.44	<u>20.74</u>
<b>Cash Flow From Operating Activities before working capital adjustments:</b>	<b>67431.62</b>		<b>55166.27</b>
<b>Working Capital Changes:</b>			
(Increase)/ Decrease in Inventories	6136.74		(2899.44)
(Increase)/ Decrease in receivables	(18582.84)		9240.16
Increase/( Decrease) in trade & other payables	<u>(702.80)</u>	<b>(13148.90)</b>	<u>(5240.80)</u>
<b>Cash Flow From Operating Activities before taxes:</b>	<b>54282.72</b>		<b>56266.19</b>
Income Tax Paid	(12643.48)		(7960.68)
<b>Net Cash Flow From Operating Activities :</b>	<b>41639.24</b>		<b>48305.51</b>
<b>B) Cash Flow From Investing Activities :</b>			
Purchase of fixed assets	(2680.08)		(3462.77)
Expenditure on construction projects	(103680.92)		(136144.90)
Interest on Investment	3072.54		926.57
Investment in Joint venture	<u>(4265.00)</u>		<u>(5430.00)</u>
<b>Net Cash Flow From Investing Activities :</b>	<b>(107553.46)</b>		<b>(144111.10)</b>
<b>C) Cash Flow from Financing Activities :</b>			
Proceeds from issue of share capital (Including pending allotment)	2669.50		4103.00
Grant -in-aid	13009.00		7197.00
Dividend Paid	(9215.00)		(7046.00)
Loan Raised	117442.83		403577.87
Repayment of Loan	(47441.54)		(230355.26)
Interest paid	(37199.45)		(38860.52)
Interest received	608.75		1420.42
Dividend Tax paid	<u>(1875.98)</u>	37998.11	<u>(1275.45)</u>
<b>D) Net increase/(decrease) in cash and cash equivalents</b>	<b>(27916.11)</b>		<b>42955.47</b>
<b>E) Cash and cash equivalents - Opening</b>	<b>72711.27</b>		Note 1(a) <b>29755.80</b>
<b>F) Cash and cash equivalents - Closing</b>	<b>44795.16</b>		Note 1(b) <b>72711.27</b>



(₹ in lakhs)

<b>Notes to the Cash and Cash Equivalents:</b>	<b>Mar, 2016</b>	<b>Mar, 2015</b>
<b>1. A. Cash and Cash Equivalents :: Opening</b>		
(i) Balance with Banks		
Current Accounts	11677.04	6048.31
Deposits with original maturity upto 3 months	48700.00	23557.09
(ii) Cash, Stamps in hand	9.19	7.62
<b>(iii) Other bank balances</b>		
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
<b>Total</b>	<b><u>72711.27</u></b>	<b><u>29755.80</u></b>
<b>B. Cash and Cash Equivalents :: Closing</b>		
(i) Balance with Banks		
Current Accounts	5355.35	11677.04
Deposits with original maturity upto 3 months	39430.92	48700.00
(ii) Cash, Stamps in hand	8.89	9.19
<b>(iii) Other bank balances</b>		
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
<b>Total</b>	<b><u>44795.16</u></b>	<b><u>72711.27</u></b>

2. The Cash Flow Statement is prepared in accordance with the format included in Accounting Standard 3
3. 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 and on behalf of the Board of Directors

For M/s. S P A N &amp; Associates

Chartered Accountants

F.R.N. 302192E

Date: 04-08-2016

C. Sharma  
Company SecretaryA. G. West Kharkongor  
Director (Finance) - cum -  
Chief Financial Officer  
DIN: 03264625Gurdeep Singh  
Chairman & Managing Director  
DIN: 00307037T. K. Das  
Partner  
Membership No. 053080



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2016

### 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 of items of ₹20000/- and below and prior period expenses/income of items of ₹500000/- 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

##### I. Tangible 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 to the cost of related assets.
- 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. Cost of mobile handsets are recognized as revenue expenditure and booked under "Communication expenses".
- b8. Physical verification of Fixed Assets are undertaken by the management once in a year.

##### II. Intangible assets:

- b9. Cost for acquiring forest land taken for use from State governments (without transfer of title) for construction of projects and all related expenditures thereof are accounted for as "Land – Right to use".
- b10. Software (not being an integral part of the related hardware) acquired for internal use is stated at cost of acquisition/purchase.

#### 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 are 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 are 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. Depreciation is charged as per Electricity Act, 2003 on straight line method following the rates & methodology notified by Central Electricity Regulatory Commission constituted under the Act, except for the assets specified in policy no. d2, d3, d4 and d5.

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 31<sup>st</sup> 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 31<sup>st</sup> 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.

However, for assets for the projects under construction and offices (not being projects) are depreciated at the rates enunciated as per the CERC (Terms & Conditions of Tariff) Regulations, 2014 irrespective of its balance useful life.

- (iii) Depreciation for each class of asset has been calculated from the first day of the month following the month of capitalization

- d2. IT Equipment are depreciated @33.33%, as per the CERC notification dt. 5<sup>th</sup> November, 2015.
- d3. 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.
- d4. 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.
- d5. "Land – Right to use" will be amortized over a period of useful life of the project or as per the CERC Regulations from the date of commercial operation of the project. Computer software are amortized on straight line method over a period of legal right to use or three years, whichever is earlier.
- d6. 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.
- 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 utilization 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.

**j. REVENUE RECOGNITION**

- j1. Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.
- j2. The incentives/disincentives are recognized based on norms notified/approved by the Central Electricity Regulatory Commission.
- j3. Interest receivable on arrear bills/ surcharge recoverable for late payment from the beneficiaries for sale of electricity is accounted for on receipt basis.
- j4. Interest on amount involved in consequent securitization of sundry debtors duly confirmed by all the States is accounted for on accrual basis.
- j5. CERC application fee and publication expenses reimbursable by the beneficiaries in terms of CERC regulations are being accounted for on accrual basis.
- j6. Recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis.

**k. FOREIGN EXCHANGE TRANSACTION**

- k1. 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.
- k2. 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 1<sup>st</sup> April, 2004 are adjusted in the carrying cost of related fixed assets/ capital work-in -progress.
- k3. Other exchange differences are recognized 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.



**I. MISCELLANEOUS**

- l1. Interest on advances to contractors are accounted for on due basis.
- l2. Claims, liquidated damage, co-operative societies, interest subsidy etc., are accounted for on receipt basis.
- l3. Claims for price variation / Bonus in case of contracts/supply/consultancy etc., are accounted for on acceptance of the bills.
- l4. Arbitration award for and against the Corporation is accounted for in the year of final settlement.
- l5. Prepayment charges on repayment of loan in full will be charged off to the IEDC / Profit & Loss account in the year of repayment itself.

**m. WRITE OFF**

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

**n. IMPAIRMENT OF ASSETS**

The company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is a change in the recoverable amount and such loss either no longer exists or has decreased.

**o. TAXES ON INCOME**

Tax on income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax recovery adjustment account is credited/ debited to the extent tax expense is chargeable from the beneficiaries in future years.

**p. MACHINERY SPARES**

- p1. Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery. If cost of such spares is not known particularly when procured along with mother plant, these are capitalized & depreciated along with mother plant at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery.
- p2. Written Down Value (WDV) of spares is charged off to Statement of Profit & Loss in the year in which such spares are replaced in place of retrieved spares, provided the spares so retrieved do not have any useful life. Similarly, value of such spares, procured & replaced in place of retrieved spares, is charged off to Statement of Profit & Loss in that year itself, provided spares so retrieved do not have any useful life.
- p3. When the useful life of the related fixed asset expires and asset is retired from active use, such spares are valued at net book value or net realizable value whichever is lower. However, in case retired assets are not replaced, WDV of related spares less disposable value is written off.
- p4. Other machinery spares are treated as “stores & spares” forming part of the inventory.



**2. Share Capital**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>AUTHORISED CAPITAL</b> 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)	<b>500000.00</b>	500000.00
<b>ISSUED, SUBSCRIBED AND PAID -UP CAPITAL</b> 3,45,28,10,400 nos. of equity shares of ₹10/- each (Previous year 3,42,61,15,400 nos. of equity shares of ₹10/- each)	<b>345281.04</b>	342611.54
<b>Total</b>	<b>345281.04</b>	342611.54

**a. Reconciliation of Number of Shares & Share Capital outstanding**

Particulars	As at 31 <sup>st</sup> March, 2016			As at 31 <sup>st</sup> March, 2015		
	No. of Shares	Per value per share (₹)	Amount (₹)	No. of Shares	Per value per share (₹)	Amount (₹)
Opening Balance	3426115400	10/-	34261154000	3362915400	10/-	33629154000
Add: Shares issued during the year	26695000	10/-	266950000	63200000	10/-	632000000
Less: Reduction in shares / shares Capital	Nil		Nil	Nil		Nil
Closing balance	<b>3452810400</b>	<b>10/-</b>	<b>34528104000</b>	3426115400	10/-	34261154000

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

Particulars	As at 31 <sup>st</sup> March, 2016			As at 31 <sup>st</sup> March, 2015		
	No. of Shares	Par value per share (₹)	Amount (₹)	No. of Shares	Par value per share (₹)	Amount (₹)
President of India	<b>3452809800</b>	<b>10/-</b>	<b>34528098000</b>	<b>3426114800</b>	<b>10/-</b>	<b>34261148000</b>

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

**3. Reserves & Surplus**

(₹ in lakhs)

	Capital Reserve	Bond Redemption Reserve	Grant-in-Aid	General Reserve	Surplus as per Profit & Loss A/C	Total
<b>Opening as on 01.04.2015</b>	14.08	12271.60	18175.94	186291.68	95.97	216849.27
Add Addition during the period	-	12480.44	13009.00	11400.00	19.02	36908.46
Adjustment during the period	-	-	(100.93)	-	(95.97)	(196.90)
<b>Closing Balance as on 31.03.2016</b>	<b>14.08</b>	<b>24752.04</b>	<b>31084.01</b>	<b>197691.68</b>	<b>19.02</b>	<b>253560.83</b>

**Appropriation of Profit**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Profit/(Loss) for the period</b>	37254.66	31853.65
<b>Add :</b>		
i) Balance of Profit from last year	95.97	63.03
<b>Profit for the year available for appropriation</b>	<b>37350.63</b>	<b>31916.68</b>
<b>Less:</b>		
i) Transferred to Bond Redemption Reserve	12480.44	10728.76
ii) Transferred to General Reserve	11400.00	9600.00
iii) Interim Dividend	2259.00	2600.00
iv) Proposed Final Dividend	8917.00	6956.00
v) Dividend Tax :		
Interim	459.88	519.85
Proposed	<u>1815.29</u>	<u>1416.10</u>
<b>Carried over to Balance Sheet</b>	<b>19.02</b>	<b>95.97</b>

The Company has declared dividend of ₹11176.00 lakhs ( ₹0.32 per share) including proposed final dividend of ₹8917.00 lakhs ( ₹0.26 per share) for the year 2015-16

During the year, the Company, has transferred ₹12480.44 lakhs from surplus as per Profit & Loss Account to Bond Redemption Reserve in accordance with Circular No. 04/2013 issued by Ministry of Corporate Affairs of India.

**Non-current liabilities****4. Long term borrowings**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>I BONDS :</b>		
<b>SECURED</b>		
<b>PRIVATE PLACEMENT:</b>		
<b>a. Sixteenth Issue</b>	<b>90000.00</b>	<b>-</b>
8.68% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at 20% of face value on 30 <sup>th</sup> September, 2026, 30 <sup>th</sup> September, 2027, 30 <sup>th</sup> September, 2028, 30 <sup>th</sup> September, 2029, 30 <sup>th</sup> Sept, 2030. (The value of Assets in the Tuirial Hydro Electric Project, Mizoram & Kopili Hydro Electric Project in Assam and landed property of the Corporation in the District of Mehhsana, Gujrat have been identified for mortgage through the Trust Deed with the appointed Trustee)		
<b>b. Fifteenth issue</b>	<b>60000.00</b>	<b>60000.00</b>
9.15% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at 20% of face value on 25 <sup>th</sup> March, 2021, 25 <sup>th</sup> March, 2022, 25 <sup>th</sup> March, 2023, 25 <sup>th</sup> March, 2024 and 25 <sup>th</sup> March, 2025. (The value of Assets in the Agartala Gas Turbine Project (original open cycle plant) in Agartala, Tripura, value of Assets except the Gas Turbine & Steam Turbines in the Assam Gas Based Power Plant in Kathalguri, Assam, value of Assets except Plant & Machinery in generating station in the Ranganadi Hydro Electric Project in Arunachal Pradesh along with landed property of the Corporation in the District of Mehhsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed trustee)		



(₹ in lakhs)

<b>c. Fourteenth issue</b> 9.60% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at 20% of face value on 1 <sup>st</sup> October, 2020, 1 <sup>st</sup> October, 2021, 1 <sup>st</sup> October, 2022, 1 <sup>st</sup> October, 2023 and 1 <sup>st</sup> 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)	<b>250000.00</b>	<b>250000.00</b>
<b>d. Thirteenth issue</b> 9.00% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at 20% of face value on 15 <sup>th</sup> March 2019, 15 <sup>th</sup> March 2020, 15 <sup>th</sup> March 2021, 15 <sup>th</sup> March 2022 and 15 <sup>th</sup> 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)	<b>7250.00</b>	<b>7250.00</b>
<b>e. Twelfth issue</b> 9.25% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable 20% of Face value on each date on 27 <sup>th</sup> June, 2018, 27 <sup>th</sup> June 2019, 27 <sup>th</sup> June 2020, 27 <sup>th</sup> June 2021 & 27 <sup>th</sup> 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)	<b>12000.00</b>	<b>12000.00</b>
<b>f. Eleventh issue</b> 10.20% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at par on 15 <sup>th</sup> December, 2021 with a put & call option on 15 <sup>th</sup> 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)	<b>4000.00</b>	<b>4000.00</b>
<b>II Term loan</b>		
<b>A. Secured</b>		
<b>Rupee Loan ::</b>		
<b>Foreign Currency Loan</b>		
<b>External Commercial Borrowing</b> [secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant, Agartala and Agartala Gas Turbine Projects –Extension, Agartala [debt Repayable in 39 equal quarterly installment w.e.f. 20.06..2014]	<b>45923.60</b>	<b>50125.13</b>
<b>Total Secured Loans (A)</b>	<b>469173.60</b>	<b>383375.13</b>
<b>B. Unsecured</b>		
<b>Rupee Loan</b>		
<b>Loans from Govt. of India</b>		
<b>Subordinate Loans from Govt. of India</b> Repayable in 15 equal annual installment starting from the 16 <sup>th</sup> year after commissioning of Tuiral Hydro Electric Project	<b>29196.42</b>	<b>29096.42</b>
<b>Foreign Currency Loan</b> 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	<b>46062.08</b>	<b>40070.44</b>
<b>Total Unsecured Loans (B)</b>	<b>75258.50</b>	<b>69166.86</b>
<b>GRAND TOTAL (A + B)</b>	<b>544432.10</b>	<b>452541.99</b>

## 5. Deferred Tax liabilities / (Assets)

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Deferred Tax liabilities	55034.37	52181.92
Less : (a) Deferred Tax Assets for the current year	4656.82	-
(b) Prior period deferred tax assets	4052.43	-
Less : Deferred Tax Recoverable	49265.99	50625.62
<b>Net Deferred Tax liabilities /(Assets)</b>	<b>(2940.87)</b>	1556.30

- a) Deferred tax assets to the extent of ₹4052.43 lakhs on account of timing difference in provision for employees benefit has been recognised in the current year which was earlier not recognised.
- b) The net decrease in the deferred tax of ₹5856.80 lakhs (previous year decrease of ₹549.18 Lakhs) has been credited to the statement of Profit and Loss during the current year
- c) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.
- d) CERC Regulations, 2014 provides for recovery of deferred tax liability as on 31<sup>st</sup> March 2009 from the beneficiaries on materialisation. For the period commencing from 1<sup>st</sup> April 2014, Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generating income. Deferred Tax Recoverable for the year will be reversed in the future years when the related deferred tax liability forms a part of current tax.

## 6. Other Long Term Liabilities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Deferred foreign currency fluctuation liabilities	186.11	206.85

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

## 7. Long Term Provisions

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Provision for Employee benefits</b>		
Provision for Gratuity	296.55	479.00
Provision for Leave encashment	6645.22	6307.83
Medical benefit for retired employees	3017.70	2795.35
<b>Total</b>	<b>9959.47</b>	9582.18

Disclosure as per AS 15 on 'Employees Benefits' is made in Note No. 55



**Current Liabilities**

**8. Short Term Borrowing**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>From Bank:</b>		
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
<b>Working Capital Demand Loan</b>		
(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
<b>Total</b>		<b>16000.00</b>

**9. Trade Payables**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Micro & Small Enterprises	-	-
Others	7106.01	7909.68
<b>Total</b>	<b>7106.01</b>	<b>7909.68</b>

**10. Other Current Liabilities**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Current maturity of Long Term Debt</b>		
<b>I Term loan-Secured</b>		
<b>a. External Commercial Borrowing</b>	<b>6803.10</b>	<b>6467.43</b>
[secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant, Agartala and Agartala Gas Turbine Projects – Extension, Agartala [debt Repayable in 39 equal quarterly installment w.e.f. 20-06-2014]		
<b>b. Loans from Life Insurance Corporation of India</b>	-	264.00
Secured by the assets of Kopili HEP: Khandong Dam, Umrong Dam, Power House Khandong, 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		
<b>Sub Total</b>	<b>6803.10</b>	<b>6731.43</b>



(₹ in lakhs)

<b>II. Term Loan- Unsecured</b>		
<b>Loan from Kfw</b>		
(Guaranteed by the Govt. of India)	4004.09	3648.15
(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		
<b>Sub total</b>	<b>10807.19</b>	10379.58
<b>III Interest accrued but not due on:</b>		
Loans from Life Insurance Corporation of India	-	5.22
Bonds	2900.09	637.26
Loans from KfW	405.40	365.63
Working Capital Demand Loan	-	46.92
Short term borrowing	-	107.79
External Commercial Borrowing	59.18	33.90
<b>Sub total</b>	<b>3364.67</b>	1196.72
<b>IV Interest accrued and due</b>	-	-
<b>V Other liabilities</b>		
Creditors for Capital Expenditure	15623.16	13739.32
Amount payable to Employee's	6208.37	5156.10
Tax deducted at source & other statutory dues	459.20	869.29
CPF, LIP, NESSS etc.	1035.12	1005.47
Deposit, retention money from contractors & others	12405.47	16638.29
Advance from REC for RGGVY	708.46	2173.13
Deferred foreign currency fluctuation liabilities	20.74	20.74
<b>Sub-Total</b>	36460.52	39602.34
<b>Total</b>	<b>50632.38</b>	<b>51178.64</b>

**11. Short term provisions**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>a. Provision for Employee benefits</b>		
Gratuity	1684.50	1503.73
Leave encashment	437.83	475.99
Post Retirement Medical Benefit	174.69	147.61
<b>b. Others</b>		
Proposed Dividend	8917.00	6956.00
Dividend Tax	1815.31	1416.10
Current Tax	11790.79	8623.13
Provision for Tariff Revision/ Adjustment	-	1318.25
Provision for write off	12450.82	-
<b>Total</b>	<b>37270.94</b>	20440.81

Disclosure as per AS 15 on 'Employees Benefits' is made in Note No. 55



**Non Current Assets**

**12. Tangible Assets**

Particulars	GROSS BLOCK			
	As at 1 <sup>st</sup> April, 2015	Additions during the period	Sales/Adjust. during the period	As at 31 <sup>st</sup> March '16
<b>A) ASSETS</b>				
<b>I. HYDRAULIC POWER, SOLAR GAS PLANT &amp; TRANSMISSION LINES:</b>				
Building and civil engineering works containing generation plant & equipment, main plant	<b>26826.48</b>	25395.16	-	<b>52221.64</b>
Hydraulic works including Dams Dykes, Reservoirs & Tunnels	<b>166103.43</b>	6.99	-	<b>166110.42</b>
Plant & Machinery in Generating Station	<b>62544.48</b>	2028.42	(302.89)	<b>64270.01</b>
Transformer having a rating of 100 K.V. ampere and above	<b>5890.66</b>	1770.82	(17.58)	<b>7643.90</b>
Sub-station equipment and other fixed apparatus	<b>508.58</b>	27.45	9.53	<b>545.56</b>
Switchgear including cable connections	<b>12294.32</b>	5539.66	(13.81)	<b>17820.17</b>
Transmission Lines	<b>862.98</b>	5.02	33.97	<b>901.97</b>
PV modules including Mounting structures	<b>3009.42</b>	117.93	-	<b>3127.35</b>
Inverters including Battery Bank (O & M)	<b>281.61</b>	9.16	-	<b>290.77</b>
Gas Turbine	<b>92343.43</b>	39908.28	(1020.22)	<b>131231.49</b>
Gas Booster Station	<b>17028.76</b>	3452.89	(989.40)	<b>19492.25</b>
Gas Pipeline	<b>36.60</b>	-	-	<b>36.60</b>
Gas Steam Turbine	<b>53524.10</b>	28957.81	(6.20)	<b>82475.71</b>
Gas Cooling Tower	<b>3296.90</b>	-	-	<b>3296.90</b>
Make-up Water System	<b>3283.33</b>	385.95	-	<b>3669.28</b>
<b>Total</b>	<b>447835.08</b>	<b>107605.54</b>	<b>(2306.60)</b>	<b>553134.02</b>



(₹ in lakhs)

DEPRECIATION			NET BLOCK		
As at 1 <sup>st</sup> April, 2015	Depreciation for the period including adjustment	Sales/ Adjustment during the year	Up to 31 <sup>st</sup> March '16	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March 2015
14720.00	849.12	-	15569.12	36652.52	12106.48
74534.19	3755.98	-	78290.17	87820.25	91569.24
27567.80	1789.07	-	29356.87	34913.14	34976.68
3070.76	160.05	-	3230.81	4413.09	2819.90
396.83	3.94	-	400.77	144.79	111.75
7366.01	293.04	-	7659.05	10161.12	4928.31
588.41	14.19	-	602.60	299.37	274.57
14.62	181.84	-	196.46	2930.89	2994.80
1.37	16.95	-	18.32	272.45	280.24
77899.47	326.51	-	78225.98	53005.51	14443.96
15500.93	(604.05)	-	14896.88	4595.37	1527.83
32.95	-	-	32.95	3.65	3.65
35744.62	2099.36	-	37843.98	44631.73	17779.48
2183.88	87.04	-	2270.92	1025.98	1113.02
2026.00	99.89	-	2125.89	1543.39	1257.33
<b>261647.84</b>	<b>9072.93</b>	-	<b>270720.77</b>	<b>282413.25</b>	<b>186187.24</b>



Particulars	GROSS BLOCK			As at 31 <sup>st</sup> March'16
	As at 1 <sup>st</sup> April, 2015	Additions during the period	Sales/Adjust. during the period *	
<b>II GENERAL ASSETS</b>				
<b>(FOR PROJECTS UNDER OPERATION)</b>				
Buildings	7938.10	<b>905.36</b>	<b>1319.58</b>	<b>10163.04</b>
Furniture & Fixtures	526.88	<b>18.00</b>	<b>83.41</b>	<b>628.29</b>
Roads, Bridges, Culverts & Helipads	3421.54	<b>96.18</b>	<b>277.51</b>	<b>3795.23</b>
Vehicles	546.98	-	-	<b>546.98</b>
Railway Siding	10.65	-	-	<b>10.65</b>
Electrical Installation	840.32	<b>57.75</b>	<b>77.02</b>	<b>975.09</b>
Temporary Buildings/Erections	2409.71	-	<b>37.16</b>	<b>2446.87</b>
Hospital Equipment	19.39	<b>0.64</b>	<b>1.34</b>	<b>21.37</b>
Tools & Plants	3477.20	<b>127.14</b>	<b>17.46</b>	<b>3621.80</b>
Office Equipment	221.26	<b>69.67</b>	<b>17.51</b>	<b>308.44</b>
I T Equipment	760.01	<b>41.32</b>	<b>46.72</b>	<b>848.05</b>
Other Equipment	599.08	<b>143.37</b>	<b>75.13</b>	<b>817.58</b>
Water supply, sewerage & drainage	896.86	<b>26.24</b>	<b>36.80</b>	<b>959.90</b>
Plant & Machinery in Generating Station (Diesel Power House)	467.32	<b>63.07</b>	-	<b>530.39</b>
Communication Equipment	175.65	<b>3.13</b>	-	<b>178.78</b>
Lightning Arrestor (Pole Type Magazine Building)	139.01	<b>2.99</b>	-	<b>142.00</b>
Telephone Line	103.69	-	-	<b>103.69</b>
Cellular Line	2.95	<b>0.62</b>	<b>(3.57)</b>	-
Fixed Assets of Minor value	21.30	<b>6.23</b>	<b>5.93</b>	<b>33.46</b>
Land & Land Rights :				
Free hold	564.37	<b>118.80</b>	<b>758.59</b>	<b>1441.76</b>
Lease hold	4372.53	-	-	<b>4372.53</b>
	27514.80	1680.51	2750.59	31945.90
<b>TOTAL (A)</b>	<b>475349.88</b>	<b>109286.05</b>	<b>443.99</b>	<b>585079.92</b>

\* Negative figures are shown in brackets. Other figures are for addition made during the year to the respective block.



(₹ in lakhs)

DEPRECIATION			NET BLOCK		
As at 1 <sup>st</sup> April, 2015	Depreciation for the period including adjustment	Sales/ Adjustment during the year	Up to 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March 2015
3321.13	327.19	139.01	3787.33	6375.71	4616.97
394.85	13.48	18.14	426.47	201.82	132.03
1529.25	100.20	16.09	1645.54	2149.69	1892.29
326.84	18.06	-	344.90	202.08	220.14
7.89	0.19	-	8.08	2.57	2.76
641.89	15.90	12.40	670.19	304.90	198.43
2409.71	-	37.16	2446.87	-	-
9.55	0.89	0.07	10.51	10.86	9.84
2744.83	36.24	3.39	2784.46	837.34	732.37
178.04	4.13	3.33	185.50	122.94	43.22
559.80	131.68	17.28	708.76	139.29	200.21
404.87	21.36	10.09	436.32	381.26	194.21
408.66	44.72	4.83	458.21	501.69	488.20
389.75	2.65	-	392.40	137.99	77.57
126.90	2.90	-	129.80	48.98	48.75
119.49	0.53	-	120.02	21.98	19.52
91.91	0.07	-	91.98	11.71	11.78
0.83	(1.13)	0.30	-	-	2.12
21.29	6.23	5.94	33.46	-	0.01
-	-	-	-	1441.76	564.37
1523.57	234.40	-	1757.97	2614.56	2848.96
15211.05	959.69	268.03	16438.77	15507.13	12303.75
<b>276858.89</b>	<b>10032.62</b>	<b>268.03</b>	<b>287159.54</b>	<b>297920.38</b>	<b>198490.99</b>



Particulars	GROSS		BLOCK	As at 31 <sup>st</sup> March '16
	As at 1 <sup>st</sup> April, 2015	Additions during the period	Sales/Adjust. during the period	
<b>B) ASSETS</b>				
<b>(FOR PROJECTS UNDER CONSTRUCTION &amp; OTHER OFFICES)</b>				
Building	6545.36	1253.87	(1349.12)	6450.11
Furniture & Fixtures	935.67	71.01	(59.33)	947.35
Roads, Bridges, Culverts & Helipads	3281.90	19.83	(333.46)	2968.27
Vehicles	136.59	15.76	-	152.35
Electrical Installations	499.85	51.21	(77.04)	474.02
Temporary Buildings/Erections	1954.10	1.19	(37.17)	1918.12
Tools & Plants	1818.53	0.66	(22.39)	1796.80
Office equipment	601.62	29.68	(20.39)	610.91
I T Equipment	1396.16	108.32	(70.75)	1433.73
Water Supply, sewerage & drainage	616.37	17.51	(36.80)	597.08
Plant & Machinery in Generating Station (Diesel Power House)	172.24	11.14	-	183.38
Communication Equipment	176.25	3.04	(0.30)	178.99
Plant & Machinery	1.16	-	-	1.16
Weigh Bridge	13.34	-	-	13.34
<b>Land &amp; Land Rights</b>				
Free hold	715.52	-	(248.25)	467.27
Lease hold	4453.86	339.82	(510.34)	4283.34
Other Equipment	1062.01	19.50	(80.71)	1000.80
Hospital Equipment	13.37	0.69	(1.34)	12.72
Substation Equipment	307.94	-	(9.53)	298.41
Transformer having a rating of 100 KV & Above	160.89	11.81	(11.21)	161.49
Transmission Line	6255.36	-	(33.97)	6221.39
Fixed assets of Minor value	57.67	5.34	(5.93)	57.08
Cellular Phone	9.64	0.73	(10.37)	-
<b>TOTAL (B)</b>	31185.40	1961.11	(2918.40)	30228.11
<b>GRAND TOTAL (A + B)</b>	<b>506535.28</b>	<b>111247.16</b>	<b>(2474.41)</b>	<b>615308.03</b>

**13 - Intangible Assets**

(₹ in lakhs)

Particulars	GROSS		BLOCK	As at 31 <sup>st</sup> March '16
	As at 1 <sup>st</sup> April, 2015	Additions during the period	Sales/Adjust. during the period	
Land Right to use (project under Construction)	1922.62	2546.43	-	4469.05
Software	76.27	74.90	-	151.17
<b>TOTAL</b>	<b>1998.89</b>	<b>2621.33</b>	<b>-</b>	<b>4620.22</b>

**Explanatory note to Note 12 & 13**

- Depreciation on corporate office assets and general assets of projects under construction is charged on the basis of rate as notified by Central Electricity Regulatory Commission.
- Total freehold land is 593.43 Hectres, of which 585.58 hectre of land relates to construction of projects. Transfer of title in respect of 183.19 Hectre of land are yet to be executed.
- Total leasehold land is 6728.48 Hectres. Execution of lease deed is not pending for such land.
- Compensation paid for forest land of 6149.50 Hectres for setting up of projects are treated as "Right to use".



(₹ in lakhs)

DEPRECIATION			NET BLOCK		
As at 1 <sup>st</sup> April, 2015	Depreciation for the period including adjustment	Sales/Adjust. during the period	Up to 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
1368.89	324.89	(139.01)	1554.77	4895.34	5176.47
459.33	66.46	(18.14)	507.65	439.70	476.34
293.78	95.24	(16.09)	372.93	2595.34	2988.12
57.14	11.36	-	68.50	83.85	79.45
254.85	36.02	(12.40)	278.47	195.55	245.00
1954.09	1.19	(37.16)	1918.12	-	0.01
1245.70	37.09	(3.39)	1279.40	517.40	572.83
396.72	16.00	(3.33)	409.39	201.52	204.90
1121.79	171.06	(17.28)	1275.57	158.16	274.37
98.33	19.72	(4.83)	113.22	483.86	518.04
127.66	3.38	-	131.04	52.34	44.58
96.41	7.36	-	103.77	75.22	79.84
1.04	-	-	1.04	0.12	0.12
8.35	0.44	-	8.79	4.55	4.99
-	-	-	-	467.27	715.52
67.39	25.27	-	92.66	4190.68	4386.47
362.19	47.38	(10.09)	399.48	601.32	699.82
4.20	0.60	(0.07)	4.73	7.99	9.17
61.50	15.76	-	77.26	221.15	246.44
55.92	9.22	-	65.14	96.35	104.97
2535.40	328.49	-	2863.89	3357.50	3719.96
57.64	5.34	(5.94)	57.04	0.04	0.03
1.83	(1.53)	(0.30)	-	-	7.81
10630.15	1220.74	(268.03)	11582.86	18645.25	20555.25
<b>287489.04</b>	<b>11253.36</b>	<b>0.00</b>	<b>298742.40</b>	<b>316565.63</b>	<b>219046.24</b>

(₹ in lakhs)

DEPRECIATION			NET BLOCK		
As at 1 <sup>st</sup> April, 2015	Depreciation for the period including adjustment	Sales/Adjust. during the period	Upto 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March 2015
-	-	-	-	4469.05	1922.62
69.55	8.84	-	78.39	72.78	6.72
<b>69.55</b>	<b>8.84</b>	<b>-</b>	<b>78.39</b>	<b>4541.83</b>	<b>1929.34</b>



**Non Current Assets**

**14. Capital Work in Progress**

(₹ in lakhs)

Particulars	As at 1 <sup>st</sup> April, 2015	Additions during the period	Adjustments during the period	Capitalized during the period	As at 31 <sup>st</sup> March, 2016
Building	2280.71	927.39	(78.97)	(1756.59)	<b>1372.54</b>
Temporary Buildings/ Erections	235.32	43.13	(134.56)	(87.99)	<b>55.90</b>
Roads, Bridges, Culverts & Helipads	21909.95	334.68	(43.08)	(73.58)	<b>22127.97</b>
Electrical Installation	57.16	136.42	(2.04)	(78.63)	<b>112.91</b>
Water Supply, Sewerage & Drainage	271.69	29.63	(0.33)	(41.92)	<b>259.07</b>
Hydraulic works including Dams, Dykes etc.	232795.76	50450.44	(2334.96)	-	<b>280911.24</b>
Other Civil works	1118.67	712.21	(7.11)	(43.06)	<b>1780.71</b>
Power house	39985.14	8702.81	(0.25)	(20967.92)	<b>27719.78</b>
Switch Yard including cable connection	12532.43	1228.89	10.10	(4540.64)	<b>9230.78</b>
Environment & Ecology	5027.24	199.72	(823.10)	-	<b>4403.86</b>
Transmission Lines	724.64	191.07	(2.00)	-	<b>913.71</b>
Transformer having a rating of 100KV ampere and above	2365.65	130.20	3.46	(1426.41)	<b>1072.90</b>
Survey & Investigation	9338.11	313.66	2.53	-	<b>9654.30</b>
Provision for S & I Units	(5674.18)	-	-	-	<b>(5674.18)</b>
Communication System	-	66.49	-	(66.49)	<b>-</b>
Substation	596.51	167.47	-	-	<b>763.98</b>
Plant, etc. in Generating station	94317.22	11971.85	(2193.26)	(31990.04)	<b>72105.77</b>
Steam Turbine	24356.60	1305.09	-	(25632.97)	<b>28.72</b>
Plant etc. in Generating Station (in transit)	16.75	-	(16.75)	-	<b>-</b>
Gas Booster Station	2987.03	7238.55	-	(5621.95)	<b>4603.63</b>
Solar Plant	-	-	-	-	<b>-</b>
* Incidental Expenditure during Construction	215820.56	64384.14	1373.43	(17386.48)	<b>264191.65</b>
<b>TOTAL</b>	<b>661062.96</b>	<b>148533.84</b>	<b>(4246.89)</b>	<b>(109714.67)</b>	<b>695635.24</b>
<b>(b) Intangible Assets under development</b>					
Upfront premium including processing fee	10000.00	-	-	-	<b>10000.00</b>
<b>TOTAL (a+b)</b>	<b>671062.96</b>	<b>148533.84</b>	<b>(4246.89)</b>	<b>(109714.67)</b>	<b>705635.24</b>
* Brought from expenditure during the construction period (net) - Note 38					

**Non Current investment****15. Investment (Un-quoted)**

(₹ in lakhs)

Particulars	Number of Bonds /Shares	Face Value per bond/Share	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	Current year	Current year		
	(Previous year)	(Previous year)		
<b>Trade Investment</b>				
Joint venture with WARNEEP Solar Pvt Ltd. (Equity Shares-Fully paid-up)	75000000	10	7500.00	4000.00
(Share Application Money)	45000000	( 0 )	(4500.00)	500.00
Joint venture with MDGEPL-Windpower (Share application Money)			2.00	2.00
Joint venture with KSK Dibbin Hydro Power (Equity Shares-Fully paid-up)	27930000	10	2793.00	1528.00
	15280000	( 0 )	(1528.00)	
Sub-Total			10295.00	6030.00
<b>B. Investment in Power Bond</b>				
<b>8.5% Tax free State Govt. Bonds of the Government of:</b>				
<b>Arunachal Pradesh</b>	17880.00	1000.00	-	178.80
	(35760.00)	(1000.00)		
<b>Assam</b>	638270.00	1000.00	-	6382.70
	(1276540.00)	(1000.00)		
<b>Manipur</b>	125394.00	1000.00	-	1253.94
	(250788.00)	(1000.00)		
<b>Meghalaya</b>	13026.00	1000.00	-	130.26
	(26052.00)	(1000.00)		
<b>Mizoram</b>	42336.00	1000.00	-	423.36
	(84672.00)	(1000.00)		
<b>Nagaland</b>	58070.00	1000.00	-	580.70
	(116140.00)	(1000.00)		
<b>Tripura</b>	59930.00	1000.00	-	599.30
	(119860.00)	(1000.00)		
<b>Sub total</b>			-	9549.06
<b>Total</b>			<b>10,295.00</b>	<b>15579.06</b>

Investment in power bond of ₹9549.06 lakhs has been redeemed during the year

**16. Long Term Loans & Advances**

(₹In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Capital advances</b>		
i. Secured, considered good	-	-
ii. Unsecured, considered good		
Against Bank Guarantee	3406.80	3800.73
Others	21997.71	18191.73
iii. Unsecured, considered bad	41.28	41.28
Less :Provision against Bad & Doubtful debts	41.28	41.28
	<u>21997.71</u>	<u>18191.73</u>
<b>Advance towards Land</b>	70.54	117.41
<b>Total</b>	<b>25475.05</b>	<b>22109.87</b>

**17. Other non-current assets**

(₹In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Advance to staff	151.34	129.42
<b>Total</b>	<b>151.34</b>	<b>129.42</b>



**Current Assets**

**18. Current Investment**

(₹ in lakhs)

Particulars	Number of Bonds / securities	Face Value per bond	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
	Current year (Previous year)	Current year (Previous year)		
<b>Investment in Power Bond ( Un-quoted)</b>				
<b>8.5% Tax free State Govt. Bonds of the Government of:</b>				
<b>Arunachal Pradesh</b>	-	-	-	178.80
	(17880.00)	(1000.00)	-	
<b>Assam</b>	-	-	-	6382.70
	(638270.00)	(1000.00)	-	
<b>Manipur</b>	-	-	-	1253.94
	(125394.00)	(1000.00)	-	
<b>Meghalaya</b>	-	-	-	130.26
	(13026.00)	(1000.00)	-	
<b>Mizoram</b>	-	-	-	423.36
	(42336.00)	(1000.00)	-	
<b>Nagaland</b>	-	-	-	580.70
	(58070.00)	(1000.00)	-	
<b>Tripura</b>	-	-	-	599.30
	(59930.00)	(1000.00)	-	
<b>Total</b>			-	9549.06

Investment in power bond of ₹9549.06 lakhs has been redeemed during the year

**19. Inventories**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016		As at 31 <sup>st</sup> March, 2015	
General Stores	1560.74		5035.56	
Goods in Transit	-		-	
	1560.74		5035.56	
Less : Provision for loss of stock	<u>66.30</u>	1494.44	<u>31.11</u>	5004.45
<b>Operational stores</b>				
a) Components, spare-parts and other spares	11422.75		10818.07	
b) Consumable stores	256.59		192.12	
c) Stores & spares against Grant-in-aid	1084.00		1423.09	
d) Goods in Transit	598.02		3438.22	
	13361.36		15871.50	
Less: Provision for non-moving stock	276.02	13085.34	159.43	15712.07
<b>Total</b>		<b>14579.78</b>		<b>20716.52</b>

## 20. Trade Receivables

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Unsecured, considered good		
Trade receivables outstanding for a period exceeding 6 months from the date they are due for payment	34622.78	27380.23
Other Debts	67964.19	49473.46
<b>Total</b>	<b>102586.97</b>	<b>76853.69</b>

## 21. Cash & Bank Balances

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>A. Cash &amp; Cash Equivalents</b>		
<b>Balance with Banks</b>		
i) Current Accounts	5355.35	11677.10
ii) Deposit with original maturity upto 3 months	39430.92	48700.00
iii) Cash, Stamps on hand	8.89	9.13
Sub-Total	<b>44795.16</b>	<b>60386.23</b>
<b>B. Other bank balances</b>		
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
Sub-Total	-	12325.04
<b>Total</b>	<b>44795.16</b>	<b>72711.27</b>

## 22. Short term Loans & Advances

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
<b>Unsecured, considered good :</b>		
<b>Advances recoverable in cash or in kind ::</b>		
Advance to Suppliers & Contractors	1272.82	1814.78
Less: Provision for bad & doubtful debts	<u>54.08</u>	<u>53.03</u>
	1218.74	1761.75
Accounts receivables	1429.00	2808.69
<b>Total</b>	<b>2647.74</b>	<b>4570.44</b>

## 23. Other Current Assets

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Interest accrued on STDR, Power Bonds etc.	1278.63	1327.62
Advance to staff	719.03	709.59
Deposits with other authorities	82.11	80.83
Advance tax	13584.29	9563.34
Tax deducted at source	879.37	509.29
Prepaid expenses	700.45	1347.74
Asset Held for sale	970.39	630.04
<b>Total</b>	<b>18214.27</b>	<b>14168.45</b>



**24. Revenue from Operation**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
Sale of electricity	157989.32	150493.72
Electricity Internally Consumed	193.97	164.90
DSM (U.I.) Receivables	1705.07	1138.41
<b>Other Operating Revenue ::</b>		
NERLDC fees & Charges	505.32	684.80
Interest from beneficiaries	447.54	569.21
<b>Total</b>	<b>160841.22</b>	<b>153051.04</b>

- Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.
- Sale includes ₹10602.67 lakh (previous year Nil) on account of “Deemed generation” in respect of Ranganadi Hydro Electric Power Station as allowed by the Central Electricity Regulatory Commission.
- Sales includes ₹2485.76 lakh (Previous year ₹43.41 lakh) on account of earlier years sales arising out of finalization of tariff in current year.
- In terms of cl. no. 49 of the CERC (Terms and conditions of Tariff) Regulations, 2014, deferred tax liabilities for the period upto 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the beneficiaries or long term transmission customers/DICs, as the case may be. Accordingly, current year sale includes ₹1429.00 lakh (previously ₹18169.65 lakh).

**25. Other Income**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
Misc receipts	151.75	395.09
FERV Recoverable/Payable (Net)	20.74	20.74
Interest on investment (State Govt. Bonds)	608.75	1420.42
Liability/Provision written back	2.37	318.16
Profit on Sale of Assets	0.11	7.34
Delayed Payment surcharge	12622.21	621.92
Interest on arrear sale	17.97	-
Other income (Grant-in-aid)	100.93	6.26
<b>Total</b>	<b>13524.83</b>	<b>2789.93</b>

**26. Cost of Material Consumed**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
Purchase of Gas	61858.71	56915.14
Transportation charges of gas	1096.32	1140.33
<b>Total</b>	<b>62955.03</b>	<b>58055.47</b>

**27. Employees Remuneration & Benefits**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
Salary, Wages	13791.09	13412.57
Contribution to Provident Fund	1271.12	1210.38
Provision for Gratuity	-	630.46
Contribution to Pension Fund	837.33	818.88
Staff welfare expenses	17.33	40.90
<b>Total</b>	<b>15916.87</b>	<b>16113.19</b>

**28. Finance Costs**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>A. Interest Expenses</b>		
i) Loans from Life Insurance Corporation of India	7.32	38.50
ii) Cash Credit from State Bank of India	46.65	268.93
iii) Bonds	743.21	33.14
iv) Interest on ECB loan	491.93	-
B. Exchange Rate fluctuations	342.97	-
<b>B. Other Borrowing Costs</b>	1.74	-
<b>Total</b>	<b>1633.82</b>	<b>340.57</b>

**29. Depreciation**

(₹ in lakhs)

Particulars	Operation & Maintenance		Construction & Office	
	2015-16	2014-15	2015-16	2014-15
Total (as per notes 12 & 13)	10032.62	13589.39	1229.58	1186.18
<b>Add: Depreciation from Note No 60</b>	1925.30	1123.66	76.58	39.51
Decapitalisation, Sale, Write off	18.80	-	30.19	-
<b>Less :</b>				
PPA Note no 32,34,35,31	93.88	75.24	-	154.80
<b>Total (excluding PPA)</b>	<b>11882.84</b>	<b>14637.81</b>	<b>1336.35</b>	<b>1070.89</b>

- Depreciation of ₹93.88 lacs is for earlier years and it has been shown as prior period adjustments. (Refer to Note No- 32)
- Out of the total depreciation of construction /offices of ₹1336.35, depreciation of ₹1050.09 lacs has been charged against incidental expenditure during construction. (Refer to Note No. 38) and Depreciation on general assets of corporate assets amounting to ₹286.26 lacs has been clubbed in incidental expenditure of corporate office.
- Depreciation of ₹**11882.84 lakhs** ( previous year ₹14637.81 lakhs) including amortisation on land has been calculated & charged to Profit & Loss Account.
- Since STG unit operation is solely dependent on operation of the GTG units, action initiated for extension of useful life of GTG units to match with the normative useful life of STG units, which is 25 years from its COD. Accordingly, depreciation for GTG units has been calculated considering its balance useful life as 25 years from 2015-16.



**30. Generation & Administration Expenses**

(₹ in lakhs)

Particulars	NOTE NO	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>Generation Expenses</b>			
Repairs & maintenance :			
a) Roads & buildings		1035.41	609.92
b) Power house		3690.79	4835.13
c) Hydraulic works		380.49	312.98
d) Line & sub-stations		60.11	57.50
e) Others		346.96	317.10
f) Stores & spares (against Grant-in-Aid)		100.93	6.26
<b>Sub Total</b>		<b>5614.69</b>	<b>6138.89</b>
<b>Administration Expenses</b>			
1. Travelling expenses		179.66	204.25
2. Advertisement expenses		150.51	36.77
3. Insurance charges		549.04	626.42
4. Rents		2.68	2.05
5. Rates & taxes		40.99	33.35
6. Entertainment expenses		2.18	3.11
7. General expenses	33	6072.27	6590.61
8. Publicity expenses		22.38	4.17
9. Legal charges		49.91	29.31
10. Filing fees to CERC		55.72	49.64
11. NERLDC Fees & Charges		492.01	812.57
12. Wealth Tax		-	1.98
13. Research & Development Expenses		110.75	125.89
14. Corporate Social Responsibility & SD		1030.57	962.47
15. Interest to beneficiary states		1417.52	13.84
16. Incidental Expenditure of Corporate Office	37	8041.01	10209.03
<b>Sub Total</b>		<b>18217.20</b>	<b>19705.46</b>
<b>Total</b>		<b>23831.89</b>	<b>25844.35</b>

**31. Other Expenses**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
Purchase of Power	121.00	355.61
Lubricants, oil etc	212.19	264.59
Electricity Duty	17.11	16.70
U I Charge	266.78	657.79
Write off*	12450.82	54.73
Transmission Charges	12.63	-
Rebate to customers	253.58	522.76
<b>Total</b>	<b>13334.11</b>	<b>1872.18</b>

\*Provision against Tipaimukh (₹1853.45) &amp; Siang Upper Stage II Hydro Electric Project (₹10597.37)

**32. Prior Period Adjustment (Operation & Maintenance)**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>A) Income</b>		
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
Repair & Maintenance others	23.41	116.19
<b>Total Income</b>	<b>23.41</b>	<b>3241.01</b>
<b>B) Expenditure</b>		
Sale of Power	-	115.80
Interest to beneficiaries	192.74	-
Depreciation	93.88	75.45
<b>Total expenditure</b>	<b>286.62</b>	<b>191.25</b>
<b>Net Expenditure / (income)</b>	<b>263.21</b>	<b>(3049.76)</b>



**33. General Expenses**

(₹ in lakhs)

Particulars	Operation & Maintenance		General Administration		Project ( Under Construction)		Total	
	Mar'16	Mar'15	Mar'16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
Leave encashment	1269.08	1570.18	346.87	651.74	1160.85	1170.97	2776.80	3392.89
Transport expenses	573.42	580.47	206.90	208.70	621.49	591.93	1401.81	1381.10
Printing & stationery	21.95	23.72	64.86	57.35	22.59	26.77	109.40	107.84
Postage & telegram	1.50	1.19	5.49	4.14	3.64	3.41	10.63	8.74
Medical expenses	644.10	548.89	734.57	727.42	532.04	442.70	1910.71	1719.01
Licence & registration	3.80	5.75	-	1.41	2.08	3.24	5.88	10.40
Paper & periodicals	0.60	0.60	4.43	3.70	0.34	0.35	5.37	4.65
Uniforms & liveries	10.63	4.86	10.63	0.86	1.42	1.18	22.68	6.90
Honorarium	0.16	-	0.01	0.30	-	-	0.17	0.30
Electric & water charges	193.97	164.90	78.06	57.37	1505.56	1521.45	1777.59	1743.72
Bank charges	55.83	18.36	20.00	6.48	11.21	2.29	87.04	27.13
Social welfare	552.93	576.88	82.84	94.18	40.18	64.81	675.95	735.87
Consultancy charges	14.62	327.40	114.39	96.64	76.29	119.35	205.30	543.39
Security arrangement	1959.76	2106.41	135.89	108.68	396.53	428.46	2492.18	2643.55
Training expenses	272.06	224.36	-	-	0.33	-	272.39	224.36
Staff recruitment expenses	-	0.07	20.52	1.83	-	-	20.52	1.90
Hospital facilities	7.90	5.37	-	-	3.93	4.57	11.83	9.94
Subscription & membership fees	0.04	0.01	34.99	35.82	-	-	35.03	35.83
Communication expenses	26.13	21.38	336.79	320.61	122.70	98.99	485.62	440.98
Office furnishing	1.37	2.47	1.91	7.08	0.88	1.67	4.16	11.22
Miscellaneous expenses	80.33	57.37	178.53	147.89	103.09	113.76	361.95	319.02
I.B. expenses	29.24	36.61	41.93	44.33	91.09	80.74	162.26	161.68
Laboratory & meter testing charges	-	0.20	-	-	6.17	6.04	6.17	6.24
Photographic records	0.01	0.04	1.65	0.52	-	0.19	1.66	0.75
Loss of Stock/Advance written off	203.61	109.07	1.17	22.57	37.46	7.37	242.24	139.01
I T Expenses	56.24	68.59	187.40	195.06	74.75	73.15	318.39	336.80
Loss on sale of fixed Assets	67.99	0.46	1.28	2.50	3.53	13.40	72.80	16.36
Compensation	25.00	135.00	8.00	5.00	44.97	36.00	77.97	176.00
<b>TOTAL</b>	<b>6072.27</b>	<b>6590.61</b>	<b>2619.11</b>	<b>2802.18</b>	<b>4863.12</b>	<b>4812.79</b>	<b>13554.50</b>	<b>14205.58</b>

**34. Prior Period Adjustment in respect of General Administration**

(₹ in Lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>A) Income</b>		
Consultancy Chages	-	3.54
<b>Total Income</b>	-	<b>3.54</b>
<b>B) Expenditure</b>		
Depreciation	-	<b>61.79</b>
<b>Total expenditure</b>	-	61.79
<b>Net Expenditure / (income)</b>	-	<b>58.25</b>

**35. Prior Period adjustment in respect of Projects under construction**

(₹ in Lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>A) Income</b>		
Liability written back	-	10.55
<b>B) Expenditure</b>		
Depreciation	-	92.91
<b>Total expenditure</b>	-	92.91
<b>Net Expenditure / (income)</b>	-	<b>82.36</b>

**36. Payment to Auditors**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>a. Statutory Audit</b>		
Audit Fees	6.87	6.74
Limited Review fees	<u>3.43</u> 10.30	<u>4.50</u> 11.24
<b>b. Tax audit fees</b>		0.56
		0.57
<b>c. Cost Audit Fees</b>		1.12
		1.38
<b>d. Other expenses</b>		9.71
		8.21
<b>Total</b>	20.46	<b>22.63</b>



**37. Incidental Expenditure of Corporate Office**

(₹ in lakhs)

Particulars	Note No.	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>A. Employees Remuneration &amp; Benefit</b>			
Salaries and wages		6084.31	5942.50
Contribution to Provident Fund		590.19	584.85
Provision for Gratuity		1.77	234.56
Contribution to Pension fund		412.47	425.46
Staff welfare expenses		<u>11.90</u>	<u>18.43</u>
Sub Total ( A )		7100.64	7205.80
<b>B. Administration &amp; other Expenses</b>			
Travelling expenses		252.67	292.18
Rent		73.97	114.10
Rates & taxes		4.31	6.29
Wealth Tax		-	0.39
General expenses	33	2619.11	2802.18
Repairs & maintenance		155.11	179.30
Audit fees & expenses	36	20.46	22.63
Legal expenses		4.62	2.68
Insurance charges		10.35	14.06
Entertainment expenses		0.01	-
Advertisement expenses		131.28	84.61
Publicity expenses		431.01	147.02
Board meeting expenses		24.37	41.86
Depreciation		286.26	207.49
Prior period adjustment (Net)	34	-	58.25
Interest on working capital loan		<u>89.32</u>	-
<b>Sub Total ( B )</b>		<u>4102.85</u>	<u>3973.04</u>
<b>Total ( A+ B )</b>		11203.49	11178.84
<b>Less : Non operating receipts :</b>			
i) Interest on Investment		3072.54	926.57
ii) Others		89.94	<u>43.24</u>
		<u>3162.48</u>	<u>969.81</u>
Net expenditure		<u>8041.01</u>	<u>10209.03</u>
Expenditure charged to Profit & Loss Account	30	<b>8041.01</b>	10209.03

## 38. Incidental Expenditure during construction

(₹ in lakhs)

Particulars	Note No.	For the year ended on 31 <sup>st</sup> March, 2016	For the year ended on 31 <sup>st</sup> March, 2015
<b>A. Employees Remuneration &amp; Benefit</b>			
Salaries and wages		11659.39	12320.91
Contribution to Provident Fund		902.34	929.57
Provision for Gratuity		-	437.74
Contribution to Pension fund		636.59	679.52
Staff welfare expenses		13.50	31.89
<b>Sub Total ( A )</b>		<b>13211.82</b>	<b>14399.63</b>
<b>B. Administration &amp; other Expenses</b>			
Travelling expenses		290.44	331.24
Rents		19.35	19.54
Rates & taxes		2.24	0.38
Wealth tax		-	0.33
General expenses	33	4863.12	4812.79
Repairs & maintenance		438.39	648.47
Filing Fee		6.09	-
Depreciation		1050.09	863.40
Legal expenses		21.87	12.82
Insurance charges		790.48	610.92
Prior period adjustment (Net)	35	-	82.36
Entertainment expenses		0.68	1.25
Tender expenses		83.07	44.62
<b>Sub Total ( B )</b>		<b>7565.82</b>	<b>7428.12</b>
<b>C. Interest &amp; Finance Charges</b>			
<b>Interest on :</b>			
i) Bonds		34883.04	14350.99
ii) PFC		-	15783.56
iii) Loan from Govt. of India		0.34	-
iii) KfW Loan		1605.62	1550.09
iv) External Commercial Borrowing		941.82	954.19
v) Short term Borrowing		557.04	2118.31
<b>Exchange rate variation</b>		5973.46	(6378.17)
<b>Finance charges :</b>			
i) Guarantee fees		529.01	557.68
ii) Commitment fees		14.10	39.49
iii) Loan expenses		98.33	316.24
<b>Sub Total ( C )</b>		<b>44602.76</b>	<b>29292.38</b>
<b>Total ( A + B + C )</b>		<b>65380.40</b>	<b>51120.13</b>
Less : Non-operating receipts			
i) Interest on advances from Suppliers/ Contractors		481.60	583.43
ii) Others		514.66	1282.90
		996.26	1866.33
<b>Net Expenditure</b>		<b>64384.14</b>	<b>49253.80</b>
<b>Expenditure transferred to Capital Work-in-Progress</b>		<b>64384.14</b>	<b>49253.80</b>



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) WAANEPP Solar Private Limited, 602, Western Edge-I, Western Express 3Highway,Brivali(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 V K Singh	Director ( Technical)
4	Sri Satyabrata Borgohain	Director (Personnel)

\* Sri. P. C. Pankaj has retired on 30<sup>th</sup> June, 2016 and Sri Gurdeep Singh has taken over the charge of Chairman & Managing Director of the Corporation w.e.f. 1<sup>st</sup> July, 2016.

#### 42. Related party Transaction

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

(₹ in lakhs)

Particulars	Current year (2015-16)	Previous year (2014-15)
Salary and allowances	116.71	109.72
Contribution to Provident Fund and other funds	18.06	15.91
Other benefits	35.76	62.67

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.

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Advance towards land	70.54	117.41

**44. Quantitative information**

Particulars	Unit	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Installed Capacity	MW	1287.00	1135.54
Design Energy	MU	6648.80	5545.31
Actual Generation	MU	5220.37	4356.27
Sales including internal consumption but excluding free supply of Power, Auxiliary consumption	MU	4793.35	4083.02

**45. Contingent liabilities***(₹ in lakhs)*

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Claims against the Company not acknowledged as debt in respect of:		
- Capital Works	146413.64	84979.69
- Land compensation cases	3416.74	1099.19
- Disputed Income tax demand	48.15	48.15
- Others	90.40	27.31
	149968.93	86154.34

\* In addition there are 7 (seven) number arbitration / court cases, claim for which are not quantified as on 31-03-2016 and accordingly have not been included above.

\*\* There are 7 (seven) number of cases amounting to ₹29372.52 lakhs which has been referred by the Corporation to the District Court after adverse decision of the Arbitral Tribunal.

**46. Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹134188.13 lakhs (previous year ₹224791.84 lakhs).

**47. Value of imports calculated on C.I.F. basis***(₹ in lakhs)*

Particulars	For the year 2015-16	For the year 2014-15
Spares	318.14	2752.80

**48. Expenditure in foreign currency***(₹ in lakhs)*

Particulars	For the year 2015-16	For the year 2014-15
Interest	14095.68	1929.87
Others (TA/ Commitment charges/consultancy)	516.72	441.89

**49. Stores in Transit***(₹ in lakhs)*

Particulars	As at 31 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Stores in transit	598.02	3438.22



**50. Deferred Tax Liability/(Asset)**

In compliance to the Accounting Standard 22 on “Accounting for Taxation on Income” provision for Deferred Tax Liability for the year ended 31.03.2016 has been made as under:-

(₹ in lakhs)

	2015-16	2014-15
Deferred Tax Liability upto the year	46325.12	52181.92
Less: Deferred Tax Recoverable upto the year	<u>49265.99</u>	<u>50625.62</u>
Net Deferred Tax Liability/ (Assets) (as shown in B/S)	<u>(2940.87)</u>	<u>1556.30</u>
Deferred Tax Liability/(Asset) for the year	(5856.80)	(549.18)
Less: Deferred Tax Recoverable for the year	<u>(1359.63)</u>	<u>(2090.69)</u>
Net Deferred Tax Asset for the year charged to statement of Profit & Loss	<u>(4497.17)</u>	<u>1541.51</u>

**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 <sup>st</sup> March, 2016	As at 31 <sup>st</sup> March, 2015
Profit after Tax (₹in lakhs)	37254.66	31853.65
Weighted Average number of equity shares (Nos.)	3427823323	3405974660
Earnings Per Share (Basic and Diluted) (Rupees)	1.09	0.94
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 up to 31.03.2016 taking into consideration 10<sup>th</sup> April 2016 as the cut-off date.

**54. Information in respect of Micro, Small and Medium Enterprises as at 31<sup>st</sup> March'2016**

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 ₹2763.65 lakhs (previous year ₹2724.81 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 ₹1886.39 lakhs (previous year ₹1923.86 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.1.4.2013 in order to meet the requirement of funds for payment of Gratuity to the employees separated from the services of the Corporation. Accordingly NEEPCO Employees Group Gratuity Assurance Fund Trust has been constituted on 25<sup>th</sup> 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 5<sup>th</sup> August 2013.

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

**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	957.20 (921.63)	1121.93 (1053.33)	94.70 (83.09)
Interest Cost	937.75 (887.92)	443.60 (372.89)	229.80 (200.93)
Expected return on Plan Asset	862.85 (-485.95)	- (-)	- (-)
Past Service Cost	- (-)	- (-)	- (-)
Actuarial gain/loss recognized in the year	(-)1030.33 (-)20.84)	1211.26 (1966.68)	65.89 (185.95)
Expense recognized in statement of Profit &Loss / IEDC	1.77 (1302.76)	2776.79 (3392.90)	390.40 (469.97)

**Table b. The amount recognized in Balance Sheet:***(₹ in lakhs)*

	Gratuity	Earned leave	PMRB
Closing Fund/Provision at end of the year	12133.44 (12768.38)	7083.05 (6783.82)	3192.39 (2942.95)
Fair Value of Plan Assets as at 31.3.2016	10152.38 (10785.65)	- (-)	- (-)
Closing Net Liability	1981.06 (1982.73)	2776.79 (3392.90)	390.39 (469.97)

**Table c. Changes in the present valuation of obligations:***(₹ in lakhs)*

	Gratuity	Earned leave	PRMB
Present Value of obligation on 31.03.15	12768.38 (12407.54)	6783.82 (6345.01)	2942.95 (2550.27)
Interest Cost	937.75 (887.92)	443.60 (372.89)	229.80 (200.93)
Current service cost	957.20 (921.63)	1121.93 (1053.33)	94.70 (83.09)
Past Service Cost	- (-)	- (-)	- (-)
Benefits paid	1491.84 (1631.78)	2477.56 (2954.09)	140.96 (77.29)
Actuarial gain / loss on obligations	(-) 1038.05 (183.07)	1211.26 (1966.68)	65.89 (185.95)
Present value of obligation on 31.03.2016	12133.44 (12768.38)	7083.05 (6783.82)	3192.38 (2942.95)

**Table d. During the year, the company has provided liability towards:***(₹ in lakhs)*

Sl. No.	Particulars	31-03-2016	31-03-2015
1.	Gratuity	1.77	1302.76
2.	Earned Leave Encashment (EL & HPL)	2776.79	3392.90
3..	Post-Retirement Medical Benefit	390.39	469.97

**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	95.65	93.75
Interest cost	229.80	229.80
Present value of obligation	3224.32	3160.45

**Table f. Actuarial Assumptions:**

Principal Assumptions used for actuarial valuation are:

Sl. No.	Particulars	31-03-2016	31-03-2015
1.	Method used	Projected Unit Credit Method	Projected Unit Credit Method
2.	Discount Rate	8.00	8.00
3.	Salary Inflation Rate	7.00	8.00
4.	Return on Asset	8.00	9.10



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 ₹100.93 lakhs (previous year ₹6.26 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 14<sup>th</sup> January, 2011, an amount of ₹300.00 crore 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 ₹130.09 crore (previous year ₹71.97 crore) has been received during the current financial year 2015-16 and the same has been utilized fully during the year. The total amount of ₹300.00 crore 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 <sup>st</sup> March , 2016			As at 31 <sup>st</sup> March, 2015		
	Long Term	Short Term	Total	Long Term	Short Term	Total
<b>a) <u>Provision for Employees benefit</u></b>						
Opening Balance	9582.18	2127.32	11709.50	14983.15	979.61	15962.76
Addition during the year	2563.59	605.36	3168.95	3283.32	1882.30	5165.62
Utilisation during the year	2003.86	618.10	2621.96	8483.32	935.55	9418.87
Reversal during the year	(182.44)	182.44	-	(200.97)	200.97	-
Closing balance	9959.47	2297.02	12256.49	9582.18	2127.32	11709.50
<b>b) <u>Provision for Dividend</u></b>						
Opening Balance	-	6956.00	6956.00	-	4446.00	4446.00
Addition during the year	-	8917.00	8917.00	-	6956.00	6956.00
Utilisation during the year	-	6956.00	6956.00	-	4446.00	4446.00
Reversal during the year	-	-	-	-	-	-
Closing balance	-	8917.00	8917.00	-	6956.00	6956.00
<b>c) <u>Provision for Dividend Tax</u></b>						
Opening Balance	-	-	-	-	-	-
Addition during the year	-	1416.10	1416.10	-	755.60	755.60
Utilisation during the year	-	1815.31	1815.31	-	1416.10	1416.10
Reversal during the year	-	1416.10	1416.10	-	755.60	755.60
Closing balance	-	-	-	-	-	-
	-	1815.31	1815.31	-	1416.10	1416.10
<b>d) <u>Provision for Current Tax</u></b>						
Opening Balance	-	-	-	-	-	-
Addition during the year	-	8623.13	8623.13	-	5587.48	5587.48
Utilisation during the year	-	11790.79	11790.79	-	8623.13	8623.13
Reversal during the year	-	8623.13	8623.13	-	5587.48	5587.48
Closing balance	-	-	-	-	-	-
	-	11790.79	11790.79	-	8623.13	8623.13

e) <u>Provision for Tariff Revision/ Adjustment</u>						
Opening Balance	-	1318.25	1318.25	-	7934.16	7934.16
Addition during the year	-	-	-	-	1318.25	1318.25
Utilisation during the year	-	1318.25	1318.25	-	7934.16	7934.16
Reversal during the year	-	-	-	-	-	-
Closing balance	-	-	-	-	1318.25	1318.25

59. Any expenses on maintenance of software system payable annually are charged to revenue.

60. Asset held for sale

(₹ in lakhs)

Particulars	Gross Block as on 01.04.2015	Accumulated Depreciation	Net Block as on 31.03.2016
Gas Turbine	2161.10	1914.74	246.36
Gas Booster Station	1002.21	901.99	100.22
Steam Turbine	194.84	135.73	59.11
Plant & Machinery in Generating Station	1556.17	1023.14	533.02
Switch gear including cable connection	307.75	27.70	3.08
Transformer rating 100 amps & above	28.79	22.58	6.21
Diesel Generating Set	25.55	23.00	2.55
Tunnel	33.46	18.93	14.53
Office Equipment	3.49	2.12	1.37
Tool & Plant	2.79	2.13	0.66
Minor Asset	0.15	0.15	-
Camp Equipment	0.16	0.16	-
Other EDP Machine	5.91	5.36	0.55
Temp Erection	13.76	13.76	-
Audio Visual Equipment	0.09	0.09	-
Laboratory & Meter Testing Equipment	0.93	0.26	0.67
Motor cycle & Scotter	7.25	6.46	0.79
Furniture & Fixture	2.61	1.46	1.14
Misc Equipment	0.28	0.16	0.11
<b>Total</b>	<b>5070.35</b>	<b>4099.96</b>	<b>970.39</b>

The above assets have been held for sale at net book value and provision has been made in the books of accounts for ₹253.34 lakh. The Accumulated depreciation includes ₹2001.88 lakhs relating to the current financial year. Out of which ₹1925.30 lakhs has been charged to revenue.

61. Interest and finance charge, related to construction projects, amounting to ₹44602.37 lakhs (previous year ₹29292.38 lakhs) has been transferred to IEDC (Ref. Note No-38). This also includes foreign exchange difference debited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹4300.77 lakhs (previous year credit ₹8998.42 lakhs) and foreign exchange difference debited to carrying amount CWIP in respect of Tripura Gas Based Power Plant, Monarchak amounting to ₹1672.69 lakhs (previous year debit ₹2620.25 lakhs). The foreign exchange borrowings are un-hedged.



62. The Corporation has spent an amount of ₹21936.37 lakhs (previous year ₹21726.85 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 (SI 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	
	31-03-2016	31-03-2015
1. WAANEPP Solar Private Limited	40%	40%
2. MDGEPL Wind Power	40%	40%
3. KSK Dibbin Hydro Power	30%	30%

b) The above Joint Venture Company is incorporated in India. The Company's share of the assets and liabilities as on 31<sup>st</sup> March, 2016 and Income & Expenditure for the financial year ended 31<sup>st</sup> March, 2016 in respect of joint venture entity is based on accounts which are given below:

(₹ in lakhs)

Sl. No.	Particulars	As at 31-03-2016	As at 31-03-2015
A	<b>Assets</b>		
	Non-Current Assets	22254.78	16343.13
	Current Assets	2830.04	2726.77
	<b>Total</b>	<b>25084.81</b>	<b>19069.90</b>
B	<b>Liabilities</b>		
	Non-Current liabilities	13918.56	10352.40
	Current Liabilities	1314.33	1856.09
	<b>Total</b>	<b>15232.89</b>	<b>12208.49</b>
C	Contingent Liabilities	550.00	1100.00
D	Capital Commitments	11242.15	7827.01
E	Expenditure in foreign Currency	-	-
<b>Sl. No.</b>	<b>Particulars</b>	<b>For the year ended 31-03-2016</b>	<b>For the year ended 31.03.2015</b>
F	Income	1577.20	-
G	Expenditure	1991.39	53.76

c) The Board of NEEPCO have decided for termination of deed of the Joint Venture Company M/s. Metatron Danke Green Energy Private Limited, where NEEPCO has 40% equity participation valued at ₹2.00 (two) lakhs. It is resolved that NEEPCO should exit from the SPV with immediate effect.

**64. Corporate Social Responsibility and Sustainable development**

a) Gross amount required to be spent by the Company during the year - ₹6.69 crore



b) Amount spent during the year on :

(₹ in Crore)

Sl. No	Particulars	In Cash	Yet to be paid in cash	Total
i	Construction / acquisition of any asset	9.04	-	9.04
ii	On Purposes other than (i) above	1.27	-	1.27
	<b>Total</b>	<b>10.31</b>	<b>-</b>	<b>10.31</b>

**65. Changes in Accounting Policy and its impact on Profit**

During the financial year 2015-16, 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)
<b>j1 &amp; j5</b>	Modification of Accounting Policy on Revenue Recognition	4462.63
<b>a3</b>	Modification of Accounting Policy on prior period expenses	Nil
<b>b7</b>	Introduction of Accounting Policy on Cellular Phone Handset	(-) 7.98
<b>n</b>	Introduction of Accounting Policy on Impairment of Assets	Nil
<b>0</b>	Introduction of Accounting Policy on Taxes on Income	Nil
<b>p</b>	Introduction of Accounting Policy on Machinery Spares	Nil

**66. Deen Dayal Upadhyaya Gram Jyoti Yogana**

Cash & Bank balances of ₹44795.16 lakhs (previous year ₹72711.27 lakhs) includes an amount of ₹708.46 lakhs (previous year ₹2173.13 lakhs) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yogana. The Corporation has spent an amount of ₹100.54 lakhs (previous year ₹65.49 lakhs) towards this scheme which is included Capital Work in Progress (Note no 14).

**67. Survey and Investigation**

Total amount paid to the Government of Arunachal Pradesh as upfront fee for the Siang Upper Stage II Hydro Electric Project amounts to ₹100.00 crore.

**68. Impairment Loss**

In compliance with the Accounting Standard 28, the company has compared its budgeted cash flows and actual cash flows on cash generating units basis for the current year and no major differences have been observed. Thus, in absence of proper indication regarding impairment of fixed assets, no further exercise has been carried out.

**69. Previous year figures**

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

In terms of our report of even date

For and on behalf of the Board of Directors

For M/s. S P A N &amp; Associates

Chartered Accountants

F.R.N. 302192E

Date: 04-08-2016  
Place: New Delhi**C. Sharma**  
Company Secretary**A. G. West Kharkongor**  
Director (Finance) - cum -  
Chief Financial Officer  
DIN: 03264625**Gurdeep Singh**  
Chairman & Managing Director  
DIN: 00307037**T. K. Das**  
Partner  
Membership No. 053080

**Annexure - 6B****Independent Auditors' Report**

To,

**The Members of North Eastern Electric Power Corporation Limited**

**Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of North Eastern Electric Power Corporation Limited ('the Venturer Company') and its jointly controlled entity (collectively referred to as 'the Company'), comprising the consolidated balance sheet as at 31<sup>st</sup> March 2016, the consolidated statement of profit and loss, the consolidated cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information [hereinafter referred to as 'the consolidated financial statements'].

**Management's responsibility for the consolidated financial statements**

The Venturer Company's Board of Directors is responsible for the preparation of the consolidated financial statements in terms of the requirements of the Companies Act, 2013 ('the Act') that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated 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 Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and as per the Electricity Act, 2003 and relevant Central Electricity Regulatory Commission regulation in respect of Depreciation and other recognized accounting practices and policies. The respective Board of Directors of the companies included in the group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Venturer Company, as aforesaid.

**Auditors' responsibility**

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

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

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



We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in 'Other Matters' paragraph below, are sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act, the Electricity Act 2003 and CERC Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Company, as at 31<sup>st</sup> March 2016, and their consolidated profit and their consolidated 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:

- Note No. 15 in respect of recognition of deferred tax asset in this year on account of timing difference in employees' benefits, not recognized in earlier years;
- Note No. 11 & 12 in respect of re-classification of freehold land into land-right to use;
- Note No. 24 (b) & (c) in respect of unusual escalation in revenue in this year;
- Note No. 38 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties;
- Note No. 13(a) and (b), on Capital Work in Progress, which includes cumulative expenditure of ₹5.97 Crore under Survey and Investigation and Upfront premium including processing fees of ₹100 Crore respectively, relating to Siang Upper Stage II Hydro Electric Project, where uncertainty is attached in view of the Govt. of India decision to keep the project on hold. Accordingly provision has been made in books- Refer Note No. 31 on Other Expenses;
- Note No. 42 in respect of the uncertainty related to the outcome of the claims/arbitration proceedings and lawsuit filed by the/against the company on/by contractors and/or others. In some cases, the arbitration award has been decided against the company/lost in lower courts and the company is pursuing the matter in higher courts.

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

Our report is not modified in respect of these matters.

## Other Matters

We did not audit the financial statements of following jointly controlled entities, whose financial statements reflect the details given below of assets as at 31<sup>st</sup> March, 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements:

(₹ in lacs)

Name of Joint Ventures	Net Assets	Total Revenue	Net Cash Flows
1) WAANEPP Solar Private Limited	7080.40	1576.80	412.40
2) Metatron Danke Green Energy Private Limited	2793.30	-	11.20
3) KSK Dibbin Hydro Power Private Limited	(21.78)	-	1.47
<b>Total</b>	<b>9851.52</b>	<b>1576.80</b>	<b>425.07</b>

These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in



respect of these jointly controlled entities and our report in terms of Section 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid jointly controlled entities, is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

### Report on other legal and regulatory requirements

1. As required by Section 143(3) of the Act, we report, to the extent applicable, that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b. In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
  - c. The consolidated balance sheet, the consolidated statement of profit and loss, and the consolidated cash flow statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e. Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5<sup>th</sup> June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
  - f. With respect to the adequacy of the internal financial controls over financial reporting of the Group and the operating effectiveness of such controls. refer to our separate report in 'Annexure A'; and
  - g. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on the consolidated financial position of the Group. Refer to Note 42 to the consolidated financial statements;
    - ii. The company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and
    - iii. The Company has no case of transferring any amount to the Investor Education and Protection Fund as per the provisions of the Act.

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

*Tapan Kumar Das*

(T. K. DAS)

Partner

Membership No.:053080

Place : Kolkata  
Date : August 4, 2016



## Annexure A to the Auditors' Report

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended 31<sup>st</sup> March 2016, we have audited the internal financial controls over financial reporting of North Eastern Electric Power Corporation Limited ('the Venturer Company') and its jointly controlled entities which are companies incorporated in India, as of that date.

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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



### Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

### Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses in the internal financial control system of the Venturer Company have been identified as at March 31<sup>st</sup>, 2016:

- a) the company did not have documented manual for the different components of established internal control;
- b) the company has an old information technology (IT) general and application system and is unable to cater the emerging needs and complete information consistent with financial reporting objectives;

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

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

In our opinion, the venturer company and jointly controlled entities, which are companies incorporated in India, have, in all material respects, maintained adequate internal financial controls over financial reporting as of March 31<sup>st</sup>, 2016, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of March 31<sup>st</sup>, 2016.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the March 31<sup>st</sup>, 2016 consolidated financial statements of the Company, and these material weaknesses do not affect our opinion on the consolidated financial statements of the Company.

### Other Matters

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

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

*Tapan Kumar Das*  
(T. K. DAS)

Partner  
Membership No.: 053080

Place : Kolkata  
Date : August 4, 2016

*Kameng Hydro Electric Project, Arunachal Pradesh*





**PART I : Consolidated Balance Sheet as at 31<sup>st</sup> March, 2016**

(₹ in lakhs)

Particulars		Note No	As at 31 <sup>st</sup> March, 2016
1)	<b>I. EQUITY AND LIABILITIES</b>		
	<b>Shareholders' funds</b>		
	(a) Share Capital	2	345281.04
	(b) Reserve and Surplus	3	253117.04
2)	<b>Non-Current liabilities</b>		
	a) Long-term borrowings	4	558347.86
	b) Other Long term Liabilities	5	186.11
	c) Long term provisions	6	9962.67
3)	<b>Current liabilities</b>		
	a) Short term borrowings	7	8.40
	b) Trade Payables	8	7214.35
	c) Other Current Liabilities	9	51829.59
	d) Short term Provisions	10	37271.74
	<b>TOTAL</b>		<b>1263218.80</b>
	<b>II. ASSETS</b>		
1)	<b>Non-Current Assets</b>		
	(a) Fixed Assets		
	(i) Tangible assets	11	327690.03
	(ii) Intangible assets	12	4541.83
	(iii) Capital work -in-progress	13	711669.17
	(b) Non-Current investments	14	254.40
	(c) Deferred Tax Assets (Net)	15	2965.27
	(d) Long-term loans and advances	16	28071.15
	(e) Other non-current assets	17	2372.19
2)	<b>Current assets</b>		
	(a) Current investments	18	656.33
	(b) Inventories	19	14579.78
	(c) Trade Receivables	20	103206.57
	(d) Cash and cash Equivalents	21	45832.77
	(e) Short-term loans and advances	22	2648.03
	(f) Other current assets	23	18731.28
	<b>TOTAL</b>		<b>1263218.80</b>
	<b>Summary of significant accounting policies</b>	1	

The accompanying notes 1 to 63 form an integral part of these financial statements.

In terms of our report of even date

For and on behalf of the Board of Directors

For M/s. S P A N & Associates

Chartered Accountants

F.R.N. 302192E

Date: 04-08-2016

C. Sharma

A. G. West Kharkongor

Gurdeep Singh

T. K. Das

Place: New Delhi

Company Secretary

Director (Finance) - cum -  
Chief Financial Officer

Chairman & Managing Director

Partner

DIN: 03264625

DIN: 00307037

Membership No. 053080



## PART II : Consolidated Statement of Profit and loss for period ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

	Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2016
I.	Revenue from operations	24	162396.42
II.	Other income	25	13546.83
III.	<b>Total Revenue(I+II)</b>		<b>175943.25</b>
IV.	Expenses:		
	Cost of materials consumed	26	62955.03
	Employee benefits expense	27	15946.87
	Finance Costs	28	2925.82
	Depreciation	29	12265.64
	Generation & Administration Expense	30	24100.89
	Other expenses	31	13351.71
	Prior Period Adjustment	32	263.21
	<b>Total Expenses</b>		<b>131809.17</b>
V.	Profit before tax ( III-IV)		<b>44134.08</b>
VI.	Tax expense:		
	(1) Current tax		12173.36
	Less: Mat Credit Adjustment		<u>382.57</u>
	Net Current Tax		11790.79
	(2) Deferred tax		(5881.20)
	Less: Deferred Tax Recoverable		<u>(1359.63)</u>
			(4521.57)
	<b>Profit for the period (V-VI)</b>		<b>36864.86</b>
VII	Earnings per equity Share:		
	(1) Basic (₹)		1.07
	(2) Diluted (₹)		1.07

The accompanying notes 1 to 63 form an integral part of these financial statements.

In terms of our report of even date

For and on behalf of the Board of Directors

For M/s. S P A N & Associates

Chartered Accountants

F.R.N. 302192E

Date: 04-08-2016

**C. Sharma**  
Company Secretary

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

**Gurdeep Singh**  
Chairman & Managing Director  
DIN: 00307037

**T. K. Das**  
Partner  
Membership No. 053080

Place: New Delhi



## Consolidated Cash Flow Statement for the period ended 31<sup>st</sup> March, 2016

(₹ in lakhs)

A)	Cash Flow From Operating Activities:	2015-16	
	Net Profit before Tax		44134.08
	<b>ADD:</b>		
	Depreciation	12645.78	
	Interest	2680.03	
	Provision for Rebate/Incentive	253.58	
	Provision for write off	12450.82	
	Exchange loss on Foreign Currency Borrowing	<u>342.97</u>	
			28373.18
	<b>LESS:</b>		
	Non cash receipts, if any		
	Intt. Power Bond	608.75	
	Grant-in -Aid	100.93	
	Liability written back	2.37	
	Interest on Investment	3072.54	
	Profit on sale of assets	0.11	
	FERV Recoverable/Payable	20.74	
	Profit from Investment in Mutual Fund	<u>22.00</u>	3827.44
	<b>Cash Flow From Operating Activities before</b>		<b>68679.82</b>
	<b>Working Capital Adjustments:</b>		
	<b>Working Capital Changes:</b>		
	(Increase)/ Decrease in Inventories	6136.74	
	(Increase)/ Decrease in receivables	(21220.69)	
	Increase/( Decrease) in trade & other payables	<u>(1601.92)</u>	<b>(16685.87)</b>
	<b>Cash Flow From Operating Activities before taxes:</b>		<b>51993.95</b>
	Income Tax Paid		(12653.12)
	<b>Net Cash Flow From Operating Activities :</b>		<b>39340.83</b>



(₹ in lakhs)

<b>B)</b>	<b>Cash Flow From Investing Activities :</b>		
	Purchase of fixed assets	(2680.08)	
	Sale of fixed asset	65.21	
	Expenditure on construction projects	(107907.83)	
	Purchase of investment	(7478.93)	
	Sale of investment	2325.20	
	Interest on Investment	3072.54	
	Divident Received	33.83	
	Interest received	<u>0.42</u>	
	<b>Net Cash Flow From Investing Activities :</b>		<b>(112569.64)</b>
<b>C)</b>	<b>Cash Flow from Financing Activities :</b>		
	Proceeds from issue of share capital	6049.00	
	Grant -in-aid	13009.00	
	Proceeds from borrowing	121008.19	
	Repayment of loan	(47441.54)	
	Dividend Paid	(9215.00)	
	Interest Received	608.75	
	Dividend Tax	(1875.96)	
	Interest paid	<u>(38501.06)</u>	43641.38
<b>D)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(29587.43)</b>
<b>E)</b>	<b>Cash and cash equivalents -Opening</b>		<b>75420.20</b>
<b>F)</b>	<b>Cash and cash equivalents- Closing</b>		<b>45832.77</b>

2. The Cash Flow Statement is prepared in accordance with the format included in Accounting Standard 3

3. 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 and on behalf of the Board of Directors

For M/s. S P A N & Associates

Chartered Accountants

F.R.N. 302192E

Date: 04-08-2016

**C. Sharma**  
Company Secretary

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

**Gurdeep Singh**  
Chairman & Managing Director  
DIN: 00307037

**T. K. Das**  
Partner  
Membership No. 053080



## Notes to the financial statements for the year ended 31<sup>st</sup> March, 2016

### 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 of items of ₹20000/- and below and prior period expenses/income of items of ₹500000/- 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

##### I. Tangible 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 to the cost of related assets.
- 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. Cost of mobile handsets are recognized as revenue expenditure and booked under "Communication expenses".
- b8. Physical verification of Fixed Assets are undertaken by the management once in a year.

##### II. Intangible assets:

- b9. Cost for acquiring forest land taken for use from State governments (without transfer of title) for construction of projects and all related expenditures thereof are accounted for as "Land – Right to use".
- b10. Software (not being an integral part of the related hardware) acquired for internal use is stated at cost of acquisition/purchase.

#### 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 are 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 are 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 Depreciation is charged as per Electricity Act, 2003 on straight line method following the rates & methodology notified by Central Electricity Regulatory Commission constituted under the Act, except for the assets specified in policy no. d2, d3, d4 and d5.

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 31<sup>st</sup> 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 31<sup>st</sup> 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.

However, for assets for the projects under construction and offices (not being projects) are depreciated at the rates enunciated as per the CERC (Terms & Conditions of Tariff) Regulations, 2014 irrespective of its balance useful life.

- (iii) Depreciation for each class of asset has been calculated from the first day of the month following the month of capitalization

- d2. IT Equipment are depreciated @33.33%, as per the CERC notification dt. 5<sup>th</sup> November, 2015.
- d3. 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.
- d4. 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.
- d5. "Land – Right to use" will be amortized over a period of useful life of the project or as per the CERC Regulations from the date of commercial operation of the project. Computer software amortized on straight line method over a period of legal right to use or three years, whichever is earlier.
- d6. 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.
- 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 utilization 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.

**j. REVENUE RECOGNITION**

- j1. Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.
- j2. The incentives/disincentives are recognized based on norms notified/approved by the Central Electricity Regulatory Commission.
- j3. Interest receivable on arrear bills/ surcharge recoverable for late payment from the beneficiaries for sale of electricity is accounted for on receipt basis.
- j4. Interest on amount involved in consequent securitization of sundry debtors duly confirmed by all the States is accounted for on accrual basis.
- j5. CERC application fee and publication expenses reimbursable by the beneficiaries in terms of CERC regulations are being accounted for on accrual basis.
- j6. Recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis.

**k. FOREIGN EXCHANGE TRANSACTION**

- k1. 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.
- k2. 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 1<sup>st</sup> April, 2004 are adjusted in the carrying cost of related fixed assets / capital work-in-progress.
- k3. Other exchange differences are recognized 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.



**I. MISCELLANEOUS**

- l1. Interest on advances to contractors are accounted for on due basis.
- l2. Claims, liquidated damage, co-operative societies, interest subsidy etc., are accounted for on receipt basis.
- l3. Claims for price variation / Bonus in case of contracts/supply/consultancy etc., are accounted for on acceptance of the bills.
- l4. Arbitration award for and against the Corporation is accounted for in the year of final settlement.
- l5. Prepayment charges on repayment of loan in full will be charged off to the IEDC / Profit & Loss account in the year of repayment itself.

**m. WRITE OFF:-**

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

**n. IMPAIRMENT OF ASSETS**

The company assesses at each balance sheet date whether there is any indication that cash generating unit (CGU) is impaired based on internal/external indicators. If any such indication exists, company estimates the recoverable amount of the CGU. An impairment loss is recognized in the Statement of Profit and Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is a change in the recoverable amount and such loss either no longer exists or has decreased.

**o. TAXES ON INCOME**

Tax on income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax recovery adjustment account is credited/ debited to the extent tax expense is chargeable from the beneficiaries in future years.

**p. MACHINERY SPARES**

- p1. Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized separately, if cost of such spares is known and depreciated fully over the residual useful life of the related plant and machinery at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery. If cost of such spares is not known particularly when procured along with mother plant, these are capitalized & depreciated along with mother plant at the rates of depreciation and methodology as notified by CERC for such Plant & Machinery.
- p2. Written Down Value (WDV) of spares is charged off to Statement of Profit & Loss in the year in which such spares are replaced in place of retrieved spares, provided the spares so retrieved do not have any useful life. Similarly, value of such spares, procured & replaced in place of retrieved spares, is charged off to Statement of Profit & Loss in that year itself, provided spares so retrieved do not have any useful life.
- p3. When the useful life of the related fixed asset expires and asset is retired from active use, such spares are valued at net book value or net realizable value whichever is lower. However, in case retired assets are not replaced, WDV of related spares less disposable value is written off.
- p4. Other machinery spares are treated as "stores & spares" forming part of the inventory.



## 2. Share Capital

(₹ in lakhs)

Particulars	As on 31 <sup>st</sup> March, 2016
<b>AUTHORISED CAPITAL</b>	
5,00,00,00,000 nos. of equity shares of ₹10/- each	500000.00
<b>ISSUED, SUBSCRIBED AND PAID -UP CAPITAL</b>	
3,45,28,10,400 nos. of equity shares of ₹10/- each	345281.04
<b>Total</b>	<b>345281.04</b>

### a. Reconciliation of Number of Shares & Share Capital outstanding

Particulars	As at 31 <sup>st</sup> March, 2016		
	No. of Shares	Per value per share (₹)	Amount (₹)
Opening Balance	3426115400	10/-	34261154000
Add: Shares issued during the year	26695000	10/-	266950000
Less: Reduction in shares / shares Capital			
<b>Closing balance</b>	<b>3452810400</b>	<b>10/-</b>	<b>34528104000</b>

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

Particulars	As at 31 <sup>st</sup> March, 2016		
	No. of Shares	Par value per share (₹)	Amount (₹)
President of India	<b>3452809800</b>	10/-	34528098000

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

## 3. Reserve & Surplus

(₹ in lakhs)

Particulars	Capital Reserve	Bond Redemption Reserve	Grant-in-Aid	General Reserve	Surplus as per Profit & Loss A/C	Total
<b>Opening as on 01.04.2015</b>	14.08	12271.60	18175.94	186291.68	41.97	216795.27
Add Addition during the period		12480.44	13009.00	11400.00	(370.78)	36518.66
Adjustment during the period			(100.93)		(95.97)	(196.90)
<b>Closing Balance as on 31.03.2016</b>	<b>14.08</b>	<b>24752.04</b>	<b>31084.01</b>	<b>197691.68</b>	<b>(424.77)</b>	<b>253117.04</b>

# includes ₹444.18 lakhs share of jointly controlled entities.

**Appropriation of Profit**

(₹ in lakhs)

<i>Particulars</i>	As at 31st March'2016
<b>Profit/(Loss) for the period</b>	36864.86
<b>Add :</b>	
i) Balance of Profit from last year	95.97
ii) Write back from Bond Redemption Reserve	-
<b>Profit for the year available for appropriation</b>	<b>36960.83</b>
<b>Less:</b>	
i) Transferred to Bond Redemption Reserve	12480.44
ii) Transferred to General Reserve	11400.00
iii) Interim Dividend	2259.00
iv) Proposed Final Dividend	8917.00
v) Dividend Tax :	
Interim	459.88
Proposed	<u>1815.29</u>
<b>Carried over to Balance Sheet</b>	<b>(370.78)</b>

**Non-current liabilities****4. Long term borrowings**

(₹ in lakhs)

<i>Particulars</i>	As at 31 <sup>st</sup> March, 2016
<b>I BONDS :</b>	
<b>SECURED</b>	
<b><u>PRIVATE PLACEMENT:</u></b>	
<b>a. Sixteenth Issue</b>	<b>90000.00</b>
8.68% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at 20% of face value on 30 <sup>th</sup> Sept, 2026, 30 <sup>th</sup> Sept, 2027, 30 <sup>th</sup> Sept, 2028, 30 <sup>th</sup> Sept, 2029, 30 <sup>th</sup> Sept, 2030. (The value of Assets in the Tuirial Hydro Electric Project, Mizoram & Kopili Hydro Electric Project in Assam and landed property of the Corporation in the District of Mehhsana, Gujrat have been identified for mortgage through the Trust Deed with the appointed Trustee).	
<b>b. Fifteenth issue</b>	<b>60000.00</b>
9.15% (Taxable), Secured, Redeemable Non-Convertible Bonds of ₹10,00,000.00 each, Redeemable at 20% of face value on 25 <sup>th</sup> March, 2021, 25 <sup>th</sup> March, 2022, 25 <sup>th</sup> March, 2023, 25 <sup>th</sup> March, 2024 and 25 <sup>th</sup> March, 2025. (The value of Assets in the Agartala Gas Turbine Project (original open cycle plant) in Agartala, Tripura, value of Assets except the Gas Turbine & Steam Turbines in the Assam Gas Based Power Plant in Kathalguri, Assam, value of Assets except Plant & Machinery in generating station in the Ranganadi Hydro Electric Project in Arunachal Pradesh along with landed property of the Corporation in the District of Mehhsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed trustee)	





(₹ in lakhs)

<p>3. The aforesaid facilities together with all interests, additional interests, fees, premia on prepayment, remuneration payable to the Lenders, costs, charges, expenses and all other amounts whatsoever stipulated in, or payable by the Company in terms of, the finance documents, shall to the satisfaction of the lenders, be secured by:</p> <p>(a) First pari-passu charge on all the immovable, movable, tangible and intangible properties and current assets (both present and future) of the respective project of the Company</p> <p>(b) Pledge in demat form representing 51% (previous year 76%) issued and paid up share capital of the promoters, viz. Waaree Energies Limited and NEEPCO respectively</p> <p>(c) Corporate Guarantee of the (i) Waaree Energies Limited and (ii) Mahavir Thermoequip Private Limited</p>	
<p><b>b. Foreign Currency Loan</b></p> <p><b>External Commercial Borrowing</b></p> <p>[secured by Hypothecation of all movable &amp; 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]</p>	<b>45923.60</b>
<b>Total Secured Loans (A)</b>	<b>483054.00</b>
<p><b>(B) Unsecured</b></p> <p><b>a. Rupee Loan</b></p> <p><b>(i) Unsecured Loan- Metatron</b></p> <p><b>(ii) Subordinate Loans from Govt. of India</b></p> <p>Repayable in 15 equal annual installment starting from the 16<sup>th</sup> year after commissioning of Tuiral Hydro Electric Project</p>	<p>35.36</p> <p>29196.42</p>
<p><b>b. Foreign Currency Loan</b></p> <p>Loan from Kfw</p> <p>(Guaranteed by the Govt. of India)</p> <p>(Loan taken for construction of Pare Hydro Electric Project at Arunachal Pradesh)</p> <p>Repayable in 30 equal half yearly installment w.e.f. 30.12.2013</p>	<b>46062.08</b>
<b>Total Unsecured Loans (B)</b>	<b>75293.86</b>
<b>GRAND TOTAL (A + B) #</b>	<b>558347.86</b>

# includes ₹13915.76 lakhs share of jointly controlled entities.



### 5. Other Long Term Liabilities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Deferred foreign currency fluctuation liabilities #	186.11

# includes nil lakhs share of jointly controlled entities.

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

### 6. Long Term Provisions

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Provision for Employee benefits</b>	
Provision for Gratuity	298.15
Provision for Leave encashment	6646.82
Medical benefit for retired employees	3017.70
<b>Total #</b>	<b>9962.67</b>

# includes ₹3.20 lakhs share of jointly controlled entities.

Disclosure as per AS 15 on 'Employees Benefits' is made in Note no.53

### Current Liabilities

### 7. Short Term Borrowing

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Unsecured loans & advances from related parties-KSK Dibbin Hydro Power Pvt. Ltd.	8.40
<b>Total #</b>	<b>8.40</b>

# includes ₹8.40 lakhs share of jointly controlled entities.

### 8. Trade Payables

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Micro & Small Enterprises	-
Others	7214.35
<b>Total #</b>	<b>7214.35</b>

# includes ₹108.34 lakhs share of jointly controlled entities.

### 9. Other Current Liabilities

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Current maturity of Long Term Debt</b>	
<b>I Term loan-Secured</b>	
<b>a. External Commercial Borrowing</b>	6803.10
[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]	



(₹ in lakhs)

<b>b. Loans from Life Insurance Corporation of India</b> Secured by the assets of Kopili HEP : Khandong Dam, Umrong Dam ,Power House Khandong, Khandong Penstock, Dykes - Khandong, Tunnel-Khandong, Dyke-Umrong, Power House Khandong -Electical 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	-
c. Current Maturities of Borrowing-Waaneep	568.40
<b>Sub Total</b>	<b>7371.50</b>
<b>II. Term Loan- Unsecured</b> <b>Loan from Kfw</b> (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	4004.09
<b>Sub total</b>	<b>4004.09</b>
<b>III Interest accrued but not due on:</b>	
Loans from Life Insurance Corporation of India	-
Bonds	2900.09
Loans from Kfw	405.40
Working Capital Demand Loan	-
Short term borrowing	91.20
External Commercial Borrowing	59.18
<b>Sub total</b>	<b>3455.87</b>
<b>IV. Interest accrued &amp; due :</b>	
On short term & long term borrowings	<b>35.67</b>
<b>V. Other liabilities</b>	
Creditors for Capital Expenditure	16037.97
Amount payable to Employee's	6214.12
Tax deducted at source & other statutory dues	484.51
CPF, LIP, NESSS etc.	1035.12
Deposit , retention money from contractors & others	12460.27
Advance from REC for RGGVY	708.46
Deferred foreign currency fluctuation liabilities	20.74
Provision for expenses	1.20
Audit fee payable	0.06
<b>Sub-Total</b>	<b>36962.46</b>
<b>Total #</b>	<b>51829.59</b>

# includes ₹1197.19 lakhs share of jointly controlled entities.

**10. Short term provisions**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
<b>a. Provision for Employee benefits</b>	
Gratuity	1684.50
Leave encashment	438.63
Post Retirement Medical Benefit	174.69
<b>b. Others</b>	
Proposed Dividend	8917.00
Dividend Tax	1815.31
Current Tax	11790.79
Provision for Write off	12450.82
<b>Total #</b>	<b>37271.74</b>

# includes ₹0.78 lakhs share of jointly controlled entities.



**Non Current Assets**

**11. Tangible Assets**

Particulars	GROSS BLOCK			
	As at 1st April, 2015	Additions during the period	Sales/Adjust. during the period	As at 31 <sup>st</sup> March '16
<b>A) ASSETS</b>				
<b>I. HYDRAULIC POWER, SOLAR</b>				
<b>GAS PLANT &amp; TRANSMISSION LINES :</b>				
Building and civil engineering works containing generation plant & equipment, main plant	<b>26826.48</b>	25395.16	-	<b>52221.64</b>
Hydraulic works including Dams Dykes, Reservoirs & Tunnels	<b>166103.43</b>	6.99	-	<b>166110.42</b>
Plant & Machinery in Generating Station	<b>62544.48</b>	2028.42	(302.89)	<b>64270.01</b>
Transformer having a rating of 100 K.V. ampere and above	<b>5890.66</b>	1770.82	(17.58)	<b>7643.90</b>
Sub-station equipment and other fixed apparatus	<b>508.58</b>	27.45	9.53	<b>545.56</b>
Switchgear including cable connections	<b>12294.32</b>	5539.66	(13.81)	<b>17820.17</b>
Transmission Lines	<b>862.98</b>	5.02	33.97	<b>901.97</b>
PV modules including Mounting structures	<b>3009.42</b>	117.93	-	<b>3127.35</b>
Inverters including Battery Bank (O & M)	<b>281.61</b>	9.16	-	<b>290.77</b>
Gas Turbine	<b>92343.43</b>	39908.28	(1020.22)	<b>131231.49</b>
Gas Booster Station	<b>17028.76</b>	3452.89	(989.40)	<b>19492.25</b>
Gas Pipeline	<b>36.60</b>	-	-	<b>36.60</b>
Gas Steam Turbine	<b>53524.10</b>	28957.81	(6.20)	<b>82475.71</b>
Gas Cooling Tower	<b>3296.90</b>	-	-	<b>3296.90</b>
Make-up Water System	<b>3283.33</b>	385.95	-	<b>3669.28</b>
Solar Power plant		10504.80		<b>10504.80</b>
<b>Total</b>	<b>447835.08</b>	<b>92715.18</b>	<b>(2306.60)</b>	<b>563638.82</b>



(₹ in lakhs)

DEPRECIATION			NET BLOCK	
As at 1 <sup>st</sup> April, 2015	Depreciation for the period including adjustment	Sales/ Adjustment during the year	Up to 31 <sup>st</sup> March '16	As at 31 <sup>st</sup> March '16
14720.00	849.13	-	15569.13	36652.51
74534.19	3755.98	-	78290.17	87820.25
27567.80	1789.07	-	29356.87	34913.14
3070.76	160.05	-	3230.81	4413.09
396.83	3.94	-	400.77	144.79
7366.01	293.04	-	7659.05	10161.12
588.41	14.19	-	602.60	299.37
14.62	181.84	-	196.46	2930.89
1.37	16.95	-	18.32	272.45
77899.47	326.51	-	78225.98	53005.51
15500.93	(604.05)	-	14896.88	4595.37
32.95	-	-	32.95	3.65
35744.62	2099.36	-	37843.98	44631.73
2183.88	87.04	-	2270.92	1025.98
2026.00	99.89	-	2125.89	1543.39
	<b>382.40</b>		<b>382.40</b>	<b>10122.40</b>
<b>261647.84</b>	<b>9455.34</b>	<b>-</b>	<b>271103.18</b>	<b>292535.64</b>



Particulars	GROSS BLOCK			
	As at 1 <sup>st</sup> April, 2015	Additions during the period	Sales/Adjust. during the period	As at 31 <sup>st</sup> March '16
<b>II GENERAL ASSETS (FOR PROJECTS UNDER OPERATION)</b>				
Buildings	7938.10	905.36	1319.58	10163.04
Furniture & Fixtures	526.88	18.40	83.41	628.69
Roads, Bridges, Culverts & Helipads	3421.54	96.18	277.51	3795.23
Vehicles	546.98	-	-	546.98
Railway Siding	10.65	-	-	10.65
Electrical Installation	840.32	57.75	77.02	975.09
Temporary Buildings/Erections	2409.71	0.00	37.16	2446.87
Hospital Equipment	19.39	0.64	1.34	21.37
Tools & Plants	3477.20	127.14	17.46	3621.80
Office Equipment	222.06	70.47	17.51	310.04
I T Equipment	760.41	41.32	46.72	848.45
Other Equipment	599.08	143.37	75.13	817.58
Water supply, sewerage & drainage	896.86	26.24	36.80	959.90
Plant & Machinery in Generating Station (Diesel Power House)	467.32	63.07	-	530.39
Communication Equipment	175.65	3.13	-	178.78
Lightning Arrestor (Pole Type Magazine Building)	139.01	2.99	-	142.00
Telephone Line	103.69	-	-	103.69
Cellular Line	2.95	0.62	(3.57)	-
Fixed Assets of Minor value	21.30	6.23	5.93	33.46
<b>Land &amp; Land Rights :</b>				
Free hold	1834.93	511.60	36.83	2383.36
Lease hold	4372.53	-	-	4372.53
	28786.56	2074.51	2028.83	32889.90
<b>TOTAL (A)</b>	<b>476621.64</b>	<b>94789.69</b>	<b>(277.77)</b>	<b>596528.72</b>



(₹ in lakhs)

DEPRECIATION			NET BLOCK	
As at 1 <sup>st</sup> April, 2015	Depreciation for the period including adjustment	Sales/ Adjustment during the year	Up to 31 <sup>st</sup> March '16	As at 31 <sup>st</sup> March '16
3321.13	327.19	139.01	3787.33	6375.71
394.85	13.48	18.14	426.47	202.22
1529.25	100.20	16.09	1645.54	2149.69
326.84	18.06	-	344.90	202.08
7.89	0.19	-	8.08	2.57
641.89	15.90	12.40	670.19	304.90
2409.71	-	37.16	2446.87	0.00
9.55	0.89	0.07	10.51	10.86
2744.83	36.24	3.39	2784.46	837.34
178.04	4.53	3.33	185.90	124.14
559.80	131.68	17.28	708.76	139.69
404.87	21.36	10.09	436.32	381.26
408.66	44.72	4.83	458.21	501.69
389.75	2.65	-	392.40	137.99
126.90	2.90	-	129.80	48.98
119.49	0.53	-	120.02	21.98
91.91	0.07	-	91.98	11.71
0.83	(1.13)	0.30	0.00	-
21.29	6.23	5.94	33.46	-
-	-	-	-	2383.36
1523.57	234.40	-	1757.97	2614.56
15211.05	960.09	268.03	16439.17	16450.73
<b>276858.89</b>	<b>10415.43</b>	<b>268.03</b>	<b>287542.35</b>	<b>308986.37</b>



Particulars	GROSS		BLOCK	
	As at 1 <sup>st</sup> April, 2015	Additions during the period	Sales/Adjust. during the period	As at 31 <sup>st</sup> March '16
<b>B) ASSETS</b>				
<b>(FOR PROJECTS UNDER CONSTRUCTION &amp; OTHER OFFICES)</b>				
Building	6548.15	1253.87	(1349.12)	6452.90
Furniture & Fixtures	940.19	71.21	(60.28)	951.12
Roads, Bridges, Culverts & Helipads	3281.90	19.83	(333.46)	2968.27
Vehicles	138.94	15.76	-	154.70
Electrical Installations	499.85	51.21	(77.04)	474.02
Temporary Buildings/Erections	1954.10	1.19	(37.17)	1918.12
Tools & Plants	1895.18	0.66	(22.39)	1873.45
Office equipment	614.84	29.79	(22.06)	622.56
I T Equipment	1411.84	108.32	(70.75)	1449.41
Water Supply, sewerage & drainage	616.37	17.51	(36.80)	597.08
Plant & Machinery in Generating Station (Diesel Power House)	172.24	11.14	-	183.38
Communication Equipment	176.25	3.04	(0.30)	178.99
Plant & Machinery	1.16	-	-	1.16
Weigh Bridge	13.34	-	-	13.34
<b>Land &amp; Land Rights</b>				
Free hold	1981.58	2546.43	(4060.74)	467.27
Lease hold	4453.86	339.82	(510.34)	4283.34
Other Equipment	1062.01	19.50	(80.71)	1000.80
Hospital Equipment	13.37	0.69	(1.34)	12.72
Substation Equipment	307.94	-	(9.53)	298.41
Transformer having a rating of 100 KV & Above	160.89	11.81	(11.21)	161.49
Transmission Line	6255.36	-	(33.97)	6221.39
Fixed assets of Minor value	57.67	5.34	(5.93)	57.08
Cellular Phone	9.64	0.73	(10.37)	0.00
<b>TOTAL (B)</b>	32566.67	4507.85	(6733.52)	30341.00
<b>GRAND TOTAL (A + B) #</b>	<b>509188.31</b>	<b>99297.54</b>	<b>(7011.29)</b>	<b>626869.72</b>
# includes ₹11124.41 lakhs share of jointly controlled entities.				

## 12 - Intangible Assets

(₹ in lakhs)

Particulars	GROSS		BLOCK	
	As at 1 <sup>st</sup> April, 2015	Additions during the period	Sales/Adjust. during the period	As at 31 <sup>st</sup> March '16
Land-Right to Use			4469.05	4469.05
Software #	76.47	74.90	-	151.17
<b>Total</b>	<b>76.47</b>	<b>74.90</b>	<b>4469.05</b>	<b>4620.22</b>

# includes nil lakhs share of jointly controlled entities.

### Explanatory note to Note 12 & 13

- Depreciation on corporate office assets and general assets of projects under construction is charged on the basis of rate as notified by Central Electricity Regulatory Commission.
- Total freehold land is 593.43 Hectres, of which 585.58 hectre of land relates to construction of projects. Transfer of title deed in respect of 183.19 Hectre of land are yet to be executed.
- Total leasehold land is 6728.48 Hectres. Execution of lease deed is not pending for such land.
- Compensation paid for forest land of 6149.50 Hectres for setting up of projects are treated as "Right to use".



(₹ in lakhs)

DEPRECIATION			NET BLOCK	
As at 1 <sup>st</sup> April, 2015	Depreciation for the period including adjustment	Sales/Adjust. during the period	Up to 31 <sup>st</sup> March'16	As at 31 <sup>st</sup> March'16
1370.44	324.94	(139.01)	<b>1556.36</b>	4896.54
461.51	66.82	(18.24)	<b>510.09</b>	441.04
293.78	95.24	(16.09)	<b>372.93</b>	2595.34
59.14	11.71	-	<b>70.85</b>	83.85
254.85	36.02	(12.40)	<b>278.47</b>	195.55
1954.09	1.19	(37.16)	<b>1918.12</b>	-
1262.72	42.44	(3.39)	<b>1301.77</b>	571.68
404.82	19.33	(4.70)	<b>419.46</b>	203.10
1137.46	171.06	(17.28)	<b>1291.24</b>	158.17
98.33	19.72	(4.83)	<b>113.22</b>	483.86
127.66	3.38	-	<b>131.04</b>	52.34
96.41	7.36	-	<b>103.77</b>	75.22
1.04	-	-	<b>1.04</b>	0.12
8.35	0.44	-	<b>8.79</b>	4.55
-	-	-	<b>0.00</b>	467.27
67.39	25.27	-	<b>92.66</b>	4190.68
362.19	47.38	(10.09)	<b>399.48</b>	601.32
4.20	0.60	(0.07)	<b>4.73</b>	7.99
61.50	15.76	-	<b>77.26</b>	221.15
55.92	9.22	-	<b>65.14</b>	96.35
2535.40	328.49	-	<b>2863.89</b>	3357.50
57.64	5.34	(5.94)	<b>57.04</b>	0.04
1.83	(1.53)	(0.30)	-	-
10676.66	1230.18	(269.49)	<b>11637.34</b>	18703.66
<b>287535.55</b>	<b>11645.61</b>	<b>(1.46)</b>	<b>299179.69</b>	<b>327690.03</b>

(₹ in lakhs)

DEPRECIATION			NET BLOCK	
As at 1 <sup>st</sup> April, 2015	Depreciation for the period including adjustment		Up to 31 <sup>st</sup> March '16	As at 31 <sup>st</sup> March '16
-	-	-	-	4469.05
69.75	8.84	-	78.39	72.78
69.75	8.84	-	78.39	4541.83



**Non Current Assets**

**13. Capital Work in Progress**

(₹ in lakhs)

Particulars	As at 1 <sup>st</sup> April, 2015	Additions during the period	Adjustments during the period	Capitalized during the period	As at 31 <sup>st</sup> March, 2016
Building	2280.71	927.39	(78.97)	(1756.59)	<b>1372.54</b>
Temporary Buildings/ Erections	235.32	43.13	(134.56)	(87.99)	<b>55.90</b>
Roads, Bridges, Culverts & Helipads	21909.95	334.68	(43.08)	(73.58)	<b>22127.97</b>
Electrical Installation	57.16	136.42	(2.04)	(78.63)	<b>112.91</b>
Water Supply, Sewerage & Drainage	271.69	29.63	(0.33)	(41.92)	<b>259.07</b>
Hydraulic works including Dams, Dykes etc.	232795.76	50450.44	(2334.96)	-	<b>280911.24</b>
Other Civil works	1118.67	712.21	(7.11)	(43.06)	<b>1780.71</b>
Power house	39985.14	8702.81	(0.25)	(20967.92)	<b>27719.78</b>
Switch Yard including cable connection	12532.43	1228.89	10.10	(4540.64)	<b>9230.78</b>
Environment & Ecology	5027.24	199.72	(823.10)	-	<b>4403.86</b>
Transmission Lines	724.64	191.07	(2.00)	-	<b>913.71</b>
Transformer having a rating of 100KV ampere and above	2365.65	130.20	3.46	(1426.41)	<b>1072.90</b>
Survey & Investigation	9338.11	313.66	2.53	-	<b>9654.30</b>
Provision for S & I Units	(5674.18)	-	-	-	<b>(5674.18)</b>
Communication System	-	66.49	-	(66.49)	<b>-</b>
Substation	596.51	167.47	-	-	<b>763.98</b>
Plant, etc. in Generating station	94317.22	11971.85	(2193.26)	(31990.04)	<b>72105.77</b>
Steam Turbine	24356.60	1305.09	-	(25632.97)	<b>28.72</b>
Plant etc. in Generating Station (in transit)	16.75	-	(16.75)	-	<b>-</b>
Gas Booster Station	2987.03	7238.55	-	(5621.95)	<b>4603.63</b>
Solar Plant	-	-	-	-	<b>-</b>
Incidental Expenditure during Construction	215820.56	64384.15	1373.43	(17386.77)	<b>264191.37</b>
75 MW Solar Plant	10008.80	3688.80	-	(10504.80)	<b>3192.80</b>
S&I KSK Dibbin	-	2841.41	-	-	<b>2841.41</b>
<b>TOTAL</b>	<b>671071.76</b>	<b>155064.06</b>	<b>(4246.89)</b>	<b>(120219.76)</b>	<b>701669.17</b>
<b>(b) Intangible Assets under development</b>					
Upfront premium including processing fee	10000.00	-	-	-	<b>10000.00</b>
<b>TOTAL (a+b) #</b>	<b>681071.76</b>	<b>155064.06</b>	<b>(4246.89)</b>	<b>(120219.76)</b>	<b>711669.17</b>

# includes ₹6034.22 lakhs share of jointly controlled entities.

**Non Current investment****14. Investment (Un-quoted)**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Investment in unquoted debt Mutual Fund- Waaneep	254.40
<b>Total #</b>	<b>254.40</b>

# includes ₹254.40 lakhs share of jointly controlled entities.

**15. Deferred Tax Assets**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Deferred Tax liabilities	55034.37
Less : Deferred Tax Recoverable	49265.99
Deferred Tax Assets for the Current Year	4681.22
Prior period Deferred Tax Assets	4052.43
Deferred Tax Assets (Net)	<b>2965.27</b>

# includes ₹24.40 lakhs share of jointly controlled entities.

- Deferred tax assets to the extent of ₹4052.43 lakhs on account of timing difference in provision for employees benefit has been recognised in the current year which was earlier not recognised.
- The net decrease in the deferred tax of ₹5881.20 lakhs (previous year decrease of ₹549.18 Lakhs) has been credited to the statement of Profit and Loss during the current year
- Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.
- CERC Regulations, 2014 provides for recovery of deferred tax liability as on 31<sup>st</sup> March 2009 from the beneficiaries on materialisation. For the period commencing from 1<sup>st</sup> April 2014, Regulations, 2014 provide for grossing up of the return on equity based on effective tax rate for the financial year based on the actual tax paid during the year on the generating income. Deferred Tax Recoverable for the year will be reversed in the future years when the related deferred tax liability forms a part of current tax.

**16. Long Term Loans & Advances**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Capital advances</b>	
i. Secured, considered good	----
ii. Unsecured, considered good	
Against Bank Guarantee	5990.90
Others	
iii. Unsecured, considered bad	
Less : Provision against Bad & Doubtful debts	<u>22009.71</u>
<b>Advance towards Land</b>	70.54
<b>Total #</b>	<b>28071.15</b>

# includes ₹2596.10 lakhs share of jointly controlled entities.



**17. Other non-current assets**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Advance to staff	151.34
Unamortised Borrowing Cost	300.80
Viability Gap funding Receivable	1880.00
Advance tax & TDS receivable	0.15
Security Deposit	39.72
Preliminary Expenses	0.18
<b>Total #</b>	<b>2372.19</b>

# includes ₹2220.85 lakhs share of jointly controlled entities.

**Current Assets**

**18. Current Investment**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Investment in Mutual Fund- KSK	656.33
<b>Total #</b>	<b>656.33</b>

# includes ₹656.33 lakhs share of jointly controlled entities.

**19. Inventories**

(₹ In lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016	
General Stores	1560.74	
Goods in Transit	-	
	1560.74	
Less : Provision for loss of stock	66.30	1494.44
Operational stores		
a) Components, spare-parts and other spares	11422.75	
b) Consumable stores	256.59	
c) Stores & spares against Grant- in- aid	1084.00	
d) Goods in Transit	598.02	
	13361.36	
Less: Provision for non- moving stock	276.02	13085.34
<b>Total #</b>		<b>14579.78</b>

# includes nil lakhs share of jointly controlled entities.

**20. Trade Receivables**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Unsecured, considered good Trade receivables outstanding for a period exceeding 6 months from the date they are due for payment	34630.38
Other Debts	68576.19
<b>Total #</b>	<b>103206.57</b>

# includes ₹619.60 lakhs share of jointly controlled entities.

**21. Cash & Bank Balances**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
<b>A. Cash &amp; Cash Equivalents</b>	
<b>Balance with Banks</b>	
i) Current Accounts	5778.87
ii) Deposit with original maturity up to 3 months	39430.92
iii) Cash, Stamps on hand	10.44
Sub-Total	<b>45220.23</b>
<b>B. Other bank balances</b>	
i) Deposit with original maturity more than three months but not more than twelve months	-
ii) Others (Balance with Bank as Margin Money)	612.54
Sub-Total	612.54
<b>Total #</b>	<b>45832.77</b>

# includes ₹1037.61 lakhs share of jointly controlled entities.

**22. Short term Loans & Advances**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
<b>Unsecured, considered good :</b>	
<b>Advances recoverable in cash or in kind ::</b>	
Advance to Suppliers & Contractors	1273.11
Less : Provision for bad & doubtful debts	<u>54.08</u>
	1219.03
Accounts receivables	1429.00
<b>Total #</b>	<b>2648.03</b>

# includes ₹0.29 lakhs share of jointly controlled entities.

**23. Other Current Assets**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Interest accrued on STDR, Power Bonds etc.	1279.01
Advance to staff	720.23
Deposits with other authorities	89.78
Advance tax	13598.29
Tax deducted at source	879.37
Prepaid expenses	704.61
Asset Held for sale	970.39
Viability gap funding receivable	470.00
Unamortised borrowing cost	19.60
<b>Total #</b>	<b>18731.28</b>

# includes ₹517.01 lakhs share of jointly controlled entities.



**24. Revenue from Operation**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016
Sale of electricity	159544.52
Electricity Internally Consumed	193.97
DSM (U.I.) Receivables	1705.07
<b>Other Operating Revenue ::</b>	
NERLDC fees & Charges	505.32
Interest from beneficiaries	447.54
<b>Total</b>	<b>162396.42</b>

- Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.
- Sale includes ₹10602.67 lakh on account of “Deemed generation” in respect of Ranganadi Hydro Electric Power Station as allowed by the Central Electricity Regulatory Commission.
- Sales includes ₹2485.76 lakh on account of earlier years sales arising out of finalization of tariff in current year.
- In terms of cl. no. 49 of the CERC (Terms and conditions of Tariff) Regulations, 2014, deferred tax liabilities for the period upto 31<sup>st</sup> March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the beneficiaries or long term transmission customers/DICs, as the case may be. Accordingly, current year sale includes ₹1429.00 lakh.

**25. Other Income**

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016
Misc receipts	173.75
FERV Recoverable/Payable (Net)	20.74
Interest on investment (State Govt. Bonds)	608.75
Liability/Provision written back	2.37
Profit on Sale of Assets	0.11
Delayed Payment surcharge	12622.21
Interest on arrear sale	17.97
Other income (Grant-in-aid)	100.93
<b>Total #</b>	<b>13546.83</b>

# includes ₹22.00 lakhs share of jointly controlled entities.

**26. Cost of Material Consumed**

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016
Purchase of Gas	61858.71
Transportation charges of gas	1096.32
<b>Total #</b>	<b>62955.03</b>

# includes nil lakhs share of jointly controlled entities.



## 27. Employees Remuneration & Benefits

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016
Salary, Wages	13820.69
Contribution to Provident Fund	1271.12
Provision for Gratuity	-
Contribution to Pension Fund	837.33
Staff welfare expenses	17.73
<b>Total #</b>	<b>15946.87</b>

# includes ₹30.01 lakhs share of jointly controlled entities.

## 28. Finance Costs

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016
<b>A. Interest Expenses</b>	
i) Loans from Life Insurance Corporation of India	7.32
ii) Cash Credit from State Bank of India	46.65
iii) Bonds	743.21
iv) Interest	1773.93
B. Exchange Rate fluctuations	342.97
<b>B. Other Borrowing Costs</b>	11.74
<b>Total #</b>	<b>2925.82</b>

# includes ₹1291.28 lakhs share of jointly controlled entities.

## 29. Depreciation

(₹ in lakhs)

Particulars	Operation & Maintenance	Construction & Office
Total (as per notes 12 & 13)	10415.43	1229.58
<b>Add:</b> Depreciation from Note No. 60	1925.30	76.58
Decapitalisation, Sale, Write off	18.79	30.19
<b>Less :</b>		
PPA Note No. 32	93.88	
<b>Total (excluding PPA)</b>	<b>12265.64</b>	<b>1336.35</b>

- Depreciation of ₹93.88 lacs is for earlier years and it has been shown as prior period adjustments. (Refer to Note No- 32)
- Depreciation of ₹1050.09 lacs has been charged against incidental expenditure during construction. (Refer to Note No. 36)
- Depreciation on general assets of corporate assets amounting to ₹286.26 lacs has been clubbed in incidental expenditure of corporate office.
- Depreciation of ₹12265.64 lakhs including amortisation on land has been calculated & charged to Profit & Loss Account.
- Since STG unit operation is solely dependent on operation of the GTG units, R&M process has been initiated for extension of useful life of GTG units to match with the normative useful life of STG units, which is 25 years from its COD. Accordingly, depreciation for GTG units has been calculated considering its balance useful life as 25 years from 2015-16.

# includes ₹382.80 lakhs share of jointly controlled entities.



**30. Generation & Administration Expenses**

(₹ in lakhs)

Particulars	NOTE NO	For the year ended 31 <sup>st</sup> March, 2016
<b>Generation Expenses</b>		
Repairs & maintenance :		
a) Roads & buildings		1035.41
b) Power house		3690.79
c) Hydraulic works		380.49
d) Line & sub-stations		60.11
e) Others		346.96
f) Stores & spares (against Grant-in-Aid)		100.93
g) O&M-Waaneep		127.20
<b>Sub Total</b>		<b>5741.89</b>
<b>Administration Expenses</b>		
1. Travelling expenses		183.66
2. Advertisement expenses		150.51
3. Insurance charges		557.84
4. Rents		25.88
5. Rates & taxes		82.99
6. Entertainment expenses		2.18
7. General expenses	33	6111.66
8. Publicity expenses		22.38
9. Legal charges		71.11
10. Filing fees to CERC		55.72
11. NERLDC Fees & Charges		492.01
12. Wealth Tax		-
13. Research & Development Expenses		110.75
14. Corporate Social Responsibility & SD		1030.57
15. Interest to beneficiary states		1417.52
16. Incidental Expenditure of Corporate Office	35	8044.22
<b>Sub Total</b>		<b>18359.00</b>
<b>Total #</b>		<b>24100.89</b>

# includes ₹269.40 lakhs share of jointly controlled entities.

**31. Other Expenses**

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016
Purchase of Power	121.00
Lubricants, oil etc	212.19
Electricity Duty	17.11
U I Charge	266.78
Write off	12450.82
Transmission Charges	12.63
Rebate to customers	253.58
Deviation Mechanism Charges	17.60
<b>Total #</b>	<b>13351.71</b>

\* Provision against Tipaimukh (₹1853.45) and Siang Upper Stage II Hydro Electric Project (₹10597.37)

# includes ₹17.60 lakhs share of jointly controlled entities.

**32. Prior Period Adjustment (Operation & Maintenance)**

(₹ in lakhs)

Particulars	For the year ended 31 <sup>st</sup> March, 2016
<b>A) Income</b>	
Repair & Maintenance others	23.41
<b>Total Income</b>	<b>23.41</b>
<b>B) Expenditure</b>	
Interest to beneficiaries	192.74
Depreciation	93.88
<b>Total expenditure</b>	<b>286.62</b>
<b>Net Expenditure / (income) #</b>	<b>263.21</b>

# includes nil lakhs share of jointly controlled entities.



**33. General Expenses**

(₹ in lakhs)

Particulars	Operation & maintenance	General Administration	Project ( Under Construction)	Total
<b>For the year ended 31<sup>st</sup> March, 2016</b>				
Leave encashment	1269.08	346.87	1160.85	2776.80
Transport expenses	573.42	206.90	621.49	1401.81
Printing & stationery	21.95	64.86	22.59	109.40
Postage & telegram	1.50	5.49	3.64	10.63
Medical expenses	644.10	734.57	532.04	1910.71
Licence & registration	3.80	0.00	2.08	5.88
Paper & periodicals	0.60	4.43	0.34	5.37
Uniforms & liveries	10.63	10.63	1.42	22.68
Honorarium	0.16	0.01	-	0.17
Electric & water charges	207.57	78.06	1505.56	1791.19
Bank charges	65.43	20.00	11.21	96.64
Social welfare	552.93	82.84	40.18	675.95
Consultancy charges	15.12	114.39	76.29	205.80
Security arrangement	1959.76	135.89	396.53	2492.18
Training expenses	272.06	0.00	0.33	272.39
Staff recruitment expenses	-	20.52	0.00	20.52
Hospital facilities	7.90	0.00	3.93	11.83
Subscription & membership fees	0.04	34.99	0.00	35.03
Communication expenses	26.93	336.79	122.70	486.42
Office furnishing	1.37	1.91	0.88	4.16
Miscellaneous expenses	95.22	178.53	103.09	376.84
I.B. expenses	29.24	41.93	91.09	162.26
Laboratory & meter testing charges	-	-	6.17	6.17
Photographic records	0.01	1.65	-	1.66
Loss of Stock/Advance written off	203.61	1.17	37.46	242.24
I T Expenses	56.24	187.40	74.75	318.39
Loss on sale of fixed Assets	67.99	1.28	3.53	72.80
Compensation	25.00	8.00	44.97	77.97
<b>TOTAL #</b>	<b>6111.66</b>	<b>2619.11</b>	<b>4863.12</b>	<b>13593.89</b>

# includes ₹39.79 lakhs share of jointly controlled entities.

**34. Payment to Auditors**

(₹ in lakhs)

Particulars	For the year ended on 31 <sup>st</sup> March, 2016	
<b>a. Statutory Audit</b>		
Audit Fees	8.07	
Limited Review fees	<u>3.43</u>	11.50
<b>b. Tax audit fees</b>		0.57
<b>c. Cost Audit Fees</b>		1.38
<b>d. Other expenses</b>		8.21
<b>Total</b>		<b>21.66</b>

# includes ₹1.20 lakhs share of jointly controlled entities.

**35. Incidental Expenditure of Corporate Office**

(₹ in lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2016
<b>A. Employees Remuneration &amp; Benefit</b>		
Salaries and wages		6084.32
Contribution to Provident Fund		590.19
Provision for Gratuity		1.77
Contribution to Pension fund		412.47
Staff welfare expenses		11.90
Sub Total ( A )		<b>7100.65</b>
<b>B. Administration &amp; other Expenses</b>		
Travelling expenses		252.67
Rent		73.97
Rates & taxes		4.31
Wealth Tax		-
General expenses	33	2619.11
Repairs & maintenance		155.11
Audit fees & expenses	34	21.66
Legal expenses		4.62
Insurance charges		10.35
Entertainment expenses		0.01
Advertisement expenses		131.28
Publicity expenses		431.01
Board meeting expenses		26.37
Depreciation		286.26
Interest on working capital loan		89.32
Sub Total ( B )		<b>4106.05</b>
Total ( A+ B )		<b>11206.70</b>
<b>Less : Non operating receipts :</b>		
i) Interest on Investment		3072.54
ii) Others		89.94
		<u>3162.48</u>
<b>Net expenditure #</b>		<b><u>8044.22</u></b>
Expenditure charged to Profit & Loss Account	30	8044.22

# includes ₹3.21 lakhs share of jointly controlled entities.



**36. Incidental Expenditure during construction**

(₹ in lakhs)

Particulars	Note No.	For the year ended 31 <sup>st</sup> March, 2016
<b>A. Employees Remuneration &amp; Benefit</b>		
Salaries and wages		11659.40
Contribution to Provident Fund		902.34
Provision for Gratuity		-
Contribution to Pension fund		636.59
Staff welfare expenses		13.50
<b>Sub Total (A)</b>		<b>13211.83</b>
<b>B. Administration &amp; other Expenses</b>		
Travelling expenses		290.44
Rents		19.35
Rates & taxes		2.24
Wealth tax		-
General expenses	33	4863.12
Repairs & maintenance		438.39
Filing Fees		6.09
Depreciation		1050.09
Legal expenses		21.87
Insurance charges		790.48
Entertainment expenses		0.68
Tender expenses		83.07
<b>Sub Total (B)</b>		<b>7565.82</b>
<b>C. Interest &amp; Finance Charges</b>		
<b>Interest on :</b>		
i) Bonds		34883.04
ii) PFC		-
iii) Loan from Govt. of India		0.34
iii) KfW Loan		1605.62
iv) External Commercial Borrowing		941.82
v) Short term Borrowing		557.04
<b>Exchange rate variation</b>		<b>5973.46</b>
<b>Finance charges :</b>		
i) Guarantee fees		529.01
ii) Commitment fees		14.10
iii) Loan expenses		98.33
<b>Sub Total (C)</b>		<b>44602.76</b>
<b>Total ( A + B + C)</b>		<b>65380.41</b>
Less : Non-operating receipts		
i) Interest on advances from Suppliers/ Contractors		481.60
ii) Others		514.66
		996.26
<b>Net Expenditure</b>		<b>64384.15</b>
<b>Expenditure transferred to Capital Work-in-Progress</b>		<b>64384.15</b>

# includes ₹0.01 lakhs share of jointly controlled entities.

37. 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.

**38. 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.

**39. In compliance of Accounting Standard-18 on 'Related Party Disclosures', the required information is as under: -**

Name of Related Parties

**A. Joint Ventures :**

- i) WAANEED Solar Private Limited, 602, Western Edge-I, Western Express 3Highway, Brivali (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	P C Pankaj *	Chairman & Managing Director
2	A G West Kharkongor	Director (Finance)
3	V K Singh	Director ( Technical)
4	Satyabrata Borgohain	Director (Personnel)
5	Sanjay Kapoor	Managing Director-MDGEP Ltd
6	Partha Sarathi Deb	Director- MDGEP Ltd
7	M Balakrishnan	MD- KSK Dibbin Hydro Power Pvt. Ltd
8	Sujit Kumar Datta	Whole Time Director-KSK
8	Tanmay Das	Director-KSK
9	B Uday Kiran	Director (Finance)-KSK Dibbin Hydro Power Pvt. Ltd
10	Viren Doshi	Managing Director-Waaneep Solar Pvt. Ltd.
11	Mayank Shah	Director & CFO-Waaneep
12	Hitesh Doshi	Director-Waaneep Solar Pvt. Ltd
13	M.S Jyrwa	Director- Waaneep Solar Pvt. Ltd

\* Sri P.C Pankaj has retired on 30<sup>th</sup> June'2016 and Sri Gurdeep Singh has taken over the charge of Chairman & Managing Director of the Corporation w.e.f. 1<sup>st</sup> July'2016.



**40. Related party Transaction**

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

(₹ in lakhs)

Particulars		Current year (2015-16)	
Salary and allowances		164.71	
Contribution to Provident Fund and other funds		18.06	
Other benefits		35.76	
Co-venture: Waaree Energies Ltd	EPC Contract for erection & commissioning of Solar Power Plant	20920.00	
	Issue of shares	4500	
	Reimbursement of expenses	5.00	
	Operation & Maintenance expenses	318.00	
	Parties where control exists	Parties where significant influence exists	Enterprises which exercise significant influence
Loan Taken/(Repaid)	-	-	-
Interest Charges	0.01	0.01	-
Purchased of fixed assets	-	-	-
Project development expense	182.02	1546.21	1265.00
Balances			
Amount payable	182.02	1546.21	1265.00

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.

**41. 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.

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Advance towards land	70.54

**42. Contingent liabilities**

(₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March, 2016
Claims against the Company not acknowledged as debt in respect of:	
Capital Works	146413.64
Land compensation cases	3416.74
Disputed Income tax demand	48.15
Others	640.40
<b>Total</b>	<b>150518.93</b>

\* In addition, there are 7 (Seven) number of arbitration/court cases, claim for which are not quantified as on 31.03.2016 and accordingly have not been included above.

\*\* There are 7 (Seven) number of cases amounting to ₹29372.52 lakhs which has been referred by the Corporation to the District Court after adverse decision of the Arbitral Tribunal.

**43. Capital and other commitments**

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹145430.28 lakhs.

**44. Other disclosures as per Schedule-III of the Companies Act, 2013 are as under:-***(₹ in lakhs)*

Particulars		For the year ended 31.03.2016
a)*	Value of imports calculated on CIF basis: (i) Capital Goods (ii) Spare parts	318.14
b)*	Expenditure in Foreign Currency (i) Know - How (ii) Interest (iii) Other Misc. Matters	14095.68 516.72
c)*	Value of spare parts and Components consumed in operating units. (i) Imported (ii) Indigenous	- -
d)*	Earnings in foreign currency (i) Interest (ii) Others	- -

**45. Stores in Transit***(₹ in lakhs)*

Particulars	As at 31 <sup>st</sup> March, 2016
Stores in transit	598.02

**46. Deferred Tax Liability/(Assets)**

In compliance to the Accounting Standard 22 on “ Accounting for Taxation on Income “ provision for Deferred Tax Liability for the year ended 31.03.2016 has been made as under:-

*(₹ in lakhs)*

Deferred Tax Liability Opening Balance	55034.37
Less: Deferred Tax Assets	8733.65
Deferred Tax Recoverable	49265.99
<b>Deferred Tax Assets (Net)</b>	<b>(2965.27)</b>
Difference of opening & closing balance of Deferred Tax Asset	5881.20
Difference of opening & closing balance of Deferred Tax Recoverable	1359.63
<b>Net Deferred Asset Tax for the year charged to Profit &amp; Loss A/c</b>	<b>4521.57</b>

**Segment reporting**

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



**47. Earnings per share**

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

Particulars	As at 31 <sup>st</sup> March, 2016
Profit after Tax (₹ in lakhs)	36864.86
Weighted Average number of equity shares (Nos.)	3427823323
Earnings Per Share (Basic and Diluted) (Rupees)	1.08
Face value per share (Rupees)	10.00

**48. Cut-off date**

The Company has taken all known ascertainable liabilities pertaining to the year up to 31.03.2016 taking into consideration 10<sup>th</sup> April 2016 as the cut-off date.

**49. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 are as follows:**

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 .	—

**50. Disclosure as required by Accounting Standard-15 on ‘Employee Benefits’:**

(i) General description of various employee benefit schemes are as under:

**a. Provident Fund**

The Company pays fixed contribution at predetermined rates to the Provident Fund Trust, which invests the fund in permitted securities as per Government guidelines. The Company contribution to the fund for the period was ₹2763.65 lakhs. The investment has earned sufficient interest to pay the same to the member as per the rate specified by the Government of India.

**b. 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 contribution to the trust for the period was ₹1886.39 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.

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

**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.

**6. (II) Gratuity & Other post-retirement benefits plan**

The company has adopted AS 15 (revised 2005) 'Employee Benefits':- Defined Benefit Schemes are as under.

**Table a. Expenses recognized in statement of Profit & Loss / IEDC:***(₹ in lakhs)*

	Gratuity	Earned leave	PRMB
Current service cost	957.20	1121.93	94.70
Interest Cost	937.75	443.60	229.80
Expected return on Plan Asset	862.85	-	-
Past Service Cost	-	-	-
Actuarial gain/loss recognized in the year	(-) 1030.33	1211.26	65.89
Expense recognized in statement of Profit & Loss / IEDC	1.77	2776.79	390.40

**Table b. The amount recognized in Balance Sheet:***(₹ in lakhs)*

	Gratuity	Earned leave	PMRB
Closing Fund/Provision at end of the year	12133.44	7083.05	3192.39
Fair Value of Plan Assets as at 31.3.2016	10152.38	-	-
Closing Net Liability	1981.06	2776.79	390.39

**Table c. Changes in the present valuation of obligations :**
*(₹ in lakhs)*

	Gratuity	Earned leave	PRMB
Present Value of obligation on 31.03.15	12768.38	6783.82	2942.95
Interest Cost	937.75	443.60	229.80
Current service cost	957.20	1121.93	94.70
Past Service Cost	-	-	-
Benefits paid	1491.84	2477.56	140.96
Actuarial gain / loss on obligations	(-) 1038.05	1211.26	65.89
Present value of obligation on 31.03.2016	12133.44	7083.05	3192.38

**Table d. During the year, the company has provided liability towards:**
*(₹ in lakhs)*

Sl. No.	Particulars	31.03.2016
1.	Gratuity	1.77
2.	Earned Leave Encashment (EL & HPL)	2776.79
3..	Post-Retirement Medical Benefit	390.39

**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	95.65	93.75
Interest cost	229.80	229.80
Present value of obligation	3224.32	3160.45

**Table f. Actuarial Assumptions:**

Principal Assumptions used for actuarial valuation are:

Sl. No.	Particulars	31.03.2016
1.	Method used	Projected Unit Credit Method
2.	Discount Rate	8.00
3.	Salary Inflation Rate	7.00
4.	Return on Asset	8.00

The schemes d and e are un-funded.

## 51. Grant in Aid

### az. 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 ₹100.93 lakhs for spares purchased out of Grant-in-aid received from the Central Govt. An equivalent amount has been recognized as income in the statement of Profit & Loss.

**ba. 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 14<sup>th</sup> 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 Turrial Hydro Electric Project, Mizoram. An amount of ₹130.09 crores has been received during the current financial year 2015-16 and the same has been utilized fully during the year. The total amount of ₹300.00 crores are included in Grant in Aid which will be carried forward till the commissioning of the project.

**1. Provisions***(₹ in lakhs)*

Particulars	As at 31 <sup>st</sup> March, 2016		
	Long Term	Short Term	Total
<b>a) Provision for Employees benefit</b>			
Opening Balance	9582.18	2127.32	11709.50
Addition during the year	2563.59	605.36	3168.95
Utilisation during the year	2003.86	618.10	2621.96
Reversal during the year	(182.44)	182.44	-
Closing balance	9959.47	2297.02	12256.49
<b>b) Provision for Dividend</b>			
Opening Balance	-	6956.00	6956.00
Addition during the year	-	8917.00	8917.00
Utilisation during the year	-	6956.00	6956.00
Reversal during the year	-	-	-
Closing balance	-	8917.00	8917.00
<b>c) Provision for Dividend Tax</b>			
Opening Balance	-	1416.10	1416.10
Addition during the year	-	1815.31	1815.31
Utilisation during the year	-	1416.10	1416.10
Reversal during the year	-	-	-
Closing balance	-	1815.31	1815.31
<b>d) Provision for Current Tax</b>			
Opening Balance	-	8623.13	8623.13
Addition during the year	-	11790.79	11790.79
Utilisation during the year	-	8623.13	8623.13
Reversal during the year	-	-	-
Closing balance	-	11790.79	11790.79
<b>e) Provision for Tariff Revision/ Adjustment</b>			
Opening Balance	-	1318.25	1318.25
Addition during the year	-	-	-
Utilisation during the year	-	1318.25	1318.25
Reversal during the year	-	-	-
Closing balance	-	-	-

2. 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.



52. Asset held for sale

(₹ in lakhs)

Particulars	Gross Block as on 01.04.2015	Accumulated Depreciation	Net Block as on 31.03.2016
Gas Turbine	2161.10	1914.74	246.36
Gas Booster Station	1002.21	901.99	100.22
Steam Turbine	194.84	135.73	59.11
Plant & Machinery in Generating Station	1556.17	1023.14	533.02
Switch gear including cable connection	307.75	27.70	3.08
Transformer rating 100 amps & above	28.79	22.58	6.21
Diesel Generating Set	25.55	23.00	2.55
Tunnel	33.46	18.93	14.53
Office Equipment	3.49	2.12	1.37
Tool & Plant	2.79	2.13	0.66
Minor Asset	0.15	0.15	-
Camp Equipment	0.16	0.16	-
Other EDP Machine	5.91	5.36	0.55
Temp Erection	13.76	13.76	-
Audio Visual Equipment	0.09	0.09	-
Laboratory & Meter Testing Equipment	0.93	0.26	0.67
Motor cycle & Scotter	7.25	6.46	0.79
Furniture & Fixture	2.61	1.46	1.14
Misc Equipment	0.28	0.16	0.11
<b>Total</b>	<b>5070.35</b>	<b>4099.96</b>	<b>970.39</b>

The above assets have been held for sale at net book value and provision has been made in the books of accounts for ₹253.34. The Accumulated depreciation includes ₹2001.88 lakhs relating to the current financial year. Out of which ₹1925.30 lakhs has been charged to revenue.

- Interest and finance charge, related to construction projects, amounting to ₹44602.37 lakhs has been transferred to IEDC (Ref. Note No-36). This also includes foreign exchange difference debited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹4300.77 lakhs and foreign exchange difference debited to carrying amount CWIP in respect of Tripura Gas Based Power Plant, Monarchak amounting to ₹1672.69 lakhs. The foreign exchange borrowings are un-hedged.
- The Corporation has spent an amount of ₹21936.37 lakhs on account of construction of Roads, Bridges and Culvert in respect of project under construction on assets which is not owned by the Corporation. Since this expenditure are essential for setting up the project/asset(s), the same are 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.
- Corporate Social Responsibility and Sustainable development**
  - Gross amount required to be spent by the Company during the year - ₹6.69 crore
  - Amount spent during the year on :

(₹ in Crore)

Sl. No.	Particulars	In Cash	Yet to be paid in cash	Total
i	Construction / acquisition of any asset	9.04	-	9.04
ii	On Purposes other than (i) above	1.27	-	1.27
	<b>Total</b>	<b>10.31</b>	<b>-</b>	<b>10.31</b>

**4. During the year, following accounting policies have been modified/deleted:**

(₹ in lakhs)

Policy No.	Description	Impact on Profit for the year
<b>j1 &amp; j5</b>	Modification of Accounting Policy on Revenue Recognition	4462.63
<b>a3</b>	Modification of Accounting Policy on prior period expenses	-
<b>b7</b>	Introduction of Accounting Policy on Cellular Phone Handset	(-) 7.98

**5. Deen Dayal Upadhyaya Gram Jyoti Yogana/Rajib Gandhi Gramin Viduyutikaran Yujna**

Cash & Bank balances of ₹45832.77 lakhs includes an amount of ₹708.46 lakhs received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yogana. The Corporation has spent an amount of ₹100.54 lakhs towards this scheme which is included Capital Work in Progress (Note no 14).

**6. Survey and Investigation**

Total amount paid to the Government of Arunachal Pradesh as upfront fee for the Siang Upper Stage II Hydro Electric Project amounts to ₹100.00 crores.

**7. Impairment Loss**

In compliance with the Accounting Standard 28, the company has compared its budgeted cash flows and actual cash flows on cash generating unit basis for the current year and no major differences have been observed. Thus, in absence of proper indication regard impairment of fixed assets, no further exercise has been carried out.

**8. Other Explanatory Notes to Consolidated Financial Statements**

1. The Consolidated Financial Statements (CFS) comprises of the financial statements of NEEPCO Limited (“the Company”), its interest in Joint Ventures (collectively referred to as “the Group”).

**2. a) Basis of Accounting:**

- The Financial Statements of the joint venture companies in the consolidation are drawn up to the same reporting date as of the Company.
- These financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (‘Indian GAAP’) to comply with the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention on accrual basis.

**b) Principle of Consolidation:**

- The Financial Statements of the Company and its jointly controlled entities are combined on line by line basis by adding together the book value of like items of assets, liabilities, income and expenses, after eliminating intra-group balances, intra-group transactions and unrealized profits or losses.
- The consolidated financial statements include the interest of the Company in jointly controlled entities, which has been accounted for using the proportionate consolidation method of accounting and reporting as per AS 27: Financial Reporting of interest in Joint Ventures; whereby the Company’s share of each of assets, liabilities, income and expenses of a jointly controlled entity is considered as separate line item.
- The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances except depreciation, the impact of which is not material. The joint venture companies are charging depreciation as per Schedule II of Companies Act 2013.



**9. The Joint Ventures companies considered in the Consolidated Financial Statement are:**

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

**10. The effect of foreign exchange fluctuation during the year is as under: (₹ in lakhs)**

SI No	Particulars	For the year ended 31.03.2016
(i)	Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	342.97
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)*	
(iii)	Amount charged to Expenditure During Construction (as FERV)	5973.46
(iv)	Amount charged to Capital work-in-progress (as FERV)	5973.46
(v)	Amount adjusted by addition to the carrying amount of fixed assets	-

**11. a) Disclosure in line with the requirements of Accounting Standard(AS)-27 on 'Financial Reporting of Interest in Joint Ventures' :**

i) Interest in Joint Ventures :

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

ii) The above joint venture entities are incorporated in India. The Company's share of the assets and liabilities as on 31<sup>st</sup> March 2016 and income and expenses for the financial year ended 31.03.2016 in respect of joint venture entities are based on audited accounts which are given below:

(₹ in lakhs)

		31.03.2016
A	Assets	25084.82
B	Liabilities	15232.89
C	Contingent Liabilities	550.00
D	Capital Commitments	11242.15
E	Expenditure in Foreign Currency	-
		<b>For the year 2015-16</b>
A	Income	1577.20
B	Expenditure	1991.39



## b) Disclosure as per Schedule-III of Companies Act, 2013

Name of the entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or loss	Amount (₹ in lakhs)
1	2	3	4	5
<b>Parent:</b>				
NEEPCO Ltd.	98.39%	598841.87	101.06%	37254.66
<b>Joint Ventures</b> (As per proportionate consolidation / Investment as per the equity method) :				
WAANEPP Solar Private Limited	1.15%	7080	(1%)	(366.40)
MDGEPL Wind Power	Ignorable	(21.78)	(0.06%)	(23.39)
KSK Dibbin Hydro Power	0.46%	2793.30	-	-

- c) The Board of NEEPCO have decided for termination of deed of the Joint Venture Company M/s Metatron Danke Green Energy Private Limited, where NEEPCO has 40% equity participation valued at ₹2.00 (two) lakhs. It is resolved that NEEPCO should exit from the SPV with immediate effect.

## 12. Previous year figures

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

In terms of our report of even date

For and on behalf of the Board of Directors

For M/s. S P A N & Associates

Chartered Accountants

F.R.N. 302192E

Date: 04-08-2016

Place: New Delhi

**C. Sharma**  
Company Secretary

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

**Gurdeep Singh**  
Chairman & Managing Director  
DIN: 00307037

**T. K. Das**  
Partner  
Membership No. 053080

**Annexure - 6C****Management Reply to the Report on Internal Financial Controls under Section 143(3)(1) of the Companies Act, 2013 to the Auditors Report (Annexure C) on the Standalone & Consolidated Financial Statements for the Financial Year 2015 16**

<b>Statutory Auditors Observation</b>	<b>Reply / Explanation of the Management</b>
The Company did not have documented manual for the different components of established internal control	NEEPCO is in the process of preparation the documentary framework on Internal Financial Control for the Company covering ICFR, Operational Control, Fraud Prevention and Compliances through M/s. Ernst & Young, the Consultant
The Company has an old Information Technology (IT) general and application system and is unable to cater the emerging needs and complete information consistent with financial reporting objectives	NEEPCO has initiated the process for migration from the existing information technology system to the ERP

For and on behalf of the Board of Directors

**(Gurdeep Singh)**

Chairman &amp; Managing Director

DIN : 00307037

Dated: 04-08-2016

Place: New Delhi



## Annexure - 7

### **Comments of the Comptroller & Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31<sup>st</sup> March 2016.**

The preparation of financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31<sup>st</sup> March, 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based, on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 4 August, 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31<sup>st</sup> March, 2016. This supplementary audit has been carried out independently without access to the working papers of the Statutory Auditors and is limited primarily to inquiries of the Statutory Auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

A handwritten signature in black ink, appearing to read 'Praveer Kumar', is written over a horizontal line.

**(Praveer Kumar)**

Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board - I

Kolkata

Place : Kolkata

Date : 26-08-2016



## Comments of the Comptroller and Auditor General of India under Section 143(6)(B) read with Section 129(4) of the Companies Act, 2013 on the Consolidated Financial Statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2016.

The preparation of consolidated financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143(10) read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 4 August 2016.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 143(6)(a) read with section 129(4) of the Act of the consolidated financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of North Eastern Electric Power Corporation Limited, Shillong for the year ended on that date. Further, section 139(5) and 143(6) of the Act are not applicable to its joint venture companies M/s. WAANEPP Solar Private Limited, M/s. Metatron Danke Green Energy Private Limited and M/s. KSK Dibbin Hydro Power Private Limited being private entities, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report..

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

**(Praveer Kumar)**

Principal Director of Commercial Audit  
& Ex-officio Member, Audit Board - I  
Kolkata

Place : Kolkata  
Date : 26-08-2016



## Annexure - 8A

### Form No. MR-3 Secretarial Audit Report

#### FOR THE FINANCIAL YEAR ENDED 31 MARCH 2016 [Pursuant to section 204(1) of the Companies Act 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,

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

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **North Eastern Electric Power Corporation Limited** (hereinafter called the company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on **31 March 2016** ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-method in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2016 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- vi. Other laws specifically applicable to the Company as per the certificate placed at the Board Meetings by the Company Secretary.
- vii. I have also examined compliance with the applicable clauses of the following:
  - (a) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board & General Meetings.
  - (b) Debt Listing Agreement entered into by the Company with BSE Limited.
  - (c) Guidelines for Corporate Governance for CPSEs issued by the Department of Public Enterprises, Govt. of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:



- a) *The Company did not appoint any Women Director as required under section 149(1) of the Act.*
- b) *The Company 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 or asked the Company to convert the fund granted to it for project funding into equity share capital/contribution.*
- c) *During some part of the reporting period the Board did not have requisite number of independent directors in its Board, as per the requirement of the Section 149(4) of the Act and DPE Guidelines for Corporate Governance for CPSEs*
- d) *During some part of the year, the composition of audit committee & number of meetings to be held by audit committee as required under section 177 of the Act was also adversely affected due to absence of proper number of Independent Directors.*
- e) *One of the Director Mr. Uttam K. Sangma appointed by the Central Government, did not furnish his DIN to the Company, as a result Company could not file the forms required for his appointment with the Registrar of Companies, Ministry of Corporate Affairs, Govt of India.*
- f) *As per section 149(8) read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company shall hold at least one separate meeting of Independent Directors in a year. However, it was informed that since the Board did not have proper composition of the Independent Directors and the new Independent Directors were appointed only in the 219<sup>th</sup> Board Meeting held on 18<sup>th</sup> December, 2015, no separate meeting of the Independent Directors could be held.*

**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 the following events may have major bearing on company's affairs :

- (a) The company has issued non-convertible debentures of aggregating ₹900.00 crores
- (b) The Company has issued 2,66,95,000 equity shares of ₹10 /- each.

Place : Guwahati  
Date : 20<sup>th</sup> July 2016

For **Narayan Sharma & Associates**  
Company Secretaries

**Narayan Sharma**  
(Proprietor)

FCS No. 5117 C P No.:3844

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



**Annexure - A**

To,

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

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

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

Place : Guwahati  
Date : 20<sup>th</sup> July 2016

For **Narayan Sharma & Associates**  
Company Secretaries

**Narayan Sharma**  
(Proprietor)

FCS No. 5117 C P No.: 3844



**Annexure - 8B**

**Reply to the Secretarial Auditors' observations raised in the Secretarial Audit Report for the year 2015-16**

Secretarial Auditors' Observation	Reply / Explanation of the Management
<p>a) <i>The Company did not appoint any Women Director as required under section 149(1) of the Act.</i></p>	<p>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.</p> <p>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.</p>
<p>b) <i>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 or asked the Company to convert the fund granted to it for project funding into equity share capital/contribution.</i></p>	<p>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.</p>
<p>c) <i>During some part of the reporting period the Board did not have requisite number of independent directors in its Board, as per the requirement of the Section 149(4) of the Act and DPE Guidelines for Corporate Governance for CPSEs</i></p>	<p>As per the Articles of Association of the Company, all members of the Board of Directors shall be appointed by the President of India.</p> <p>There were no Independent Directors on the Board of NEEPCO from 30-09-2015 to 16-11-2015 and the same was intimated to the Ministry of Power with the request for early appointment of the Directors. However, the Ministry of Power appointed 5 new Independent Directors w.e.f . 17-11-2015.</p>



<p>d) <i>During some part of the year, the composition of audit committee &amp; number of meetings to be held by audit committee as required under section 177 of the Act was also adversely affected due to absence of proper number of Independent Directors.</i></p>	<p>Since there were no Independent Directors on the Board the composition of the Audit Committee was affected and Audit Committee Meeting could not be held during the 3<sup>rd</sup> Quarter of 2015-16.</p>
<p>e) <i>One of the Director Mr. Uttam K. Sangma appointed by the Central Government, did not furnish his DIN to the Company, as a result Company could not file the forms required for his appointment with the Registrar of Companies, Ministry of Corporate Affairs, Govt of India.</i></p>	<p>The Company has been pursuing with Shri Uttam K. Sangma requesting for his Director Identification Number (DIN).</p>
<p>f) <i>As per section 149(8) read with Schedule IV of the Companies Act, 2013, the Independent Directors of the Company shall hold at least one separate meeting of Independent Directors in a year. However, it was informed that since the Board did not have proper composition of the Independent Directors and since the new Independent Directors were appointed only in the 219<sup>th</sup> Board Meeting held on 18<sup>th</sup> December, 2016, no separate meeting of the Independent Directors could be held.</i></p>	<p>There were no Independent Directors on the Board of NEEPCO from 30-09-2015 to 16-11-2015. The new Independent Directors were appointed only in the 219<sup>th</sup> Board Meeting held on 18<sup>th</sup> December, 2016. Hence, separate meeting of the Independent Directors was not sought for.</p>

For and on behalf of the Board of Directors

Dated: 04-08-2016  
Place: New Delhi

**(Gurdeep Singh)**  
Chairman & Managing Director  
DIN : 00307037

## ANNEXURE- 9

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

Pursuant to Section 134 (m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 the information on conservation of energy, technology absorption, foreign exchange earnings and outgo during the year 2015-16 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. 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) Installation of occupancy sensors for saving lighting energy. Air conditioning units in administrative building in AGTP are installed with occupancy sensors to save power consumption.
- d) Replacement of conventional luminaires with LED luminaires. Replacement of conventional street light with solar street light in the plants under operation are being taken up in phased manner for conservation of energy.

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

- a) **70 KWp Grid Solar Plant at Agartala Gas Turbine Plant:** An Off Grid 20 KWp and an On grid 50KWp Solar Plant are installed and commissioned on 29.11.2015 and 30.01.2016 respectively at AGTP power house premises.

The off-grid 20 KWp solar plant is being utilized for street lighting near GTG machine hall, GTG machine hall illumination, civil office power supply, switchyard

illumination and transformer yard illumination. The on-grid 50 KWp solar plant is being utilized for power supply to administrative office.

- b) **5 KWp Rooftop Solar PV power plant at NEEPCO Guwahati Office:** A 5 KWp roof top Solar PV power plant in NEEPCO office Guwahati was inaugurated on 4<sup>th</sup> Oct '2015. A 1000 LPD solar water heating system has also been installed in the 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:

- a) Air cooled condensing technology has been adopted in the successful conversion of the 84 MW open cycle Agartala Gas Turbine Plant to 135 MW Combined Cycle Gas Turbine Power Plant with installation of four waste heat recovery boiler and two steam turbine. Air Cooled Condensers uses nominal quantity of water as make-up in comparison to conventional wet cooling system.
- b) Renovation of Gas Booster Compressor Station of AGBP completed with installation of new Waukesha USA make Gas Engines. The new engine has advance control system, the engine system manager (ESM), which controls the ignition system, fuel, air and protects the engines.
- c) A firewall analyzer is installed and commissioned for monitoring security threats through acquisition of data in real time from the firewall in corporate office.
- d) Replacement of existing water cooled system with air cool system in one phase of Generator Transformer unit-IV, Kopili Power Station completed successfully. Commissioning will be done in the lean season.



- e) Replacement of the existing open loop cooling system with close loop cooling system at Kopili Stage-II Power Station successfully completed. Commissioning will be done in the lean season.
- (ii) **Benefits derived like product improvement, cost reduction, product development or import substitution:**
- a) Conversion of AGTP from open cycle to combined cycle has improved the overall thermal efficiency of the plant and also increased the plant output. Adoption of air cooled condenser technology has led to reduction of auxiliaries required for handling cooling water leading to less energy consumption. There is lesser requirement of make-up water in the air cooled condenser technology as compared to conventional cooling tower.
- b) The new advance control system (Engine System Manager) installed with the new Waukesha gas engine of GBS, AGBPP diagnose fault and initiate alarm and shutdown. More power of the gas engine enhances system reliability.
- c) The firewall analyzer is capable of responding quickly to the incoming threats, analyzing data and generating reports quickly, seeing applications which are employed by each system and user. It identifies sites where the network is slowing down with network traffic analysis and thereby enhances business with sharp traffic analysis.
- d) Due to acidification of the reservoir water in Kopili, tubes of coolers of equipment failed frequently causing ingress of water to the oil. Such failure has caused breakdown of transformers in Kopili Power Station. Installation of air cooling system for generator transformers and adoption of closed loop cooling system shall minimize frequent breakdown of equipments.
- (iii) **Imported Technology (imported during the last three years reckoned from the beginning of the financial year)**
- 2013-14:** Upgradation of Mitsubishi HI make, Japan control system MEGAC & MACTUS system to PC based MEGAC V DIASYS Netmation for Gas Turbine unit no. 3 and 4, AGBPP.

**2014-15:** Order placed for upgradation of Mitsubishi HI make, Japan control system MEGAC & MACTUS system to PC based MEGAC V DIASYS Netmation for Gas Turbine unit no. 1 & 2, AGBPP.

**2015-16:** Renovation of Gas Booster Compressor Station of AGBP completed with installation of new Waukesha USA make Gas Engines, radiators, one additional higher capacity inlet scrubber, additional fuel filter system, new control panels and one master control panel for monitoring all parameters at GBS control room.

(iv) **Expenditure incurred on Research and Development:**

The Corporation spent ₹110.75 lakh under Research and Development in 2015-16. The DPE guidelines state that 0.5% of Profit After Tax (PAT) of the previous year is to be spent on R&D. The PAT for the year 2014-15 was ₹318.54 crores.

**C. FOREIGN EXCHANGE EARNING & OUTGO**

Foreign Exchange Earning & Outgo	
Particulars	Amount in ₹ in crores
Foreign Exchange Earning	58,97,38,013.00
Foreign Exchange Outgo	140,95,67,683.00
<b>Note :</b> The above figures represents actual inflow & actual outflow in foreign currency during the year 2015-16	

For and on behalf of the Board of Directors

**(Gurdeep Singh)**

Dated: 04-08-2016

Place: New Delhi

Chairman & Managing Director

DIN : 00307037

**ANNEXURE – 10****PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY****(AS PER COMPANIES ACT 2013)****CSR Policy**

NEEPCO firmly believe that communities located in the vicinity of our projects / offices are important partners / stakeholders in growth story of the region. As good neighbors and considering the cultural diversity of the region, the Corporation undertakes all its initiatives sensitively and efforts to rationalize our CSR intervention to areas of high impact, both in terms of quality and scale. Our core areas of intervention remain livelihood, education, employability, empowerment, health & drinking water, sanitation, sports and rural infrastructure development supported by initiatives for renewable energy and other environment protection programme along with the nationwide agenda on Swachh Bharat, School toilets and Skill India interventions.

**CSR Committee****A. Board Level Committee during the year 2015-16**

Shri P. C. Pankaj, Chairman & Managing Director	- Chairman
Shri Shantikam Hazarika, Independent Director	- Member (up to 05.07.15)
Shri Ashok Sinha, Independent Director	- Member (13.7.15 to 30.09.15)
Shri Siddhartha Bhattcharya, Independent Director	- Member (w.e.f. 18.12.2015)
Shri A. G. West Kharkongor, Director (Finance)	- Member
Shri Utpal Moral, Director (Technical)	- Member (up to 29.02.16)
Shri Satyabrata Borgohain, Director (Personnel)	- Member

**B. Nodal Officer**

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

**Average Net Profit of Last three Financial Years: (₹ in Crore)**

Sl. No.	Year	Net Profit (PBT)
1	2012-13	295.43
2	2013-14	288.00
3	2014-15	420.27
Total		1003.7
Average Net Profit		334.56
2% Of Average Net Profit		6.69

**CSR & S Budget for the FY 2015-16:** ₹11.99 Crore i.e. 3.58 % of PBT

**CSR & S Expenditure (utilization):** ₹10.306 Crore i.e., 3.37% of PBT

**Details of CSR spent during the financial Year:**

- Total amount to be spent for the financial year: ₹6.69 Cr. =2% Of Average Net Profit
- Amount unspent if any: Nil

## Expenditure during the year 2015-16 as per the heads specified at Companies Act 2013:

(₹ In Lakhs)

Promoting Education	Swachh Vidyalay	Health Care	Sanitation & Drinking Water	Renovation of Historical Place	Rural Development	EDP	Fees
102.08	710.74	20.91	51.44	1.01	45.27	83.06	18.00

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 Government guidelines.

Dynamic / Non-Financial Parameters of MOU 2015-16		
Corporate Social Responsibility (CSR) and Sustainability (SD)		
S.L.	Parameter	Status
1	Providing training on Skill development programme for local people around Siang Upper Stage-II (3750 MW)	Target achieved with completion of training for 55 trainees on 18/03/2016 with <b>"Excellent MoU Rating"</b> .
2	Entrepreneurship development Programme: Skill training on Tailoring and Embroidery for women, specially school dropouts, domestic workers, homeless, destitute etc. at Shillong, Meghalaya.	Target achieved with completion of training for 25 trainees on 16/12/2015 with <b>"Excellent MoU Rating"</b> .
3	To prepare a feasibility report on alternate water transport for the public through reservoir of Tuirial HEP and submit to the Inland Water Transport Department for further studies.	Preparation of report completed on 08/01/2016 and target achieved with <b>"Excellent MoU Rating"</b> .

For and on behalf of the Board of Directors



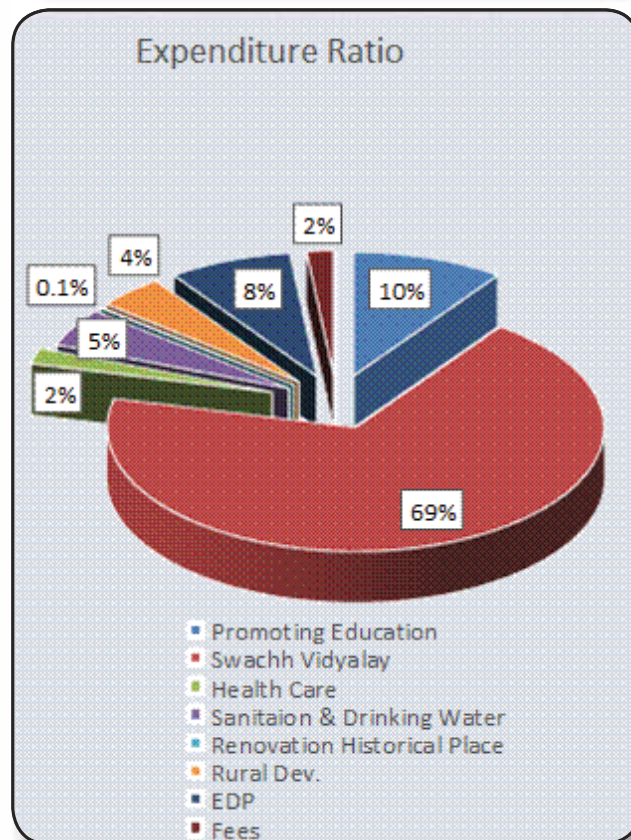
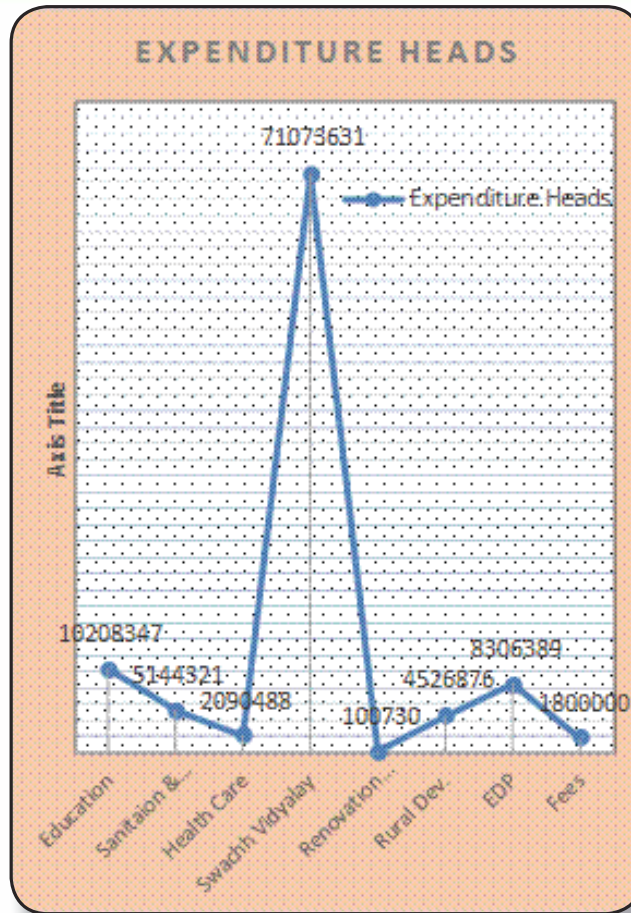
(Gurdeep Singh)

Chairman &amp; Managing Director

DIN : 00307037

Dated: 04-08-2016

Place: New Delhi



*Kameng Hydro Electric Project, Arunachal Pradesh*





## **North Eastern Electric Power Corporation Limited**

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

**Regd. Office:** Brookland Compound, Lower New Colony, Shillong - 793 003, Meghalaya

Phone: 0364-2222094, 2222070; Fax: 0364-2226417

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CIN: U40101ML1976GOI001658