



ANNUAL REPORT

2018-19



North Eastern Electric Power Corporation Limited

Schedule-A, Miniratna Category-I, Government of India Enterprise





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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. Bandyopadhyay Bhaumik & Co
Cost Accountants, Guwahati

Secretarial Auditor

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

Company Secretary-cum-Legal Advisor

Shri Chiranjeeb Sharma

Bankers:

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

Registrar & Transfer Agent for Bonds

Karvy Fintech Pvt. Ltd.,
Karvy Selenium Tower B,
Plot number 31 & 32,
Financial District Gachibowli
Hyderabad 500 032

Debenture Trustees

1. Axis Trustee Services Ltd.
2nd Floor, Axis House,
Bombay Dyeing Mills Compound
Pandurang Budhkar Marg
Worli, Mumbai 400 025
Tele No: 022-24252525 / 43252525
Email: rohit.jhamnani@axistrustee.com
2. SBICAP Trustee Company Ltd.
202, Maker Tower 'E'
Cuffe Parade
Mumbai 400 005
Tele No:022-4302 5555
Fax No:022-4302 5500
Email: helpdesk@sbicaptrustee.com

CIN

U40101ML1976GOI001658



Vision

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

Mission

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

Corporate Objectives

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

Profile of the present Directors



Shri Vinod Kumar Singh

Chairman & Managing Director

(DIN: 07471291)

Shri Vinod Kumar Singh (57 years) was appointed as the Chairman & Managing Director of NEEPCO w.e.f. 01.09.2019. Prior to this, he was holding the charge of Director (Technical) of NEEPCO Ltd. from 01.03.2016. 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 34 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.

At present, Shri Vinod Kumar Singh is also holding the additional charge of Director (Technical), NEEPCO.



Shri M Shiva Shunmuganathan

Director (Finance)

(DIN: 07551379)

Shri M. Shiva Shunmuganathan (56 years), joined as Director (Finance) of NEEPCO on 27th September, 2017. He is a Fellow Member of the Institute of Cost Accountants of India. Prior to joining NEEPCO he was working as Executive Director (Finance) in NMDC Ltd. He has also worked in Pragati Power Corporation Limited as General Manager (Finance) and as Chief (Finance) at NHPC. Shri M. Shiva Shunmuganathan has more than 32 years of experience in the field of Budgeting & Cost Control, Financial Management including Working Capital Management, Finance Concurrence, Accounts & Audit functions etc.



Shri Anil Kumar
Director (Personnel)
(DIN: 08376723)

Shri Anil Kumar (56 years) joined as Director (Personnel) of NEEPCO on 1st March, 2019. Prior to this, he was Executive Director (HR) in the organisation. He joined NEEPCO in the year 1991 as a Personnel Officer and has worked in various HR operations viz. HRD, Recruitment, IR, Performance management, career management, Pay & wages, etc. He has headed the HR team in various locations of NEEPCO situated in North East India. An expert HR professional with vast experience in the field of HR and a competent team leader, Shri. Anil Kumar has successfully climbed the ladder of hierarchy in the organization. He has also been spearheading the works for promotion of Rajbhasha and Corporate Communications operations in NEEPCO. Under his leadership, NEEPCO has been awarded and appreciated for its excellent interventions for effective implementation of Rajbhasha in various offices and plants of the Corporation. Being academically inclined, Shri Anil Kumar has imparted management classes in central academic institutes. He is also keenly involved in community and societal activities.



Shri Raj Pal
Government Nominee
(DIN: 02491831)

Shri Raj Pal (58 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 30 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 Lalduhzuala Sailo
Government Nominee
(DIN: 08468136)

Shri Lalduhzuala Sailo (57 years) is the Chief Engineer (SO) working in the Power & Electricity Department with the Govt. of Mizoram in Aizawl. He joined our Board on 04.04.2019.



Smt. Mala Sinha
Independent Director
(DIN No: 07979556)

Smt. Mala Sinha (61 years) retired on superannuation from the Indian Audit & Accounts Service as the Additional Deputy Comptroller and Auditor General (ADAI). Smt. Sinha has completed her Post Graduation in Political Science, Master in Business Administration, Master of Financial Analysis and Chartered Financial Analysts course. She has also done an advanced Management Development Programme from National University of Singapore.

Smt. Sinha has carried out the audit of various State Government Departments and Central Government Ministries in revenue, commercial, expenditure, works and railways sectors. Further, she has also conducted Audit of number of International Organisations and has represented the country in various International Conferences. She joined our Board on 11th July, 2019.



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

Dr. Amitabha De (66 years) was the former Director of IIM Shillong. He has more than 40 years of experience in teaching, research, consultancy and administration. He was a Professor and Founder Coordinator of TIFAC Centre of Relevance & Excellence in Ergonomics & Human Factors Engineering, set up by Technology Innovation, Forecasting and Assessment Council, Department of Science & Technology, Govt. of India at National Institute of Industrial Engineering Mumbai and was holding Director In Charge position for a period of 23 months. He has more than 60 publications including Conference proceedings to his credit. He has successfully completed more than 10 Research Projects and more than 18 Industrial Consultancy in the areas of his interest and expertise. His areas of specialization are Ergonomics, Work Systems Design, Executive Stress, Organisational Excellence and Psychosocial factors and Corporate Governance. He joined our Board on 17-11-2015.



Prof. Bupinder Zutshi
Independent Director
(DIN No: 7937359)

Prof. Bupinder Zutshi (66 years) M.A/ M.Phil/ Ph.D, presently, Professor, Centre for the Study of Regional Development, Jawaharlal Nehru University, New Delhi. Has taught at Utkal University, Bhubaneswar, Kashmir University, Srinagar. Has more than 42 years of teaching and research experience at post-graduate and research level (M.Phil/ Ph.D Programme). Has published 9 books, completed more than dozen research projects and written several research articles (more than 40) in research journals of repute published from India and abroad. His major research interests are issues related to human settlements and their changing habitat, disaster risk and vulnerability of human settlements. Other research interests are issues related to demographic changes and their consequences on population composition and population characteristics, education and child labour issues, studies on tribal communities. Has completed several research projects sponsored by national and international organizations, which includes UN Women (UNIFEM), UNESCO (New Delhi), International Bureau of Education (IBE, Geneva), United Nations High Commissioner for Human Rights (Geneva), Ford Foundation (New Delhi), International Labour Organization (New Delhi), National Human Rights Commission of India, Election Commission of India, Ministry of Human Resource Development (GOI) and Indian Council for Social Science and Research. Has been member of Ministry of Labour (GOI). He joined our Board on 08-09-2017.



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

Shri Gopal Krishan Agarwal (57 years) is a Chartered Accountant having 26 years of experience in financial markets and economic issues with vast knowledge and experience in financial structuring, revenue generation, tax planning and cost control consultations. His experiences include Member Managing Committee & Chairman Water Resources Committee of PHD Chamber of Commerce & Industry, National President of Association of National Exchanges Member of India, Government Nominee of the Central Council of the Institute of Company Secretaries of India, Member of the task force on financial architecture of MSME, Ministry of Finance, Govt. of India, Member of the Corporate Affairs Committee of ASSOCHAM etc. His other Professional Associations include as the National President of the Depository Participant Associations of India, National President of the Commodity Participant Association of India and Member of the Secondary Market Advisory Committee of SEBI. He joined our Board on 17-11-2015.



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

Dr. Hari Narayan Borkataky (71 years) is a social worker of repute. He has taught at the Dept. of Obstetrics & Gynaecology at Assam Medical College, Dibrugarh and was the Professor at Indian College of Maternal & Child Health. He is a life member of Indian Medical Association, IMA Academy of Medical Specialties, and Association of Surgeons of India. Dr. Borkataky is also the senior most member and Hony. Chairman of the Red Cross Society, Tinsukia. He is the Medical Director and proprietor of Pinewood Hospital, Tinsukia. He is a Senior Consultant Gynecologist having 45 years of clinical experience. He joined our Board on 08.09.2017.



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

Shri Saikhom Tikendra Singh, (67 Years) is a post graduate in Philosophy from Banaras Hindu University, Varanasi. He worked as an Assistant Professor of Philosophy in Maharaja Boddhachandra Collage, Imphal. After 20 years of service as Associate Professor he took voluntary retirement in the year 1994. He joined our Board on 12-03-2018.



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

Shri Vijay Kumar Gupta (64 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 38 years in Social Development. His key competencies include promoting Government policies and program building relationship with credentials in initiating and managing the projects including undertaking research work and networking with different stakeholders of the society like State Authorities, Community leaders, NGOs and Government Organizations and agencies. He joined our Board on 17-11-2015.



Chairman's Speech

Dear Members,

It is my proud privilege and pleasure to extend warm greetings to all of you on behalf of the Board of Directors of your company at the **43rd Annual General Meeting**. I express my sincere gratitude for your confidence and continued support. The Annual Report for the financial year ending 31st March, 2019, comprising of Directors' Report, Audited Annual Accounts and Auditors' Report are with you and with your permission, I take them, as read.

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

Your company has successfully commissioned both the units of the 110 MW Pare HE Project (2x55 MW) in the month of May 2018 with

commencement of commercial operation in the same month in the State of Arunachal Pradesh. **The Project was dedicated to the Nation by the Hon'ble Prime Minister of India on 9th February 2019.**

I take this opportunity to share some of the highlights of achievements of your Company over the last financial year. The Company's nine operational plants with 34 Units and one Solar Power Plant generated **6104 MU** during the year **2018-19** against MOU (Very Good) Target of **8300 MU**. The shortfall in generation target is on account of non-commissioning of Kameng HE Project, which is delayed from the scheduled period of March'2018 due to leakage in the Penstock and all out efforts for rectification are being made to complete it in shortest possible time. All the 3 (three) units of Ranganadi HE Project were on planned shutdown w.e.f. 09.02.2019 to 28.04.2019 for MIV (Main Inlet Valve) Disc Seal replacement, commissioning of surge shaft gate and reservoir flushing which is a gigantic task as it has been taken up after approx. 17 years of operation of the plant. On account of this shut down, there was

some shortfall in generation with consequential shortfall of generation in the downstream Pare HE Project as well. However, this flushing operation was essential for the long term health of the Ranganadi Power Plant and it will bring huge benefits in future.

The Corporation earned a total income of **₹2007.04 Crore** from sale of power and other income against **₹1632.95 Crore** in the previous year. During the year 2018-19, the Corporation earned a Profit Before Tax (PBT) of **₹451.58 Crore** against last year's figure of **₹402.71 Crore (Restated)**. The Gross Operating Margin of the Corporation as on 31st March, 2019 was ₹864.36 Crore against ₹623.08 Crore as on 31st March, 2018.

The Corporation paid an interim dividend of ₹68.00 crores to the Govt. of India in March, 2019. Your Directors have recommended a final dividend of ₹39.00 crore for the year 2018-19. The total dividend payout for the year amounts to ₹107.00 Crores i.e. ₹0.30 per equity share. The dividend pay-out represents 50% of Profit after Tax (PAT). The final dividend shall be paid upon your approval in the Annual General Meeting. The total dividend payout including dividend tax paid & payable accounts for 60.30% of Profit after Tax of the Company.

The Net Worth of the Corporation excluding capital reserve as on 31st March, 2019 was **₹6301.29 Crore** against **₹6154.98 Crore (Restated)** as on 31st March, 2018 representing a **growth of 2.38 %**.

Ongoing Projects

In the **600 MW Kameng HEP**, all the major structures viz., Dam, Water Conductor System, Power House Civil Works, HM Works, EM Works of Unit- I & II were completed in February 2018.

After completion of all major works required for commissioning of the project in March, 2018, two hydro generating units of 150 MW each (Unit-I & Unit-II) were put on trial mechanical run on 08.03.2018 and 10.03.2018 respectively. However, leakages in the penstocks were noticed on 12th March 2018, as a result, the penstock, rectification had to be undertaken and work is presently in progress on war footing. The repairing work of Penstocks I & II, is being carried out under close monitoring of the Corporation with the best available technology/resources in the world. Pre-UT testing of Penstock-I & II to map all the welding defects was completed on 28th November, 2018 and 12th December, 2018 respectively.

It is anticipated that generating unit-1 & unit-2 of 150 MW each will be commissioned during October 2019 after completion of penstock rectification works with weld repair method in Penstock-I. Unit-3 & Unit-4 of 150 MW each, connected to penstock-2 are likely to be commissioned in April 2020 with deployment of combination of welding and CFRP (Carbon Fibre Reinforced Polymer) technology in association with DRDO and involving foreign expertise.

The RCE at March, 2015 PL for ₹6179.96 Crore was cleared by the CEA on 18.03.2016. However, the Revised Cost Committee (RCC) in its meeting held on 26.10.2018 directed submission of fresh RCE at the latest price level (August/September, 2018 PL) for further consideration. Accordingly, the RCE at September, 2018 PL for ₹5269.34 Crore (excluding IDC & FC) was submitted to the Ministry of Power (MoP) on 30.11.2018. The MoP forwarded the RCE to CEA on 06.12.2018. The CEA returned the RCE on 10.04.19 advising for re-framing the RCE at latest price level. Accordingly, the RCE has been updated at June, 2019 PL for an estimated amount

of ₹5672.91 crore (excluding IDC & FC) and shall be submitted to CEA/CWC shortly.

The cumulative expenditure incurred up to June, 2019 was ₹7327.76 Crore, out of which an amount of ₹659.56 Crore was spent during 2018-19.

Pradhan Mantri Sahaj Bijli Har Ghar Yojana–Saubhagya

Rural Electrification works in the State of Tripura under the “Pradhan Mantri Sahaj Bijli Har Ghar Yojana–Saubhagya” scheme on behalf of TSECL, Tripura are being carried out by your Company as Project Implementing Agency. The works are undertaken in the two Districts of Sepahijala and South Tripura at an estimated cost of ₹39.97 Crore and ₹54.96 Crore respectively. Work in both the Districts are in progress. As on June, 2019, in Sepahijala District, House Hold (HH) wiring in 5485 HH out of 5529 HH has been completed. In South Tripura District House Hold (HH) wiring in 5380 HH out of 5380 HH has been completed.

Saubhagya Scheme has been declared closed by the REC w.e.f. 31.03.2019. However, considering the volume of work, the Tripura State Electricity Company Limited (TSECL) was requested on 04.04.2019 to extend the completion date up to 31.03.2020 which is under active consideration by the REC.

New Projects

Further, your Company has taken up additional projects for preparation of PFR/DPR for subsequent implementation in ownership as well as JV basis. Some of the major projects are 200 MW Solar PV Power Project in Odisha, 85 MW Wah Umiam St-III HEP, 120 MW Dibbin HEP, 330 MW Kurung HEP, 3750 MW Siang Upper Stage-II HEP in Arunachal Pradesh etc.

In line with the decision taken in the CPSE conclave during April, 2018 chaired by Hon’ble Prime Minister, your Company has signed and Umbrella MoU with SJVN Ltd on 28 June 2019 to execute projects jointly in India and abroad.

With the active initiative of your company, the Govt. of Meghalaya has allocated two upstream projects in the Wah Umiam basin viz. Wah Umiam St-I and St-II for investigation, DPR preparation and subsequent implementation. The MoA is expected to be signed very shortly.

The Govt. of Tripura has also reposed great faith on your Company and strongly advocated to the Hon’ble Minister, Govt. of India, Ministry of Petroleum & Natural Gas for allocation of additional natural gas to the existing 101 MW Tripura Gas Based Power Plant, Monarchak for its extension to the original planned capacity of 500 MW. Although the land was acquired and other infrastructure were created envisaging higher capacity installation but due to subsequent reduction in gas allocation, the plant size was reduced to 101 MW. NEEPCO has also expressed its willingness for extension of the plant within minimum time and cost by taking advantage of the already created facility.

Information Technology

The IT infrastructure has been significantly improved during 2018-19. The corporate network connectivity has been extended via high speed MPLS (Multiprotocol Label Switching) to locations like TGBPP, RHEP not previously connected. The Video Conferencing System has been extended to AGBPP, Bokuloni. The tender for engagement of a system integrator for ERP implementation has been finalized and Lol issued on 07-08-2019. The kick off meeting with the system integrator,

consultant, review consultant and NEEPCO was held on 20.08.2019 in New Delhi.

The self-service portal HRMS (Human Resource Management Software) has further been incorporated with additional features and self-service modules. A greater thrust has also been given for wide scale implementation of GePNIC and GeM applications as per the directives of the Government of India.

Research & Development

Your company has undertaken R&D Project during the year 2018-19 to Design of an automatic Communication system through cloud computing using sensor based automated input for efficient operation of Ranganadi HEP with due emphasis on downstream concerns up to confluence with Subansiri river with IIT, Guwahati. The R&D project is season dependent and shall continue till 2021-22. Based on the joint discussion and interaction between NEEPCO & IIT, Guwahati, phase wise activities are being framed by the IIT, Guwahati.

Corporate Social Responsibility & Sustainable Development

Your Company is committed towards the objectives of Sustainable Development through its activities and services. There is a constant endeavor to contribute and maintain social and environmental sustainability. CSR & Sustainability Development projects have been undertaken for promotion of education, health & sanitation, Swachh Bharat Abhiyan, Entrepreneurship Development Programme and activities for Backward Area Development.

The CSR&S Budget for the year 2018-19 was ₹9.35 crores, out of which an amount of ₹5.15 crore

was spent. The reasons for under spending of CSR outlay is mainly due to delay in receiving proposals. However, the unspent amount of ₹4.20 Crore will be carried over and included in the CSR&S budget of 2019-20 and will be utilized during the period.

Rules and Policies

The Management brought into effect the following HR policies and schemes during the year 2018-19, as enumerated below:

Employees Family Economic Rehabilitation Scheme was introduced for providing monetary benefit and support to employees / family in the event of permanent total disablement / death of the employee while in service. Under this policy, a beneficiary is entitled for monthly payment equivalent to Basic + D.A. last drawn by the deceased employee/separated employee till the notional date of superannuation.

The insurance amount under the Group Personal Accident Insurance (GPAI) Scheme was enhanced to the extent of 50 times the Basic plus DA as on 1st October of the previous year subject to the minimum of 20 Lac to insure all employees in the roll of the corporation against accidental death and permanent / partial disabilities during service.

Human Resource Development

The HRD department of NEEPCO understands that training and development activities plays a vital role in bettering employees' performance and productivity and thereby contribute towards organizational growth. Training & development interventions intend to help employees acquire new skills, sharpen existing ones, help them to discharge present job responsibilities and also prepare them for future job roles. As such, HRD

department has been working towards offering the best of training and development opportunities to our employees so that they can undertake their responsibilities to the best of their capabilities. In the year 2018-19, 579 employees were imparted training to enhance their competency levels, skill set & knowledge profile through various in-house and external training programs organized by various reputed training agencies within the country & abroad. This includes 5 executives, who were nominated to attend overseas training Programme.

Your Company has also maintained congenial and harmonious Industrial Relations throughout the year. Meeting and discussions between Unions / Associations and Management were carried out on various issues concerning improvement of work-life of employees and progress on works of the organization. The Corporation is making all out efforts to implement effectively the Official Language Policy of the Government of India at its Corporate Office as well as Projects and other offices.

The revised pay package in IDA pattern for Board level and below Board level Executives of NEEPCO w.e.f. 01-01-2017 was implemented on 6th June 2018. The Memorandum of Understanding between NEEPCO Management and the four registered Trade Unions for revision of pay in IDA pattern for Workmen w.e.f. 01-01-2017 was signed on 25th February 2019 and subsequently, the Memorandum of Settlement was signed on 5th April 2019.

Preventive Vigilance Activities

During the period from 01.04.2018 to 31.3.2019, NEEPCO Vigilance Department has dealt with various aspects of Vigilance Mechanism under

the directives and guidelines issued from the Central Vigilance Commission (CVC) from time to time. For exclusive and independent functioning of Vigilance Department, NEEPCO ensured transparency, objectivity and quality in vigilance functioning. Complaints received from various sources other than anonymous/pseudonymous have been taken up for prompt investigation and the same have been disposed off in accordance with the time frame prescribed by the CVC.

Apart from investigation of complaints received from various sources, the Vigilance Department has investigated various issues in a pro-active manner. Emphasis was given to the aspect of preventive vigilance to streamline and simplify the rules and procedures and making all efforts to arrest the loopholes detected during investigation of various cases. Vigilance Wing has given several advices by way of preventive vigilance which have led to systemic improvements in Technical as well as Personnel Department. Apart from that during the year CVO himself has inspected various plants/project sites and suggested for systemic improvement wherever it was necessary.

Further, CTE/CVC has carried out intensive examination on two major works in respect of Tuirial HEP, Mizoram and Pare HEP, Arunachal Pradesh. The para raised by the CTE have been attended by the Vigilance Wing from time to time and resulting from which so far an amount of ₹2,04,94,105/- only has already been recovered from the Contractor in Tuirial HEP. For improving the vigilance administration/ functioning, leveraging technology, implementation of e-procurement, e-payment, registering online vigilance complaints and uploading of Annual Immovable Property Returns (AIPRs) of Executives in the NEEPCO's website have been implemented.

All the important CVC circulars and OMs issued during this period have also been circulated to all concerned with a view to follow up the action and improve overall system in the Corporation.

Corporate Governance

The Corporation firmly believes in the importance of good Corporate Governance in the conduct of its affairs. It stresses in increasing efficiency along with adequate control systems in its operations. An Audit Committee regularly reviews all financial statements before placing it to the Board. The Annual Report along with various other communications is hosted on the website for information of the public at large. Certificate on Corporate Governance from the Secretarial Auditor is enclosed in the Director's Report.

Acknowledgement

I, on behalf of your Company, take this opportunity to express my sincere gratitude and appreciation to the Ministry of Power, Ministry of Finance, Ministry of DoNER, Ministry of New Renewable Energy, other Ministries of the Govt. of India, Central Electricity Authority, Central Water Commission, CERC and other Departments of the Govt. of India, State Governments and other Departments of the North East States, Financial Institutions, Bank & Lending Agencies, media etc for their invaluable

support and contribution to your Corporation in all its endeavors and achievements.

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 the sincere and devoted service rendered by each individual employee 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 31st March, 2019 be considered and adopted.

Thanking you.



(V. K. Singh)

Chairman and
Managing Director

Dated, New Delhi
The 24th September, 2019



Directors' Report

for the year 2018-19

Dear Members,

On behalf of the Board of Directors it is my privilege to present the 43rd Annual Report on the performance of your Corporation during the Financial year ended on 31st March 2019 along with the audited Statement of Accounts, Auditors Report and Review of the Accounts by the Comptroller & Auditor General India for the period.

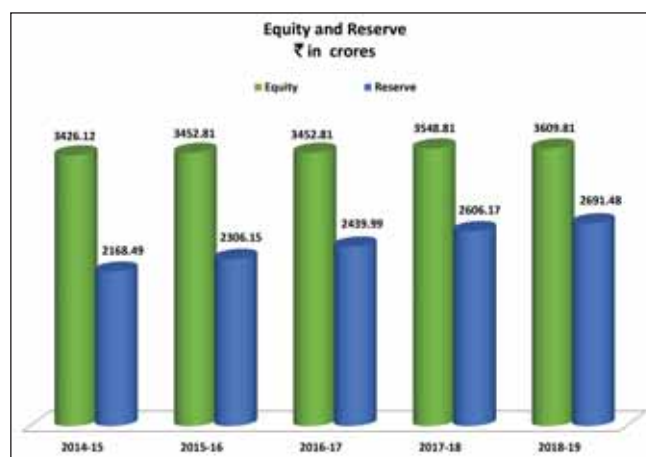
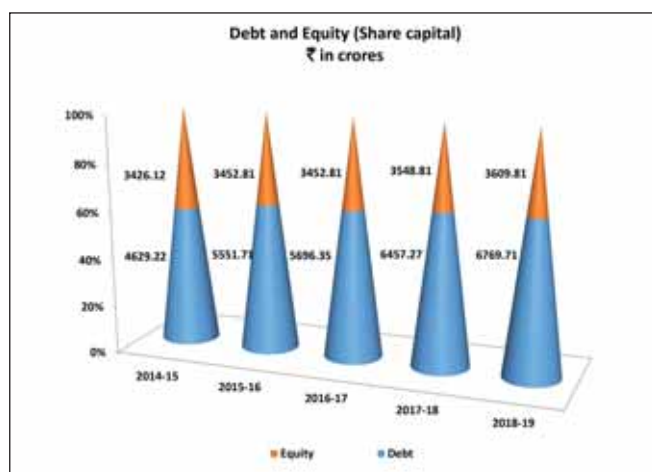
FINANCIAL PERFORMANCE

The performance of the Corporation for the financial year ended 31st March 2019 and 31st March 2018 are summarized as follows:

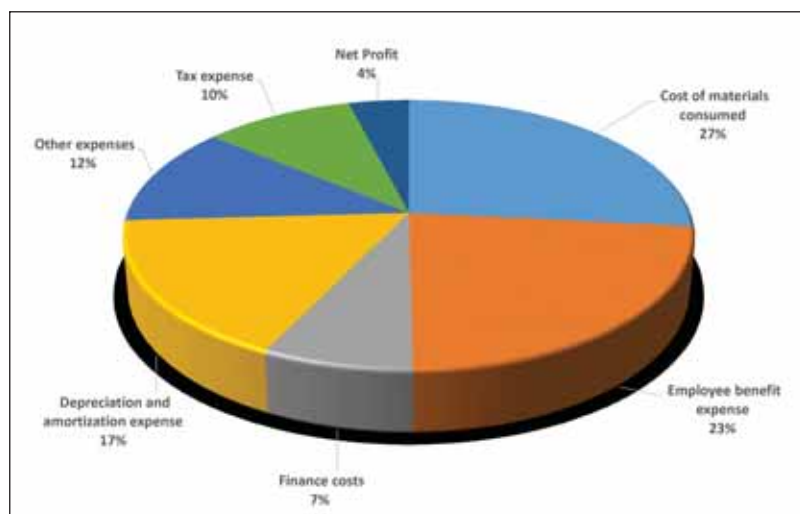
PERFORMANCE AT A GLANCE

(₹ in Crore)

Sl. No.	Items	2018-19	2017-18 (Restated)
A	Revenue from Operation	2007.04	1632.95
B	Other Income	101.37	31.72
C	Total Revenue	2108.41	1664.67
D	Profit before depreciation, interest and tax	965.74	654.80
E	Depreciation	357.12	183.06
F	Profit after depreciation but before interest and tax	608.62	471.74
G	Interest and finance charges	157.04	69.03
H	Profit before tax	451.58	402.71
I	Tax Expenses	237.64	128.05
J	Profit after Tax	213.94	274.66
K	Other Comprehensive Income	2.12	2.37
L	Total Comprehensive Income	216.06	277.03
M	Interim Dividend	68.00	41.00
N	Proposed final dividend	39.00	47.00
O	Dividend Distribution Tax	13.98	8.35
P	Dividend Distribution Tax payable on Proposed Dividend	8.02	9.57
Q	Transfer to Bond Redemption Reserve	79.87	173.35
R	Share Capital	3609.81	3452.81
S	Share Application money pending Allotment	-	96.00
T	Reserve & Surplus	2691.48	2606.17
U	Net Worth (R + S)	6301.29	6154.98
V	Gross Block	9831.75	6718.00
W	Capital Employed	5833.12	3196.47
X	Number of Employees	2346	2484
Y	Financial Ratios ::		
	Gross Operating Margin	864.36	623.08
	Net Profit to Net Worth (%)	3.40%	4.46%
	PAT /Total Employment (₹ in lakhs)	10.43	12.58
	Debt Equity Ratio	1.07	1.05
	Liquidity (ratio)	0.64	0.73
	Current Ratio	0.72	0.79
	Sales Turnover/ Net Block (%)	32.04%	46.99%
	Debtor Turnover Ratio (days)	99	101
	Earnings per Share (₹)	0.60	0.80



Analysis of Revenue



Revenue

The Gross Revenue of the Corporation for the year 2018-19 is ₹2108.41 Crore (previous year ₹1664.67 Crore).

Profit Before and After Tax

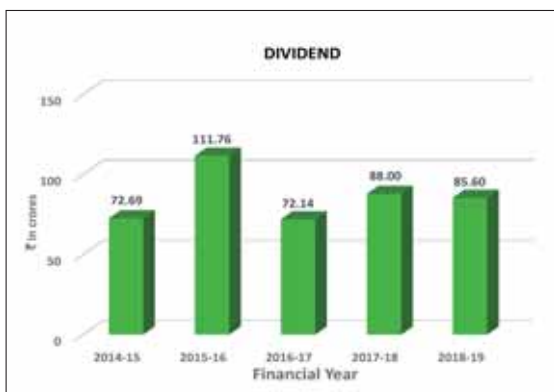
The Corporation earned a profit before tax of ₹451.58 Crore as against of ₹402.72 Crore of previous year and the profit after tax amounts to ₹213.94 Crore as against previous year figure of ₹274.66 Crore.



DIVIDEND

The Corporation has paid an interim dividend of ₹68.00 crores in March, 2019. Your Directors have recommended a final dividend of ₹39.00 crore for the year 2018-19. The total dividend payout for the year amounts to ₹107.00 Crores i.e. ₹0.30 per equity share. The dividend pay-out represents 50% of Profit after Tax (PAT). The final dividend shall be paid subject to your approval in the Annual General Meeting.

The total dividend payout including dividend tax paid & payable accounts for 60.30 % of Profit after Tax of the Company.



FINANCIAL REVIEW

A. CAPITAL STRUCTURE

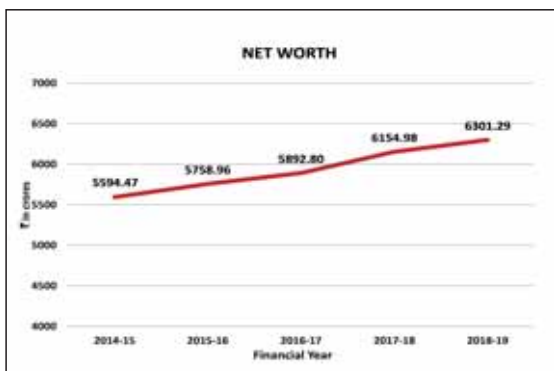
The Authorised Share Capital of the Corporation as on 31.03.2019 stood at ₹5000.00 Crore and the Paid up Capital was ₹3609.81 Crore (Previous year ₹3548.81 Crore).

B. BORROWINGS

The Corporation mobilized a loan of ₹741.71 Crore from various domestic agencies during the year 2018-19.

C. NET WORTH

The Net Worth of the Corporation excluding capital reserve as on 31st March, 2019 was ₹6301.29 Crore against ₹6154.98 Crore as on 31st March, 2018 representing a growth of 2.38 %.



D. GROSS OPERATING MARGIN

The Gross Operating Margin of the Corporation as on 31st March, 2019 was ₹864.36 Crore against ₹623.08 Crore as on 31st March, 2018.



E. STATUTORY AUDITOR

M/s. SPAN & Associates, Guwahati was appointed as the Statutory Auditor of the Company, by the Comptroller & Auditor General of India for the financial year 2018-19.

F. MANAGEMENT COMMENTS ON STATUTORY AUDITOR'S REPORT

The Statutory Auditor of the company has submitted the report on the Financial Statements of the Company for the financial year 2018-19. The report of the Statutory Auditor dated the 20th June 2019 is given in "ANNEXURE 6A & 6B", The Management's reply to "Emphasis of Matters" in the Statutory Auditors' Report is given in ANNEXURE-6C.

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

The Comptroller & Auditor General of India has conducted supplementary audit of the financial statements (Stand alone as well as Consolidated) of the Company for the FY 2018-19 under Section 143 (6) (a) of the Companies Act, 2013 and has given "NIL" comment. Comments of the C&AG on the financial statements of your Company are given at ANNEXURE-7.

H. COST AUDIT

As prescribed under the Companies (Cost Records and Audit) Rules, 2014, the Cost Accounting records are being maintained by all operating stations of your Company. M/s. Bandyopadhyaya Bhaumik & Co, Guwahati was appointed under section 148 of the Companies Act, 2013 as Cost Auditor for the financial year 2018-19 for conducting cost audit of cost accounting records of the Company. The Cost Audit for the year 2018-19 has been completed and the Cost Auditor has submitted their report. The Cost Audit Report for the financial year ended March 31, 2019 shall be filed within the prescribed time under the Companies (Cost Records & Audit) Rules, 2014.

SECRETARIAL AUDITOR

M/s. Narayan Sharma & Associates, Practicing Company Secretary, Guwahati, was appointed as the Secretarial Auditor of the Company for conducting the secretarial audit for the year 2018-19. The Secretarial Audit Report in Form No. MR-3 for the financial year ended 31st March 2019 as audited by M/s. Narayan Sharma & Associates, Practicing Company Secretary is enclosed as **ANNEXURE-8A**. Management's reply to the Secretarial Auditors' observations made in the Secretarial Audit Report for the year 2018-19 is enclosed as **ANNEXURE-8B**.

PLANTS UNDER OPERATION

POWER GENERATION

The MoU (Memorandum of Understanding) with the Ministry of Power (MoP) target for the year 2018-19 ("Very Good") in respect of power generation was fixed at 8300 MU which includes 2400 MU against Kameng HEP. There was an increase in installed capacity in the year 2018-19 by 8.20% w.r.t. installed capacity of previous year. The table below highlights the comparative achievements during 2018-19 vis-à-vis 2017-18.

Power Station	Generation Target (MU) 2018-19 for "V-Good" MoU rating	Actual Generation (MU) 2018-19	Actual Generation (MU) 2017-18	Actual Plant Availability Factor (%) 2018-19	Actual Plant Availability Factor (%) 2017-18
AGBPP	1450	1639	1598	64.20	62.38
AGTCCPP	650	651	688	60.15	61.82
TGBPP	650	681	671	79.27	79.65
Thermal Total	2750	2971	2957		
Kopili H E Plant	1051	1327	1433	83.95	73.55
Doyang H E Plant	227	231	274	59.74	71.52
Ranganadi H E Plant	1250	1052	1417	82.50	93.67
Tuirial H E Plant	214	169	78	51.01	50.64
Pare H E Plant **	402	347	0	85.74	-
Kameng H E Project	2400	0	0		-
Hydro Total	5544	3126	3202		
Monarchak Solar	6	7	7	16.17	15.33
NEEPCO Total	8300	6104 *	6166	-	-
Actual APAF (%) achieved during 2017-18	75.34				
APAF Target (%) 2018-19 for "Very Good" MOU rating	77.60				
Actual APAF (%) achieved during 2018-19	74.57				

* The shortfall in generation target is on account of non-commissioning of Kameng HEP, which is delayed from the scheduled period of March, 2018 due to Penstock problem which is under rectification in shortest possible manner.

** Generation data is subject to final Tariff order of the Hon'ble CERC.

HYDRO ELECTRIC PLANTS

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

Kopili Hydro Electric Plant Power Stations	Installed Capacity (MW)	Generation in Million Units			Normative Annual Plant Availability Factor (NAPAF) (%)	Actual Plant Availability Factor (APAF) (%)
		Design	MoU (Very Good)	Actual		
Kopili Power Station	200 (4x 50)	1186.14	758	1029	79	87.06
Khandong Power Station	50 (2 x 25)	277.65	188	204	69	75.84
Kopili Stage-II	25 (1 x 25)	86.30	105	94	69	75.26
Total	275	1550.09	1051	1327		

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

Doyang H E Plant	Installed Capacity (MW)	Generation in Million Units			Normative Annual Plant Availability Factor (NAPAF) (%)	Actual Plant Availability Factor (APAF) (%)
		Design	MoU (Very Good)	Actual		
	75 (3 x 25)	227.24	227	231	73	59.74

APAF for the Plant is less due to forced outage of Unit # 2 w.e.f 20.11.2017 to 24.05.2018 for Generator Transformer winding failure and less availability of reservoir water.

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

Ranganadi H E Plant	Installed Capacity (MW)	Generation in Million Units			Normative Annual Plant Availability Factor (NAPAF) (%)	Actual Plant Availability Factor (APAF) (%)
		Design	MOU (Very Good)	Actual		
	405 (3 x 135)	1509.66	1250	1052	85	82.50

Generation and APAF achieved during 2018-19 is less due to planned shutdown of all the 3(three) units w.e.f. 09.02.2019 to 28.04.2019 for MIV (Main Inlet Valve) Disc Seal replacement, commissioning of surge shaft gate and reservoir cleaning.

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

Tuirial H E Plant	Installed Capacity (MW)	Generation in Million Units			Normative Annual Plant Availability Factor (NAPAF) (%)	Actual Plant Availability Factor (APAF) (%)
		Design	MOU (Very Good)	Actual		
	60 (2 x 30)	250.63	214	169	85	51.01

Generation and APAF achieved during 2018-19 is less due to restriction in generation by the State Load Despatch Centre, Mizoram and shutdown of the units for teething problems which were attended by M/s. BHEL.

Based on the decision taken during the Revised Cost Committee (RCC) meeting held on 11.02.2019, the revised hard cost in respect of the Revised Cost Estimate at November, 2017 price level was submitted on 14.02.2019 and vetted by the Central Electricity Authority (CEA) on 08.03.2019 for ₹1175.35 Crore. Further, the CEA vetted the IDC & FC of Tuirial HEP on 05.04.2019 for ₹68.80 Crore (₹68.61 Cr, IDC + ₹0.19 Cr, FC). The total vetted cost including IDC & FC stands at ₹1244.15 Crore. As per the RCC meeting held on 08.04.2019, a brief note and supporting documents containing justification for Time Overrun was submitted on 22.04.2019.

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

Pare H E Plant	Installed Capacity (MW)	Generation in Million Units			Normative Annual Plant Availability Factor (NAPAF) (%)	Actual Plant Availability Factor (APAF) (%)
		Design	MOU (Very Good)	Actual		
	110 (2 x 55)	506.42	402	347	CERC Tariff order awaited	85.74

The date of commercial operation of Unit # 1 and Unit # 2 of Pare Hydro Electric Project were declared w.e.f. 28.05.2018 & 21.05.2018 respectively. Generation during 2018-19 is less due to less availability of reservoir water following the planned shutdown of Ranganadi HEP.

The Project was dedicated to the Nation by the Hon'ble Prime Minister of India on 9th February 2019.

The CEA vetted the Hard Cost of the Revised Cost Estimate (RCE) at May, 2018 PL, for an amount of ₹1402.27 Crore on 18.01.2019 excluding IDC & FC. The CEA vetted the IDC & FC for an amount of ₹238.04 Crore on 25.02.2019. Total vetted cost including IDC & FC stands at ₹1640.31 Crore.

The RCC in its meeting held on 25.03.2019 desired submission of details on time overrun along with documentary evidence and to be finalised with the CEA. The same was submitted on 05.04.2019. Approval of the RCE is awaited.

THERMAL PLANTS

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

Assam Gas Based Combined Cycle Power Plant	Installed Capacity (MW)	Generation in Million Units			Normative Annual Plant Availability Factor (NAPAF) (%)	Actual Plant Availability Factor (APAF) (%)
		Design	MOU (Very Good)	Actual		
	291(6 x 33.5 + 3 x 30)	1746	1450	1639	72	64.20

Assam Gas Based Combined Cycle Power Plant	Gas Supplier	Contracted Quantity (MMSCMD)	Average Gas supply (MMSCMD)		
			2016-2017	2017-2018	2018-2019
	M/s OIL	1.40	1.20	1.20	1.24

The matter of short supply of gas was taken up with M/s OIL. The MoP also took up with the Ministry of Petroleum and Natural Gas (MoP&NG) for supply of the contracted quantity of gas to the plant by M/s. OIL. It was informed that due to technical/reservoir issues, some of the wells of the high producing fields are not able to produce up to their original level even after extensive work-over activities. Further, in order to maintain generation at 78% - 80% Plant Load Factor (PLF), 1.65 MMSCMD of gas is required. The matter has been pursued with M/s. OIL as well as with the MoP&NG for enhancement of gas quantum. The MoP has also taken up with the MoP&NG for enhancement of gas allocation to 1.65 MMSCMD from existing resources.

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

Agartala Gas Turbine Combined Cycle Power Plant	Installed Capacity (MW)	Generation in Million Units			Normative Annual Plant Availability Factor (NAPAF) (%)	Actual Plant Availability Factor (APAF) (%)
		Design	MOU (Very Good)	Actual		
	135 (4 x 21+2 x 25.5)	810	650	651	85	60.15

Agartala Gas Turbine Combined Cycle Power Plant	Gas Supplier	Contracted Quantity (MMSCMD)	Average Gas supply (MMSCMD)		
			2016-2017	2017-2018	2018-2019
	M/s GAIL	0.75	0.68	0.52	0.50

The matter of short supply of gas was taken up with GAIL on several occasions but the situation has not improved. M/s GAIL on 22nd December 2017, conveyed that ONGC has informed that there is a reduction in availability of gas due to depletion of gas from the existing wells in Dome ADB and that the situation is likely to improve from March, 2019 when two of their new gas fields may start production. The MoP&NG on 25th February 2019, informed that with increased availability of gas supply from M/s. ONGC to M/s. GAIL since December, 2018, M/s GAIL is in a position to offer increased quantity of gas after

restoration of the GTG Unit # 4 of AGTCCPP, which was under forced outage since 14.07.2018. The unit was restored on 24.04.2019.

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

Tripura Gas Based Power Plant	Installed Capacity (MW)	Generation in Million Units			NAPAF (%)	Actual Plant Availability Factor (APAF) (%)
		Design	MOU (Very Good)	Actual		
	101 (1 x 65.42+1 x 35.58)	733.24	650	681	85	79.27

Tripura Gas Based Power Plant	Gas Supplier	Contracted Quantity (MMSCMD)	Average Gas supply (MMSCMD)		
			2016-2017	2017-2018	2018-2019
	M/s ONGC	0.50	0.39	0.40	0.43

The CEA has vetted the RCE amounting to ₹1062.24 Crore on 14.06.2017 (Hard Cost ₹919.00 Cr + IDC, FC FERV ₹143.24 Crore). The RCC in the meeting held on 26.09.2018, desired submission of justification for increase in establishment cost with supporting documents. The MoP was informed on 05.04.2019, that the reconciliation with BHEL is likely to be completed very soon and immediately thereafter, the fixed cost and other related information shall be submitted to the RCC in its final shape.

RENEWABLE ENERGY PLANTS

A) 5 MW Grid Interactive Solar PV Power Plant at TGBPP Site, Tripura:

The energy generated from the plant during 2018-19 was 7.08 MU with Capacity Utilization Factor (CUF) of 16.17 % against MoU very good target of 6 MU.

ONGOING PROJECT

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

After completion of all major works required for commissioning of the project in March, 2018, two hydro generating units of 150 MW each (Unit-I & Unit-II) were put on trial mechanical run on 08.03.2018 and 10.03.2018 respectively. However, leakages in the penstocks were noticed on 12th March 2018 and as a result, penstock rectification work had to be undertaken which presently are in progress. The repairing work of Penstocks I & II, is being carried out under close monitoring of the Corporation and experts engaged for the same. Pre-UT testing of Penstock-I & II have been completed on 28th November, 2018 and 12th December, 2018 respectively. As on 31.03.2019, grouting in both the penstocks has been completed and progresses of weld defect/offset repair achieved are 79% & 10% in Penstock-I & II respectively.

Anticipated commissioning schedule of the project on completion of Penstock rectification works with conventional method in Penstock-I and proposed intervention by applying Alternative Method of repair (i.e. Carbon Fiber Reinforced Polymer Layers) fully in Penstock-II is October 2019 (Unit 1 & 2) and April 2020 (Unit 3 & 4) respectively.

The RCE at March, 2015 PL for ₹6179.96 Crore was cleared by the CEA on 18.03.2016. However, the Revised Cost Committee (RCC) in its meeting held on 26.10.2018 directed submission of fresh RCE at the latest price level (August/September, 2018 PL) for further consideration. Accordingly, the RCE at September, 2018 PL for ₹5269.34 Crore (excluding IDC & FC) was submitted to the Ministry of Power (MoP) on 30.11.2018. The MoP forwarded the RCE to CEA on 06.12.2018. In the intervening period, various rounds of queries/replies have been exchanged among CEA/CWC/NEEPCO ending with clarification submitted by NEEPCO on EM package on 05.03.2019. Item wise details of expenditures under various heads since beginning of the project as subsequently requested by the CWC on 03.04.2019 are under submission. The CEA returned the RCE on 10.04.19 advising for re-framing the RCE at latest price level. Accordingly, the RCE is being updated at June, 2019 PL and shall be submitted shortly.

The cumulative expenditure incurred up to June, 2019 was ₹7327.76 Crore, out of which an amount of ₹659.56 Crore was spent during 2018-19.

OTHER PROJECTS

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

Rural Electrification works in the State of Tripura under the “Pradhan Mantri Sahaj Bijli Har Ghar Yojana–Saubhagya” scheme on behalf of TSECL, Tripura are being carried out. The sanction order by TSECL was issued to NEEPCO on 27.07.2018. NEEPCO issued the work order to the Contractor M/s. Everest Infra Energy Limited on 27.07.2018. The works are being undertaken in the two Districts of Sepahijala and South Tripura at an estimated cost of Rs 39.97 Crore and ₹54.96 Crore respectively.

Work for both the Districts are in progress. As on June’ 2019, in Sepahijala District, House Hold (HH) wiring in 5485 HH out of 5529 HH has been completed. Other works such as erection of 3393 Nos. of Poles (Steel) and 2456 Poles (PSC) has also been completed. Stringing of 146 Circuit kilometre (CKM) of LT and 10.5 CKM of HT Line has been completed.

In South Tripura District, as on June’ 2019, House Hold (HH) wiring in 5380 HH out of 7057 HH has been completed. The total house-hold connection target for NEEPCO in the district has however been reduced to 5380 numbers, as decided in the meeting with TSECL that two Blocks out of eight shall be covered by them. Other works such as erection of 3924 Nos. of Poles (Steel) and 2967 Poles (PSC) has been completed. Stringing of 149 CKM of LT and 16 CKM of HT Line has been completed.

Further, all 48 numbers of 63KVA and 18 numbers of 25KVA Distribution Transformers of Sepahijala district have reached site as on 31.03.2019. 27 numbers of 63KVA and 36 numbers of 25KVA Distribution Transformers of South Tripura district have reached site as on 31.03.2019.

Saubhagya Scheme has been declared closed by the REC w.e.f. 31.03.2019. However, considering the volume of work, the Tripura State Electricity Company Limited (TSECL) was requested on 04.04.2019 to extend the completion date upto 31.03.2020.

UPCOMING PROJECTS

Under S&I SCHEME: (Ownership Basis)		
S. N.	Project	Status
HYDRO		
1.	Wah Umiam St-III HEP (85 MW), Meghalaya	<ul style="list-style-type: none"> The MoA was signed between NEEPCO & Govt. of Meghalaya on 20th April 2012. The Detailed Project Report (DPR) is under scrutiny at CEA/CWC for according Techno- Economic Clearance (TEC). Various rounds of queries / replies have been exchanged among CEA/CWC/NEEPCO, ending with clarification 07.03.2019. Application for Final Environmental Clearance (EC) was uploaded in the MoEF&CC website on 13.12.2017 after conducting mandatory public hearings. The MoEF&CC on 26.02.2018 communicated that the Expert Appraisal Committee has recommended for grant of Environmental Clearance to the Project which shall be issued after providing a copy of the Forest Clearance Stage-I. PCCF (Territorial), Forest and Environment Dept., GoM on 07.06.2018 was requested for identification of 44 Ha of degraded forest land in other parts of the State for Compensatory Afforestation. Simultaneously, identification of the land is being explored. Some proposals received in this regard are under examination. After prolonged persuasion, the Government of Meghalaya issued notification on 20.04.2018 renaming the project as Wah Umiam Stage –III HEP (85 MW). Continuous effort are being made for land acquisition with concerned Authorities. Consent for Joint Inspection from the Local Durbar, Thieddieng village was received on 02.01.2019. The matter was further taken up with the Revenue Deptt., Govt. of Meghalaya on 23.01.19. Approach road to the Project has been planned from left bank of the river i.e. via Mawmihthied - Rngimawsaw- Mawphu village as a deposit work through Meghalaya PWD. Accordingly, a joint inspection was conducted on 14th Nov’17 and a preliminary survey was also conducted on 16th April’18. The Cost Estimate for the road was received from PWD, Meghalaya in November 2018 which is under revision by PWD for incorporation of certain aspects as suggested by NEEPCO. State Power Utilities in the NE region were requested for comfort letters for requisition of power from the project. Replies are awaited.

Under S&I SCHEME: (Ownership Basis)

S. N.	Project	Status
2.	Wah Umiam St-I HEP (50 MW), Meghalaya	<ul style="list-style-type: none"> These projects are located on the upstream of the Wah Umiam Stage-III HEP indicated above. Govt. of Meghalaya conveyed allotment of these projects on 12.03.2019. Thus, the whole Umiew basin has now been allotted to NEEPCO for development. MoA is under finalization.
3.	Wah Umiam St-II HEP (100 MW), Meghalaya	<ul style="list-style-type: none"> Preparation of Pre-Feasibility Report (PFR) has been taken up.

RENEWABLE ENERGY PROJECTS

1.	200 MW Solar PV Power Project, Odisha	<ul style="list-style-type: none"> Subsequent to receipt of the Letter of Intent (LoI) from the "Grid Corporation of Odisha Ltd., (GRIDCO)" on 17.03.2017 for purchase of power from the proposed 200 MW Solar Power Project in Odisha, NEEPCO's proposal for setting up the Project at Babandha, Dist. Dhenkanal, Odisha, was cleared by the State Level Single Window Clearance Authority (SLSWCA) on 29.07.2017 and the State Technical Committee (STC) on 23.10.2017. Further, in-principle Evacuation Clearance has also been received from "Odisha Power Transmission Corporation Ltd. (OPTCL)" on 22.07.2017. The Concept Paper for obtaining 'in-principle' approval for the Project proposal was submitted to the Joint Secretary (Hydro), MoP, on 16.02.2018. The Joint Secretary (Hydro), MoP convened a meeting on 10.09.2018 on the proposal for setting up of the 200 MW Solar Project in Odisha. Clarifications sought by the MoP, were furnished on 12.09.2018, 26.09.2018, 01.10.2018, 18.10.2018 and 21.12.2018. In-principle' approval of the MoP for start of Project related works is awaited. In the meantime, the EPC bid is under preparation and will be floated to discover the tariff for ascertaining the viability of the project.
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JOINT VENTURES:

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

S. N.	Project	Status
HYDRO		
1.	Dibbin HEP (120 MW), Arunachal Pradesh.	<ul style="list-style-type: none"> Shareholders' Agreement (SHA) was signed between NEEPCO and KSK Energy Ventures Ltd. on 12.06.2014 for development of the Project in JV mode and a JV Company viz. M/s KSK Dibbin Hydro Power Pvt Ltd. was formed. Consideration of e-flow as per post TEC Basin Study Report brings down the Design Energy from 371 MU to 295 MU. Efforts were made to make the project viable with waiver/ staggering of free power and grant which however, did not materialise. The Secretary (Power), Govt. of India, in the meeting held on 20.04.2018 recommended for assessment of feasibility of some projects including Dibbin HEP. The Government of Arunachal Pradesh intimated that the developer has been served final show cause notice on 05.02.2018 and termination of the project is in process by GoAP since 13.03.2018. Accordingly, the cost estimate was updated as per which the project would be viable if grant with the revised design energy and other TEC parameters unaltered is allowed. The state Govt. on 06.11.2018 was requested for allotment of the project to NEEPCO for development with grant. Response of State Govt. is awaited. Meanwhile, the CEA was requested on 10.09.2018 to examine the extent of validity of the TEC with revised design energy for revival of the project with grant. Inputs required by the CEA in this regard are being provided time to time. The CEA was informed and requested on 23.07.2019 that as the site specific e-flow study is still in process, the installed capacity and other project parameters may be evaluated only after incorporation of the outcome of the site specific e-flow study. The CEA vide letter dated 02.08.19 has conveyed that the installed capacity of the project may be maintained at 80 MW unless there is a change in environmental flow release quantum approved by MoEF & CC.

2.	Siang Upper Stage II HE Project (3750 MW), Arunachal Pradesh.	<ul style="list-style-type: none"> All activities on the projects are presently on hold as per the advice of the MoP vide letters dated 18.11.2015 and 02.02.2016 till a decision is taken in regard to develop the projects in single stage or two stages. The MoP vide letter dated 30th March 2017 to Commissioner, MoWR, RD&GR with a copy endorsed to NEEPCO advised for investigation to be carried out in a manner which would facilitate consideration of a single Siang Multi-Purpose Storage Project (to be developed as a National Project) and reiterated that S&I works cannot be carried out by the PSUs as the cost of investigation is likely to exceed ₹1000 Crore. Further communication from MoWR/MoP is awaited. Meanwhile, the Contract with M/s RusHydro for preparation of DPR was foreclosed on 15.11.2018. Claims have been amicably foreclosed on 18.01.2019.
3.	Kurung HEP (330 MW), Arunachal Pradesh	<ul style="list-style-type: none"> The MoA with the Govt. of Arunachal Pradesh was signed on 27th Jan' 15 for development of the Project in Joint Venture. The MoEF & CC accorded ToR clearance for preparation of EIA / EMP report on 22.04.16 The Proposal for approval of expenditure for pre-investment activities was submitted to the MoP on 28.06.16. The CEA concurred the pre-investment activities expenditure on 02.11.16. Meeting of the Delegated Investment Board (DIB) for pre-investment approval of Kurung HEP was held on 18.01.2018 at New Delhi. In the meeting, the Secretary (Power), MoP expressed concern over some of the clauses of the MoA already signed between NEEPCO and the Govt. of Arunachal Pradesh (GoAP) and decided that the DIB proposal for pre investment activities of Kurung HEP be kept on hold and directed JS (Hydro) to take up the matter with the GoAP to re-look into the conditions of MoA. The MoP on 20.03.2018 further desired that NEEPCO shall first take up the matter with the State Government with regard to certain clauses of the MoA. However, there was no advice from the MoP regarding the clauses of Upfront Premium and Joint Venture. The MoP was requested on 28.03.2018 for consent to renegotiate the clauses of MoA with the GoAP on upfront premium and joint venture etc. in addition to the clauses mentioned in MoP's letter dated 20.03.2018. The MoP on 16.04.2018 conveyed its consent on the above request of NEEPCO. Accordingly, NEEPCO on 28.06.2018 requested Govt. of Arunachal Pradesh to revisit certain clauses of the MoA along with two additional clauses on recruitment and police outpost. The MoP vide D.O. letter dated 24.07.2018 desires expediting the renegotiation process with the Govt. of Arunachal Pradesh. The matter was pursued with GoAP on 27.07.2018 and 20.09.2018. A high level meeting was held on 02.11.2018 at Itanagar between CMD, NEEPCO and Hon'ble Chief Minister, GoAP wherein matter of Kurung HEP was discussed inter-alia. Further response from GoAP is awaited. Meanwhile, the tender floated by NEEPCO for topographical survey of the project has been cancelled. The status of the project was discussed in the meeting taken by JS (Hydro) on 18.03.2019.

INFORMATION TECHNOLOGY (IT)

The IT Department during 2018-19 has improved and extended the corporate network connectivity via high speed MPLS (Multiprotocol Label Switching) to locations like TGBPP, RHEP not previously connected. The Video Conferencing System has been extended to AGBPP, Bokuloni. The Corporate Firewall has been upgraded to a new Higher Availability (HA) protection mode firewall. The price bid evaluation of the tender for engagement of a system integrator for ERP implementation is in progress. The prevailing APAR software (centralized online Appraisal Performance and Reporting software) has further been improved and upgraded with the addition of new sections like Transfer and Promotion modules. The Commercial Billing Software (CBS) has been accorded User Acceptance for improvements made to tariff calculation as per latest Govt.

guidelines. The self-service portal HRMS (Human Resource Management Software) has further been incorporated with additional features and self-service modules. A greater thrust has also been given for wide scale implementation of GePNIC and GeM applications as per the directives of the Government of India.



IT Security Awareness Programme organized with faculty assistance of National Informatics Centre at Corporate Office

RESEARCH & DEVELOPMENT (R&D)

Project undertaken during the year 2018-19 is as below:

Modalities for “Design of an automatic Communication system through cloud computing using sensor based automated input for efficient operation of Ranganadi HEP with due emphasis on downstream concerns up to confluence with Subansiri river” is being finalised with IIT, Guwahati. The R&D project is season dependent and shall continue till 2021-22. Based on the joint discussion and interaction between NEEPCO & IIT, Guwahati, phase wise activities are being framed by the IIT, Guwahati.

Total expenditure against R & D during the year 2018-19 is ₹65.10 Lakh.

RULES AND POLICIES

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

During the year 2018-19, the Corporation organized/ associated/ participated in four numbers of Vendor Development Programme (VDP) for MSEs. The Annual Procurement Plan for purchase from MSEs are uploaded in the Corporation’s website.

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

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

RIGHT TO INFORMATION (RTI)

NEEPCO has implemented the Right to Information Act, 2005 keeping in conformity with the spirit of the Act to promote accountability, transparency and efficiency. The corporation has also been linked to the online system namely RTI request & Appeal Management Information Systems, “RTIMIS” portal. Through this portal, on-line RTI applications to the corporation are directly marked to the designated Nodal Office, RTI who forwards the same to the respective CPIOs. The company has designated a First Appellate Authority, Nodal officer, Public Information Officer (PIO) and respective Central Public Information Officer (CPIO), details of which are uploaded in the company’s website. The RTI applications handled by the corporation during the financial year 2018-2019 (i.e from 01.04.2018 till 31.03.2019) are as shown hereunder:

Compliance of the RTI Act, during the year 2018-2019	
Number of applications/appeals received	119
Number of applications/appeals disposed	112

RISK MANAGEMENT POLICY

The Risk Management Policy (RMP) was introduced in the Corporation in May 2011. Subsequently, considering the dynamic business environment, the Risk Management Policy was reviewed thoroughly and the current policy was framed for adoption with effect from 15th Feb 2016 with the main objective to ensure sustainable business growth with stability and to promote a proactive approach in identifying, evaluating, reporting and managing risks associated with the business. In order to achieve the key business objectives, the policy establishes a structured and disciplined approach to Risk Management, including the development of the Risk Register, in order to guide decisions on risk related issues. Software Tool for online monitoring of status of Risks of various projects/plants/units was developed and is now established.

As a measure to ensure proper monitoring, department/ project/ power station/unit heads submits status report of risks and mitigation measures on quarterly basis to the Chief Risk Officer (CRO), who is the Nodal Officer of all Risk related matters, for reporting it to the Risk Management Committee (RMC). The CRO alongwith the other members of the RMC biannually identifies the risks and decide upon the key risks which are reported to the Risk Review Committee (RRC). The RRC annually apprise the Audit Committee (AC) on the key risks faced by the organization and the mitigation measures taken. The AC presents the relevant findings to the Board of Directors for approval/actions.

A meeting of the Risk Review Committee comprising of the 3 (three) functional Directors was held on 10th January 2019 to discuss various risks of the Corporation in respect of the projects/plants/units as well as of the corporate office. Risk related aspects were also discussed in the Audit Committee meeting held on 25th January 2019.

HUMAN RESOURCE DEVELOPMENT (HRD)

The HRD department, NEEPCO understands that training and development activities plays a vital role in bettering employees' performance and productivity and thereby contribute towards organizational growth. Training & development interventions intends to help employees acquire new skills, sharpen existing ones, help them to discharge present job responsibilities and also prepare them for future job roles. As such, HRD department has been working towards offering the best of training and development opportunities to our employees so that they can undertake their responsibilities to the best of their capabilities.

MANPOWER STRENGTH

The Manpower strength as on 1st April, 2018 was 2470 employees. During the year 27 employees were recruited, whereas 151 employees had separated as per details below:

ATTRITION DURING THE YEAR	
Reason	No. of Employees
Expired	5
Resigned	3
Dismissed	1
Superannuated	142
TOTAL	151

RECRUITMENT DURING THE YEAR	
No. of Employees	27

The Manpower Strength as on 31st March, 2019 was 2346 employees as per details below:

LEVEL	NO. OF EMPLOYEES
Board Level	4
Executives	879
Supervisor	281
Workmen	887
Workcharged	295
Total	2346

GENDER	NO. OF EMPLOYEES
Male	1961
Female	385
Total	2346



Induction Programme during 25th to 28th June, 2018

CATEGORY	NO. OF EMPLOYEES
General	879
SC	172
ST	825
OBC	415
PwD	49
Ex.SM	6
Total	2346

CORPORATE COMMUNICATION

NEEPCO has made its foray into social media and the Corporate Communication (CC) Section handles all official handles in Facebook, Twitter, Youtube and Instagram so as to disseminate information as regards the activities of the Corporation and seeks to make the Corporation's mission and vision better known and appreciated. The CC Section continued to publish the Corporation's quarterly and monthly inhouse journal "NEEPCO NEWS" and "News Flash", respectively and other publications as required from time to time. CC Section is also executing other campaigns of the Government of India, including Swachh Bharat, BEE Painting Competition on Energy Conservation and other specific campaigns. It is also working effectively to project the image



Programme under Swachh Bharat Pakhwada at Mawdok Tourist hub, Meghalaya, May 2018

of the Corporation through print and electronic media and through our association with appropriate agencies to promote the goodwill with our stakeholders.

INDUSTRIAL RELATIONS

Throughout the year, industrial relations remained cordial. Meeting and discussions between Unions /Associations and Management and meetings of NEEPCO National Bipartite Committee (NNBC) & NEEPCO Project Bipartite Committee (NPBC) were carried out on various issues concerning improvement of work-life of employees, progress on works of the organizations. Suggestions generated out of the discussions were carried out in a practical manner. There were zero man-days losses during the year 2018-19. The schedule of NNBC Meetings held during the year 2018-19 is hereunder:



12th NNBC Meeting at Corporate Office, Shillong

Sl. No.	NNBC	Date
1.	10 th NNBC Meeting	12.07.2018
2.	11 th NNBC Meeting	10.09.2018 & 11.09.2018
3.	12 th NNBC Meeting	25.02.2019

CELEBRATION OF NEEPCO EMPLOYEE'S DAY

The NEEPCO Employee's Day coinciding with International Labour Day was commemorated on 01-05-2018 at all



Flag hosting on the occasion of Employees Day at Corporate Office

projects and offices of the Corporation where community lunch was hosted for all employees including those indirectly engaged by the Corporation.

WELFARE ACTIVITIES

The Corporation has well equipped hospitals /dispensaries in its plants and also in its Construction Projects manned by qualified doctors and paramedical staff, who provide medical treatment to the employees, and also provide free consultation to people of the neighboring villages as a welfare 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 and their dependents, the facility of cashless treatment is also available in several empanelled hospitals of the Corporation.



Free dental check-up for employees at TGBP

EDUCATION

The Corporation continued to provide schooling facilities at Project sites as a welfare measure for wards of the employees, where no schooling facilities are available in the neighborhood. In addition to the wards of the NEEPCO employees, a good number of children from neighboring villages / localities are also admitted in these schools. NEEPCO had been sponsoring 5(five) Vivekananda Kendra Vidyalaya (VKV) Schools in four of its O&M plants and 1(one)



Meritorious Awards function at Corporate Office

construction project. 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 the Central Board of Secondary Education. In order to encourage the wards of NEEPCO employees under the NEEPCO Meritorious scholarship scheme, Scholarships amounting to ₹29,64,000/- were released for the year of 2018-19.

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, a Committee which is headed by a Senior Woman Executive as Chairperson, has been constituted for prevention and redressal of Sexual Harassment of Women at Workplace. The said Committee in its report noted that only one complaint has been received regarding any Sexual Harassment of Women at Workplace during the year 2018-19.

RAJBHASHA

The Corporation is making all out efforts to implement effectively the Official Language Policy of the Government

of India at its Corporate Office as well as Plant/Projects and other offices. All efforts are being made to issue papers referred to in Section 3 (3) of the Official Language Act in bilingual. Employees posted at different offices/Projects were nominated for Hindi Prabodh, Praveen & Pragya training courses. Cash Awards were given to the employees for passing Hindi examinations as per eligibility. To facilitate the employees for doing their official work in Hindi, 27 (Twenty Seven) Hindi workshops were organized and 501 officers & employees were trained in the workshops. Training materials were provided to the employees during the Workshop. In the In-House Journal - 'NEEPCO NEWS' valuable information relating to use of Hindi were provided. A monthly newsletter "NEEPCO NEWS FLASH" is published regularly in bilingual i.e. in Hindi & English. NEEPCO website is also available in Hindi. Key words in Hindi with English equivalent were displayed everyday on the Digital Board under the programme "AAJ KA SHABD (Today's Word)" in order to enrich the Hindi vocabulary of the employees.

Rajbhasha (Hindi) Pakhwara was observed and "Hindi Divas" was celebrated at the Corporate office as well as in the Plants/Projects and other offices of the Corporation to create awareness and to encourage the employees for doing their official works in Hindi. Various competitions were conducted in Hindi and attractive prizes were awarded to the participants. Hindi patrika "NEEPCO JYOTI",



One Day Hindi Workshop organised at NEEPCO Corporate Office on 30th May, 2018

“Ratandeep”, “Panyor Pravah”, “Aalok Jyoti”, “Aarohi”, “Kopili Darpan”, “NEEPCO Tarang” & “Pragati aur Prayash” were published respectively from HQ, Co-ordination office NEW DELHI, RHEP, TGBP, AGBPP, KHEP, Guwahati & AGTCCPP. An exhibition was also organized at Corporate office where the achievements made in the use of Official Language Hindi in the Corporation were displayed. Under Incentive Scheme, number of officers/employees were awarded Cash Award for writing noting/drafting in Hindi.

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

The Corporation was awarded Second Prize by Town Official Language Implementation Committee (TOLIC), Shillong consecutively for two years for the commendable works done in the Implementation of official Language Policy.

SPORTS ACTIVITIES

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



NEEPCO team at the 21st Inter CPSU Carrom Tournament

Fact sheet on Sports Activities during 1st April 2018 to 31st March 2019

Date	Activity	Prizes
19 th November 2018 to 21 st November 2018	Inter CPSU Bridge Tournament	Participation
28 th November 2018 to 30 th November 2018	Inter CPSU Badminton Tournament	Participation
4 th December 2018 to 8 th December 2018	Inter CPSU Carrom Tournament	<ul style="list-style-type: none"> NEEPCO was the 1st Runner's Up and Second Runner's Up in the Men's Singles, NEEPCO was the 2nd Runner's Up in the Men's Doubles and emerged as 'Winners' in the Team Event. NEEPCO was the Winner and Second Runner's Up in both the Women's Singles and Doubles. NEEPCO emerged as 'Winners' in the Team Event.
12 th December 2018 to 14 th December 2018	Inter CPSU Chess Tournament	NEEPCO was the winner in the Men's Team Event

The Corporation also hosts Inter CPSU Tournament from time to time depending on the PSCB calendar agreed to by member organizations during the annual meeting of the Executive Committee of PSCB. NEEPCO hosted the 21st Inter CPSU Carrom Tournament at U Tirot Sing Indoor Stadium from 4th to 8th December 2018 at Shillong. Altogether, 9 (nine) Men's Teams and 7 (seven) Women's Teams participated in the Tournament. It is worthwhile to inform that NEEPCO team emerged as Winners in the 'Team Event' for both Men and Women.

Hosting such tournaments where players from all members PSEs are scheduled to participate is an elaborate affair and requires an enormous amount of team work across disciplines.

For the promotion of sports in the region, the Corporation sponsors local Football Tournament/Sporting events organized by different sporting bodies of the North Eastern Region in the region. The sports infrastructure in NEEPCO's Agartala project has continually been used for hosting National and International level events in Lawn Tennis besides allowing budding talent to utilize the same infrastructure for their practice/ selection to various regional and national level tournaments.

REMUNERATION

The revised pay package in IDA pattern for Board level and below Board level Executives of NEEPCO w.e.f. 01.01.2017 was implemented on 6th June 2018.

The Memorandum of Understanding between NEEPCO Management and the four registered Trade Unions for revision of pay in IDA pattern for Workmen w.e.f. 01.01.2017 was signed on 25th February 2019 and subsequently, the Memorandum of Settlement was signed on 5th April 2019.

GROUP PERSONAL ACCIDENT INSURANCE SCHEME

The recently amended Group Personal Accident Insurance Scheme was renewed for one year w.e.f. 1st March 2019 to 29th February 2020.

RULES AND POLICIES

The Management brought into effect the following HR policies and schemes during the year 2018-19, as enumerated below:

Employees Family Economic Rehabilitation Scheme was introduced for providing monetary benefit and support to employees / family in the event of permanent total disablement / death of the employee while in service. Under this policy, a beneficiary is entitled for monthly payment equivalent to Basic + D.A. last drawn by the deceased employee/separated employee till the notional date of superannuation.

The insurance amount under the Group Personal Accident Insurance (GPAI) Scheme was enhanced to the extent of 50 times the Basic plus DA as on 1st October of the previous year subject to the minimum of 20 Lac to insure all employees in the roll of the corporation against accidental death and permanent / partial disabilities during service.

Further, the Board of Directors approved the following policies as part of the regulatory requirements for the proposed IPO of the corporation in terms of Securities Exchange Board of India (LODR) Regulations, 2015 which shall become effective from date of signing the draft Red Herring Prospectus.

1. A policy was introduced for familiarisation of its independent directors with the company, their roles, rights, responsibilities, business model of the company, nature of the industry in which the company operates etc., through periodical familiarisation programmes.
2. Nomination and Remuneration Policy was introduced

to ensure an effective process for identifying persons through a succession plan & promotion policy, who are qualified to become directors and who may be appointed in senior management level posts in accordance with the criteria laid down and to recommend to the Board for appointment of Senior Management based on the criteria fixed in this regard as per the NEEPCO Recruitment Rule, Succession Plan and Promotion Policy.

- The existing Fraud and Whistle Blower Policy was modified as per the LODR requirement to ensure the company to put in place a mechanism for employees to report to the management about actual or suspected fraud or violation of conduct or ethics policy.
- Preservation of Documents and Archival Policy was introduced for systematic preservation of all important documents, generated or received by the company, and to facilitate destruction of documents that are no longer required, at an appropriate time in specified manner. The policy also establishes the guidelines for management, retention, preservation and destruction of documents, both in physical form and electronic form by the company.

The Company carried out an extensive assessment on the Employees Capability level vis-a-vis the existing systems/ procedures as per the "Level of PEOPLE CAPABILITY MATURITY MODEL (PCMM)", and based on the findings, an action plan with specific time line for execution was approved by the Board of Directors for system stabilization and improvement at level-II thus paving way for higher level of performance optimization.

Online HUMAN RESOURCE MANAGEMENT SYSTEM (HRMS) was introduced to facilitate the employees of the corporation in accessing the HR systems, procedure and policies in electronic form and to bring in a system for employee self-service accessible through online.

RECRUITMENT

During the year, special recruitment drive, for filling up the backlog vacancies for reserved posts for group C&D, was carried and a total of 27 posts reserved for SC/ST category were filled.

TERMINAL BENEFIT SETTLEMENT CELL

Terminal Benefit Settlement Cell under Human Resource Department of this Corporation has been playing its role to

contribute accomplishment of organisational goals as per time schedule of quality objective to achieve target value of the HRM. The key objective of this Cell is to settle the terminal benefits of all separated employee in time as per rules of the Corporation as well as directives/guidelines of the Govt. of India.

During above financial year 2018-19, nos of Gratuity cases settled in respect of retired/ resigned/ expired employees and expenditure on gratuity/ PRMB/ financial benefit/ NEEPCO Employees Family Economic Rehabilitation Scheme, Memento (Gold Coin) and Certificate of Appreciation are detailed below:

NUMBER OF GRATUITY CASES SETTLED & PENDING CASES AS ON 31-03-2019

Level	No. of Employees Separated	Retirement (nos)	Resignation (nos)	Death (nos)	Amount (in ₹)	No. of cases pending
Executive	54	49	01	--	9,76,04,014.00	04
Supervisor	19	15	--	01	2,66,68,871.00	03
Workmen	79	65	--	-	8,51,61,525.00	14
Grand Total	152	129	01	01	20,94,34,410.00	21

Note: The above list is excluding Workcharged employee. Total Workcharged employee separated during 2018-19 = 8 Nos. Gratuity settled = 3 nos. Pending = 5 nos. Further, out of 21 gratuity pending cases, 11 nos. were settled till August, 2019.

Amount in ₹	
Post-Retirement Medical Benefits	3,62,54,043.00
NEEPCO Employees Family Economic Rehabilitation Scheme	5,31,708.00
NEEPCO Family benefit scheme (in lieu of compassionate Appointment)	39,00,000.00
Memento (05 grams Gold Coin)	37,59,906.00
Certificate of Appreciation	78,030.00

HRD Highlights

Details of training imparted to employees during the year:

(Total numbers of employees participating in training)

Grade wise	Type of training			Total
	In-house training	External training (within India)	Overseas training	
Executive	276	32	05	313
Supervisor	93	3	--	96
Workman	170	--	--	170
Total	539	35	05	579

Category of employees	Type of training			Total
	In-house training	External training (within India)	Overseas training	
Employees of ST category	156	05	02	163
Employees of SC category	55	08	01	64
Employees of OBC category	104	07	--	111
Women Employees	126	2	1	129

Total Training man-days	1008
Budget allocated for Training activities	₹250.00 lakhs
Training expenditure in the FY 2018-19	₹84.63 lakhs

In compliance to the Apprentices Act, 1961 as amended in 1973, 1986, 1992 and 2014 & as per notifications received from Competent Authority, utmost emphasis has been given for enabling eligible student to undergo apprenticeship training at NEEPCO. Status of Apprenticeship training is as under:

Target band of percentage of apprentices to be imparted apprenticeship training	2.5% to 10%
Percentage of apprentices imparted apprenticeship training at NEEPCO during FY-2018-19	5.5%

With the advent of the execution of the apprenticeship training related activities on online basis, training has been conducted in association with BOPT and PSSC in order to familiarize our employees with the online applications and overall apprenticeship training.



Industry Institute Meet and NATS Workshop in association with BOPT ER on 17th August, 2018 at Corporate office

With a view of creating a platform for sharing knowledge and experiences, programmes have been conducted where presentation has been delivered by employees and officers about the knowledge acquired from training attended or about new policies and systems respectively.

During the year, medical awareness programmes have been conducted to sensitize the employees about diseases.

NEEPCO VIGILANCE ACTIVITIES

During the period from 01/04/2018 to 31/3/2019, NEEPCO Vigilance Department has dealt with various aspects of Vigilance Mechanism under the directives and guidelines issued from the Central Vigilance Commission (CVC) from time to time. For exclusive and independent functioning of Vigilance Department, NEEPCO ensured transparency, objectivity and quality in vigilance functioning. Complaints received from various sources other than anonymous/pseudonymous have been taken up for prompt investigation and the same have been disposed off in accordance with the time frame prescribed by the CVC. As on 1st April, 2018, 8 (Eight) complaints were pending and during the year 03 (Three) were added. Altogether 11 (Eleven) no. complains were under investigation during the year, out of which 07 (Seven) no. of complaints have been disposed off and remaining 04 (Four) no. complains have been pending for finalization as on 31.03.2019.

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



Prizes being distributed during Vigilance Awareness Week at KHEP

various cases. Vigilance Wing has given several advices by way of preventive vigilance which have led to systemic improvements in Technical as well as Personnel Department.

During this period 113 (One hundred thirteen) numbers of routine inspections have been conducted by the site vigilance officials at different plants/projects besides some CTE type inspections. Apart from that during the year CVO himself has inspected various plants/project sites and suggested for systemic improvement wherever it was necessary.

Further, CTE/CVC has carried out intensive examination on two major works in respect of Tuirial HEP, Mizoram and Pare HEP, Arunachal Pradesh. The para raised by the CTE have been attended by the Vigilance Wing from time to time and resulting which so far an amount of ₹2,04,94,105/- only has already been recovered from the Contractor in Tuirial HEP. For improving of vigilance administration/functioning, leveraging technology, implementation of e-procurement, e-payment, registering online vigilance complaints and uploading of Annual Immovable Property Returns (AIPRs) of Executives in the NEEPCO's website have been implemented and continued.

All the important CVC circulars and OMs issued during this period have also been circulated to all concern with a view to follow up the action and improve overall system in the Corporation.

947 (Nine hundred forty seven) numbers of Annual Property Returns (APRs) of the employees have been scrutinized during the period from 01/4/2018 to 31/3/2019. Vigilance clearances in respect of officials required for various purposes like DPC, NOC for obtaining of Passport, promotion regularization, private foreign visit, out-side employment, retirement, resignation, release of terminal benefit etc. were given as and when sought for by the concerned department of the Corporation.

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

The "Vigilance Awareness Week, 2018" was observed in the Corporation w.e.f. 29.10.2018 to 31.11.2018 in a befitting manner by organizing various programme as per the CVC's guidelines.

SECRETARIAL AUDITOR

M/s. Narayan Sharma & Associates, Practicing Company Secretary, Guwahati, was appointed as the Secretarial Auditor of the Company for conducting the secretarial audit for the year 2018-19. The Secretarial Audit Report in Form No.MR-3 for the financial year ended 31st March 2019 as audited by M/s. Narayan Sharma & Associates, Practicing Company Secretary is enclosed as **ANNEXURE - 8A**. Management's reply to the Secretarial Auditors' observations made in the Secretarial Audit Report for the year 2018-19 is enclosed as **ANNEXURE - 8B**.

BOARD MEETING

A total of 13 Meetings of the Board of Directors were held during the year 2018-19.

INDEPENDENT DIRECTORS

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

CORPORATE SOCIAL RESPONSIBILITY

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

FORMAL ANNUAL EVALUATION

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

KEY MANAGERIAL PERSONNEL (KMP)

As per the provision of section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel (KMP) as on 31st March, 2019:

1. Shri A. G. West Kharkongor, Chairman & Managing Director.
2. Shri M. Shiva Shunmuganathan, Director (Finance) & Chief Financial Officer.
3. Shri Chiranjeeb Sharma, Company Secretary.

SIGNIFICANT AND MATERIALS ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS

There were no significant and materials orders passed by the regulators or courts or tribunals impacting the going concern status and company's operations in future.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY WITH REFERENCE TO THE FINANCIAL STATEMENTS

NEEPCO has a well-defined internal control system encompassing all its areas of operation whereby transactions and decisions are processed as per the Delegation of Power, documented policies, guidelines, manuals and circulars as well as various laws and regulations pertinent to such operations. The Company has developed a well-defined Internal Control framework identifying the key controls activities.

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

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

NOMINATION AND REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in terms of DPE OM No. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26th November, 2008 and the terms of reference is as per section 178 of the Companies Act, 2013, read with the notification dated 5th June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated 26th November, 2008. The Nomination & Remuneration Committee as on 31st March, 2019 are as follows:

Name	Chairman/Member	Independent / Executive
Shri Vijay Kumar Gupta	Chairman	Independent
Shri Raj Pal	Member	Non-Executive
Dr. Amitabha De	Member	Independent
Shri Gopal Krishan Agarwal	Member	Independent
Prof. Bupinder Zutshi	Member	Independent

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

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

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

MATERIAL CONTRACTS/ RELATED PARTY TRANSACTION

The Company has not entered into any material contracts/ arrangements with the related parties. Therefore, Form AOC-2 is not applicable. The Company has obtained declarations from all concerned in this regard. **Note No.45** of the Consolidated Financial Statements & **Note No.45** of the Standalone Financial Statements may be referred.

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

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

CORPORATE GOVERNANCE

The Corporation firmly believes in the importance of good Corporate Governance in the conduct of its affairs. It stresses in increasing efficiency along with adequate control systems in its operations. An Audit Committee regularly reviews all financial statements before placing it to the Board. The

Annual Report along with various other communications is hosted on the website for information of the public at large. A separate statement on Corporate Governance is produced as a part of this Report as **ANNEXURE - 3** and the Management Discussion and Analysis Report as **ANNEXURE - 4** of this Report. Certificate on Corporate Governance from the Practicing Company Secretary is enclosed as **ANNEXURE - 5**.

AUDIT COMMITTEE

The Audit Committee regularly reviews all financial statements before placing it to the Board of Directors. Meetings with the Statutory Auditors and head of Internal Audit are regularly held to ensure adequacy of audit and internal control systems. Details regarding the Audit Committee form part of the Report of Corporate Governance annexed to this Report as **ANNEXURE - 3**.

COMPOSITION OF THE AUDIT COMMITTEE

The Board has accepted the recommendations of the Audit Committee. The composition of the Audit Committee as on 31st March, 2019 are as follows:

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- In preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;
- the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the company at 31st March, 2019 and of the profit of the company for the period ended on that date;

- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts of the Company on a going concern basis;
- 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
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

DIRECTORS

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

- Shri M. S. Rao, Principal Secretary, Govt. of Meghalaya w.e.f. 28.08.2018
- Shri P. W. Ingty, Addl. Chief Secretary, Govt. of Meghalaya w.e.f. 24.01.2019
- Dr. Satyabrata Borgohain, Director (Personnel) w.e.f. 28.02.2019

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

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

- Shri Anil Kumar, Director (Personnel), NEEPCO w.e.f. 01.03.2019
- Shri P. W. Ingty, Addl. Chief Secretary, Govt. of Meghalaya w.e.f. 28.08.2018

Further, three Independent Directors viz. Dr. Amitabha De, Shri Gopal Krishan Agarwal, and Shri Vijay Kumar Gupta were appointed by the President of India on 17-11-2015 for a period of three years, so their tenure ended on 16-11-2018 on the Board of NEEPCO. However, the President of India, vide Ministry of Power's letter dated 22-11-2018 re-appointed them as Directors on the Board of NEEPCO w.e.f. 17-11-2018, for a period of one year.

PARTICULARS OF EMPLOYEES

During the year 2018-19 there was no employee who was in receipt of remuneration for that year which, in the aggregate, was not less than Rs.1.02 crore or if employed for a part of financial year, was in receipt of remuneration for any part of the year, at a rate which, in the aggregate, was not less than Rs.8.50 lakh per month; or if employed throughout the financial year or part thereof, was in receipt of remuneration during the year, which, in the aggregate, or as the case may be, at a rate which, in the aggregate, was in excess of that drawn by the managing director or whole-time director and holds by himself or along with his spouse and dependent and children not less than 2% of the equity shares of the company

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

Pursuant to Section 134 (m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 the information on conservation of energy, technology absorption, foreign exchange earnings and outgo during the year 2018-19 is annexed as **ANNEXURE-9**.

ACKNOWLEDGEMENT

The Directors are grateful to the various Ministries and Departments of the Government of India particularly the Ministry of Power, Ministry of Home Affairs, Ministry of Finance, Ministry of Environment, Forest & Climate Change, NITI Aayog, Department of Public Enterprises, North

Eastern Council, Central Electricity Authority, Central Water Commission, Central Electricity Regulatory Commission, Central Soil and Material Research Station, Geological Survey of India, Survey of India and North Eastern Regional Electricity Board for their continued cooperation and assistance.

The Directors express their sincere gratitude to the State Government of Arunachal Pradesh, Assam, Manipur, Meghalaya, Mizoram, Nagaland and Tripura for the co-operation and help extended by them. The Directors further express their appreciation to the State Governments who had made all payment against their current dues during the period 2018-19.

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

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

For and on behalf of the Board of Directors



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

Dated: 29-08-2019

Place: New Delhi





ANNEXURE -1

Form No. MGT-9
EXTRACT OF ANNUAL RETURN
As on the financial year ended on 31-03-2019

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 Fintech Pvt. Ltd. Karvy Selenium Tower B, Plot number 31 & 32, Financial District Gachibowli, Hyderabad 500 032

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% of total turnover of the company
1	Generation of Power	351	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl. No.	Name and Address of the Company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
1	KSK Dibbin Hydro Power Private Limited	U40108TG2007PTC053501	Associate	30	2(6)

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

i) Category-wise Share Holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual / HUF									
b) Central Govt.		3452810400	3452810400	100%		3609810400	3609810400	100%	
c) State Govt.									
d) Bodies Corp									
e) Banks / FI									
f) Any other									
Sub-total (A) (1)		3452810400	3452810400	100%		3609810400	3609810400	100%	
(2) Foreign									
a) NRIs – Individuals									
b) Other Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any other									
Sub-total (A)(2)									
B. Public Shareholding									
1. Institutions									
a) Mutual Funds									
b) Banks / FI									
c) Central Govt.									
d) State Govt.									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIIS									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1)									
2. Non-Institutions									
a) Bodies Corp.									
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh									
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh									
Sub-total (B)(2)									
Total Public shareholding (B)=(B)(1)+(B)(2)									
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)		3452810400	3452810400	100%		3609810400	3609810400	100%	


(ii) Shareholding of Promoters

Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% changes in shareholding during the year
	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
The President of India	3452809800	100%		3609809800	100%		

(iii) Change in Promoters' Shareholding (please specify, if there is not change)

	Date	Shareholding at the beginning of the year		Cumulative Shareholding during the year		Reason
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company	
At the beginning of the year	01.04.2018	345,28,10,400	100%	345,28,10,400	100%	
Date wise increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc.)	10.04.2018	9,60,00,000		354,88,10,400		Allotment
	16.08.2018	3,40,00,000		358,28,10,400		Allotment
	16.08.2018	2,70,00,000		360,98,10,400		Allotment
At the End of the year	31.03.2019	360,98,10,400	100%	360,98,10,400	100%	

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

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

V. Shareholding of Directors and Key Managerial Personnel. #

Shareholding of Directors & Key Managerial Personnel		Shareholding at the beginning of the year		Transaction during the year			Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	Date	Increase / Decrease In share-holding	Reason	No. of shares	% of total shares of the company
1	Shri A. G. West Kharkongor	100	0.00	01-04-2018	-		100	0.00
				31-03-2019	-		100	0.00
2	Dr. Satyabrata Borgohain ##	100	0.00	01-04-2018	-		100	0.00
				31-03-2019	-		100	0.00
3	Shri V. K. Singh	100	0.00	01-04-2018	-		100	0.00
				31-03-2019	-		100	0.00
4	Shri Raj Pal	100	0.00	01-04-2018	-		100	0.00
				31-03-2019	-		100	0.00
5	Shri M. Shiva Shunmuganathan*	0	0.00	01-04-2018	-		0	0.00
				12-06-2018	Increase	Transfer	100	0.00
				31-03-2019	-		100	0.00
6	Shri Chiranjeeb Sharma, Company Secretary	0	0.00	01-04-2018	-		0	0.00
				31-03-2019	-		0	0.00

#Held on behalf of the President of India.

Ceased from Directorship on 28-02-2019.

*100 shares held by Shri P. C. Pankaj, Former CMD were transferred to Shri M. Shiva Shunmuganathan, Director (Finance) on 12-06-2018.

VI. INDEBTEDNESS

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

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	591455.78	74271.40		665727.18
ii) Interest due but not paid				
iii) Interest accrued but not due	17371.77	390.58		17762.35
Total (i+ii+iii)	608827.55	74661.98		683489.53
Change in Indebtedness during the financial year				
Addition:				
Principal	51136.63	22640.48		73777.11
Interest accrued but not due	18450.97	373.61		18824.58
Reduction:				
Principal	28519.89	5776.85		34296.74
Interest accrued but not due	17371.77	390.58		17762.35
Net Change	23695.94	16846.66		40542.60
Indebtedness at the end of the financial year				
i) Principal Amount	614072.52	91135.03		705207.55
ii) Interest due but not paid				
iii) Interest accrued but not due	18450.97	373.61		18824.58
Total (i+ii+iii)	632523.49	91508.64		724032.13

VII. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-Time Directors.
(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of MD/ WTD					Total Amount
		Shri A. G. West Kharkongor	Dr. Satyabrata Borgohain #	Shri V. K. Singh	Shri M. Shiva Shunmuganathan (CFO)	Shri Anil Kumar \$	
1	Gross salary	72,96,736	54,80,774	59,73,367	55,60,339	3,69,069	2,46,80,258
	Salary as per provisions contained in section 17(1) of the Income tax Act, 1961						
	Value of perquisites u/s 17(2) Income tax Act, 1961						
	Profits in lieu of salary under section 17(3) Income Tax Act, 1961						
2	Stock Option						
3	Sweat Equity						
4	Commission						
	- as % of profit						
	- Others specify						
5	Others please specify						
	Total(A)	72,96,736	54,80,774	59,73,367	55,60,339	3,69,069	2,46,80,258
	Ceiling as per the Act						

Ceased during the year

\$ Appointed during the year

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

	Particulars of Remuneration	Name of the Directors						Total Amount
		Dr. Amitabha De	Prof. Bupinder Zutshi	Shri Gopal Krishan Agarwal	Dr. Hari Narayan Borkataky	Shri Saikhom Tikendra Singh	Shri Vijay Kumar Gupta	
1	Independent Directors							
	- fee for attending board / committee meetings	4,00,000	2,60,000	5,20,000	3,20,000	2,60,000	4,80,000	22,40,000
	• Commission							
	• Others, please specify							
	Total (1)							
2	Other Non-executive Directors							
	• Fee for attending board / committee meetings							
	• Commission							
	• Others, please specify							
	Total (2)							
	Total (B) = (1+2)							
	Total Managerial Remuneration							
	Overall ceiling as per the act							

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

(Amount in ₹)

Sl. No.	Particulars of remuneration	Key Managerial Personnel			
		CEO	Company Secretary Shri Chiranjeet Sharma	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income tax Act, 1961		44,31,363		44,31,363
	(b) Value of perquisites u/s 17(2) Income tax Act, 1961				
	(c) Profits in lieu of salary under section 17(3) Income tax Act, 1961				
2.	Stock Option				
3.	Sweat equity				
4.	Commission - as % of profit - others, specify		--		
5.	Others, please specify				
	Total		44,31,363		44,31,363

VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES :

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

ANNEXURE – 2
Form AOC - I

Part "B":

Associates and Joint Ventures

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

	NAME OF JOINT VENTURES	KSK DIBBIN HYDRO POWER PVT. LTD.
1	Latest audited Balance Sheet Date	31.03.2019
2	Shares of Joint Ventures held by the company on the year end	
	No.	2,79,30,000
	Amount of Investment in Joint Venture (In ₹)	27,93,00,000.00
	Extent of Holding %	30%
3	Description of how there is significant influence	Voting right
4	Reason why the joint venture is not consolidated	CFS prepared as per Ind AS-28
5	Networth attributable to Shareholding as per latest audited Balance Sheet (In ₹)	107,76,93,620
6	Profit / Loss for the year in ₹	
	i. Considered in Consolidation	9,99,177
	ii. Not Considered in Consolidation	23,31,413

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

REPORT OF CORPORATE GOVERNANCE

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

PHILOSOPHY ON CODE OF GOVERNANCE

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

1. COMPOSITION OF BOARD AND PARTICULARS OF DIRECTORS:

(i) Composition of Board:

As on 31st March, 2019, the Board of Directors of the Company ("the Board") consists of 11 (eleven) Directors, including 4 (four) whole-time Directors, 1 (one) Government part-time Director representing the Government of India and 6 (six) Independent Directors.

The Composition of the Board and the number of other Directorship and Committee positions held by the Directors during the year ended as on 31st March, 2019 is as under:

FUNCTIONAL DIRECTORS / WHOLE TIME DIRECTORS

Name	Executive/ Non-executive/ Independent	No. of other Directorships held *		No. of other committee membership held **	
		Public	Private	Public	Private
Shri A. G. West Kharkongor DIN : 03264625	Chairman & Managing Director	Nil	Nil	Nil	Nil
Dr. Satyabrata Borgohain # DIN : 06801073	Director (Personnel)	Nil	Nil	Nil	Nil
Shri Vinod Kumar Singh DIN : 07471291	Director (Technical)	Nil	1	Nil	Nil
Shri M. Shiva Shunmuganathan DIN : 07551379	Director (Finance)	Nil	Nil	Nil	Nil
Shri Anil Kumar § DIN: 08376723	Director (Personnel)	Nil	Nil	Nil	Nil

DIRECTOR FROM THE MINISTRY OF POWER, GOVT. OF INDIA

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of other committee membership held**	
		Public	Private	Chairman	Member
Shri Raj Pal DIN: 02491831	Part-time Director from MOP	2	Nil	Nil	Nil

DIRECTOR REPRESENTING FROM NORTH EASTERN STATES

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of other committee membership held**	
		Public	Private	Chairman	Member
Shri M. S. Rao # DIN: 08073419	Part-time Director	Nil	Nil	Nil	Nil
Shri P. W. Ingty \$ DIN: 01690276	Part-time Director	Nil	Nil	Nil	Nil

INDEPENDENT DIRECTORS

Name	Executive/ Non-executive/ Independent	No. of Other Directorships held*		No. of other committee membership held**	
		Public	Private	Chairman	Member
Dr. Amitabha De DIN: 07466659	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Gopal Krishan Agarwal DIN: 00226120	Non-official Part-time Director	1	3	Nil	Nil
Shri Vijay Kumar Gupta DIN: 07353011	Non-official Part-time Director	Nil	Nil	Nil	Nil
Prof. Bupinder Zutshi DIN: 07937359	Non-official Part-time Director	Nil	Nil	Nil	Nil
Dr. Hari Narayan Borkataky DIN: 07956359	Non-official Part-time Director	Nil	Nil	Nil	Nil
Shri Saikhom Tikendra Singh DIN : 08132314	Non-official Part-time Director	Nil	Nil	Nil	Nil

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

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

Ceased during the year.

\$ Appointed during the year.

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

The Company has paid sitting fee to Independent Director.

(iii) Board Meetings, Committee Meetings & Procedures:

- Minimum four Board Meetings are held in each year. Apart from the four scheduled Board Meetings, additional Board Meeting can be convened by giving appropriate notice. In case of business exigencies or urgency of matters, resolution is passed by circulation.
- The Board of Directors is given presentation covering Project Implementation and operations of the Company at each Board Meeting. The information is being placed before the Board in accordance to DPE guidelines.
- 13 (Thirteen) 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	237 th BM	10.04.2018	12	10
2	238 th BM	10.05.2018	12	11
3	239 th BM	14.05.2018	12	10
4	240 th BM	12.06.2018	12	10
5	241 st BM	16.08.2018	12	11
6	242 nd BM	24.09.2018	12	11
7	243 rd BM	13.10.2018	12	11
8	244 th BM	14.11.2018	12	9
9	245 th BM	13.12.2018	12	9
10	246 th BM	19.12.2018	12	11
11	247 th BM	25.01.2019	11	10
12	248 th BM	04.02.2019	11	11
13	249 th BM	27.03.2019	11	11

- 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 2018-19		
	Board Meeting held during tenure	Board Meeting attended	Last AGM
Shri A. G. West Kharkongor	13	13	Yes
Shri Satyabrata Borgohain [#]	12	10	Yes
Shri Vinod Kumar Singh	13	13	Yes
Shri M. Shiva Shunmuganathan	13	13	Yes
Shri Anil Kumar [§]	1	1	NA
Shri Raj Pal	13	10	Yes
Shri M. S. Rao [#]	5	0	NA
Shri P. W. Ingty ^{§#}	5	0	Absent
Dr. Amitabha De ^{#§}	13	11	Yes
Shri Gopal Krishan Agarwal ^{#§}	13	12	Yes
Shri Vijay Kumar Gupta ^{#§}	13	13	Yes
Prof. Bupinder Zutshi	13	13	Yes
Dr. Hari Narayan Borkataky	13	13	Yes
Shri Saikhom Tikendra Singh	13	13	Yes

[§]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 and has been re-constituted as and when required. The constitution of Audit Committee as on 31st March, 2019 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 Vinod Kumar Singh, Director (Technical)	Member

The Audit Committee met 11 (eleven) times during the year 2018-19. The meetings were also attended by Director (Finance), Head of the Internal Audit and Statutory Auditors as Special Invitees. The Company Secretary acts as the Secretary to the Committee.

Sl. No.	Name of the Director & Category	Meetings held during respective tenure of members	Meetings attended
1	Shri Gopal Krishan Agarwal, Independent Director	11	11
2	Dr. Amitabha De, Independent Director	11	10
3	Shri Vijay Kumar Gupta, Independent Director	11	11
4	Shri Satyabrata Borgohain, Director (Personnel) #	5	4
5	Shri Vinod Kumar Singh, Director (Technical)	11	11

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

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

Terms of Reference of the Audit Committee are as follows:

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

9) Audit(s)

a) Internal Audit:

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

b) Statutory Audit & Branch Audit:

- Discussion with Statutory Auditors & Branch Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

- Discussion with Statutory Auditors & Branch Auditors on any significant findings and follow up thereon.
- Recommending to the Board the fixation of Statutory and Branch Audit Fees.
- Approval of payment to statutory auditors for any other services (other than audit) rendered by them.
- Recommend the terms of appointment of the auditor, approval for rendering other services by the auditor as per section 144 and other applicable provisions, if any, of the Companies Act, 2013.

c) Cost Audit & Tax Audit:

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

- 10) Reviewing and monitoring the auditors' independence and performance and effectiveness of audit process.
- 11) Review the Cost Audit Report along with full information and explanation on every reservation or qualification contained therein and recommend the report to the Board for consideration
- 12) Provide an open avenue of communication between the independent auditor, internal auditor and the Board of Directors.
- 13) Review with the independent auditors the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources.
- 14) Consider and review the following with the independent auditors and management:
 - a) The adequacy of internal controls including computerized information system controls and security, and
 - b) Related findings and recommendations of the Independent auditor and internal auditor, together with the management responses.
- 15) Consider and review the following with the management, internal auditor and the independent auditor:
 - a) Significant finding during the year, including the status of previous audit recommendations
 - b) Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.
- 16) Government audit- To review the follow up action on the audit observations of the C&AG audit.
- 17) Reviewing the findings of any internal investigations by the internal auditors/ statutory auditors/ other agencies into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- 18) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
- 19) To review the functioning of the Whistle Blower Mechanism.
- 20) To review the follow-up action taken on the recommendations of committee on public undertakings (COPU) of the Parliament.
- 21) Review and pre-approve all related party transactions in our Company. For this purpose, the Audit Committee may designate a member who shall be responsible for pre-approving related party transactions.
- 22) Review the Company's financial policies, commercial policies and risk management policies.
- 23) Evaluation of internal financial controls and risk management system.
- 24) Reviewing with the management, the statement of uses/ application of funds raised through an issue (public issue, right issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice, and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or right issue, and making appropriate recommendations to the Board to take up steps in this matter.
- 25) Scrutiny of inter-corporate loans and investments.
- 26) Valuation of undertakings or assets of the Company, wherever it is necessary.

- 27) Approval or any subsequent modification of transactions of the Company with related parties.
- 28) Review the following information:
 - a) The management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - c) Management letter/ letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses;
 - e) The appointment, removal and terms of remuneration of internal auditors/ chief internal auditor; and
 - f) Certification/ declaration of financial statements by the chief executive/ chief finance officer.
- 29) To call for comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and to discuss any related issue with the internal and statutory auditors and the management of the Company.
- 30) Review of the quarterly statement for deviation including report of monitoring agency, if applicable submitted to Stock Exchanges.
- 31) Appointment of the registered valuer and prescribing the terms and conditions as per section 247 of the Companies Act, 2013
- 32) Advise and evaluate on maintaining a proper system for storage, retrieval, display or printout of the electronic records.
- 33) Consult with the Internal Auditor for formulation of the scope, functioning, periodicity and methodology for conducting the internal audit.
- 34) The Audit Committee shall give the auditors of the company and the key managerial personnel a right to be heard in the meetings of the Audit Committee when it considers the auditor's report.
- 35) The Audit Committee shall oversee the vigil mechanism established for the directors and employees for reporting genuine concerns or grievances and shall provide for adequate safeguards against victimisation of employees and directors who use such mechanism. The Chairperson of the Audit Committee shall be directly accessible in appropriate and exceptional cases. In case of repeated frivolous complaints being filed by a director or an employee, the audit committee may take suitable action against the concerned director or employee including reprimand. Review contracts awarded on nomination/ offer basis in terms of guidelines issued by the CVC/ DPE/ other authorities, from time to time.
- 36) Carrying out such other functions as may be specifically referred to the Committee by the Company's Board of Directors and/ or other Committees of Directors.

6. NOMINATION & REMUNERATION COMMITTEE

The Nomination & Remuneration Committee has been constituted in terms of DPE OM No. 2(70)/08-DPE(WC)-GL-XVI/08 dated 26th November, 2008 and the terms of reference is as per section 178 of the Companies Act, 2013, read with the notification dated 5th June, 2015 as issued by the Ministry of Corporate Affairs, Govt. of India and as per DPE Office Memorandum dated 26th November, 2008. The constitution of Nomination & Remuneration Committee as on 31st March, 2019 are as follows:

Name	Chairman / Member	Independent / Executive
Shri Vijay Kumar Gupta	Chairman	Independent
Shri Raj Pal	Member	Official Part Time Director
Dr. Amitabha De	Member	Independent
Shri Gopal Krishan Agarwal	Member	Independent
Prof. Bupinder Zutshi	Member	Independent

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

No meeting of the Nomination & Remuneration Committee was held during the year. The Company Secretary acts as the Secretary to the Committee.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee as on 31st March, 2019 are as follows:

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

[§] Appointed during the year.

The Corporate Social Responsibility Committee met 3 (three) times during the year. The Company Secretary acts as the Secretary to the Committee.

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

[§]Appointed during the year.

[#] Ceased during the year.

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

8. DIRECTORS REMUNERATION

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

Details of remuneration of Functional Directors of the Company during the year 2018-19 are given below:

(Amount in ₹)

No.	Name	Designation	Salary & Allowances	Cont. to PF & Other Funds	Other Benefits	Total
1	Shri A. G. West Kharkongor	CMD	61,35,836	7,03,692	4,57,208	72,96,736
2	Dr. Satyabrata Borgohain	Director (Personnel) up to 28-02-2019	45,27,034	6,02,452	3,51,288	54,80,774
3	Shri V. K. Singh	Director (Technical)	50,41,183	5,99,438	3,32,746	59,73,367
4	Shri M Shiva Shunmuganathan	Director (Finance)	46,13,396	5,81,916	3,65,027	55,60,339
5	Shri Anil Kumar	Director (Personnel) w.e.f. 01-03-2019	3,07,372	41,360	20,337	3,69,069
Total			2,06,24,821	25,28,858	15,26,606	2,46,80,285

9. DISCLOSURES

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

10. GENERAL BODY MEETING

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

Financial Year	AGM No.	Date	Time	Location
2015-16	40 th AGM	02.09.2016	05.30 PM	New Delhi
2016-17	41 st AGM	22.09.2017	05.30 PM	New Delhi
2017-18	42 nd AGM	24.09.2018	04.00 PM	New Delhi

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

AGM No.	Date of AGM	Special Resolution passed
40 th AGM	02.09.2016	Nil
41 st AGM	22.09.2017	To Create Security by way of Mortgage / Hypothecation of the Corporation's Fixed Assets for proposed Long Term Borrowings of ₹1000.00 Crore Long Term
42 nd AGM	24.09.2018	Nil

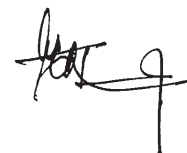
11. SHAREHOLDERS INFORMATION:

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

12. NAME OF DEBENTURE TRUSTEES WITH CONTACT DETAILS

Axis Trustee Services Ltd. 2 nd Floor, Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg Worli, Mumbai 400 025 Tele No: 022-24252525 / 43252525 E-mail: rohit.jhamnani@axistrustee.com	SBICAP Trustee Company Ltd. 202, Maker Tower 'E' Cuffe Parade Mumbai - 400 005 Tele No: 022-4302 5555 Fax No: 022-4302 5500 Email: helpdesk@sbicaptrustee.com
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For and on behalf of the Board of Directors



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

Dated: 29-08-2019

Place: New Delhi

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

INDUSTRY STRUCTURE AND DEVELOPMENTS

The power sector is a major driver of Indian economy. India is the third largest consumer of energy in the world after USA and China, but the per capita energy consumption of India is still very low compared to developed countries and the lowest even among the BRICS countries. With the growth in economy, 100% electrification, housing for all and introduction of electrical vehicles in the country, the energy demand in the country is likely to increase tremendously creating opportunities for the power sector companies.

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

As of 31st March 2019, the total installed capacity of India stood at 356.10 GW. Capacity addition during the year 2018-19 stood at 5922 MW, against the target of 8106 MW, which is 37.7% less as compared to the capacity added in the year 2017-18. Out of 5922 MW of capacity added during the year 2018-19, 5782 MW is thermal power and 140 MW is hydro power. [Data source: CEA]

The power generation in the country in 2018-19 was 1249.2 BU registering a growth of 3.56% over the previous year. In terms of Power Supply Position (Demand/Availability) in the country, the deficit was 0.6% during 2018-19, while the shortfall in the NE Region was 3.0% during the same period. In terms of Peak Demand/Peak Met, the deficit in the country in 2018-19 was 0.8%, while that in the NE Region was 3.9%. [Data source: CEA Executive Summary, March 2019]

NEEPCO began with the successful implementation of the 50 MW Khandong Power Station which was commissioned in 1984 as a part of the 275 MW integrated Kopili H.E Plant. Currently, NEEPCO is operating five Hydro, three Thermal and one Solar Power Plant spread over the North Eastern Region (NER) of India with a total installed capacity of 1457 MW in which the share of Hydro, Thermal and Solar sector are 925 MW, 527 MW and 5 MW respectively. Further, one ongoing project upon completion will enhance the installed capacity by another 600 MW, thereby raising the total installed capacity to 2057 MW.

➤ Key Features of Indian Energy Sector:

- Energy intensity of the Indian economy increasing with rapid economic growth.

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

➤ Overview of the Indian Energy Sector:

▪ Sources of Power with share in total Capacity:

Hydro (45.40 GW)	India has a huge raw source of Hydro power potential with present contribution of 12.74% of the total installed capacity (IC).
Thermal (226.28 GW)	Total installed thermal based capacity in India stands at 226.28 GW, with contribution of 63.54% of the total IC.
Renewable (77.64 GW)	Wind and solar energy constitute a major portion of India's renewable sector with 21.80% of the total IC.
Nuclear (6.78 GW)	With one of the largest reserves of thorium, India has a huge potential in nuclear energy, contributing 1.9% of the total IC.

• Electricity Generation (BU):

Particulars	Year	Thermal	Hydro	Nuclear	Bhutan Import	All India
Electricity Generation (BU)	2017-18	1037.1	126.1	38.3	4.8	1206.3
	2018-19	1072.0	135.0	37.7	4.4	1249.2

• Generating Capacity Addition (MW):

Particulars	Year	Thermal	Hydro	Nuclear	All India
Capacity Addition (MW)	2017-18	8710	795	0	9505
	2018-19	5782	140	0	5922

[Data source: CEA Executive Summary, March 2019]

STRENGTH

NEEPCO's primary strength lies in its sovereign ownership and demonstrated support from the Government over the years and due to strategic importance of NEEPCO to the power scenario in the North East and the Country's energy mix. The Cost Plus nature of the Company's operation

has led to steady business returns. Besides, comfortable financial profile as reflected by healthy profit margins, steady cash accruals and conservative capital structure is of added advantage. There is Low Regulatory Risks, with the notification of the tariff regulations for all operational generating stations for the period 2019-24.

The in-house knowledge bank created through design, execution and operation of critical projects in the region over the years is an asset for the Company. Pool of skilled manpower primarily inducted from the region is well versed with the topography and socio-economic conditions of the region. There has been demonstrated capability to execute projects and sustenance in the far-flung and rugged terrain of NE region. NEEPCO has an edge over other players in the region because of its diverse experience in hydro, thermal and solar projects and long term relationship with many Original Equipment Manufacturers which facilitates in getting assistance on priority.

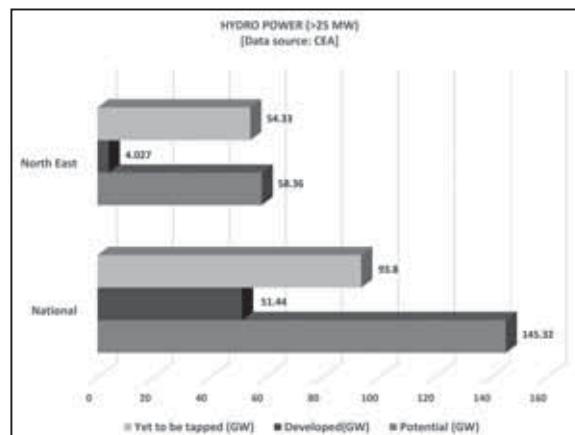
With the presence of abundant potential and opportunity at hand, NEEPCO will aim at development of hydro power at the forefront, promoting renewable energy (RE) and thermal power in tandem, technology access in this direction, climate change mitigation, sustainable growth and development of energy and economy at large.

WEAKNESS AND THREATS

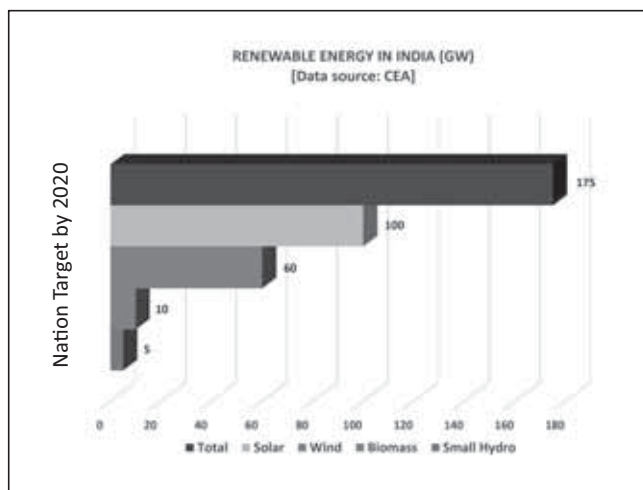
Challenges in development of power projects in the NE Region:

- Geographical isolation.
- Difficult terrain.
- Adverse Law and Order leading to fear psychosis.
- Opposition from local people/ groups mainly in Hydro projects.
- Poor surface communication infrastructure and communication bottlenecks.
- The Young Himalayan Geology is a major challenge.
- Shorter working season in the NER due to prolonged Monsoons.
- Land Acquisition/ Resettlement & Rehabilitation problems.
- Environment & Forest clearance require constant persuasions.
- Stipulations on e-flow, NPV, Compensatory Afforestation, transmission line etc.
- Lack of experienced contractors in the NER.
- Non-payment of dues by the beneficiaries against sale of power (Outstanding dues).
- Dishonoring of PPAs by DISCOMS.
- Short supply of gas for thermal power plants.
- Unstable tele-connectivity. Fast track technology adoption is a challenge.
- Contract implementation & settlement of disputes with contractors are the weak areas, which has led to many arbitration proceedings.

OPPORTUNITIES



The share of hydro power in the National power generation mix has been falling since 1962-63, when the share of hydro power was at its peak of 51%. Today it is only a meagre 12.74% (as on 31.03.2019), which is required to be enhanced urgently for better grid stability and security. There is ample scope for NEEPCO for development of the hydro power potential within and outside the NE region.



Presently, the installed capacity from the renewable sources stand at 77.64 GW which corresponds to 21.80% share in the total installed capacity of the country and is expected to rise further. With increase in power generation from these renewable sources, the need for providing grid stability through hydro power will also increase because these sources of energy are intermittent in nature and require hydro power as the stabilizing force.

The Government of India while laying emphasis on Renewable Energy is also serious about the promotion of hydro sector and the approval of the measures to promote Hydro Power Sector by the Government is a right step in this direction. Various reforms being undertaken by the Government is positively impacting India's power sector. Besides, the Government is looking at CPSUs for development of the projects in the NE region, where NEEPCO has its prominence.

RISKS AND CONCERNS

- Timely land acquisition is a critical issue for initiation & implementation of hydro projects.
- There is severe impact on the commercial viability of hydro power projects with the prevailing norms regarding release of environmental flow (e-flow) and payment of Net Present Value (NPV) towards diversion of forest land. Payment of NPV is in addition to the Compensatory Afforestation to be grown normally over double the forest land under diversion.
- Realization of dues in time from the beneficiaries against the sale of power is a matter of concern.
- Unresolved commercial disputes leading to prolonged Arbitration proceedings with various contractors are becoming a cause of concern.
- Having a correct Man/ MW ratio in core/ support services is a serious concern.
- Subterranean geological surprises leading to time and cost overrun in implementation of hydro projects.
- Delay in commissioning of Kameng Hydro Electric Project (600 MW) due to leakage of the High Pressure Tunnel and subsequent rectification/ restoration work is a matter of continued concern as of now.
- Acidic water in the reservoir of Kopili HE Plant due to Acid Mine Drainage at the catchment area, which is not only causing frequent shutdown of plant, but also involves huge expenditures for rectification/ renovation works.
- Law and Order issues, deployment of adequate & appropriate manpower, lack of infrastructure at sites leading to time and cost overrun.

KEY GROWTH DRIVERS

- To take advantage of India's Intended Nationally Determined Contribution (INDC) for climate change, for which Hydro Power of 65000 MW has to be developed by the year 2030.
- To take advantage of the following measures approved by the Government to promote Hydro Power Sector:
 - Declaring Large Hydro Power Projects (>25MW) as Renewable Energy source.
 - Hydro Power Purchase Obligation (HPO) as a separate entity within non-solar Renewable Purchase Obligation to cover large Hydro Projects commissioned after notification of these measures.
 - Tariff rationalization measures including providing flexibility to the developers to determine tariff by back loading of tariff after increasing project life to 40 years, increasing debt repayment period to 18 years and introducing escalating tariff of 2%.
 - Budgetary support for funding flood moderation component for storage hydropower projects on case to case basis.

- Budgetary support to cost of enabling infrastructure, i.e. roads / bridges. The grant will be limited to Rs. 1.5 Cr per MW for projects up to 200 MW and Rs. 1.0 Cr. per MW for projects for above 200 MW.

STRATEGY

- To take up with the Government/ stakeholders for preferential promotion of Hydro Projects.
- Infuse investment in hydro projects in NE Region with the State Government taking the responsibility for security and infrastructure issues.
- To explore long term loans with repayment period of 18-20 years at affordable rates from banks and financial institutions.
- Incorporation of Geo-technical baseline report in tender documents.
- Better contract management through selection of competent vendors for execution of contract.
- Engage local community as stakeholders to address R&R issues.
- Sharing of free power with Riparian states through policy intervention of Government of India.
- Exploration of Hydro projects within and outside the country.

OUTLOOK FOR THE FUTURE

NEEPCO is poised to add another 600 MW to the National Grid in the financial year 2019-20. With a Mission to harness the vast Hydro and Thermal Power potential of the NE Region of the country, NEEPCO is committed to bring about a significant socio-economic development of the entire region by implementing Power Projects in the Region in a planned and sustainable manner. Pre-investment activities of Wah Umiam Stage-III HE Project (85 MW) in the State of Meghalaya have already being initiated. The DPR for the Project is under scrutiny at CEA/CWC for according Techno-Economic clearance, which is expected shortly. Recently, the Govt. of Meghalaya conveyed allotment of two new projects, viz. Wah Umiam Stage-I HE Project (50 MW) and Wah Umiam Stage-II HE Project (100 MW). The MoAs for both these projects are under finalization and the preparation of PFRs has also been taken up.

Further, possibilities of setting up of hydro projects in the State of Arunachal Pradesh through joint venture route are being explored. The projects, viz. 330 MW Kurung HEP, 120 MW Dibbin HEP and 3750 MW Siang Upper Stg-II HEP are under various stages of finalization, although works for 3750 MW Siang Upper St-II HEP are put on hold with directions from the MoP, pending decision to develop the same as a National project along with Siang Upper Stage I HEP.

With the Government of India laying emphasis on the development of Renewable Energy Sources, NEEPCO has also planned for capacity addition through Renewable sources like Solar.

The Government of Odisha has allotted a 200 MW Solar Power Project to NEEPCO for which the Letter of Intent (LOI) has been received from the Grid Corporation (GRIDCO) of Odisha for procurement of power. "In-Principle" approval of the Ministry of Power for start of project related works is awaited.

ENVIRONMENTAL CONSERVATION, RENEWABLE ENERGY USE AND R&D DEVELOPMENTS

ENVIRONMENT AND ECOLOGY ASPECTS

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

Suitable measures are adopted to negate any adverse effect on environment and ecology during execution, operation & maintenance of its projects/plants. Every care is taken to implement and abide by the laws of the land in respect of environment and ecological safeguards.

The various initiatives undertaken are as shown below:

Plant / Project	Environmental Works/Initiatives
PHEP Papum Pare District, Arunachal Pradesh.	<ul style="list-style-type: none"> Catchment Area Treatment (CAT) is being taken up in Sagalee Forest in Papum Pare District. Precautionary measures undertaken to control mosquito borne diseases. Release of adequate water to sustain aquatic life & ecology in the downstream river even in lean season by embedded e-flow pipes of 40 cm dia. in the dam. Solid waste management. Construction of 125 community toilets and 5 septic tanks are proposed. Initiatives have been taken for afforestation. It is proposed to afforest an area of 1 ha @ 1600 tree/ha with <i>Lagestroemia minuticarpa</i> a rare plant species in the project area.

Plant / Project	Environmental Works/Initiatives
KaHEP West Kameng District, Arunachal Pradesh.	<ul style="list-style-type: none"> Study on biodiversity and the habitat conservation with reference to the submerged area undertaken to obtain information on micro flora and fauna. Identification of migratory routes for wildlife has also been done. Full cooperation and support extended to the State Government for implementation of Catchment Area Treatment (CAT) plan. Green belt corridor is being implemented by establishing nursery in consultation/ assistance of the Range & Horticulture Deptt. Nafra. All physical & biological steps taken/initiated for checking soil erosion and degradation of land. Establishment of a botanical garden covering an area of 1 sq. km to rehabilitate rare, endangered and medicinal flora species is in process. It is propose to utilize the reservoirs for the purpose of propagation and production of fish varieties suitable for the region.
TrHEP, Mizoram	<ul style="list-style-type: none"> Full cooperation and support extended to the State Government for implementation of Catchment Area Treatment (CAT) including creation of green belt. Compensatory afforestation was executed by the Dept. of Forest, Govt. of Mizoram. Anti-poaching scheme was implemented for conservation/ protection of fauna and flora of the catchment area. Prevention of malaria by spreading of DDT and immunization was carried out in association with health Authorities of the Govt. Survey of flora and fauna in the area with the help of Mizoram University is completed. A total number of 230 saplings were planted during the year 2018-19. Areas which have potential threat to landslide have been stabilized by construction of road side drains, retaining walls, breast wall. A Multi-disciplinary committee by the State Govt. constituted to monitor progress of environmental safeguards.

Plant / Project	Environmental Works/Initiatives
RHEP, Lower Subansiri District, Arunachal Pradesh.	<ul style="list-style-type: none"> Catchment Area Treatment has been carried out as per approved plan. Compensatory afforestation (CA) has been carried out as per approved plan. Six monthly monitoring of air & water quality is being done by an authorised firm of pollution control board, Assam. The "Consent to operate" authorization issued by the State Govt. declares that there no hazardous waste generated from the plant. A total number of 778 saplings were planted during the year 2018-19. Waste management of Domestic, Industrial and E-waste is implemented.
DHEP, Nagaland	<ul style="list-style-type: none"> Implementation of CAT is completed. Engineering measures like construction of 300 nos. of check dams and gully plugging executed through department of forest, Govt. of Nagaland. Nurseries in 20 villages, executed through department of forest. Cooperation for up-gradation of tissue culture lab of the forest department including maintenance and running cost of the same for 3 years. A total number of 700 saplings were planted during the year 2018-19. Green belt is being maintained departmentally. Waste management of Domestic, Industrial and E-waste is implemented.
KHEP, Assam	<ul style="list-style-type: none"> Catchment Area Treatment (CAT) of area lying in Assam was executed through N.C. Hills Autonomous District Council. CAT plan in Meghalaya has been taken up with Soil conservation department, Govt. of Meghalaya. Plant resource center (Botanical garden) and Green Park is regularly being maintained. Submission of six monthly report to MoEF & CC is being done. Six monthly monitoring of air & water is being done by an authorised of pollution control board, Assam. Total 920 Nos. of Plant saplings were planted during the year 2018-19. Waste management of Domestic, Industrial and E-waste has been implemented.

Plant / Project	Environmental Works/Initiatives
AGBPP, Assam	<ul style="list-style-type: none"> Two green parks (6600 m² of area) are being maintained inside the colony. To maintain the green parks, a nursery cum botanical garden with vermicomposting centre has been developed. Total 137 Nos. of Plant saplings were planted during the year 2018-19. Waste management of Domestic, Industrial and E-waste has been implemented. Water Management and Water Harvesting are in place. Online monitoring system of stack emission for measuring NO_x, SO_x, SPM, and discharge effluent is in operation and it is linked with CPCB & ASPCB server. Noise level of various location of plant area is being measured quarterly.
AGTCCPP, Tripura	<ul style="list-style-type: none"> Continuous Emission Monitoring System (CEMS) for continuous monitoring of NO_x, SO_x, CO₂, CO, Suspended Particulate Matter (SPM) and discharge effluent is in operation. Remote Calibration Device and SPM analyzer devise in CEMS panel successfully installed. The Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB) can view the emission data in real time. Liquid effluent generated is discharged after proper treatment. It is plan to recycle the treated effluent water. Quality of water is being monitored at regular intervals. A green belt with average width of 100 meters around the Power Station including office and colony complex with plantation of 45081 plants are being maintained. Total 655 Nos. of Plant saplings were planted during the year 2018-19
TGBPP, Tripura	<ul style="list-style-type: none"> Disposal of effluent after treatment is done through 3.0 KM pipeline into the Gumti River. Development of green belt, control of air pollution and rain water harvesting are in place. Dry low NO_x (DLN) burners are incorporated in the gas turbines for limiting NO_x emissions. Online monitoring system of stack emission for measuring NO_x, SO_x particulate matter and discharge effluent is in place. Noise level of various location of plant is being measured quarterly. Total 1155 Nos. of Plant saplings were planted during the year 2018-19.

REHABILITATION AND RESETTLEMENT ASPECTS

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

Plant / Project	R&R Works/Initiatives
PHEP Papum Pare District, Arunachal Pradesh.	<ul style="list-style-type: none"> • Full compensation to all 277 affected families. • Full cooperation and support extended to the Deputy Commissioner, Papum Pare District (Administrator for R&R) for implementation of R&R scheme. Representative of project affected People (PAF) from SC/ST category and a woman beneficiary were included in the R&R implementation committee. • 32 nos. of local tribal people against the C&D category jobs have been recruited. • Offering scholarships to the eligible candidates from the project affected families. • Conducting capacity building training programmes for unemployed educated youths. • 50 numbers of candidates from PAF have been given vocational training and given contractual employment. • Cluster development livelihood programme on mushroom cultivation for 50 numbers of families residing in the vicinity of the project has been implemented.
KaHEP West Kameng District, Arunachal Pradesh.	<ul style="list-style-type: none"> • Bichom Village under R&R scheme has been inaugurated. • Other initiatives and works include construction of village infrastructure, economic rehabilitation through agriculture, horticulture, dairying, poultry etc and training farmers on agricultural activities.

Plant / Project	R&R Works/Initiatives
RHEP Lower Subansiri District, Arunachal Pradesh.	<ul style="list-style-type: none"> • Employment to 108 nos. land effected people. • Shifting of 27 families residing in Chun & Rub village to Potin duly developing the new rehabilitation site with water supply, approach road, school building, teacher's quarters and construction of hutments. • Construction of water storage tank and supply line at Rub Village under CSR-CD scheme is in progress.
DHEP, Nagaland	<ul style="list-style-type: none"> • Imparted training in 20 modules in 20 villages. • Imparted knowledge in development of micro enterprises for economic opportunities through a system of revolving fund in 20 villages.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

NEEPCO has a well-defined internal control system encompassing all its areas of operation whereby transactions and decisions are processed as per the Delegation of Power, documented policies, guidelines, manuals and circulars as well as various laws and regulations pertinent to such operations. The Company has developed a well-defined Internal Control framework identifying the key controls activities.

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

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

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 2018-19 as compared to the FY 2017-18.

Income

Particulars	2018-19	2017-18 (Restated)	Change in % - Increase/ (Decrease)
Gross generation (in MU)	6103.82	6166.31	(1.01)
Income:			
Revenue from Operation (₹ in Lakh)	200703.91	163294.41	22.91
Other Income (₹ in Lakh)	10137.28	3172.35	219.55
Total Revenue (₹ in Lakh)	210841.19	166466.76	26.66

NEEPCO's income on account of "Revenue from operation" has been increased during the year in comparison to the previous year in spite of decrease in gross generation. The reasons for the same are declaration of commercial operations for two new generating stations, namely, Tuirial HEP and Pare HEP during the year. In addition, additional revenue in the form of arrear bill has been recognized during the year for Tripura Gas Based Power Plant on finalization of its tariff by the Central Electricity Regulatory Commission (CERC) and increase in fuel cost for the thermal power stations of the Company. Further, "Other income" of the Company has been increased mainly due to additional revenue on account of Foreign Exchange Rate Variation (FERV), Delay payment surcharge, Grant in aid and Income from sale of investment.

CERC Regulations on tariff for sale of energy:

In exercise of the powers conferred under section 178 of the Electricity Act, 2003, the Central Electricity Regulatory Commission (CERC) have issued Tariff Regulations vide notification no. L-1/144/2013/CERC dated 21.02.2014 for determination of tariff for the period 2014-19. Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/ approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.

Tariff of a Power Station consists of two components viz. Capacity Charge and Energy Charge. The recovery of Capacity Charge (i.e. 50% of AFC for hydro and 100% of AFC for gas based power stations) depends on the "Actual Plant Availability Factor (PAFY)" achieved during the year 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. In case actual saleable energy for a hydro generating stations during the year exceeds its saleable design energy, the energy charge for the energy in excess to be billed @ninety paise per kWh or actual ECR, whichever is lower.

The AFC of thermal (gas based) generating stations is recovered on a monthly basis through the Capacity Charge component. Incentive in respect of a thermal generating station or unit thereof is payable at a flat rate of 50 paise per kWh for ex-bus energy corresponding to scheduled generation in excess of 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 2018-19, PAFY for Kopili, Khandong, Kopili Stage II & Pare Hydro Power station exceeded the respective NAPAF. The PAFY versus NAPAF achieved during FY 2018-19 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	87.06
Khandong Hydro Power Station (50 MW)	69.00	75.84
Kopili Stage II (25 MW)	69.00	75.26
Ranganadi Hydro Power Station (405 MW)	85.00	82.50
Doyang Hydro Power Station (75 MW)	73.00	59.74
Tuirial Hydro Power Station (60 MW)	85.00	51.01
Pare Hydro Power Station (110 MW)	85.00	85.74
Assam Gas Based Power Plant (291 MW)	72.00	64.20
Agartala Gas Turbine Combined Cycle Power Plant (135 MW)	85.00	60.15

Tripura Gas Based Combined Cycle Power Plant (101 MW)	85.00	79.27
Solar PV Power Project, Monarchak (5 MW)	19.00 (CUF)	16.17 (CUF)

Central Electricity Regulatory Commission vide notification no. L-1/236/2018/CERC dated 07.03.2019 has issued Regulations, namely, CERC (Terms and Conditions of Tariff) Regulations, 2019 effective for the control period of 2019-24, governing determination of tariff for the said period. As per the Tariff Regulations, 2019, the Operation & Maintenance (O&M) expenses for the FY 2019-20 for the gas based thermal generating stations have been decreased in comparison to the FY 2018-19. However, as per provision of the regulations Water Charges, Security Expenses and Capital Spares for such stations shall be allowed separately. For hydro generating stations, O&M expenses have been increased in comparison to the previous period. CERC Tariff Regulations, 2019 has allowed enhanced normative Station Heat rate for the thermal generating stations, namely, Assam Gas Based Power Plant and Agartala Gas Turbine Power Plant, of NEEPCO in comparison to the previous period, which will result in improved fuel cost recovery for the Company. In addition, Normative Plant Availability Factor (NAPAF) has been reduced for Kopili HEP (200MW), Khandong HEP (50 MW) and Doyang HEP (75 MW), which will be beneficial to the Company for recovery of Capacity Charge for these generating stations. However, for Ranganadi HEP, the same has been increased from 85% to 88%. Further, normative auxiliary consumption of electricity for hydro generating stations (Type of Stations – Static with installed capacity up to 200MW) has been increased to 1.2%.

Revenue from operation

NEEPCO sells electricity to bulk consumers comprising of the state-owned electricity utilities and power departments in the North Eastern Region (excluding Sikkim) under long term Power Purchase Agreements (PPAs) and as per the allocation made by the Ministry of Power for each of the beneficiary States. Total revenue from operations during 2018-19 was ₹200703.91 lakh which constitutes 95.19% the total revenue for the year.

The Corporation achieved a generation of 6103.82 MU during the year from its total installed capacity of 1457 MW as compared to total generation of 6166.31 MU with an installed capacity of 1347 MW during the previous year.

Other non-operating Income

‘Other non-operating income’ mainly comprises interest on investment, delay payment surcharge, FERV recoverable, grant in aid, provision written back, income on sale of investment and miscellaneous income.

Other non-operating Income was ₹10137.28 lakh in FY 2018-19 as compared to ₹3172.35 lakh in FY 2017-18. The increase in other income is mainly due to increase in Delay payment surcharge, FERV recoverable, Grant in aid and Misc. receipts.

During the 2018-19, the Corporation received an amount of ₹4828.50 lakh on account of delay payment surcharge as against ₹1739.73 lakh during 2017-18, FERV recoverable increased from ₹20.74 lakh to ₹2305.02 lakh, Grant in aid increased from ₹86.98 lakh to ₹1851.15 lakh, Liability/ Provision written back have decreased from ₹632.36 lakh to ₹171.56 lakh, Increase in Misc. receipts by ₹162.49 lakh and net increase in income from others sources relating to Income from investment, Mutual fund dividend, CERC filing fee & disposal of PPE amounts to ₹126.02 lakh.

Expenditure

The total expenditure in FY 2018-19 increased by 40.21% as compared to the previous year mainly due to increase in the cost of material consumed, Employee benefits expenses, Finance Cost, Depreciation and other expenses.

(₹ in lakh)

Particulars	2018-19	2017-18	Increase/ (Decrease)
Cost of materials consumed	56199.59	42632.78	13566.81
Employee benefit expense	49112.45	41026.61	8085.84
Finance costs	15704.43	6902.88	8801.55
Depreciation and amortization expense	35711.48	18305.63	17405.85
Other expenses	25194.10	20880.92	4313.18
Total expenses	181922.05	129748.82	52173.23

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 2018-19 are USD 3.06 and USD 3.36 per MMBTU (on GCV basis) for the period of Apr’18 to Sep’18 and Oct’18 to Mar’19 respectively (previous year USD 2.48 & USD 2.89 respectively). Fuel price

per mmbtu during the FY 2018-19 increased (average) by 19.78% against the previous year. Further fuel transport expenses for AGTP increased significantly during the FY 2018-19.

During the current year, the expenditure on cost of material consumed was ₹56199.59 (consisting of cost of gas ₹52058.40 lakh and transportation charges ₹4141.19 lakh) as against ₹42632.78 lakh (consisting of cost of gas ₹41665.33 lakh and transportation charges ₹967.45 lakh). Expenditure on gas constituted 30.89% of the total expenditure as against 32.86% 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, leave encashment and Pension fund. These expenses accounted for approximately 27.00% of NEEPCO's total expenditure during the year as compared to around 31.62% in the previous year. Increase in employees expenses on account of salary & wages during the year is due to impact of pay parity for the entitled Executives below the Board level officers for the period of 01.01.2007 to 31.03.2019 as per Cabinet approval of the Govt. of India.

Finance Costs

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

During the year, finance Cost (revenue account) increased by 127.51 % to ₹15704.43 lakh from ₹6902.88 lakh in the previous year due to commissioning of two new projects, namely, Tuirial Hydro Electric Project & Pare Hydro Electric Project resulting in charging of related finance costs to the Statement of Profit & loss.

Depreciation

As per NEEPCO's accounting policy, depreciation is charged on the Straight Line Method to the extent of 90% of the cost of assets as per the rates and methodology notified by the CERC vide its notification dated 21st February, 2014, except for few assets for which depreciation is charged at rates as per NEEPCO's accounting policy. Depreciation cost increased by 95.08 % to ₹35711.48 lakh in FY 2018-19 from ₹18305.63 lakh in FY 2017-18 mainly due to commissioning of Tuirial

Hydro Electric Project & Pare Hydro Electric Project.

Other Expenses

Other expenses (which includes generation and administration expenses) consists primarily of repair and maintenance of plant and machinery, buildings, etc., share of general establishment expenses, NERLDC fees and charges, Corporate Social Responsibility expenses, security and insurance expenses, transport expenses, write offs etc. These expenses represented approximately 13.85 % of NEEPCO's total expenditure during the year as compared to 16.09 % in FY 2017-18. In absolute terms, these expenses increased by ₹4313.18 lakh (i.e. 20.65 %) from the previous year.

Regulatory Income / Expense

During the current financial year, the Corporation has recognised an amount of ₹16238.59 lakhs (previous year ₹3553.61 lakhs) as income in the Statement of Profit & Loss. Regulatory income/expenses recognized in Books of the Company for the FY 2018-19 on account of the following factors:

(i) Depreciation - Tuirial HEP

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

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

In view of above, the difference of depreciation to the extent recoverable/adjustable in future period has been recognized on an undiscounted basis amounting to ₹5724.17 lakhs as "Regulatory Income".

(ii) Deferred Tax adjustment against deferred tax liabilities

Deferred tax accrued during the year on income generated from sale of electricity and further adjustable/reversal in future periods when the related deferred tax liability will form a part of current tax & recoverable from the beneficiaries amounting to ₹14935.01 lakhs has been accounted as "Deferred tax adjustment against deferred tax liability", which has been recognized as "Regulatory income".

(iii) Estimated impact on AFC (tariff)

The Company has revised AFC for its 05 (five) projects under operation, namely, Ranganadi HEP, Doyang HEP, Kopili HEP, Assam Gas based Power Plant and Agartala Gas Turbine Power Plant for the period of 2014-19 based on the additional capital expenditures (Plant-wise & year wise) as allowed by the CERC and that actually executed by the generating stations. Based on the revised AFC and computation of excess amount billed, an amount of ₹4420.59 lakh has been recognized as "Regulatory expenses".

Profit before Tax

The cumulative effect of all the above is an increase in NEEPCO's profit before tax in FY 2018-19 by 12.13% to ₹45157.73 lakh from ₹40271.55 lakh in FY 2017-18.

Provision for Tax

The Corporation provides Current Tax & Deferred Tax as per the Income Tax Act, 1961. Net provision for FY 2018-19 is ₹23763.92 lakh in comparison to ₹12805.44 lakh in financial year 2017-18 i.e. an increase of ₹10958.48 lakh due to increase in deferred tax liabilities by ₹14194.88 lakhs due to commissioning of two new projects, namely, Tuirial HEP and Pare HEP, resulting in addition to capitalization of ₹312683.77 lakh during the year & decrease in current tax liability by ₹3236.40 lakhs due to MAT payable during the current FY 2018-19.

Liquidity and Capital Resources

Liquidity

Funds for working capital requirements as well as capital expenditure for construction of projects are mobilised from both internal and external sources. Funds are sourced externally in the form of long term loans either in Indian Rupees or in foreign currency and through privately placed

PSU Bonds. As on 31st March, 2019, NEEPCO has Cash and Cash equivalent of ₹6900.43 lakh as compared to ₹33049.07 lakh as on 31st March, 2018. In addition, Restricted money under "Bank balances other than Cash & cash equivalent" amount to ₹2957.44 lakh as on 31st March, 2019 as compared to ₹558.85 lakh as on 31st March, 2018

Cash Flow

(₹ in lakh)

	2018-19	2017-18
1. Net cash inflow from operating activities	63,481.32	77,782.43
2. Net cash outflow from investment activities	(64,326.57)	(90,430.99)
3. Net cash inflow/(outflow) from financing activities	(22904.80)	19,328.47

1. Net Cash from Operations

NEEPCO's net cash inflow from operating activities was ₹63481.32 lakh in FY 2018-19 after arriving a total comprehensive income of ₹45483.69 lakh during the year. The net cash from operating activities has been arrived at after adjusting the non-cash items viz. depreciation of ₹35711.48 lakh, interest cost of ₹15704.43 lakh, regulatory income of ₹16238.59 lakhs, foreign exchange loss of ₹822.86 lakh, Loss on Sale of Assets/Asset Write off of ₹3132.53 lakhs and Interest /Investment income of ₹84.98 lakh and Fair value loss of ₹2.37 lakh. The changes in the current assets and current liabilities impacting the current period cash flow amounted to ₹26983.06 lakh (i.e. a decrease in the working capital as the net effect of decrease in inventories, trade receivables, other financial assets, loans & advances and increase in other financial liabilities & provisions). Income tax payment of ₹10308.00 lakh was also made during the year.

2. Net Cash from Investing Activities

NEEPCO's net cash outflow from investing activities was (₹64326.57 lakh) in FY 2018-19 which includes expenditure on property, plant & equipment of (₹48212.77 lakh), Interest income on investment of ₹121.69 lakhs, dividend income of ₹3.10 lakhs and change in regulatory deferral account of (₹16238.59 lakh).

3. Net Cash from Financing Activities

In FY 2018-19, NEEPCO's net cash outflow from financing activities was (₹22904.80 lakh). The Corporation has received equity contribution from Government of India amounting to ₹6100.00 lakhs and raised funds of ₹74,163.18 lakh through

PSU bonds and short term borrowings and also effected loan repayment and interest payments to the tune of ₹35,267.25 lakh and ₹54,822.81 lakh respectively. During the year the Corporation paid dividend of ₹11500.00 lakh which includes final dividend for 2017-18 was ₹4700.00 lakh, interim dividend for 2018-19 was ₹6800.00 lakh, dividend tax paid amounts to ₹2363.86 lakh and excess current tax written back ₹785.94 lakh.

Discussion on Balance Sheet Items

Financial Condition

1. Net Worth

The net worth of the Corporation as on 31st March, 2019 is ₹630128.80 lakh as compared to ₹615498.48 lakh as on 31st March, 2018 representing a growth of 2.38 %.

ASSETS

1. Non- Current Assets

(a) Property, Plant and Equipment :

NEEPCO's net fixed assets consists of Property, Plant and Equipment, Capital Work-in-Progress, Intangible Assets under development and Intangible Assets. The net fixed assets as on 31st March, 2019 stood at ₹1348363.12 lakh (₹1296269.22 lakh as on 31st March, 2018). Fixed assets as on 31st March, 2019 comprising of net block of Property, Plant & Equipment amounting to ₹616630.06 lakh, Capital Work in Progress of ₹711874.08 lakh, Intangible Assets under Development ₹10082.50 lakhs and net block of Intangible Assets amounting to ₹9776.48 lakh. The Tangible Assets consist of land, dams, tunnels, buildings including power house buildings, plant and machinery, office equipment, EDP equipment etc. while Intangible Assets consist of Land-right to use & Computer Software.

(b) Financial Assets:

Investments (Un-Quoted)

As on 31st March, 2019 the Corporation has invested an amount of ₹2793 lakh (₹2793.00 lakhs as on 31st March, 2018) in Joint Venture Companies as fully paid up Equity Share.

(c) Loans

Long Term Loans & Advances to Employees as on 31st March 2019 stood at ₹95.93 lakhs against ₹107.20 lakhs as on 31st March 2018. Loan & Advances to employees includes Interest bearing Computer Advance and interest free Furniture Advance and Multipurpose Advance.

(d) Other Non-Current Assets

Other Non-Current Assets includes Capital advances which are expected to be realized after a period of 12 months from the Balance Sheet date. It includes advances to contractors for capital expenditure (both secured & Un-secured), advances paid for land and Prepayment of Leasehold Land.

Advances to contractors which are capital in nature consist of both secured and unsecured, considered good after adjustment of doubtful debts. As on 31st March, 2019 advance to contractor secured against bank guarantee stood at ₹290.72 lakhs (previous year ₹726.17 lakhs). The advance to contractor unsecured, considered good after adjustment of doubtful debts amounts to ₹15281.23 lakh as compared to the previous year's amount of ₹14253.69 lakh. Advance towards land stands at Nil as on 31st March 2019 as against ₹33.37 lakhs as on 31st March 2018. Prepayments of leasehold land has been decreased by ₹208.89 lakhs and stood at ₹6014.33 lakhs as on 31st March 2019 as against ₹6223.22 lakhs as on 31st March 2018.

2. Current Assets

(a) Inventories

Inventories are valued at cost, which is determined on weighted average basis or net realizable value, whichever is lower. Physical verification of inventories is done by the management once a year. Inventories were valued at ₹11083.93 lakh and ₹9104.38 lakh as on 31st March, 2019 and 31st March, 2018 respectively.

(b) Trade Receivables

Trade receivables are dues in respect of goods sold or services rendered in the normal course of business. The Trade Receivables as on 31st March, 2019 were ₹63453.60 lakh as compared to ₹45836.75 lakh as on 31st March, 2018.

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

It consists of (i) current accounts maintained with the Bank, (ii) cash and stamps in hand (iii) Short Term Deposits and (iv) Restricted money on the Balance Sheet date. As on 31st March, 2019 and 31st March, 2018 the Cash & Cash Equivalents (including Bank balances other than Cash & Cash equivalent) of the Corporation were ₹9857.87 lakh (which includes Restricted money amounting to ₹2957.44 lakh) and ₹33607.92 lakh (which includes Restricted money amounting to ₹558.85 lakh) respectively.

(d) Others

Others consists of Account receivables, Advance to staff, Interest accrued on loans & deposits and Security deposits to be settled within 12 months from the close of the current financial year. As on 31st March, 2019, amount stood at ₹14404.33 lakh as against ₹7209.36 lakh on 31st March 2018. There was a net increase of 99.80% in FY 2018-19 mainly due to increase in accounts receivables viz Deferred tax recoverable, amount not yet billed in respect of Tuirial Hydro Electric Project & Tripura Gas Based Power Plant, FERV reimbursable, amount receivable from REC towards implementation of DDUGYY and decrease in interest accrued on STDR, advance to staff and advance tax refundable.

(e) Current Tax assets

Advance tax paid during the year along with tax deducted source are shown under Current Tax Assets. As on 31st March, 2019 and 31st March, 2018 the current tax assets of the Corporation were ₹7921.45 lakh and ₹9297.15 lakh respectively.

(f) Other Current Assets

Other Current Assets mainly consist of prepaid expenses, advance to Suppliers & contractor and prepayments of Leasehold Land. NEEPCO's other current assets as on 31st March, 2019 and 31st March, 2018 were ₹2657.18 lakh and ₹1943.02 lakh respectively.

(g) Asset held for sale

Asset held for sale consist of asset that are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected to complete within one year from the date of classification. Its sale is highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets. The amount appears under this head stands at ₹76.86 lakhs & ₹131.84 lakhs as on 31st March, 2019 and 31st March, 2018 respectively.

(h) Regulatory Deferral Accounts Debit Balance

Regulatory deferred accounts debit balance as on 31st March 2019 & 31st March 2018 amounts to ₹25034.48 lakhs and ₹8795.89 lakhs respectively. Regulatory deferred accounts debit balance consists of Employees benefit expenses – gratuity amounting to ₹4793.47 lakhs, Depreciation rate variation for Tuirial Hydro Electric Project amounting to ₹5724.17 lakhs, Deferred Tax adjustment against deferred tax liabilities amounting to ₹18937.43 lakhs & Estimated impact of add cap on AFC (tariff) for 2014-19 amounting to (₹4420.59) lakhs.

EQUITY & LIABILITIES**1. Equity****Equity Share Capital**

Equity Share Capital of the Corporation as on 31st March 2019 & as on 31st March 2018 amounts to ₹360981.04 lakhs & ₹345281.04 lakhs respectively. During the year, the Company has received equity contribution from Government of India amounting to ₹6100.00 lakhs.

2. Other Equity

NEEPCO's other equity consists of General reserve, Retained earnings & Bond redemption reserve. The other equity as on 31st March, 2019 was ₹269147.76 lakhs as compared to ₹260617.44 lakh as on 31st March, 2018. Category-wise break-up as follows:

₹ in lakh

Particulars	As on 31 st March, 2019	As on 31 st March, 2018
General Reserve	197691.68	197691.68
Retained Earnings	6401.91	5858.68
Bond Redemption Reserve	65054.17	57067.08
Total	269147.76	260617.44

3. Non-Current Liabilities**(a) Borrowings**

Long Term Borrowing consists of PSU Bonds raised through private placement, foreign currency loans and subordinate loan from the Government of India. These Loans are to be redeemed beyond 12 months from the date of Balance Sheet. Total non-current borrowing of the Company as on 31st March, 2019 amounts to ₹6,62,122.41 lakh (without considering impact of bond amortization expenses and Gol loan amortization amounting to ₹240.35 lakh) as against ₹6,31,139.96 lakh (without considering impact bond amortization expenses and Gol loan amortization amounting to ₹232.92 lakh) as on 31st March, 2018. Detail of the borrowing as on 31st March, 2019 are:

i.	PSU Bonds	₹555550.00 lakh
ii.	External Commercial Borrowing from SBI, Singapore	₹26606.05 lakh
iii.	Loan from KfW, Germany	₹50769.94 lakh
iv.	Subordinate loan from Government of India	₹29196.42 lakh
	Total	₹662122.41 lakh

(b) Long term Provisions:

Long Term Provisions of ₹15780.51 lakh as on 31st March, 2019 (₹20226.57 lakh as on 31st March, 2018) include Provisions for Employee Benefits (Leave Encashment ₹10073.45 lakh, Post-Retirement Medical Benefits ₹5550.27 lakh and Award of Gold Coin ₹156.79 lakh) which are expected to be settled beyond 12 months from the date of Balance Sheet. Impact of Gratuity provision for the year has been considered as "Current liability" as per valuation report of the Actuary.

(c) Deferred Tax liabilities/(Asset)

Deferred Tax Liabilities (Net) as on 31st March, 2019 amounts to ₹17655.15 lakh as compared to ₹3499.06 lakh deferred tax Assets (net) as on 31st March, 2018. Increase in deferred tax liabilities is mainly due to commissioning of two hydro projects.

(d) Other Non-Current Liabilities

Deferred revenue arising from Government Grant

As per the Investment Approval sanctioned vide the Ministry of Power's letter no. 7/7/2009-H-I dated 14th January 2011, an amount of ₹30,000.00 lakh has been sanctioned by the Ministry of Development of North Eastern Region (DONER) as a part of the approved funding pattern for the Tuirial Hydro Electric Project, Mizoram. The total amount of ₹30,000.00 lakh are included in Grant in Aid which is subjected to amortization during normative useful life of the project since its commissioning.

During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of ₹11.11 lakhs (previous year ₹86.98 lakhs) for spares purchased out of Grant-in-aid received from the Central Government. In addition, amortization of Grant in Aid relating to Tuirial HEP during the year amounts to ₹1840.04 lakh. An equivalent amount has been recognized as income in the statement of Profit & Loss.

Deferred foreign currency fluctuation liabilities

Foreign Exchange Rate Variation on account of restatement of foreign currency borrowing recoverable from or payable to the beneficiaries as per CERC Regulation and adjusted to carrying cost of fixed assets are accounted as Deferred Foreign Currency Fluctuation Account with corresponding credit/ debit to Deferred Income/ Expenditure from Foreign Currency Fluctuation Account.

Deferred income/ expenditure from foreign currency fluctuation account is adjusted in the proportion in which

depreciation is charged on such Foreign Exchange Rate Variation by corresponding credit/ debit to other income/ expenditure in the Statement of Profit and Loss of the relevant year.

Deferred foreign currency fluctuation liability accounted as on 31st March, 2019 was ₹123.90 lakh (previous year ₹144.64 lakh).

Current Liabilities

(a) Borrowing

Total borrowing as on 31st March, 2019 was ₹28236.63 lakh (previous year ₹20000 lakh). Borrowing as on 31st March, 2019 consists of ₹10000.00 lakh and ₹18236.63 lakh towards Short Term Loan & Working Capital Demand Loan respectively.

(b) Trade & Other Payables

Trade & Other Payables include the amount due on account of goods purchased or services received in the normal course of business including MSME and amount payable to beneficiaries. The trade payables as on 31st March, 2019 was ₹7308.48 lakh as compared to ₹8775.92 lakh as on 31st March, 2018.

(c) Other Financial Liabilities

These include current maturity of long term debt, interest accrued but not due on outstanding loans and bonds and other liabilities like creditors for Capital expenditure, payable for employee's benefits, advance received from REC for Deen Dayal Upadhyaya Gram Jyoti Yojana which are to be paid within 12 months from the date of Balance Sheet. Other Financial Liabilities as on 31st March, 2019 amounted to ₹72039.26 lakh as compared to ₹59447.93 lakh as on 31st March, 2018. The increase in other financial liabilities by 21.18% is primarily on account of increase in current maturity of long term debt, increase in the interest accrued but not due, increase in amount payable for employees benefit, increase in advance received from Rural Electrification Corporation Limited for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana and decrease in creditors for capital expenditures.

(d) Other Current Liabilities

These include advance from contractors & others, Direct & Indirect Taxes Payables, deferred foreign currency fluctuation liability and other statutory dues like CPF, LIP etc. which are to be paid within 12 months from the date of Balance Sheet.

Other current Liabilities as on 31st March, 2019 amounted to ₹16051.36 lakh as compared to ₹16245.69 lakh as on 31st March, 2018. The decrease in other financial liabilities by 1.20% is primarily on account of decrease in advance from contractors & others, increase in direct & indirect tax payables and increase in Other Statutory Dues.

(e) Provisions

Short Term Provisions as on 31st March, 2019 was ₹17594.39 lakh as compared to ₹16583.41 lakh in the previous FY. These include Provision for Employee Benefits (Gratuity ₹1560.89 lakh, Medical benefit for retired employees ₹352.55 lakh, Leave Encashment ₹304.25 lakh, and Award of Gold Coin ₹0.62 lakh) and other provisions (Provision for write off ₹15376.08 lakh) which are expected to be settled within 12 months from the date of Balance Sheet. Increase in Short Term Provisions during FY 2018-19 is mainly due to increase in provision for write off, increase in Post-Retirement Medical Benefits, decrease in Provision for Gratuity and decrease in award of Gold coin.

Current Tax Liabilities

Current tax Liabilities has gone down to ₹11319.28 lakh in 2018-19 from ₹13944.30 lakh in 2017-18 as tax payable is calculated on MAT rate (@ 21.5488%) in FY 2018-19 whereas in FY 2017-18 tax payable was calculated at normal rate (@ 34.608%).

Off-Balance Sheet Items

Contingent Liabilities:

The components of Contingent Liabilities for the FY 2018-19 and 2017-18 are as follows:

(₹ in lakh)

Particulars	2018-19	2017-18
Claims against the Company not acknowledged as debt in respect of:		
Capital Works	219371.00	159047.88
Disputed Land Compensation cases	7762.00	3583.24
Income Tax and Service Tax	17213.12	161.97
Others	7.66	4.80
Total	244353.78	162797.89

Financial review of Joint Venture Companies

As on 31st March 2019, NEEPCO has one Joint Venture Company as follows:

- ❖ KSK Dibbin Hydro Power Private Limited, 8-2-293/82/A/431/A, Road No. 22, Jubilee Hills, Hyderabad – 500 033, India

The above Joint Venture (JV) Company is incorporated in India. Consolidated Financial Statements for the year ended 31.03.2019 has been prepared based on the unaudited Accounts of the said JV Company using equity method of accounting.

M/s T R Chadha & Co LLP, the Statutory Auditors of M/s KSK Dibbin Hydro Power Private Limited, in their report for the FY 2018-19 has mentioned under “Emphasis of matter” that the financial statements of the Company are prepared on going concern basis with no adjustment in the carrying value of the project related assets based on future prospects of the Projects and communication going on with North Eastern Electric Power Corporation Ltd (NEEPCO), for takeover of the company’s Project.

NEEPCO communication about their interest to execute the project is subject to the favorable findings of the hydrological studies underway, fruition of project specific basin study to reduce the environment flow to be followed by final approval from appropriate authorities and sanction of grant from Government of India.

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

(₹ in lakh)

Particulars	For the year ended 31 st March, 2019	For the year ended 31 st March, 2018
Total revenue	210841.19	166466.76
Total expenses	181922.05	129748.82
Add : Regulatory Income/(Expense)	16238.59	3553.61
Share of Profit of Joint Ventures	9.99	994.35
Profit before tax	45167.72	41265.90
Profit after tax	21400.68	28454.30
Other Comprehensive Income	212.06	237.37
Total Comprehensive Income	21612.74	28691.67
Total equity	630476.38	615839.19

Human Resources and HRD

As on 31.03.2019, the Corporation had 2051 employees which includes Chairman & Managing Director, 3 Directors and one Chief Vigilance Officer. Out of which 878 are Executives, 281 are Supervisors and 887 are Workmen. The proportion of Male to Female employees is 4.9 : 1 (approx.).

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

Age Group	Total	Percentage of employees	Male	Female
Upto 30 years	105	5.12	87	18
31 - 40 years	220	10.73	161	59
41-50 years	604	29.45	490	114
51-55 years	604	29.45	508	96
56 and above but below 60 years	518	25.25	460	58

Superannuation profile in the next 5(five) years:						
Cadre	2019-20	2020-21	2021-22	2022-23	2023-24	TOTAL
Executive	52	35	49	55	56	247
Supervisor	18	11	12	20	16	77
Workmen	66	57	46	46	37	252
TOTAL	136	103	107	121	109	576

The above findings indicate that 54.7% of manpower in the Corporation are in the age brackets of 51 years and above and about 576 numbers of employees will be superannuating by the year March, 2024. This figure suggests that the attrition rate in the Corporation is very high and needs immediate attention.

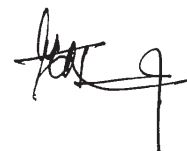
Total Medical expenditure incurred for the FY 2018-19 is ₹2451.78 lakhs against ₹2102.93 of previous FY 2017-18, which indicates increase of 16.59%.

During the year 2018-19, a total 579 employees participated in training and total training man days achieved was 1008. Induction training programmes for new appointees were conducted with a view of familiarising them with NEEPCO, its operations, projects/plants, rules & policies, creating a sense of organisational belongingness etc.

Throughout the year, industrial relations remained cordial. Meeting and discussions between Unions /Associations and Management and meetings of NEEPCO National Bipartite Committee (NNBC) & NEEPCO Project Bipartite Committee (NPBC) were carried out on various issues concerning improvement of work-life of employees, progress on works of the organizations. Suggestions generated out of the discussions were carried out in a practical manner. There were zero man-days losses during the year 2018-19. The schedule of NNBC Meeting held during the year 2018-19 are hereunder:

Sl. No.	NNBC	Date
1.	10 th NNBC Meeting	12-07-2018
2.	11 th NNBC Meeting	10-09-2018 & 11-09-2018
3.	12 th NNBC Meeting	25-02-2019

For and on behalf of the Board of Directors



(A. G. West Kharkongor)

Chairman & Managing Director

DIN: 03264625

Dated: 29-08-2019

Place: New Delhi

Corporate Governance Certificate

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

We have examined the compliance of conditions of Corporate Governance by **North Eastern Electric Power Corporation Limited** (hereinafter referred as “the Company”) for the year ended **31st March 2019**, as stipulated in the Guidelines on Corporate Governance for the Central Public Sector Enterprises issued by the Department of Public Enterprises (DPE), Government of India in May 2010.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned DPE guidelines.

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

For Narayan Sharma & Associates
Company Secretaries

A handwritten signature in black ink, appearing to read 'Narayan Sharma', is written over a circular stamp.

Place : Guwahati
Date : 2nd August 2019

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

Independent Auditors' Report

To,

The Members of North Eastern Electric Power Corporation Limited

Opinion

We have audited the accompanying standalone Ind AS financial statements of North Eastern Electric Power Corporation Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'standalone Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Companies Act 2013 ('the Act'), the Electricity Act 2003, and CERC Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the financial position of the Company as at 31st March 2019, its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

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

1. Note No. 18.3(c) in respect of restatement of the Financial Statement of earlier years in compliance of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates & Errors".
2. Note No. 18.3(b) in respect of Bond redemption reserve; Company appropriates out of the profit "Bond Redemption Reserve" to the extent of 25% of the value of bonds prior to the year of redemption of bonds. At present, Company has around 12% of the value of Outstanding Bonds in its Bond Redemption Reserve.
3. Note No. 40 in respect of the uncertainty related to the outcome of the claims/arbitration proceedings and lawsuit filed by the/against the company on/by contractors and/or others. In some cases, the arbitration award has been decided against the company/lost in lower courts and the company is pursuing the matter in higher courts.

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

4. Note No. 49 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties.

Our report is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below as the key audit matters to be communicated in our report.

Sl. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of Uncertain Arbitration Cases, Court Cases and Litigations</p> <p>The Company has material uncertain claims of ₹2443.53 crores containing matters under litigations, Court Cases and Arbitration Cases, which involves significant judgment to determine the possible outcome of these cases.</p> <p>Refer Notes 40 to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>We have obtained details of Arbitration cases, Court Cases and Pending litigations for the year ended March 31, 2019 from management. We involved our team members to challenge the management's underlying assumptions in estimating the litigation cases and the possible outcome of the disputes. Our team also considered legal precedence and other rulings in evaluating management's position on these pending litigations and Arbitration cases. Additionally, we considered the effect of new information in respect of these cases to evaluate whether any change was required to management's position on these uncertainties.</p>
2	<p>Recoverability of Direct Tax Receivables</p> <p>As at March 31, 2019, Current assets in respect of Other Financial Assets include Advance Tax Refundable amounting to ₹3543.06 lakhs pertaining to Previous Assessment Years, which are pending adjudication.</p> <p>Refer Note 13 to the Standalone Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>We have involved our team to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final assessment. We have verified the Assessment status for the years whose amount are yet to be recovered and are under Assessment under appropriate authority.</p>
3	<p>Recognition of Regulatory Deferral Account Balances in accordance with IND AS 114 and CERC Regulations 2014-19</p> <p>For the FY 2018-19, Income of ₹162.38 crores in respect of Regulatory Deferral Account has been recognised as per the provisions of IND AS 114 and CERC Regulations, in respect of the following -</p> <ol style="list-style-type: none"> Difference in Rate of Depreciation as per CERC Regulations charged to P&L and Depreciation allowed to be recovered through tariff, for Tural Hydro Electric Project (TrHEP). Deferred tax adjustment against deferred tax liability for O&M Plants on account of Deferred tax accrued during the year capable of adjustment/reversal in future periods. Modification of Annual Fixed Costs on account of variation of Additional Capital Expenditure as allowed by CERC Regulations for O&M Projects and as actually billed. <p>Refer Note 16 and Note 41 of Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>Accounting Policy for recognition of Regulatory Deferral Account balances in accordance with IND AS 114 was examined. We have reviewed the nature of regulatory activities, its recognition and subsequent measurement. Also, we have involved our team to analyse the risks and uncertainties associated with future recovery of the same and the time frame within which it is expected to be recovered.</p> <p>We have reviewed the sample list of documents / calculations for recognising rate regulated activities as Regulatory Deferral Income. Our team has performed analytical procedures and carried out test of details for reasonableness of Regulatory Income / Expenses booked.</p> <p>Further, we reviewed the CERC Regulations and logic behind recognising of Regulatory Income / Expense.</p>

4	<p><i>Recoverability of Capital Expenditure through tariff, on start of Commercial Operations of Kameng Project</i></p> <p>As on 31st March 2019, total balance of Capital Work-In-Progress for Kameng Project lying in the books of NEEPCO amounts to ₹6438.24 crores. The aforesaid amount includes significant expenditures in the form of Incidental Expenditure during Construction (IEDC) charged under the head Capital Work in Progress.</p> <p>Analysis will be carried out by CERC to determine, whether price and cost overrun will be included, for determination of Tariff by CERC, once Kameng project is capitalised. As the Actual Capital Cost of the project has exceeded Indexed Projected Cost, it may result in probable Impairment.</p>	<p><i>Principal Audit Procedures</i></p> <p>We have analysed the process of allocation of expenses for construction projects, to Incidental Expenditure during Construction. Further, detailed checking was carried out to verify the correctness of allocation of Outlays for Capital Work in Progress. Also, design of Internal Controls relating to expenses to be charged off to IEDC / CWIP was evaluated.</p> <p>The Assessment of indicators of Impairments could be carried out post capitalization of the project and its successful COD.</p>
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Our report is not modified in respect of these matters.

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Director's Report including Director's Responsibility Report and Corporate Governance, but does not include the standalone financial statements and our auditor's report thereon.

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

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

Based on the above, we would communicate the matter to those charged with governance, in case we conclude a material misstatement in Other Information, post availability of Other Information.

Management's Responsibility for the Standalone Ind AS Financial Statements

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

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

Auditors' Responsibility

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

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

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

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

Report on Other Legal and Regulatory Requirements

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



- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure C;
- g. With respect to compliance of Section 135 under Companies Act 2013, the Company has spent less than two percent of the average net profits of the Company during three preceding financial years, towards CSR in the current FY 2018-19 and
- h. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer to Note 40 to the standalone Ind AS financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts; and
 - iii. The Company has no case of transferring any amount to the Investor Education and Protection Fund as per the provisions of the Act.

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

Tapan Kumar Das
(T. K. DAS)

Partner

Membership No.: 053080

Place : New Delhi

Date : 20th June, 2019

Annexure A to the Independent Auditors' Report

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

We report that:

- (i) (a) The Company has generally maintained records showing full particulars including quantitative details and situation of fixed assets.
- (b) There is a regular programme of physical verification of all fixed assets on an annual basis, by the Management. 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.
- (c) The title deeds of all the immovable properties are held in the name of the Company except in case of one of the project (KHEP) title deed of freehold land measuring 183.19 hectares, valued at ₹4.52 crores is pending and as informed to us, the company is taking appropriate steps for completion of legal formalities.
- (ii) The inventory has been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such physical verification.
- (iii) The Company has not granted any loans, secured or unsecured to any companies, firms, limited liability partnership or other parties covered in register maintained under Section 189 of the Companies Act, 2013.
In view of the above, the clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- (iv) The Company has not granted any loans or given any guarantee and security covered under Section 185 and 186 of the Companies Act, 2013. In respect of investment in the Joint Venture Companies, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.
- (v) The Company has not accepted deposits from the public covered by section 73 to 76 of the Companies Act 2013. Therefore clause (v) of the order is not applicable.
- (vi) We have broadly reviewed the accounts and records maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (I) of Section 148 of the Companies Act, 2013 read with Companies (Cost Records & Audit) Rules, 2014 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) Undisputed statutory dues including provident fund, income tax, Goods and Service Tax, cess and other statutory dues have generally been regularly deposited with the appropriate authorities and there are no undisputed dues outstanding as on 31st March 2019 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 ₹17,220.78 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	63.34	2013-14	ITAT, Guwahati
Income Tax Act, 1961	Income Tax	44.23	2011-12	ITAT, Guwahati
Income Tax Act, 1961	Income Tax	149.89	2013-14	ITAT, Guwahati
Income Tax Act, 1961	Income Tax	49.49	2011-12	ITAT, Guwahati
Income Tax Act, 1961	Income Tax	121.46	2012-13	ITAT, Guwahati
Income Tax Act, 1961	Income Tax	10,872.61	2014-15	Appeals to Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	5,912.10	2012-13 to 2017-18	CIT (Appeals)
Total		17,213.12		

The Company also has a disputed Statutory Dues under Service Tax for ₹7.66 lakhs at CESTAT, Kolkata.

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

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

Tapan Kumar Das
(T. K. DAS)

Partner

Membership No.: 053080

Place : New Delhi

Date : 20th June, 2019

Annexure B to the Independent Auditors' Report

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

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditors reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the Implications of processing of Accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has old information technology (IT) application system which is unable to cater the emerging needs, process all accounting transactions and complete information consistent with financial reporting objectives.	Not Ascertainable
2.	Whether there is any restructuring of an existing loan or cases of waiver / write off of debts / loans / interest etc. made by a lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	No such restructuring of existing loan or waiver / write off of debts / loans / interest etc. were made by lender to the Company.	Nil
3.	Whether funds received / receivable for specific schemes from Central / State agencies were properly accounted for / utilized as per its terms and conditions? List the case of deviations.	The funds received for Deen Dayal Upadhyaya Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) Schemes have been accounted and utilized as per the terms of the related schemes.	Nil

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

Tapan Kumar Das
(T. K. DAS)

Partner

Membership No.: 053080

Place : New Delhi
Date : 20th June, 2019

Annexure C to the Independent Auditors' Report

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of independent audit report on the standalone financial statements of even date)

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

We have audited the internal financial controls over financial reporting of North Eastern Electric Power Corporation Limited ('the Company') as of 31st March 2019 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2019:

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

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

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

In our opinion, the company has, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31st March 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2019 standalone Ind AS financial statements of the Company, and these material weaknesses do not affect our opinion on the standalone financial statements of the Company.

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.

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


(T. K. DAS)

Partner

Membership No.: 053080

Place : New Delhi

Date : 20th June, 2019



Part I: Balance Sheet as at 31st March, 2019

(₹ in lakhs)

SI No.	Particulars	Note No.	As at 31 st March 2019	As at 31 st March 2018 (Restated)	As at 1 st April 2017 (Restated)
	ASSETS				
1	Non-Current assets				
	(a) Property, Plant and Equipment	2	616630.06	341039.75	348907.21
	(b) Capital work-in-Progress	3	711874.08	938672.98	799325.64
	(c) Intangible assets under Development	4	10082.50	10082.50	10082.50
	(d) Intangible assets	4A	9776.48	6473.99	4681.85
	(e) Financial Assets				
	(i) Investment	5	2793.00	2793.00	10993.00
	(ii) Loans	6	95.93	107.20	113.96
	(f) Deferred Tax Asset (Net)	7	-	-	-
	(g) Other Non-current Assets	8	21586.28	21236.45	28261.53
	1. Total Non-Current Assets		1372838.33	1320405.87	1202365.69
2	Current assets				
	a) Inventories	9	11083.93	9104.38	13436.19
	b) Financial Assets				
	(i) Trade receivables	10	63453.60	45836.76	44108.15
	(ii) Cash and Cash equivalents	11	6900.43	33049.07	24769.25
	(iii) Bank balances other than (ii) above	12	2957.44	558.85	2158.76
	(iv) Others	13	14404.33	7209.36	6028.43
	c) Current Tax Assets	14	7921.45	9297.15	11824.22
	d) Other Current assets	15	2657.18	1943.02	2039.31
	e) Assets Held For Sale	15A	76.86	131.84	67.69
	2. Total Current Assets		109455.22	107130.43	104432.00
3	3. Regulatory deferral accounts debit balances	16	25034.48	8795.89	5242.28
	Total Assets (1 + 2 + 3)		1507328.03	1436332.19	1312039.97



(₹ in lakhs)

Sl No.	Particulars	Note No.	As at 31 st March 2019	As at 31 st March 2018 (Restated)	As at 1 st April 2017 (Restated)
	EQUITY AND LIABILITIES				
4	Equity				
	(a) Equity Share Capital	17	360981.04	345281.04	345281.04
	(b) Other Equity	18	269147.76	260617.44	243999.31
	(c) Share Application money pending Allotment	18.4	-	9600.00	-
	4. Total Equity		630128.80	615498.48	589280.35
	Liabilities				
5	Non-Current Liabilities				
	a) Financial Liabilities				
	(i) Borrowings	19	661882.06	630906.68	559292.78
	(ii) Trade payables				
	(a) Total outstanding dues of micro enterprises and small enterprises		-	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
	(iii) Other financial liabilities		-	-	-
	b) Provisions	20	15780.51	20226.57	12423.54
	c) Deferred tax liabilities (Net)	7	17655.15	3499.06	3526.12
	d) Other non-current liabilities	21	29332.11	31204.15	31311.40
	5. Total Non-Current Liabilities		724649.83	685836.46	606553.84
6	Current liabilities				
	a) Financial liabilities				
	(i) Borrowings	22	28236.63	20000.00	33275.00
	(ii) Trade Payables	23			
	(a) Total outstanding dues of micro enterprises and small enterprises		645.04	129.55	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6663.44	8646.37	5285.97
	(iii) Other financial liabilities	24	72039.26	59447.93	39121.94
	b) Other current liabilities	25	16051.36	16245.69	14318.83
	c) Provisions	26	17594.39	16583.41	15220.49
	d) Current Tax liabilities	14	11319.28	13944.30	8983.55
	6. Total Current Liabilities		152549.40	134997.25	116205.78
7	7. Regulatory deferral accounts credit balances		-	-	-
	Total Equity and Liabilities (4 + 5 + 6 +7)		1507328.03	1436332.19	1312039.97

Summary of significant accounting policies - Note No. 1

The accompanying notes 1 to 52 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: 20-06-2019

C. Sharma

Company Secretary

M. Shiva Shunmuganathan

Director (Finance)-cum-CFO
DIN: 07551379

A.G. West Kharkongor

Chairman & Managing Director
DIN: 03264625

T. K. Das

Partner
Membership No. 053080

Part II - Statement of Profit and Loss

(₹ in Lakh)

Sl No.	Particulars	Notes	For the period ended 31 st Mar 19	For the period ended 31 st Mar 18 (Restated)
I	Revenue from Operations	27	200703.91	163294.41
II	Other Income	28	10137.28	3172.35
III	Total Income (I + II)		210841.19	166466.76
IV	Expenses			
	(a) Cost of materials consumed	29	56199.59	42632.78
	(b) Employee benefit expense	30	49112.45	41026.61
	(c) Finance costs	31	15704.43	6902.88
	(d) Depreciation and amortization expense	32	35711.48	18305.63
	(e) Other expenses	33	25194.10	20880.92
	Total expenses (IV)		181922.05	129748.82
V	Profit / (loss) before exceptional items, Rate Regulated Activities and tax (III - IV)		28919.14	36717.94
VI	Add : Regulatory Income/(Expense)	16	16238.59	3553.61
VII	Exceptional Items			
VIII	Profit / (loss) before tax (V + VI + VII)		45157.73	40271.55
IX	Tax Expense:			
	(i) Current tax		6222.51	12631.60
	Add : Tax on Regulatory Deferral Accounts		3499.22	1222.44
	Less : MAT Credit		-	895.91
	Net Current Tax		9721.73	12958.13
	(ii) Deferred tax		14042.19	(152.69)
	Total tax expense		23763.92	12805.44
X	Profit / (loss) for the year from continuing operations (VIII - IX)		21393.81	27466.11
XI	Profit / (loss) from discontinued operations		-	-
XII	Tax expense of discontinued operations			
XIII	Profit / (loss) for the year from Discontinued operations (XI - XII)		-	-
XIV	Profit / (loss) for the year/period (X + XIII)		21393.81	27466.11



(₹ in Lakh)

Sl No.	Particulars	For the period ended 31 st Mar 2019	For the period ended 31 st Mar 2018 (Restated)
XV	Other comprehensive income		
A	(i) Items that will not be reclassified to profit and loss		
	(a) Re measurements of the defined benefit plans	325.96	363.00
	(b) Others (specify nature)	-	-
		325.96	363.00
	(ii) Income tax relating to items that will not be reclassified to profit and loss	113.90	125.63
	Sub Total (A): (i) - (ii)	212.06	237.37
B	(i) Items that will be reclassified to profit and loss	-	-
	(ii) Income tax relating to items that will be reclassified to profit and loss	-	-
	Sub Total (B): (i) - (ii)	-	-
	Total other comprehensive income XV = (A+ B)	212.06	237.37
XVI	Total comprehensive income for the period (XIV + XV)	21605.87	27703.48
	Earnings per equity share (for continuing operation before regulatory Deferral Accounts) :		
	(1) Basic (in ₹)	0.24	0.73
	(2) Diluted (in ₹)	0.24	0.73
XVII	Earnings per equity share (for continuing operation after regulatory Deferral Accounts) :		
	(1) Basic (in ₹)	0.60	0.80
	(2) Diluted (in ₹)	0.60	0.80
	The accompanying notes 1 to 52 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: 20-06-2019
Place: New Delhi

C. Sharma
Company Secretary

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

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

T. K. Das
Partner
Membership No. 053080

Cash Flows Statement for the year ended 31st March, 2019

(₹ in Lakh)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018 (Restated)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year including OCI & movements in Regulatory Deferral Account Balances	45,483.69	40,634.55
Less : Movement in Regulatory deferral Account Balances	16,238.59	3,553.61
Profit before Tax	29,245.10	37,080.94
ADD :		
Depreciation & Amortisation	35,711.48	18,305.63
Finance Cost	15,704.43	6,902.88
Loss on Sale of Assets/Asset Write off	3,132.77	569.95
Expenditure towards Regulatory Deferral Account Balances	16,238.59	3,553.61
Foreign Exchange loss	822.86	87.90
Fair value loss	2.37	4.40
	<u>71,612.50</u>	<u>29,424.37</u>
	1,00,857.60	66,505.31
LESS:		
Profit on Sale of Assets	0.24	0.70
Interest/Investment income	84.98	329.00
Foreign Exchange gain	-	-
Fair value gain	-	-
	<u>85.22</u>	<u>329.70</u>
Cash flow from Operating Activities before operating Assets & Liabilities adjustments	1,00,772.38	66,175.61
Changes in operating Assets & Liabilities		
Inventories	(1979.54)	4,331.81
Trade & Other Receivable	(25339.00)	(2962.27)
Other Financial Assets, Loans and Advances	(2531.22)	(75.11)
Other Financial Liabilities & Provisions	<u>2,866.70</u>	<u>19,412.39</u>
	<u>(26,983.06)</u>	<u>20,706.82</u>
Cash flow from operating activities before taxes	73,789.32	86,882.43
Less : Direct Taxes Paid	10,308.00	9,100.00
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	63,481.32	77,782.43
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment	(48,212.77)	(95,363.28)
Financial assets	-	8200.00
Interest income	121.69	270.89
Dividend Income	3.10	15.01
Changes in Regulatory Deferral Account Balances	(16238.59)	(3553.61)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(64,326.57)	(90,430.99)

C. CASH FLOW FROM FINANCING ACTIVITIES (C)		
Equity Share (Pending Allotment)	6,100.00	9,600.00
Proceed from Borrowings	74,163.18	1,15,171.15
Repayment of borrowings	(35,267.25)	(59,112.05)
Dividends & Dividend Tax paid (with adjustment for current tax written back)	(13,077.92)	(11,089.75)
Interest & Finance Charges	(54,822.81)	(35,240.88)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(22904.80)	19,328.47
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(23750.05)	6,679.91
Cash & Cash Equivalents at the beginning of the year	33,607.92	26,928.01
Cash & Cash Equivalents at the close of the year	9,857.87	33,607.92

Explanatory notes to statement of cash flows

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

(₹ in Lakh)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Cash and Cash equivalents	6900.43	33049.07
Bank balances other than above (restricted balance)	2957.44	558.85
	9857.87	33607.92

- Bank balances other than Cash and Cash equivalents consists of restricted money amounting to ₹2957.44 lakhs (Previous years ₹558.85 lakhs), held for Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme) and margin money against LC provided to Bank.
- Previous year figures have been regrouped/rearranged wherever considered necessary.
- Interest & finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹61.39 Lakhs (Previous year ₹52.38) & Guarantee & Commitment fee ₹546.53 Lakhs (Previous year ₹564.97 Lakhs) capitalised during the period on account of Expenditure attributable to construction (EAC).

5. Changes in liabilities arising from financing activities

- Issue of equity instruments during the period amounts to ₹15700.00 lakh, out of which ₹6100.00 lakh received during the period.
- (a): Borrowings ₹74,163.18 lakhs (Previous year ₹1,15,171.15 lakhs) includes net foreign exchange loss of ₹584.45 lakhs (Previous year net foreign exchange loss ₹6,758.18 lakhs).
- (b): Amortisation of bond cost amounting to ₹240.36 lakhs (Previous year ₹232.92 lakhs) adjusted with proceed from borrowings.

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: **20-06-2019**
Place: **New Delhi**

C. Sharma
Company Secretary

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

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

T. K. Das
Partner
Membership No. 053080

Statement of Changes in Equity

A. Equity Share Capital

Period ended 31st March 2018

(₹ in Lakh)

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

Period ended 31st March 2019

(₹ in Lakh)

Balance as at 01-04-2018	Changes in equity share capital during the year	Balance as at 31-03-2019
1	2	3
3,45,281.04	15,700.00	3,60,981.04

B. Other Equity

Period ended 31st March 2018 (Restated)

(₹ in Lakh)

Particulars	Balance as at 01.04.2017	Changes in accounting policy or prior period errors	Restated balance as at 31.03.2017	Total Comprehensive income for the year	Dividends	Transfer to/from retained earnings	Fair Value Adjustment	Balance as at 31.03.2018 (Restated)
	1	2	3	4	5	6	7	8
Retained Earnings	2319.04	4256.11	6575.15	27703.48	11089.75	17334.60	4.40	5858.68
General Reserve	197691.68	-	197691.68	-	-	-	-	197691.68
Bond Redemption Reserve	39732.48	-	39732.48	-	-	17334.60	-	57067.08
Share Application money pending Allotment	-	-	-	-	-	-	-	9600.00

Period ended 31st March 2019

(₹ in Lakh)

Particulars	Balance as at 01.04.2018	Changes in accounting policy or prior period errors	Restated balance as at 31.03.2018	Total Comprehensive income for the year	Dividends	Transfer to/from retained earnings	Fair Value Adjustment	Balance as at 31.03.2019
	1	2	3	4	5	6	7	8
Retained Earnings	5858.68	-	5858.68	21605.87	13863.86	7987.09	788.31	6401.91
General Reserve	197691.68	-	197691.68	-	-	-	-	197691.68
Bond Redemption Reserve	57067.08	-	57067.08	-	-	7987.09	-	65054.17

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: 20-06-2019

Place: New Delhi

C. Sharma
Company Secretary

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

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

T. K. Das
Partner
Membership No. 053080

Note No. 1: Significant Accounting Policies 2018-19

A. Corporate information

North Eastern Electric Power Corporation Limited (“NEEPCO” / “the Company”) is a leading power utility, primarily operating in the North-Eastern Region of India. NEEPCO Ltd, a Central Public Sector Unit (CPSU) wholly owned by the Govt. of India and it is conferred with the Schedule A- Miniratna Category-I CPSE status by the Government of India. The address of the Company’s registered office is Brookland Compound, Lower New Colony, Laitumkhrach, Shillong 793003, Meghalaya. Authorised Capital of the Company is ₹5000 crore. With operation of 7 (seven) **hydro, 3 (three) thermal and 1(one) solar power stations, total installed capacity of NEEPCO stands at 1457 MW. In addition 01 (one) hydro project, namely, Kameng HEP (600 MW) is in advanced stage of commissioning.**

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

B. Basis of preparation

I. Statement of Compliance

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (herein after referred to as “Ind-AS”) as notified by the Ministry of Corporate Affairs pursuant to the section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and the provisions of the Electricity Act, 2003 to the extent applicable.

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

II. Basis of measurement

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Income and Expenses are accounted for on Mercantile Basis, except otherwise stated and disclosed accordingly.

III. Functional and presentation currency

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

IV. Current and Non-current classification

All assets and liabilities have been classified as current or non-current as per Company’s operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or noncurrent classification of assets and liabilities.

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

V. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and reported amount of income and expenses during the period. Actual results may differ from those estimates.

Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the financial statements prospectively and if material, their effects are disclosed in the notes to the financial statements.

Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in Note-D.

VI. Investment in Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

C. Summary of Significant Accounting Policies

1. Property, plant and equipment

- 1.1 An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.
- 1.2 Property, plant and equipment held for use in the production and transmission of power, or for administrative purposes, are stated in the balance sheet at cost, less accumulated depreciation/amortization and impairment loss, if any.
- 1.3 Auxiliaries which are not separately identifiable, but are common to more than one power generating unit are capitalised in the ratio of their respective installed capacity.
- 1.4 PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost, if any, wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
- 1.5 The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on trial/test runs and experimental production is capitalized as an indirect element of the construction cost. However, after commencement of commercial operation, the expenditure incurred is charged to Revenue expenditure, although the contract stipulation provides for final taking over of the plant after successful commissioning of the plant.
- 1.6 Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and major overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalized and the carrying amount of the item replaced is derecognized. Similarly, overhaul costs associated with major maintenance are capitalized.
- 1.7 Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.
- 1.8 Assets over which the Company has control, though created on land not belonging to the Company are included under Property, Plant and Equipment.
- 1.9 Payments made/ liabilities created provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.
- 1.10 Spare parts procured along-with the Plant & Machinery as well as procured subsequently which meets the recognition criteria are capitalized. Other machinery spares are treated as "stores & spares" forming part of the inventory.
- 1.11 Cost of mobile handsets are recognised as revenue expenditure.

- 1.12 An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit & loss or IEDC, as the case may be.

2. Capital work-in-progress

- 2.1 Expenditure incurred on assets under construction is carried at cost under Capital work in Progress. Such costs comprises purchase price of asset including all taxes/duties and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.
- 2.2 Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs including administrative and general overhead costs, if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets. For projects under construction, the project specific IEDC is allocated to its qualifying assets at the time of capitalisation on the basis of Cost Estimate/ Completion Cost of the project.
- 2.3 Capital expenditure incurred to create facilities, over which the Company does not have control and creation of which is essential for construction of the project is carried on under: Capital works in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.
- 2.4 Expenditure against "Deposit works" is accounted for on the basis of statement of accounts received the concerned agency and acceptance by the Company.
- 2.5 Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.
- 2.6 Share of Corporate office and Guwahati office expenditures relating to construction activities are allocated/ apportioned to the projects under construction on the basis of accretion to CWIP.
- 2.7 In case of abandonment/ suspension/ discontinuation of project, the expenditure in relation to the same is expensed/ charged off in the year of such decision.

3. Intangible Assets

- 3.1 Intangible assets acquired separately are measured on initial recognition at cost. Such assets are capitalized when the assets are ready for its intended use. After initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.
- 3.2 Computer software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortization and impairment losses, if any.
- 3.3 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for under "Land-Right to use."
- 3.4 Intangible assets not ready for its intended use as on the date of balance-sheet are disclosed as "Intangible assets under development".

4. Depreciation and amortization:

Depreciation is charged as per Electricity Act, 2003 on straight line method following the rates and methodology notified by the Central Electricity Regulatory Commission constituted under the Act except the followings:

- i. IT equipment (Computers and Peripherals) are being depreciated fully (100%) in three years.
- ii. Computer software is amortised on straight-line method over a period of legal right to use or 03 (three) years, whichever is less.
- iii. "Land-right to use" is fully amortized over the period of useful life of the project from its "Date of commercial operation".
- iv. Where the cost of depreciable assets has undergone a change due to during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, changes in duties and similar factors, the unamortized balances of such assets is depreciated prospectively over the residual life of such asset at the rate and methodology notified by the CERC regulations.
- v. Cost of major repairing and overhauls are depreciated over their useful lives where it is probable that future economic benefits will be available.
- vi. Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.
- vii. Assets/procured installed, whose individual cost is ₹5000/- or less but more than ₹750/- (hereinafter is called Assets of minor value) and assets (excluding immovable assets) whose written down value is ₹5000/- or less at the beginning of the year are full depreciated during the year leaving a nominal balance of ₹1/- only.
- viii. Low value items, which are in the nature of the assets (excluding immovable assets) and value up to ₹750/- are not capitalized and charged off to revenue during the year.
- ix. Depreciation of Corporate/ Administrative office assets and general assets of projects under construction are charged following the rates notified vide CERC tariff regulations.

Depreciation for each class of assets are calculated from the 1st day of the month following the month of its capitalization. For the de-capitalised assets, depreciation is calculated up to the previous month of de-capitalisation.

5. Assets held for sale

Assets classified as "Asset held for sale" at its Net Realisable Value (NRV) subject to fulfillment of its recognition criteria in compliance to the Ind-AS 105, which are as follows:

- NRV is recoverable principally through a sale transaction rather than through continuing use;
- Such assets are available for immediate sale in its present conditions;
- Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets, assets are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected to complete within one year from the date of classification.

6. Impairment of assets

- 6.1 At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is indication that those assets may suffer an impairment loss. If any such indication exists, the recoverable amount (i.e., higher of its fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.
- 6.2 If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognised as impairment loss in the statement of profit & loss.

7. Regulatory deferral accounts

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

- 7.2 Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.
- 7.3 If it is no longer probable that future economic benefit associated with such balances will flow to the Company, such balances are de-recognized.
- 7.4 Regulatory deferral Account Balances are tested for impairment at each Balance sheet date.

8. Foreign Currency Transaction

- 8.1 Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates.
- 8.2 In preparing the financial statements transactions in currencies other than the entity's functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.
- 8.3 Exchange differences on foreign currency borrowings relating to Asset under Constructions for future productive use are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings as per the requirements of Ind AS 23.
- 8.4 Exchange differences on monetary items are recognized in the statement of profit and loss/IEDC, as the case may be, in the period in which they arise.
- 8.5 Exchange differences in respect of liabilities relating to fixed assets/ capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress. Exchange differences arising on translation or settlement of monetary items in respect of transactions entered on or after 1st April, 2004 are recognized as income or expenses in the period in which they arise in the statement of Profit or Loss Account in case of operational power stations and added to the carrying amount of capital work in progress in case of projects under construction.
- 8.6 In accordance with the CERC tariff regulations, every generating company shall recover the foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises, i.e., the Company can recover the foreign exchange rate variation on actual basis when foreign currency loan is repaid after commercial operation date (COD).

9. Provisions, Contingent Liabilities and Contingent Assets

- 9.1 Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- 9.2 The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.
- 9.3 If the effect of the time value of money is material, provision is determined by discounting the expected future cash flow using a current pre-tax rate that reflects the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- 9.4 Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are not recognized but disclosed unless the possibilities of outflow of economic benefits are remote. Contingent liabilities are disclosed on the basis of judgment of management and are reviewed at each balance sheet date to reflect the current management estimate.
- 9.5 Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable.

10. Leases

- 10.1 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.
- 10.2 Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price. All other leases are classified as operating leases.
- 10.3 Lease assets are accounted in accordance with Ind AS 17 and amortised as follows:
 - Leasehold Land, in case of projects under operation, are amortised over the period of lease or useful life of the project, whichever is lower.
 - Leasehold Land, in case of administrative offices, are amortised over the lease period.
 - Leasehold Land, in case of projects under construction are amortised over the period of lease or useful life of the project, whichever is lower, from its "Date of commercial operation".

11. Inventories

- 11.1 Inventories mainly comprise of stores and spare parts to be used for operation and maintenance of Property, Plant and Equipment.
- 11.2 Inventories are valued at costs or net realizable value (NRV), whichever is lower. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.
- 11.3 Value of scrap is adjusted in the account as & when sold/ disposed-off and profit/loss, if any, is recognized in accounts in the year of sell/ disposal.

12. Trade receivable

- 12.1 Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be made within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price.
- 12.2 As the entire sales are made to State Govt. utilities, the Company is not providing for allowance for expected credit loss.
- 12.3 Trade Receivable represents the Company's right to an amount of Consideration that is unconditional (i.e. only the passage of time is required before payment of the Consideration is due)

13. Financial Instruments

- 13.1 Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities.

13.2 Other Financial Assets (Contract Assets)

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

Financial assets comprises of investments in joint venture, advances to employees, trade receivables, cash and cash equivalents, claims recoverable, security deposits etc.

i. Cash or Cash Equivalents

The Company considers all short term Bank deposits, which are readily convertible in to known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage in the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

ii. Financial assets at amortized cost

Financial assets which are initially measured at cost are subsequently measured at amortized costs if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at Fair value through Other Comprehensive Income (OCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding.

iv. Financial assets at Fair value through Profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss.

v. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

vi. Impairment of financial assets

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss.

13.3 Financial liabilities

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

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

ii. De recognition of financial liability

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

14. Borrowing cost

- 14.1 Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction/development or erection of qualifying assets are capitalised to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.
- 14.2 Investment income earned on the temporary investment of specific borrowings pending their expenditure on related qualifying assets is deducted from the borrowing costs eligible for capitalization.
- 14.3 All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred. Borrowing cost includes exchange differences on foreign currency borrowings are adjusted to interest cost.
- 14.4 Prepayment charges on repayment of loan in full will be charged off to the IEDC / Profit & Loss account, as applicable, in the year of repayment itself.

15. Government grants

- 15.1 Government grants are recognized when there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants has actually been received.
- 15.2 The benefits of a government loan at a below market rate of interest is also treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the fair value of the loan based on prevailing market interest rates.
- 15.3 Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.
- 15.4 Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Grants related to income are presented under other income in the statement of profit and loss.

16. Employee Benefits

- 16.1 Employee benefits consist of provident fund, pension, gratuity, post-retirement medical benefit (PRMB), leave benefits and other terminal benefits.
- 16.2 Company contribution paid/payable during the year to Employees Defined Contribution Superannuation Scheme for providing Pension benefit, Provident Fund and Gratuity are accounted for and paid to respective funds which are administered through separate trusts. The Company's liability is actuarially determined for Gratuity, Leave encashment and PMRB at the Balance Sheet date and any further accretion during the year for Gratuity is provided for and that for Leave encashment and PMRB are charged to IEDC or profit & loss, as the case may be.
- 16.3 The expenses incurred on terminal benefits in the form of ex-gratia payments are charged to IEDC or profit & loss, as the case may be in the year of incurrence of such expenses.

17. Income Taxes

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

17.1 Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period.

17.2 Deferred tax

- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income.
- Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

18. Revenue

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

18.1 Revenue from Operations

a) Revenue from Sale of Power

- The Company has applied IND AS 115, Revenue from Contracts with Customers for the first time for annual reporting period commencing 1st April 2018, under Modified Retrospective Method. IND AS 115 establishes a five-step model to account for revenue arising from Contracts with Customers and requires that revenue be recognised at an amount that reflects the Consideration to which an Entity expects to be identical in exchange for transferring goods or services to the Customer.
- Revenue is recognised on transfer of control over the products or services to a Customer, based on the consideration that is specified in a contract with a customer or is expected to be received in exchange for the products or services.
- Sale of Power is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) and in case of power stations where final tariff is yet to be approved by CERC, provisional tariff as agreed by the beneficiaries are adopted. Further for projects for which neither tariff approved by the CERC nor any provisional tariff agreed by the beneficiaries, sale of energy is accounted for on the basis of Annual Fixed Cost (AFC) submitted before the CERC through Tariff Petition. Revenue from sale of power includes sales delivered to customers but not yet billed, commonly referred to as unbilled revenue.
- The incentives/disincentives are recognized based on norms notified by the Central Electricity Regulatory Commission. Accordingly, Rebate for prompt settlement of outstanding receivables (settlement discounts) are netted off with revenue.
- On imposition of power regulation to MeECL (Meghalaya Energy Corporation Limited) for its allocated quantum of electricity, the same has been traded through PTC India Limited as well as Short term Open Access (STOA) and revenue realized there-on has been recognized accordingly.
- Deferred tax liabilities till March, 2009, whenever materializes and recoverable from the beneficiaries as per the CERC tariff regulations, are accounted for on year to year basis

b) Revenue from DSM, RRAS and NERLDC Fees

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

- Revenue from RRAS is recognised based on the weekly Accounts issued by the North Eastern Regional Power Committee (NERPC) which is governed by the Central Electricity Regulatory Commission (Ancillary Services Operations) Regulations 2015 and amendments thereto.
- NERLDC Fees and charges are recognised as revenue as claimed on Beneficiaries for reimbursement, governed by CERC (Terms & Conditions of Tariff) Regulations 2014 and amendments thereto.

18.2 Other Income

- Dividend income from investments are recognized when the right to receive the dividend is established.
- Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Recovery/refund towards foreign currency variation in respect of foreign currency loans as per the CERC tariff regulations are accounted for on year to year basis
- Surcharge recoverable from beneficiaries for late payment of bills on account of sale of electricity and proceeds from renewable energy certificates for green energy are accounted for on cash basis.

19. Earnings Per Share

- 19.1 Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, if any, other than the conversion of potential equity shares, if any that have changed the number of equity shares outstanding, without a corresponding change in resources.
- 19.2 For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

20. Segment Reporting

NEEPCO is in the business of only one product, i.e., generation and selling of electricity. All the projects of NEEPCO are located with the North East Region, i.e., within the same geographical location. NEEPCO has no reportable segment and accordingly, Ind AS 108 – Operating Segment to disclose information about segments is not applicable.

21. Miscellaneous

- 21.1 Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.
- 21.2 Liabilities for pending Capital works executed but not certified are not provided for, pending acceptance by the Company.
- 21.3 Physical verification of Fixed Assets and Inventories are undertaken by the management once in a year. The discrepancies noticed, if any, are accounted for in the year in which such differences are found.

D. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note-B, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical judgments in applying accounting policies:

The following are the critical judgments, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows.

ii. Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

a. Impairment of investments

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b. Provisions

Provisions (excluding retirement benefits, leave encashment and Gold Coin) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

c. Contingent liabilities

Contingent liabilities arising from past events, the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events, not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote

d. Fair value measurements and valuation processes:

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Note No. 2: Property, Plant and Equipment

(₹ in Lakh)

Particulars	Note No	As at 31 st March, 2019	As at 31 st March, 2018	As at 1 st April 2017
Land	37	2600.25	2566.88	1910.20
Buildings		14947.57	13960.11	13075.47
Plant & Equipment		589559.72	314279.25	322674.54
Furniture & Fixture		654.85	651.29	663.48
Vehicles		256.93	293.40	259.78
Office Equipment		1957.37	1887.08	1787.98
Others:				
Electrical Equipment		586.14	596.68	574.06
Road, Bridges, Culvert, Helipad		3397.78	4036.30	5060.94
Tools & Plants		2641.59	2737.55	2874.53
Misc. Equipment		27.85	31.20	26.23
Total		616630.06	341039.75	348907.21

As at March 31, 2019

(₹ in Lakh)

Particulars	Free-hold Land	Buildings	Plant & Equipment	Furniture & Fixture	Vehicle	Office Equipment	Electrical Equipment	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Total
Gross Block as at April 1, 2018	2566.88	25746.71	620682.04	1697.46	677.31	6155.50	1626.63	6329.43	6135.75	182.02	671799.74
Additions	33.37	1792.36	310335.74	69.96	-	373.88	35.81	406.21	91.78	13.48	313152.59
Disposals/Adjustment	-	(2.21)	(596.28)	(4.57)	(0.01)	(61.81)	-	(1095.30)	(2.61)	(14.80)	(1777.59)
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Gross Block as at March 31, 2019	2600.25	27536.86	930421.50	1762.85	677.30	6467.57	1662.44	5640.34	6224.92	180.70	983174.74
Impairment as at April 1, 2018	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications	-	-	-	-	-	-	-	-	-	-	-
Impairment as at March 31, 2019	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2018	-	11786.60	306402.79	1046.17	383.91	4268.62	1029.95	2293.13	3398.20	150.62	330759.99
Charge for the period	-	802.81	34777.13	66.08	36.46	311.72	46.37	163.70	187.06	3.26	36394.59
Disposals	-	(0.12)	(318.14)	(4.25)	-	(70.14)	(0.02)	(214.27)	(1.93)	(1.03)	(609.90)
Other re-classifications	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2019	-	12589.29	340861.78	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	366544.68
Total accumulated depreciation and impairment as at March 31, 2019	-	12589.29	340861.78	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	366544.68
Net block as at March 31, 2019	2600.25	14947.57	589559.72	654.85	256.93	1957.37	586.14	3397.78	2641.59	27.85	616630.06

As at March 31, 2018

(₹ in Lakh)

Particulars	Free-hold Land	Buildings	Plant & Equipment	Furniture & Fixture	Vehicle	Office Equipment	Electrical Equipment	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Total
Gross Block as at April 1, 2017	1910.20	23963.68	612355.25	1671.51	710.98	5827.48	1558.88	7336.52	7219.98	167.51	662721.99
Additions	656.68	1783.92	10066.98	55.96	82.93	422.68	67.75	407.82	106.56	15.49	13666.76
Disposals/Adjustment	-	(0.89)	(1740.19)	(30.01)	(116.60)	(94.65)	-	(1414.91)	(1190.79)	(0.98)	(4589.02)
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Gross Block as at March 31, 2018	2566.88	25746.71	620682.04	1697.46	677.31	6155.50	1626.63	6329.43	6135.75	182.02	671799.74
Impairment as at April 1, 2017	-	-	-	-	-	-	-	-	-	-	-
Other re-classifications	-	-	-	-	-	-	-	-	-	-	-
Impairment as at March 31, 2018	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2017	-	10888.21	289680.71	1008.03	451.20	4039.50	984.82	2275.58	4345.45	141.28	313814.78
Charge for the period	-	898.51	17868.84	65.65	36.81	313.16	45.13	185.03	186.65	10.50	19610.28
Disposals	-	(0.12)	(1146.76)	(27.51)	(104.10)	(84.24)	-	(167.48)	(1133.90)	(0.96)	(2665.07)
Other re-classifications	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2018	-	11786.60	306402.79	1046.17	383.91	4268.42	1029.95	2293.13	3398.20	150.82	330759.99
Total accumulated depreciation and impairment as at March 31, 2018	-	11786.60	306402.79	1046.17	383.91	4268.42	1029.95	2293.13	3398.20	150.82	330759.99
Net block as at March 31, 2018	2566.88	13960.11	314279.25	651.29	293.40	1887.08	596.68	4036.30	2737.55	31.20	341039.75

- Property, plant and equipment (including Capital work-in-progress) has been tested for impairment where indicators of impairment existed. Based on the assessment, the Company do not recognise any impairment charge during the current year and also during the year ended March 31, 2018.
- The Corporation has spent an amount of ₹21536.66 lakhs (previous year ₹22789.06 lakhs) on account of construction of Roads, Bridges and Culvert in respect of project under construction on assets which is not owned by the Corporation. Since this expenditure are essential for setting up the project/asset(s), the same are capitalised.
- Present and future immovable properties of Construction and O&M projects are mortgaged for raising Secured, Redeemable Non-Convertible Bonds Eleventh to Twentieth issue valuing ₹559400.00 lakhs having Charge ID with ROC are 100239598 for ₹30000.00 Lakhs, 100179561 for ₹30000.00 Lakhs, 100151868 for ₹50000.00 Lakhs, 100104890 for ₹30000.00 lakhs, 10603635 for ₹90000.00 lakhs, 10555356 for ₹60000.00 lakhs, 10534076 for ₹250000.00 lakhs, 10466275 for ₹5800.00 lakhs, 10411581 for ₹9600.00 lakhs and 10411580 for ₹4000.00 lakhs. External Commercial Borrowing raised from SBI, Singapore for construction projects is secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant, Agartala and Agartala Gas Turbine Projects-Extension, Agartala. Foreign currency Loan received from KfW, Germany for construction of Pare Hydro Electric Project at Arunachal Pradesh is guaranteed by Govt. of India.
- Interest and finance charge, related to construction projects, amounting to ₹40053.80 lakhs (previous year ₹49787.04 lakhs) has been transferred to IEDC (Ref. Note No-37). This also includes foreign exchange difference credited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹238.40 lakhs (previous year debit ₹6670.28 lakhs). The foreign exchange borrowings are un-hedged.

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

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Assets held under Finance Leases:			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Net carrying amount	-	-	-
Owned assets	616630.06	341039.75	348907.21
Net carrying amount	616630.06	341039.75	348907.21

Note No. 3: Details of CWIP

(₹ in Lakh)

Particulars	As at 1 st April 2018	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 st March 2019	As at 31 st March 2018	As at 1 st April 2017
Building	1253.35	663.80	2.47	(980.30)	939.32	1253.35	1180.64
Temporary Buildings/ Erections	-	5.22	-	(5.22)	-	-	81.78
Roads, Bridges, Culverts & Helipads	23903.28	1504.34	(3441.96)	(278.44)	21687.22	23903.28	22030.90
Electrical Installation	79.11	56.06	-	(4.74)	130.43	79.11	64.45
Water Supply, Sewerage & Drainage	44.59	85.71	(11.75)	(48.69)	69.86	44.59	73.49
Hydraulic works incldg. Dams, Dykes etc.	364199.94	11926.46	28299.87	(156740.50)	247685.77	364199.94	330577.88
Other Civil works	16.90	34.34	-	(29.82)	21.42	16.90	178.09
Power house	43900.74	1384.34	6297.93	(31153.96)	20429.05	43900.74	36771.50
Switch Yard including cable connection	12128.95	643.51	42.54	(3378.28)	9436.72	12128.95	10116.05
Environment & Ecology	17159.77	6.47	(4201.99)	-	12964.25	17159.77	17350.23
Transmission Lines	523.67	845.02	(43.00)	(1325.69)	-	523.67	401.38
Transformer having a rating of 100KV ampere and above	9913.54	886.39	-	-	10799.93	9913.54	6182.07
Survey & Investigation	3785.46	249.63	(267.69)	-	3767.40	3785.46	3662.57
Communication equipment	0.71	1.77	-	-	2.48	0.71	-
Substation	-	-	-	-	-	-	646.00
Plant & Machinery in Generating station	78415.54	6332.01	4843.38	(44785.06)	44805.87	78415.54	58972.43
Steam Turbine	-	-	-	-	-	-	-
Gas Booster Station	390.00	165.15	(0.01)	(477.34)	77.80	390.00	2685.13
Incidental Expenditure during Construction	382957.43	58133.66	(102034.53)	-	339056.56	382957.43	308351.05
TOTAL	938672.98	82923.88	(70514.74)	(239208.04)	711874.08	938672.98	799325.64

Note No. 4: Intangible Assets Under Development

(₹ in Lakh)

Particulars	As at 1 st April 2018	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 st March 2019	As at 31 st March 2018	As at 1 st April 2017
Upfront Premium including Processing fee	10082.50	-	-	-	10082.50	10082.50	10082.50

Note No. 4A: Intangible Assets

(₹ in Lakh)

	As at 31-March-19	As at 31-March-18	As at 1-April-17
Carrying amounts of :			
Software	30.20	53.01	58.72
Right to use (Forest Land)	9746.28	6,420.98	4623.13
Intangible assets under development	-	-	-
	9,776.48	6,473.99	4,681.85

Intangible Assets

As at March 31, 2019

(₹ in Lakh)

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

As at March 31, 2018

(₹ in Lakh)

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

As at March 31, 2017

(₹ in Lakh)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2016	151.17	4,469.05	4,620.22
Additions	16.92	154.08	171.00
Gross Block as at March 31, 2017	168.09	4,623.13	4,791.72
Accumulated Impairment as at April 1, 2016	-	-	-
Charge for the period	-	-	-
Accumulated Impairment as at March 31, 2017	-	-	-
Accumulated amortisation as at April 1, 2016	78.39	-	78.39
Charge for the period	30.98	-	30.98
Accumulated amortisation as at March 31, 2017	109.37	-	109.37
Total accumulated amortisation and impairment as at March 31, 2017	109.37	-	109.37
Net block as at March 31, 2017	58.72	4,623.13	4,681.85

- Compensation paid for forest land of 6120.20 Hectres for setting up of projects (Kameng Hydro Electric Project, Pare Hydro Electric Project and Tuirial Hydro Electric Project) are treated as "Right to use". The land was handed over by respective District administration.
- Expenses incurred on maintenance of software system payable annually are charged to revenue.

Note No. 5: Investment

(₹ in Lakh)

Particular	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Quoted Investments						
TOTAL AGGREGATE QUOTED INVESTMENTS (A)	-	-	-	-	-	-
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
- of joint ventures - jointly controlled entities						
- WARNEEP Solar Pvt Limited (Equity Shares - Fully Paid up)	-	-	-	-	82000000	8200.00
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000	2793.00	27930000	2793.00	27930000	2793.00
TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)	27930000	2793.00	27930000	2793.00	109930000	10993.00
Other Investment	-	-	-	-	-	-
TOTAL other investment (C)	-	-	-	-	-	-
TOTAL INVESTMENTS (A) + (B) + (C)	27930000	2793.00	27930000	2793.00	109930000	10993.00
Less : Aggregate amount of impairment in value of investments						
- of joint ventures - jointly controlled entities						
TOTAL IMPAIRMENT VALUE (D)						
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D)	-	2793.00	-	2793.00	-	10993.00

INVESTMENT IN JOINT VENTURES

(i) The carrying amount and market value of unquoted investments is as follows:

Name of the Companies	Proportion of Ownership interest as at		
	31.03.2019	31.03.2018	01.04.2017
1. WAANEER Solar Private Limited	-	-	40%
2. KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Unquoted			
Aggregate carrying amount of unquoted investments	2,793.00	2,793.00	10993.00
Total carrying amount	2,793.00	2,793.00	10,993.00

(i) The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

(ii) **Investment in WARNEEP Solar Pvt Limited:** 50 MW Solar power Project has been developed by WAANEER solar Private Limited as a joint venture between WAAREE Energies Ltd. and NEEPCO Ltd. The Project was commissioned on 15th June 2015. Another 50 MW Solar Power Project is being set up in the state of Andra Pradesh. During the FY 2017-18, the management has discontinued from the Joint Venture Company.

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

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

Note No. 6: Loans

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Loans and Advances to employees			
- Secured, considered good	95.93	107.20	113.96
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less : Allowance for bad and doubtful advances	-	-	-
TOTAL (A)	95.93	107.20	113.96

- (i) Loan & Advances to employees includes Interest bearing Computer Advance and interest free Furniture Advance and Multipurpose Advance. Computer advance & Furniture advance are recovered from employees in 60 equal installments whereas Multipurpose Advance is recovered in 12 installment.
- (ii) There are no outstanding debts from directors or other officers of the Company.
- (iii) The above loans and advances have been given as per the norms of the Corporation on recoverable basis.

Note no. 7: Deferred tax balances

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Regulatory Income / (Expense)	16238.59	3553.61	7775.40
Tax rate	34.944%	34.608%	34.608%
DTL / (DTA)	5674.41	1229.83	2690.91
Deferred Tax Liability	73786.12	62668.43	61479.07
From OCI	113.90	125.63	(113.22)
Less : Deferred Tax Asset	12049.90	13264.81	10072.91
Less : Deferred Tax Recoverable	44194.97	46030.19	47766.82
Add: DTL / (DTA) for Regulatory Income/Expense	5674.41	1229.83	2690.91
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	5674.41	1229.83	2690.91
Net Defer Tax (Asset)/ Liability	17655.15	3499.06	3526.12

Deferred Tax as on 31.03.2019

(₹ in Lakh)

Deferred Tax Reconciliation	As at March 31, 2019	As at March 31, 2018	Effect in PL
Deferred Tax Liability	(73786.12)	(62794.06)	10992.06
Deferred Tax Asset as per Ind AS	12049.90	13264.81	1214.91
Net Deferred Tax Liability	(61736.22)	(49529.25)	12206.97
Less Deferred Tax Recoverable	44194.97	46030.19	1835.22
Add: DTL / (DTA) for Regulatory Income/Expense	5674.41	1229.83	(4444.58)
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	5674.41	1229.83	(4444.58)
Net (Liability)/Asset	(17541.25)	(3499.06)	14042.19
Effect in PL			14042.19

Deferred Tax as on 31.03.2018*(₹ in Lakh)*

Deferred Tax Reconciliation	As at March 31, 2018	As at March 31, 2017	Effect in PL
Deferred Tax Liability	(62,668.43)	(61,365.85)	1302.58
Deferred Tax Asset as per Ind AS	13264.81	10,072.91	(3191.90)
Net Deferred Tax Liability	(49403.62)	(51,292.94)	(1889.32)
Less Deferred Tax Recoverable	46030.19	47,766.82	1736.63
Add: DTL / (DTA) for Regulatory Income/Expense	1229.83	2,690.91	1461.08
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	1229.83	2690.91	1461.08
Net (Liability)/Asset	(3373.43)	(3526.12)	(152.69)
Effect in PL			(152.69)

Deferred Tax as on 31.03.2017*(₹ in Lakh)*

Deferred Tax Reconciliation	As at March 31, 2017	As at March 31, 2016	Effect in PL
Deferred Tax Liability	(61479.07)	(56,178.04)	5301.03
Deferred Tax Asset as per Ind AS	10072.91	8,702.18	(1370.73)
Net Deferred Tax Liability	(51406.16)	(47,475.86)	3930.30
Less Deferred Tax Recoverable	47766.82	49,265.99	1499.17
Add: DTL / (DTA) for Regulatory Income/Expense	2690.91	166.05	(2524.86)
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	2690.91	166.05	(2524.86)
Net (Liability)/Asset	(3639.34)	1790.13	5429.47
Effect in PL			5429.47

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

(₹ in Lakh)

2018-19 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	62794.06	10992.06	73786.12
Employees Benefits	(12739.20)	1076.68	(11662.52)
Provisions for Others	(525.61)	138.23	(387.38)
Deferred Tax Recognised in OCI	-	-	113.90
Deferred Tax Recoverable	(46030.19)	1835.22	(44194.97)
Total	3499.06	14042.19	17655.15

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

(₹ in Lakh)

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

Note No. 8: Other non-current assets

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital Advances			
Secured :			
Covered By Bank Guarantee	290.72	726.17	2628.21
Un-Secured :			
Others	15281.23	14253.69	19194.31
Considered Doubtful	41.28	41.28	41.28
Less: Allowances for bad & doubtful advances	<u>41.28</u>	<u>41.28</u>	<u>41.28</u>
Sub- total	15281.23	14253.69	19194.31
Advances towards Land	-	33.37	21.42
Prepayments (Leasehold Land)	<u>6014.33</u>	<u>6223.22</u>	<u>6417.59</u>
Sub-total	6014.33	6256.59	6439.01
Total	21586.28	21236.45	28261.53

- (i) Capital advances comprises of Mobilisation Advance and Plant & Machinery advance given to contractor in respect of Construction Projects. The advances are recovered from the contractors bills.
- (ii) The Company has taken land under operating leases. There is no Minimum Lease Rental Payment for such non-cancellable operating lease entered into by the company.
- (iii) (a) During the year ended March 31, 2019, amortisation of lease recognised in the statement of profit and loss is ₹208.89 lakhs (Previous year ₹194.37 lakhs).
- (b) Significant leasing arrangements include lease of land for periods ranging between 30 years to 99 years as well as perpetual lease with renewal option.

Note No. 9: Inventories (At lower of cost or Net Realisable Value)

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) General Stores			
(1) Cost	974.90	1088.10	1211.09
(2) Less : Provision	49.72	52.59	52.70
(b) Operational stores			
(1) Cost	10680.23	8591.35	12430.83
(2) Less : Provision	521.48	522.48	153.03
Total Inventories	11083.93	9104.38	13436.19
Included above, goods-in-transit			
I) General Stores	-	-	-
II) Operational Stores	39.36	0.70	1910.86
Total Goods in transit	39.36	0.70	1910.86

Note No. 10: Trade receivables

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade Receivables considered good - Secured	-	-	-
Trade Receivables considered good - Unsecured	63453.60	45836.76	44108.15
Trade Receivables which have significant increase in Credit Risk	-	-	-
Trade Receivables - credit impaired	-	-	-
Allowance for doubtful debts	-	-	-
TOTAL	63453.60	45836.76	44108.15

- (i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.
- (ii) Where no due date is specifically agreed upon, the normal credit period allowed by the Company is in compliance to the CERC regulations / Guidance.
- (iii) Where a trade receivable has been provided for, such provision could be dictated by prudence, but one could still expect to realise the amount within 12 months from the balance sheet date. Under such circumstances, the said trade receivable is classified as current. Where, however, there is no expectation to realise the amount within the next twelve months period, the same needs to be classified as non-current along with the provision made for the same.
- (iv) Changes in Trade Receivables

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening Balance	45836.76	44108.15	101609.73
Add:: Net Revenue Recognised but not realised during the year	17616.84	1728.61	(57501.58)
Closing Balance	63453.60	45836.76	44108.15

- (v) Trade receivables are further analysed as :

(₹ in Lakh)

As at March 31, 2019	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	25958.89	-	25958.89
More than 60 days up to six months	10575.67	-	10575.67
More than six months	26919.04	-	26919.04
TOTAL	63453.60	-	63453.60

(₹ in Lakh)

As at March 31, 2018	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	23913.06	-	23913.06
More than 60 days up to six months	6991.38	-	6991.38
More than six months	14932.32	-	14932.32
TOTAL	45836.76	-	45836.76

(₹ in Lakh)

As at April 1, 2017	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	22910.16	-	22910.16
More than 60 days up to six months	8455.01	-	8455.01
More than six months	12742.98	-	12742.98
TOTAL	44108.15	-	44108.15

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2019 to be ₹63453.60 lakhs (March 31, 2018: ₹45836.76 lakhs, April 1, 2017: ₹44108.15 lakhs), which is the fair value of trade receivables after allowance for credit losses. The Company's exposure to customers is diversified and except MeECL (Meghalaya), no single customer contributes to more than 10% of outstanding dues (i.e. more than 60 days) accounts receivable as at March 31, 2019.

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

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balance at the beginning of the period	-	-	-
Additions during the period	-	-	-
Utilised during the period	-	-	-
Balance at the end of the period	-	-	-

In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Note No. 11: Cash and Cash Equivalents

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	6899.80	11998.27	5368.36
(ii) In Deposit Account (original maturity less than 3 months)	-	21050.00	19400.00
(b) Cheques, drafts on hand	-	-	-
(c) Cash in hand	-	-	-
(d) Others	0.63	0.80	0.89
Cash and cash equivalents as per balance sheet	6900.43	33049.07	24769.25
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account	-	-	-
(ii) In Deposit Account	-	-	-
Total	6900.43	33049.07	24769.25

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

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Restricted Money	2957.44	558.85	2158.76
Total	2957.44	558.85	2158.76

- (i) Bank balances other than Cash & cash Equivalent consists of restricted money for project relating to Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme) and margin money against LC provided to Bank.
- (ii) The cash and bank balances as above are primarily denominated and held in Indian rupees.
- (iii) **Deen Dayal Upadhyaya Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme)**
Cash & Bank balances of ₹9857.97 lakhs (previous year ₹33607.92 lakhs) includes an amount of ₹174.94 lakhs (previous year ₹172.66 lakhs) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yojana and an amount of ₹2395.03 Lakhs (Previous year Nil) received from Rural Electrification Corporation Limited towards eligible fund for implementation of Saubhagya Scheme works in Sepahijala and South Tripura district of Tripura.

Note No. 13: Others

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
a) Accounts Receivables			
- Secured, considered good	-	-	-
- Unsecured, considered good	9627.02	1894.81	4211.05
- Doubtful	-	-	-
Advance tax refundable	3543.06	3,552.14	
Advances to staff	507.06	994.44	1090.27
Interest accrued on loans and deposits	625.30	665.11	622.01
Security Deposits	101.89	102.86	105.10
TOTAL	14404.33	7209.36	6028.43

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Interest accrued on deposits and loans			
Unsecured, considered good	625.30	665.11	622.01
Unsecured, considered doubtful	-	-	-
Less: Allowance for credit losses	-	-	-
Other financial assets			
Advances to staff	507.06	994.44	1090.27
Security Deposits	101.89	102.86	105.10

- (i) Accounts receivables comprises of deferred Tax recoverable amounting to ₹1835.23 lakhs, amount to be billed to the beneficiaries namely Tripura(for TGBPP): ₹2911.09 lakhs, Mizoram (for TrHEP): ₹1250.02 lakhs and FERV reimbursable ₹2285.39 lakhs and amount receivable from REC towards implementation of DDUGJY scheme amounting to ₹1345.29 lakhs.
- (ii) Interest on Deposits and Loans include Interest on STDR and Interest accrued on Advances to Contractors.
- (iii) There are no outstanding debts due from directors or other officers of the Company.
- (iv) Loan & Advances to employees includes Interest bearing Computer Advance and interest free Furniture Advance and Multipurpose Advance. Computer advance & Furniture advance are recovered from employees in 60 equal instalments whereas Multipurpose Advance is recovered in 12 installments.
- (v) Security deposits are primarily consists of Deposit against BSNL Lines, Gas Connection, Cable Connection etc. which will be refunded on surrender of services provided by service providers.

(iv) Changes in Account Receivables

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening Balance	1894.81	4211.05	1429.00
Add:: Net Revenue Recognised but not realised during the year	7732.22	(2316.24)	2782.05
Closing Balance	9627.03	1894.81	4211.05

Note No. 14: Current tax assets and liabilities

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-	-
Tax refund receivables	7921.45	9297.15	11824.22
TOTAL	7921.45	9297.15	11824.22
Current tax liabilities			
Income Tax payable	11319.28	13944.30	8983.55
TOTAL	11319.28	13944.30	8983.55

Current Tax assets relates to advance Tax paid during the year. Current Tax liabilities relates to Tax computed as per IT Act.

Note No. 15: Other current assets

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid Expenses	1875.07	962.63	988.01
Advances to Suppliers & Contractors	635.69	833.97	905.11
Less: Allowances for doubtful	<u>47.41</u>	<u>47.41</u>	<u>47.64</u>
Prepayments (Lease hold land)	193.83	193.83	193.83
Scrap / Obsolete assets	352.38	335.69	-
Less: Provisions	<u>352.38</u>	<u>335.69</u>	<u>-</u>
Total	2657.18	1943.02	2039.31

- (i) Prepaid Expenses consists of amount paid in advance in respect of prepaid insurance, License fee (pollution control) & BSNL lease line for Internet, the benefit of which has not yet expired on reporting date. Prepaid expenses of items of ₹20000/- and below are charged to natural head of accounts.
- (ii) Advances to suppliers & contractors are the short term advances to be recovered within 12 months from the bills. The advances are given as stipulated under the work/supply order.

Note No. 15A: Assets held for sale

(₹ in Lakh)

Description of the non-current asset	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Plant & Equipment	105.69	591.51	577.22
Furniture & Fixture	-	-	-
Vehicles	8.71	48.31	-
Office Equipment	-	0.53	-
Tools & Plants	56.20	55.66	-
Misc. Equipment	2.56	2.56	-
Gross value of Assets held for sale	173.16	698.57	577.22
Less: Provision	96.30	566.72	509.53
NRV for Assets held for sale	76.86	131.84	67.69

Assets classified as "Asset held for sale" at its Net Realisable Value (NRV) subject to fulfillment of its recognition criteria in compliance to the Ind-AS 105, which are as follows:

- NRV is recoverable principally through a sale transaction rather than through continuing use
- Such assets are available for immediate sale in its present conditions;
- Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets, assets are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected to complete within one year from the date of classification.

Note No. 16: Regulatory Deferral Accounts Debit Balance

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
(i) Employees benefit expenses - gratuity			
Opening Balance	4793.47	-	-
Addition during the period	-	4793.47	-
Realized/Adjustment during the period	-	-	-
Closing balance	4793.47	4793.47	-
ii) Depreciation - Turrial HEP			
Opening Balance	-	-	-
Addition during the period	5724.17	-	-
Realized/Adjustment during the period	-	-	-
Closing balance	5724.17	-	-
(iii) Deferred Tax adjustment against deferred tax liabilities			
Opening Balance	4002.42	5242.28	(2533.12)
Addition during the period	14935.01	(1239.86)	7775.40
Closing balance	18937.43	4002.42	5242.28
(iv) Estimated impact on AFC (tariff)			
Opening Balance	-	-	-
Addition during the period	(4420.59)	-	-
Total (i) + (ii) + (iii)	25034.48	8795.89	5242.28

- i) Deferral Regulatory Account Balance has been adjusted in line with Accounting Policy No-7. Refer Note No. 41 for detailed disclosure.
- ii) Estimated impact on AFC (tariff) is due to Add Cap as allowed by CERC as against actually executed during 2014-19.

Note No. 17: Equity Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Equity Share Capital	3,60,981.04	3,45,281.04	3,45,281.04
TOTAL	3,60,981.04	3,45,281.04	3,45,281.04

Authorised Share Capital

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
5,00,00,00,000 nos. of equity shares of ₹10/- each (Previous year 5,00,00,00,000 nos. of equity shares of ₹10/- each)	5,00,000.00	5,00,000.00	5,00,000.00
Issued and Subscribed capital comprises :			
3,60,98,10,400 nos. as on March '19:			
3,45,28,10,400 nos. as on March '18 & 1 st April '17:	3,60,981.04	3,45,281.04	3,45,281.04
of equity shares of ₹10/- each			
Total	3,60,981.04	3,45,281.04	3,45,281.04

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

Particulars	As at March 31, 2019					
	Opening balance as on 01.04.2018		Movement during 2018-19		Closing Balance as on 31.03.2019	
	No. of shares	₹in Lakhs	No. of shares	₹in Lakhs	No. of shares	₹in Lakhs
Ordinary shares of ₹10 each						
At beginning of the year	3,45,28,10,400	3,45,281.04	15,70,00,000	15,700.00	3,60,98,10,400	3,60,981.04
Shares allotted during the year	-	-	-	-	-	-
	3,45,28,10,400	3,45,281.04	15,70,00,000	15,700.00	3,60,98,10,400	3,60,981.04

The Corporation has received an amount of ₹6100.00 lakhs (previous year ₹9600.00 lakhs) towards Equity share contribution from Govt. of India during the period ended 31st March 2019. Further, the Share Certificate in respect of ₹9600.00 lakhs received on 31st March 2018 has been allotted in the name of the President of India in the month of April 2018.

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

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares
Hon'ble President of India	3,60,98,09,800	100	3,45,28,09,800	100	3,45,28,09,800	100

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

Note No. 18: Other equity

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
General Reserve	197691.68	197691.68	197691.68
Retained earnings	6401.91	5858.68	6575.15
Bond redemption reserve	65054.17	57067.08	39732.48
Total	269147.76	260617.44	243999.31

18.1 General Reserve

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Balance at the beginning of the year/period	197691.68	197691.68	197691.68
Movements	-	-	-
Balance at the end of the year/period	197691.68	197691.68	197691.68

18.2 Retained Earnings

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Balance at the beginning of the year/period	5858.68	6575.15	6001.78
Profit attributable to owners of the Company	21393.81	27466.11	29022.79
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	212.06	237.37	(213.92)
FV loss adjustment	2.37	4.40	4.74
Payment of dividends on equity shares	11500.00	9214.00	11017.00
Excess tax provision written back	785.94	-	-
Related income-tax on Dividend	2363.86	1875.75	2242.80
Transfer to Bond Redemption Reserve	7987.09	17334.60	14980.44
Balance at the end of the year/period	6401.91	5858.68	6575.15

18.3 Bond Redemption Reserve

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Balance at the beginning of the year/period	57067.08	39732.48	24752.04
Movement during the year/period	7987.09	17334.60	14980.44
Balance at the end of the year/period	65054.17	57067.08	39732.48

The nature of reserves are follows:

- (a) **General Reserve:** Under the erstwhile companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.
- (b) **Bond Redemption Reserve:** In accordance with the applicable provision of the Companies Act 2013 read with Rules, the Company appropriates out of the profit "Bond Redemption Reserve" on a prudent basis every year to the extent of 25% of the value of bonds prior to the year of redemption of bonds.

(c) Note on Re-statement of Financial Statement

- A. During the Financial Year 2018-19, the Company has restated its financial statement for the FY 2017-18 & earlier years for prior period years retrospectively in Compliance to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates & Errors. The said restatement is due to reason that during the Financial Year 2018-19, the Company has adopted the provision of the CERC Regulations for the purpose of computation of deferred adjustment for deferred tax liability as the same would get adjusted in effective tax rates in future years. Accordingly, the Company has presented a third balance sheet as at the beginning of the preceding period (i.e. as on 01.04.2017) in compliance to the Ind AS 1 for comparative information due to retrospective restatement in addition to the balance sheet, statements of profit and loss, cash flows and statements of changes in equity and related notes for the year ended 31.03.2018 and 31.03.2019.

B. Impact of the rectification are as follows:

1. FY 2015-16
Regulatory Income increased by ₹479.81 lakhs having impact of equivalent amount on PBT as on 31.03.2016
2. FY 2016-17
Movement in Regulatory deferral accounts balance increased by ₹7775.40 lakhs having impact of equivalent amount on PBT as on 31.03.2017
3. FY 2017-18
Movement in Regulatory deferral accounts balance decreased by ₹1239.86 lakhs having impact of equivalent amount on PBT as on 31.03.2018
4. The amount of correction at the beginning of earliest period presented i.e. as on 01.04.2017 are as follows -
Net Worth increased by ₹4256.11 lakhs
Regulatory Deferral Account Debit Balance increased by ₹5242.28 lakhs
Current Tax Liability increased by ₹986.17 lakhs

18.4 Share Application money pending allotment

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Share application money pending allotment	-	9600.00	-

Non-current liabilities

Financial Liabilities

Note no. 19 Long term borrowings

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
1. SECURED BORROWINGS			
A. PRIVATELY PLACED PSU BONDS			
a. Twentieth issue	30000.00	-	-
Less : Bond expense amortization	28.40	-	-
Bond - Twentieth issue (Net)	29971.60	-	-
7 years NEEPCO 9.50% Secured, Redeemable, Non-Convertible, Taxable Bonds of Rs.10,00,000 each, redeemable at 25% of face value on 29-05-2024, 29-11-2024, 29-05-2025 & 29-11-2025 with Call Option on 29-11-2023, 29-05-2024, 29-11-2024, 29-05-2025. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			
b. Nineteenth issue	30000.00	30000.00	-
Less : Bond expense amortization	29.48	31.67	-
Bond - Nineteenth issue (Net)	29970.52	29968.33	-
10 years NEEPCO 8.75% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 25% of face value on 06-09-2026; 06-03-2027; 06-09-2027 & 06-03-2028 with call option on 06-03-2023, 10-08-2023, 10-02-2024, 10-08-2024, 10-02-2025, 10-08-2025, 10-02-2026, 10-08-2026, 10-02-2027, 10-08-2027, 10-02-2028. (The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			
c. Eighteenth issue	50000.00	50000.00	-
Less : Bond expense amortization	32.73	36.33	-
Bond - Eighteenth issue (Net)	49967.27	49963.67	-
8 years NEEPCO 7.68% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 50% of face value on 15-05-2025 & 15-11-2025 with call option on 15-11-2022, 15-05-2023, 15-11-2023, 15-05-2024, 15-11-2024, 15-05-2025. (The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			

d. Seventeenth issue	30000.00	30000.00	30000.00
Less: Bond expense amortization	15.10	24.24	30.05
Bond - Seventeenth issue (Net)	29984.90	29975.76	29969.95
<p>3 years 2 months NEEPCO 7.80% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at par on 27-05-2020.</p> <p>(The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).</p>			
e. Sixteenth Issue	90000.00	90000.00	90000.00
Less: Bond expense amortization	58.66	62.39	65.93
Bond - Sixteenth issue (Net)	89941.34	89937.61	89934.07
<p>15 years NEEPCO 8.68% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 30-09-2026; 30-09-2027; 30-09-2028; 30-09-2029 & 30-09-2030.</p> <p>(The assets attached to the earth as well as other movable assets of the Tuirial Hydro Electric Project in Mizoram, Kopili Hydro Electric Project in Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee)</p>			
f. Fifteenth issue	60000.00	60000.00	60000.00
<p>10 years NEEPCO 9.15% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 25-03-2021; 25-03-2022; 25-03-2023; 25-03-2024 & 25-03-2025.</p> <p>(The assets of the Agartala Gas Turbine Project (original open-cycle plant) in Tripura, assets except the Gas Turbines & Steam Turbines in the Assam Gas Based Project, Assam, assets except Plant & Machinery in the generating station in the Ranganadi Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).</p>			
g. Fourteenth issue	250000.00	250000.00	250000.00
<p>10 years NEEPCO 9.60% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 20% of face value on 01-10-2020; 01-10-2021; 01-10-2022; 01-10-2023 & 01-10-2024.</p> <p>(The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).</p>			

h. Thirteenth issue 10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020; 15-03-2021, 15-03-2022 & 15-03-2023. (The Steam Turbines of the Assam Gas Based Power Plant, Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).	4350.00	5800.00	7250.00
i. Twelfth issue 10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019; 27-06-2020; 27-06-2021 & 27-06-2022. (All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).	7200.00	9600.00	12000.00
j. Eleventh issue 10 years NEEPCO 10.20% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at par on 15-12-2021 with a put & call option on 15-12-2018. (The Gas Turbines of the Assam Gas Based Power Project, Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).	4000.00	4000.00	4000.00
Sub-total : Privately Placed PSU Bonds (A)	555385.63	529245.37	453154.01
B. SECURED TERM LOANS			
Foreign Currency Loan External Commercial Borrowing [Secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant, Agartala and Agartala Gas Turbine Projects-Extension, Agartala. [SBI, Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin (margin has been reduced to 2.75% p.a. w.e.f 20 th March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 th June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	26606.05	31689.49	38239.21
Sub- total Secured Loans (B)	26606.05	31689.49	38239.21
Total : Secured Borrowings (A+B)	581991.68	560934.86	491393.23
2.UNSECURED BORROWINGS			
(i) Rupee Loan Subordinate Loans from Government of India Less: Amortization of Loan Expenses Subordinate Loan from the Government of India (net) (Govt of India has sanctioned subordinate loan of ₹29196.42 lakhs at the interest rate of 1 % p.a . The loan was sanctioned on various date with last drawal on 6 th July 2015. The loan is repayable in 15 equal annual installments from the 16 th year after commissioning of the Tuirial Hydro Electric Project, Mizoram) i.e from 30 th January 2018.	29196.42 75.98 29120.44	29196.42 78.29 29118.13	29196.42 79.68 29116.74

(ii) Foreign Currency Loan			
Loan from KfW, Germany	50769.94	40853.69	38782.81
(Guaranteed by the Govt. of India)			
Loan sanctioned for construction of the Pare Hydro Electric Project (110 MW) at Arunachal Pradesh.			
(Loan of 80 million and 20 million EURO was sanctioned from KfW, Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 th December 2008 & 20 th December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guaranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayable in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively.)			
Total Unsecured Borrowing (i + ii)	79890.38	69971.82	67899.55
GRAND TOTAL : Non-Current Liabilities	661882.06	630906.68	559292.78

The maturity profile of borrowings is as follows:

Contractual maturities	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
In one year or less or on demand	15,088.86	14,821.69	10,343.72
Between one & two years	1,09,421.09	14,821.69	14,193.72
Between two & tree years	82,643.49	1,06,821.69	14,193.72
Between three & four years	78,643.49	8,0821.69	1,06,193.72
Between four & five years	73,019.79	76,821.69	80,193.72
More than five years	3,18,394.55	3,51,851.65	3,44,691.97
Total contractual cash flows	6,77,211.27	6,45,960.10	5,69,810.57
Less: Capitalisation of transaction costs	Nil	Nil	Nil
Total Borrowings	6,77,211.27	6,45,960.10	5,69,810.57

Note No. 20: Long Term Provisions

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Gratuity	-	6,563.29	1,268.54
Provision for Leave encashment	10,073.45	8,478.08	7,229.86
Medical benefit for retired employees	5,550.27	5,034.81	3,799.52
Award of Gold Coin	156.79	150.39	125.62
Total	15,780.51	20,226.57	12,423.54

The provision for employee benefits includes gratuity, Leave Encashment, Post retirement medical benefit, Gold Coin at retirement. The increase/ decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year. For disclosure on Acturial Valuation as Per Ind AS19 refer note no.20A.

1. Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The major defined contribution plans operated by the Company are as below:

a) Provident fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. Company pays fixed contribution at predetermined rates to the Provident Fund Trust, which invests the fund in permitted securities as per Government guidelines. The Companies contribution to the fund for the period was ₹3461.83 lakhs (previous year ₹3281.28 lakhs). The investment has earned sufficient interest to pay the same to the member as per the rate specified by the Government of India.

b) Superannuation fund

In terms of the Guidelines of Department of Public Enterprise (DPE), Govt. of India (GoI) issued vide O.M. no. 2(70)/08-DPE (WC)/ GL-xiv/08 dt. 26.11.2008 and OM. No. 2(70)/08-DPE (WC) / GL-vii/09 dt. 02.04.2009, the Company has formulated the NEEPCO Employees Defined Contribution Superannuation Benefit Scheme.

The Companies contribution to the trust managing this scheme for the period was ₹2360.57 lakhs (previous year ₹2298.55 lakhs).

2. Defined benefit plans

a. Retiring gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹20.00 lakhs, on superannuation, resignation, termination, disablement or on death. The liability for the same is recognized on the basis of actuarial valuation.

The Board of Directors in their meeting held on 01.04.2013 has approved the creation of Gratuity Fund Trust vide its Resolution No.195/16 dt.1.4.2013 in order to meet the requirement of funds for payment of Gratuity to the employees separated from the services of the Corporation. Accordingly NEEPCO Employees Group Gratuity Assurance Fund Trust has been constituted on 25th June 2013 and a Master Policy, named as North Eastern Electric Power Corporation Ltd Employees Group Gratuity-cum-Life Assurance (cash accumulation) Scheme, has been taken from the Life Insurance Corporation of India on 5th August 2013.

b. Post-Retirement Medical Benefit scheme

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

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

c. Gold Coin on Superannuation

To nurture a good organizational culture and appreciate the sincere services rendered by the employee, the Corporation is providing a Gold Coin to the retiring employee on the date of retirement. The liability for the same is recognized on the basis of actuarial valuation.

3. Other Employee benefit

a. Leave

The Company provides for earned leave benefits (including compensatory absences) and half pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave account is maintained in one section only i.e. en-cashable. On Superannuation/ separation of the employee from the Corporation, entire leave (Earned leave & Maximum 240 days Half Pay Leave) subject to a ceiling of 300 days will be en-cashable. Half pay leave cannot be commuted. The cash equivalent payable for Half Pay Leave would be equal to leave salary as admissible for half pay plus Dearness Allowance.

b. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company makes a matching contribution to the scheme. The objective of the scheme is to provide cash benefits to the dependent beneficiaries in the event of the death of an employee of the Company while in service including permanent total disablement leading to cessation of employment.

Note No. 20A: Disclosures As Per Ind AS19

Actuarial Valuation of Gratuity Liability

Scale of Benefit

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

Amt in ₹

31/03/2018	Actuarial Basis used in Valuation	31/03/2019
7.70%	Interest Rate	7.43%
7.00%	Salary Inflation	7.00%
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE		ULTIMATE
1.00%	Attrition Rate	1.00%

31/03/2018	Results of Valuation	31/03/2019
2090203056.00	Liability to be shown in Balance Sheet	2019350713.00
1091171948.00	Charges to Profit/Loss for the Period	180485201.00
(109127109.00)	Other comprehensive Income	(24283974.00)

31/03/2018	Changes in Present Value of Obligation as at	31/03/2019
1206657562.00	Present value of obligation as on last valuation	2090203056.00
112573260.00	Current Service Cost	118670264.00
92912632.00	Interest Cost	144156547.00
N/A	Participant Contribution	N/A
957890909.00	Plan Amendments : Vested portion at the end of period (Past Service)	-
(25714932.00)	Actuarial gain/loss on obligations due to change in Financial Assumption	33377547.00
(254116375.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(67042176.00)
0.00	Actuarial gain/loss on obligations due to Other reason	0.00
0.00	Benefits Paid	300014525.00
2090203056.00	Present value of obligation as on valuation date	2019350713.00
2695438728.00	Accrued Gratuity	2663410882.00

31/03/2018	Changes in Fair Value of Plan Assets as at	31/03/2019
937725372.00	Fair value of Plan Assets at Beginning of period	1108231632.00
72204854.00	Interest Income	82341610.00
269005605.00	Employer Contributions	982653137.00
	Benefits Paid	300014525.00
(170704199.00)	Return on Plan Assets excluding Interest Income	(9380655.00)
1108231632.00	Fair value of Plan Assets at End of measurement period	1863831199.00

31/03/2018	Reconciliation to Balance Sheet	31/03/2019
(981971424.00)	Funded Status	(155519514.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
1108231632.00	Fund Asset	1863831199.00
2090203056.00	Fund Liability	2019350713.00

31/03/2018	Plan Assumptions	31/03/2019
7.70%	Discount Rate	7.43%
7.70%	Expected Return on Plan Asset	7.43%
7.00%	Rate of Compensation Increase(Salary Inflation)	7.00%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	10
10	Average Duration of Liabilities	10
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate		Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60
0.100%	Early Retirement & Disablement (All Causes Combined)	0.100%
0.06%	Above age 45	0.06%
0.03%	Between 29-45	0.03%
0.01%	below age 29	0.01%
NA	Voluntary Retirement	NA

31/03/2018	Expense Recognized in statement of Profit/Loss as at	31/03/2019
112573260.00	Current Service Cost	118670264.00
20707779.00	Net Interest Cost	61814937.00
1091171948.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	180485201.00

31/03/2018	Other Comprehensive Income	31/03/2019
(25714932.00)	Actuarial gain/loss on obligations due to Unexpected Experience	33377547.00
(254116375.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(67042176.00)
(279831307.00)	Total Actuarial (gain)/losses	(33664629.00)
(170704199.00)	Return on Plan Asset, Excluding Interest Income	(9380655.00)
(109127109.00)	Balance at the end of the Period	(24283974.00)
(109127109.00)	15088.86	(24283974.00)

31/03/2018		Sensitivity Analysis	31/03/2019	
Increase	Decrease		Increase	Decrease
2026751831.00	2153929010.00	Discount Rate (-/+ 0.5%)	1958285547.00	2083788194.00
-2.963%	3.126%	%Change Compared to base due to sensitivity	-3.024%	3.191%
2102652942.00	2073203144.00	Salary Growth (-/+ 0.5%)	2031769720.00	2005881644.00
0.671%	-0.739%	%Change Compared to base due to sensitivity	0.615%	-0.667%
2088951476.00	2088324884.00	Attrition Rate (-/+ 0.5%)	2019633422.00	2019068004.00
0.015%	-0.015%	%Change Compared to base due to sensitivity	0.014%	-0.014%
2090580614.00	2086695746.00	Mortality Rate (-/+ 10%)	2021349870.00	2017351556.00
0.093%	-0.093%	%Change Compared to base due to sensitivity	0.099%	-0.099%

Cash Flow

	Rupees (INR)
Next Year Total (Expected)	1923421679.00
Minimum Funding Requirements	221581351.00

Actuarial Valuation of Leave Encashment

Scale of Benefit

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

31/03/2018	Actuarial Basis used in Valuation	31/03/2019
7.70%	Interest Rate	7.43%
7.00%	Salary Inflation	7.00%
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

31/03/2018	Results of Valuation	31/03/2019
878233588.00	Liability to be shown in Balance Sheet	1037770270.00
582254713.00	Charges to Profit/Loss for the Period	339507788.00

31/03/2018	Changes in Present Value of Obligation as at	31/03/2019
782357929.00	Present value of obligation as on last valuation	878233588.00
129330861.00	Current Service Cost	77948339.00
41515967.00	Interest Cost	58566829.00
(13718661.00)	Actuarial gain/loss on obligations due to Change in Financial Assumption	20242739.00
425126546.00	Actuarial gain/loss on obligations due to Unexpected Experience	182749881.00
486379054.00	Benefits Paid	179971106.00
878233588.00	Present value of obligation as on valuation date	1037770270.00

31/03/2018	Changes in Fair Value of Plan Assets as at	31/03/2019
486379054.00	Benefits Paid	179971106.00

31/03/2018	Reconciliation to Balance Sheet	31/03/2019
N/A	Funded Status	N/A
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
878233588.00	Fund Liability	1037770270.00

31/03/2018	Plan Assumptions	31/03/2019
7.70%	Discount Rate	7.43%
-	Expected Return on Plan Asset	-
7.00%	Rate of Compensation Increase(Salary Inflation)	7.00%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	10
10	Average Duration of Liabilities	10
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate	Superannuation at age-Male	Ultimate
60	Superannuation at age-Female	60
60		60

31/03/2018	Expense Recognised in statement of Profit/Loss as at	31/03/2019
129330861.00	Current Service Cost	77948339.00
41515967.00	Net Interest Cost	58566829.00
411407885.00	Actuarial Gain loss	202992620.00
582254713.00	Benefit Cost (Expense Recognised in Statement of Profit/loss)	339507788.00

31/03/2018		Sensitivity Analysis	31/03/2019	
Increase	Decrease		Increase	Decrease
843568029.00	915154834	Discount Rate (-/+ 0.5%)	1000794515	1077081008
3.947%	-4.204%	%Change Compared to base due to sensitivity	-3.563%	3.788%
910968882.00	847148221	Salary Growth (-/+ 0.5%)	1076852698	1000680361
-3.727%	3.540%	%Change Compared to base due to sensitivity	3.766%	-3.574%
878604541.00	877862635	Attrition Rate (-/+ 0.5%)	1038610864	10036929676
-0.042%	0.042%	%Change Compared to base due to sensitivity	0.081%	-0.081%
884328170.00	872139008	Mortality Rate (-/+ 10%)	1043737449	1031803091
-0.694%	0.694%	%Change Compared to base due to sensitivity	0.575%	-0.575%

Actuarial Valuation of Post Retirement Medical Benefit Liability

31/03/2018	Actuarial Basis used in Valuation	31/03/2019
7.70%	Interest Rate	7.43%
Not Considered	Medical Cost escalation Rate	Not Considered
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

31/03/2018	Results of Valuation	31/03/2019
536212608.00	Liability to be shown in Balance Sheet	590281784.00
85301589.00	Charges to Profit/Loss Account for the Year	98635444.00
72827152.00	Other Comprehensive Income	(8312225.00)

31/03/2018	Changes in Present Value of Obligation as at	31/03/2019
406943991.00	Present value of obligation as on last valuation	536212608.00
55078017.00	Current Service Cost	60141685.00
30223572.00	Interest Cost	38493759.00
(10500808.00)	Actuarial gain/loss on obligations due to Change in Financial Assumption	12080340.00
83327960.00	Actuarial gain/loss on obligations due to Unexpected Experience	(20392565.00)
28860125.00	Benefits Paid	36254043.00
536212608.00	Present value of obligation as on valuation date	590281784.00

31/03/2018	Changes in Fair Value of Plan Assets as at	31/03/2019
28860125.00	Benefits Paid	36254043.00

31/03/2018	Reconciliation to Balance Sheet	31/03/2019
Unfunded	Funded Status	Unfunded
536212608.00	Fund Liability	590281784.00

31/03/2018	Plan Assumptions	31/03/2019
7.70%	Discount Rate	7.43%
10 yrs.	Average expected future service (Remaining working Life)	10 yrs.
IALM 2006-2008.00	Mortality Table	IALM 2006-2008
Ultimate		Ultimate
60	Superannuation at age-Male(for active staff)	60
60	Superannuation at age-Female(for active staff)	60

31/03/2018	Expense Recognized in statement of Profit/Loss as at	31/03/2019
55078017.00	Current Service Cost	60141685.00
30223572.00	Net Interest Cost	38493759.00
85301589.00	Benefit Cost(Expense Recognised in Statement of Profit/loss)	98635444.00

31/03/2018	Other Comprehensive Income	31/03/2019
(10500808.00)	Actuarial gain/loss on obligations due to Change in Financial Assumption	12080340.00
83327960.00	Actuarial gain/loss on obligations due to Unexpected Experience	(20392565.00)
72827152.00	Total Actuarial (gain)/losses	(8312225.00)
72827152.00	Balance at the end of the Period	(8312225.00)
72827152.00	Net(Income)/Expense for the Period Recognised in OCI	(8312225.00)

31/03/2018		Sensitivity Analysis	31/03/2019	
Increase	Decrease		Increase	Decrease
515072323.00	567314616	Discount Rate (-/+ 50BPS)	562289810	620673546
-3.940%	5.80%	%Change Compared to base due to sensitivity	-4.742%	5.149%
545295894.00	534974268	Medical Cost (-/+ 1%)	596184602	584378966
1.690%	-0.23%	%Change Compared to base due to sensitivity	1.000%	-1.000%
528470949.00	544262843	Mortality Rate (-/+ 10 BPS)	583670628	597070025
-1.444%	1.50%	%Change Compared to base due to sensitivity	-1.120%	1.150%
536065926.00	536359500.00	Attrition Rate (-/+ 10BPS)	590098797.00	590464771.00
-0.030%	-0.030%	%Change Compared to base due to sensitivity	-0.031%	-0.031%

AWARD OF GOLD COIN ON RETIREMENT

31.03.2018	Actuarial Basis used in Valuation	31.03.2019
7.50%	Interest Rate	7.43%
IALM 2006-2008	Mortality	IALM 2006-2008
10 per thousand p.a	Attrition Rate	10 per thousand p.a
Results of Valuation		
15670962.00	Liability to be shown in Balance Sheet	15740944.00

Note No. 21: Other Non Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Deferred Revenue arising from Government Grant	31059.51	31146.03	31084.94
Less : Adjusted during the year	1851.15	86.98	20.31
Add : Amortised of Tuirial Grant in Aid	(0.15)	0.46	81.40
Sub-total	29208.21	31059.51	31146.03
b) Deferred Foreign Currency Fluctuation liabilities	123.90	144.64	165.37
Total	29332.11	31204.15	31311.40

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

- NEEPCO's approved Accounting Policy includes policy of recognition and accounting of "Government grant" (para 15 of note 1 –Summary of Significant Accounting Policies).
- Govt. of India has approved a Sub-ordinate loan amounting to ₹29196.42 Lakh to NEEPCO for implementation of Tuirial HEP with interest @1% per annum payable from the "Date of Commercial Operation" of the project. Of the aforesaid loan amount, NEEPCO has received ₹29096.42 lakh till 31.03.2015 and the balance ₹100.00 lakh has been received during the FY 2015-16. The loan amount (₹29096.42 lakh) received till 31.03.2015 has been recognized in books of NEEPCO as on 01.04.2015 (Ind AS Transition date) at its carrying value in compliance to the Ind AS 101 (Exception to the retrospective application). However, for the loan amount (₹100.00 lakh) received during the FY 2015-16, the benefit of the loan due to below market rate of interest (considered SBI base rate @9.70% effective as on Jun '15) amounting to ₹82.64 lakh has been treated as a govt. grant and recognized in the Books of NEEPCO accordingly. Amortization of the grant till March'19 amounts to ₹6.66 lakh.
- The Financial Contribution by M/s Kfw Frankfurt am main, Germany amounting to ₹72.74 lakh for Expert services relating to Environment & Ecology (₹62.01 lakh) and Consultancy Services (₹10.73 lakh) for Pare HEP (Project under construction). The said amount has been recognized on fulfilment of conditions attached to allowing the said contribution.

(ii) Spares out of Grant in Aid

During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of ₹11.11 lakhs (previous year ₹86.98 lakhs) for spares purchased out of Grant-in-aid received from the Central Government. In addition, amortization of Grant in Aid relating to Turial HEP amounts to ₹1840.04 lakhs. An equivalent amount has been recognized as income in the statement of Profit & Loss.

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

As per the Investment Approval sanctioned vide the Ministry of Power's letter no. 7/7/2009-H-I dated 14th January, 2011, an amount of ₹300.00 crores has been sanctioned by the Ministry of Development of North Eastern Region (MDONER) as a part of the approved funding pattern for the Tuirial Hydro Electric Project, Mizoram. The total amount of ₹300.00 crores are included in Grant in Aid which is subjected to amortization during normative useful life of the project since its commissioning.

- 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.

Note No. 22: Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Short Term Loan for construction Projects			
(i) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal Repayable in 4 (four) quarterly installments, commencing after 3 (three) months from the date of first drawal]	-	-	19975.00
(ii) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal (Bullet repayment within six months from the date of drawal)	-	-	13300.00
(iii) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal- The short term loan has been sanctioned by SBI, Shillong on 26 th May 2017 at the rate of MCLR 1 year plus nil margin. The last MCLR is at the rate of 8.15% pa. Bullet repayment within 12 months from the date of first drawal.	-	20000.00	-
(iv) Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh.- The short term loan has been sanctioned by Canara Bank, Shillong on 25 th February 2019 at the rate of MCLR 1 year with annual reset. The last MCLR is at the rate of 8.65% pa. The loan is available for drawal up to one year from the date of sanction. Each tranche of the loan availed shall be repaid within 12 months from the date of its availment.	10000.00	-	-
Working capital Demand Loan			
(i) State Bank of India, Shillong Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal- The working capital demand loan has been sanctioned by SBI, Shillong on 22 nd February 2019 at the rate of MCLR 3 months plus nil margin. The last MCLR is at the rate of 8.25% pa. The tenor of the loan is up to 21 st January 2020.	11136.63	-	-
(ii) Axis Bank, Shillong Unsecured Working Capital Demand Loan was sanctioned by Axis Bank on 14 th December 2018 at the rate of MCLR 1 months plus Nil margin. The last MCLR as on 31.03.2019 was as the rate of 8.35% pa. The tenor of the loan is up to 31 st July 2019.	7100.00	-	-
Total	28236.63	20000.00	33275.00

Note No. 23: Trade Payables

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Total outstanding dues of micro enterprises and small enterprises	645.04	129.55	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6663.44	6060.73	5285.97
Payables to beneficiaries	-	2585.64	-
Total Borrowings	7308.48	8775.92	5285.97

The trade payable includes payment for fuel cost for the month of March and provisions made on contractors / suppliers for March 2019.

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
(a) Creditors for supplies and services	7308.48	8775.92	5285.97

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

Description	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
i. The principal amount remaining unpaid to supplier as at the end of the year	645.04	129.55	-
ii. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-

The amount payable to MSME as on 31st March 2019 is not outstanding for more than 45 days & accordingly no interest is due on the said outstanding amount.

Current Liabilities

Note No. 24: Other Financial Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
I. SECURED BORROWINGS			
A. PRIVATELY PLACED PSU BONDS			
a. Thirteenth issue			
10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020; 15-03-2021, 15-03-2022 & 15-03-2023. (The Steam Turbines of the Assam Gas Based Power Plant, Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).	1450.00	1450.00	-

b. Twelfth issue 10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019; 27-06-2020; 27-06-2021 & 27-06-2022. (All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).	2400.00	2400.00	-
B. SECURED TERM LOANS Foreign Currency Loan External Commercial Borrowing [Secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant, Agartala and Agartala Gas Turbine Projects –Extension, Agartala. [SBI, Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin (margin has been reduced to 2.75% p.a. w.e.f 20 th March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 th June 2014. The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	7094.21	6670.92	6649.85
Sub-Total	10944.21	10520.92	6649.85
II Unsecured Borrowings Foreign Currency Loan Loan from KfW, Germany (Guaranteed by the Government of India) (Loan of 80 million and 20 million EURO was sanctioned from KFW, Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 th December 2008 & 20 th December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guaranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayable in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively.)	4144.65	4299.58	3692.28
Sub-Total	4144.65	4299.58	3692.28
Sub total of borrowings	15088.86	14820.50	10342.13
III Interest accrued but not due on: Bonds Loans from KfW External Commercial Borrowing Short term borrowing	18367.64 373.61 50.15 33.18	17177.60 390.58 58.28 135.89	2929.33 367.41 57.63 227.67
Sub-total	18824.58	17762.35	3582.04
IV. Other liabilities Creditors for Capital Expenditure Payables for employees Benefits Other Provisions Advance from REC for Deen Dayal Upadhaya Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana	12029.86 23312.26 213.85 2569.85	15010.82 11561.26 - 293.00	16391.20 7075.40 - 1731.17
Sub-Total	38125.82	26865.08	25197.77
Total	72039.26	59447.93	39121.94

Creditor for Capital expenditure represents amount payable to contractor in respect of work done & measured at the reporting date. NEEPCO has implemented decision of the Govt. of India communicated by the Ministry of Power vide letter no. 2/1/2014-H.I (Pt) dated 29.01.2019 for regularization of pay scales of its below Board level Executives with effect from 01.01.1997. Based on the revised pay computed for its eligible executives in compliance to the aforesaid direction, impact of arrear payment for the period of 01.01.2007 to 31.03.2019 has been calculated as ₹11416.78 lakh (excluding impact of actuarial valuation on Gratuity, Leave encashment and Post-retirement medical benefit) and has been accounted for in Books of NEEPCO under appropriate heads.

Note No. 25: Other Current Liabilities

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advances from Contractors & Others	11402.67	13381.46	12544.98
Direct & Indirect Taxes Payables	2400.94	756.19	499.08
Other liability (Deferred foreign currency fluctuation)	20.74	20.74	20.74
Other Statutory Dues (CPF, LIP NESSS etc)	2227.01	2087.30	1254.03
Total	16051.36	16245.69	14318.83

- (i) Advances from Contractors & others relates to security deposit, earnest money deducted from works/ supply bill which will be settled on completion of work after defect liability period as stipulated by the terms of contract/ supply order.
- (ii) Direct & Indirect taxes includes TDS on provision as on 31st March 2019 & indirect tax like GST deducted from works/ supply bill of March not due and not deposited up to the reporting date.
- (iii) Other Liability (Deferred Foreign Expenditure)- refer note no 21 (v)
- (iv) Other Statutory Dues Payable includes Corporation contribution to Provident fund, LIC premium deducted, Pension contribution, employees contribution to Provident fund and other deduction made during March not due & not deposited up to the reporting date.

Note No. 26: Provisions

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Employee benefits			
Gratuity	1560.89	3256.42	1420.78
Medical benefit for retired employees	352.55	327.32	269.92
Leave encashment	304.25	304.25	593.72
Award of Gold Coin	0.62	6.32	18.61
Sub-total	2218.31	3894.31	2303.03
Provision for Write off	15376.08	12689.10	12917.46
Total	17594.39	16583.41	15220.49

Employee benefit- Refer Note No. 20A

Provision for Write Off relates to amount provided towards Tipaimukh Hydro Electric Project, Manipur amounting to ₹1858.33 lakhs, Siang Hydro Electric Project, Arunachal Pradesh amounting to ₹10698.82 lakhs, Tuivai HEP ₹2254.02 lakhs, Residential building of Tuirial Hydro Electric Project, Mizoram amounting to ₹153.33 lakhs, S&I expenditure on various projects amounting to ₹411.31 lakhs and Fixed Assets of Corporate Office amounting to ₹0.27 lakhs.

Note No. 27: Revenue from Operations

(₹ in Lakh)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
Sale of Power	197721.91	159686.06
DSM receivable	2492.11	2965.92
RRAS receivable	929.19	459.71
Internal consumption	-	182.07
Rebate	(884.83)	(781.00)
Sale of Electricity (Net)	200258.38	162512.76
Other operating Revenue ::		
NERLDC Fees & Charges	445.53	373.43
Interest from Beneficiaries	-	408.22
Net Revenue from Operation	200703.91	163294.41

- Sale of power is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.
- Sale includes ₹8674.98 lakhs (Previous year ₹2868.16) 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 up to 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the beneficiaries or long term transmission customers/DICs, as the case may be. Accordingly, current year sale includes ₹1835.23 lakh (previous year ₹1717.73 lakh).
- DSM and RRAS is accounted up to the period of the FY 2018-19, as per the weekly statements issued by the NERPC.
- Internal (Colony) Consumption of 10.05 mu Units for the FY 2018-19 valued at ₹161.66 lakhs calculated based on Normative Energy Charge Rate of the respective power stations has not been recognized, in order to comply with Ind AS 115 applicable from 1st April 2018.
- During the year the Company realized Incentive of ₹924.41 lakhs, through Capacity Charge and Energy Charge on account of Plant Performance exceeding its Normative Parameters. Plant wise break up for the same are Kopilli ₹695.95 lakhs; Kopilli II ₹101.06 lakhs and Khandong ₹127.40 lakhs.

Note No. 28: Other Non-Operating Income

(₹ in Lakh)

Particulars	For the period ended 31-Mar-19	For the period ended 31-Mar-18
a) Other non-operating income (net of expenses directly attributable to such income)		
Interest on Investment	81.88	313.99
Dividend Earned - Mutual Fund	3.10	15.01
Grant in Aid	1851.15	86.98
CERC filling fee Recovery	79.53	58.96
Other Misc Receipts	280.52	118.03
FERV Recoveable/Payable (Net)	2305.02	20.74
Liability/Provision written back	171.56	632.36
Delayed Payment Surcharge	4828.50	1739.73
Income on Sale of Investment	535.78	185.85
Sub Total	10137.04	3171.65
Other gains and losses		
Gain /(loss) on disposal of PPE	0.24	0.70
TOTAL	10137.28	3172.35

Note No. 29: Cost of Material Consumed

(₹ in Lakh)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
Purchase of Gas	52058.40	41665.33
Transportation charges for Gas	4141.19	967.45
TOTAL	56199.59	42632.78

Note No. 30: Employees Remuneration and Benefit Expenses

(₹ in Lakh)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
Salary & Wages	50245.88	38149.55
Contribution to Provident Fund	3461.83	3281.28
Gratuity	1941.11	10905.65
Employees Pension	2360.57	2298.55
Leave Encashment	3477.04	5822.55
Award of Gold Coin	42.03	24.37
Staff welfare expenses	48.83	61.66
Computer adv. to emp. - fair valuation loss	1.37	5.15
Furniture adv. to emp. - fair valuation loss	0.41	1.11
Total	61579.07	60549.87
Amount transferred to IEDC	12466.62	19523.26
Carried forward to Statement of Profit & Loss	49112.45	41026.61

- Interest subsidy on House Building Advance is payable to the eligible employees subject to submission of their application duly following the prescribed procedure & acceptance of the same by the competent authority. Accordingly interest subsidy are recognised in the books of accounts based on actual payment basis as allowed by the appropriate authority.
- The salary & wages includes pay parity in respect of executives as per cabinet decision refer note. 24
- Employees' remuneration and benefits include the following for the Directors including the Chairman & Managing Director.

Particulars	Current year (2018-19) (₹ in lakhs)	Previous year (2017-18) (₹ in lakhs)
Salary and allowances	206.65	105.71
Contribution to Provident Fund and other funds	25.29	16.42
Other benefits	15.26	39.35
Total	246.80	161.48

Note No. 31: Finance Costs

(₹ in Lakh)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
A. Interest Expenses		
i) Cash Credit from State Bank of India	951.90	617.98
ii) Interest on ECB Loan	2012.18	1879.08
iii) Bonds	49194.18	43374.48
iv) Exchange Rate Fluctuation	584.45	6758.18
v) Kfw Loan	1546.90	1576.93
vi) Interest on Short term Borrowing	195.37	1865.92
vii) Interest on Loans from G.O.I	340.76	-
viii) Interest expense	324.57	-
B. Finance Charges		
i) Guarantee fee on foreign Loan	546.53	564.97
ii) Commitment Fees	-	-
C. Other Borrowing Costs	61.39	52.38
Total	55758.23	56689.92
Amount transferred to IEDC	40053.80	49787.04
Amount carried forward to Statement of Profit & Loss	15704.43	6902.88

Note No. 32: Depreciation

(₹ in Lakh)

Particulars	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
PPE Depreciation (Note No - 2)	36394.59	19610.28
Intangible Assets (Note No - 4A)	123.10	75.04
Adjustments	-	-
Sub total	36517.69	19685.32
Amount transferred to IEDC	806.21	1379.69
Carried forward to Statement of Profit & Loss	35711.48	18305.63

Note No. 33: Other Expenses

(₹ in Lakh)

Particulars	Note No	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
GENERATION EXPENSES			
Repairs & maintenance :			
a) Roads & buildings		1166.43	1096.54
b) Power house		4895.38	5123.62
c) Hydraulic works		564.02	370.75
d) Line & sub-stations		196.61	292.07
e) Others		692.98	642.56
f) Stores & spares (against Grant-in-Aid)		11.11	86.98
Sub Total		7526.53	7612.52
ADMINISTRATION EXPENSES			
a) Travelling expenses		296.09	272.08
b) Advertisement expenses		100.27	84.88
c) Insurance charges		862.16	616.95
d) Rents		15.78	3.98
e) Rates & taxes		46.99	30.58
f) Entertainment expenses		0.77	1.40
g) General expenses	35	7448.07	6684.52
h) Publicity expenses		59.65	15.98
i) Legal charges		73.04	83.07
j) Filing fees to CERC		41.28	88.43
k) NERLDC Fees & Charges		483.22	373.08
l) Research & Development Expenses		12.44	-
m) Corporate Social Responsibility & SD		463.09	532.35
o) RRAS- Expenditure		12.64	11.32
p) Interest to beneficiary states		-	-
q) Trading Expenses		213.21	0.24
r) Energy Savings Certificate (PAT)		-	355.25
s) Share of General establishment	36	3996.83	3309.86
Sub Total		14125.53	12463.97
Other Expenses			
Lubricants, oil etc		172.46	94.96
Electricity Duty		16.37	15.40
U I Charge		104.74	99.34
Transmission Charges		29.84	12.18
Provision for Write off		2939.20	388.72
Prepayment Amortisation		279.43	193.83
Sub Total		3542.04	804.43
TOTAL		25194.10	20880.92

Note No. 34: Payment to Auditors

(₹ in Lakh)

Particulars	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
Statutory Audit fees	18.35	16.34
Tax audit fees	-	0.53
Cost Audit Fees	2.15	1.63
Internal Audit Fees	21.66	-
Other expenses	8.65	5.54
Total	50.81	24.04

Note No. 35: General Expenses

For the period ended :

(₹ in Lakh)

Particulars	Operation & Maintenance		General Administration		Project (Under onstruction)		Total	
	March'19	March'18	March'19	March'18	March'19	March'18	March'19	March'18
Transport expenses	1230.67	839.47	199.97	162.16	475.06	594.96	1905.70	1596.59
Printing & stationery	37.62	30.68	36.74	24.83	17.35	14.73	91.71	70.24
Postage & telegram	1.93	1.35	4.16	4.25	1.34	2.27	7.43	7.86
Medical expenses	857.25	638.48	253.83	234.34	356.64	377.09	1467.72	1249.91
Medical expenses to Retd. Employees	-	-	986.38	853.02	-	-	986.38	853.02
Licence & registration	18.68	10.82	0.04	0.95	6.06	26.26	24.78	38.04
Paper & periodicals	0.12	0.53	1.71	1.98	0.31	0.18	2.14	2.69
Uniforms & liveries	4.66	5.22	10.25	0.92	0.17	0.61	15.08	6.74
Honorarium	1.70	2.58	1.55	2.57	0.06	-	3.31	5.15
Electric & water charges	146.71	268.62	86.19	89.19	1532.27	1336.52	1765.17	1694.32
Bank charges	5.03	33.77	1.40	1.32	0.59	2.00	7.02	37.09
Social welfare	931.79	847.90	46.82	44.93	87.33	87.25	1065.94	980.08
Consultancy charges	14.40	55.48	47.61	146.78	20.55	6.31	82.56	208.57
Security arrangement	3206.41	2676.08	182.76	162.63	615.29	389.89	4004.46	3228.60
Training expenses	84.69	159.73	-	-	-	-	84.69	159.73
Staff recruitment expenses	0.20	0.10	39.31	23.90	-	0.01	39.51	24.01
Hospital facilities	18.02	17.04	-	-	2.04	3.62	20.06	20.66
Subscription & membership fees	9.00	4.47	8.25	9.07	-	-	17.25	13.54
Communication expenses	66.13	39.75	252.45	192.61	53.01	147.43	371.59	379.78
Office furnishing	-	0.13	0.37	0.62	2.75	1.20	3.12	1.95
Miscellaneous expenses	168.18	564.17	123.23	105.75	64.81	79.28	356.22	749.20
I.B. Expenses	131.48	56.28	99.02	74.20	55.28	110.10	285.78	240.57
Laboratory & meter testing charges	3.89	0.06	-	-	-	5.97	3.89	6.03
Environment & Ecology	94.11	65.20	-	-	-	-	94.11	65.20
Photographic records	-	-	0.59	1.29	-	-	0.59	1.29
Loss of Stock/Advance written off	1.20	118.34	-	-	-	0.80	1.20	119.14
I T Expenses	177.34	134.55	125.88	154.22	62.28	76.65	365.50	365.42
Losses of Stores/obsolete/condemnation	146.58	57.19	-	-	-	-	146.58	57.19
Loss on sale of fixed Assets	45.44	5.55	0.35	0.15	0.62	0.20	46.41	5.90
Employee Family Economic Rehab Scheme	-	-	5.32	-	-	-	5.32	-
Incidental Expenditure Saubhaghya	4.34	-	-	-	-	-	-	-
Assets written off Damaged/un-traceable	0.04	-	-	-	-	-	0.04	-
Compensation	40.46	50.98	8.00	-	-	26.00	48.46	76.98
TOTAL	7448.07	6684.52	2522.18	2291.67	3353.81	3289.32	13319.72	12265.50

Note No. 36: Incidental Expenditure of Corporate office

(₹ in Lakh)

Particulars	Note No.	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
Administration & other Expenses			
Travelling expenses		162.83	147.30
Rent		96.83	113.09
Rates & taxes		371.54	11.71
General expenses	35	2522.18	2291.67
Repairs & maintenance		258.59	195.20
Audit fees & expenses	34	50.81	24.04
Legal expenses		26.13	18.36
Insurance charges		62.68	36.79
Entertainment expenses		0.96	0.29
Advertisement expenses		4.94	4.13
Contribution to Chief Minister's Relief Fund		200.00	208.66
Publicity expenses		185.52	237.98
Board meeting expenses		53.82	20.64
Total		3996.83	3309.86
Expenditure charged to Profit & Loss Account	33	3996.83	3309.86

Note No. 37: incidental Expenditure during Construction

(₹ in Lakh)

Particulars	Note No.	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
GENERAL ADMINISTRATION			
A. Employees benefit Expenses	30	12466.62	19523.26
B. Interest and Finance expenses capitalized	31	40053.80	49787.04
C. Depreciation	32	806.21	1379.69
D. Administration & other expenses			
Travelling expenses		147.31	203.23
Rents		5.73	16.46
Rates & taxes		21.07	34.15
General expenses	35	3353.81	3289.32
Repairs & maintenance		281.46	673.21
Environment & Ecology		24.08	2.57
Energy Conservation expenses		2.60	-
Legal expenses		34.96	72.36
Insurance charges		1261.91	1541.09
Entertainment expenses		-	0.11
Tender expenses		<u>13.10</u>	<u>30.71</u>
Sub total (D)		5146.03	5863.21
Total (A + B + C + D)		58472.66	76553.20
Less: Non-operating receipts			
i) Interest on advances from Suppliers/Contractors		46.04	517.89
ii) Others		<u>292.96</u>	<u>297.28</u>
Sub total		339.00	815.17
Net Expenditure		58133.66	75738.03
Expenditure transferred to Capital Work-in-Progress	3	58133.66	75738.03

Note No. 38: Property Plant & Equipment

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 st April 2018	Additions	Adjustments	Carrying Amount 31 st March 2019	01.04.2018	Depreciation	Adjustment	Up to 31 st Mar 2019	31.03.2019	31.03.2018	01.04.2017
A) ASSETS											
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES											
Building and civil engineering works containing generation plant & equipment, main plant	54238.90	37722.37	284.88	92246.15	18627.05	2930.99	(3.74)	21554.30	70691.85	35611.85	37022.68
Hydraulic works including Dams Dykes, Reservoirs & Tunnels	166655.66	200372.26	(174.31)	366853.61	85875.01	15307.12	(34.58)	101147.55	265706.06	80780.65	84552.32
Plant & Machinery in Generating Station	68725.42	59762.88	186.62	128674.92	33869.88	5366.30	(110.11)	39126.07	89548.85	34855.54	36413.55
Transformer having a rating of 100 K.V. ampere and above	9775.44	94.54	(19.33)	9850.65	3851.58	377.38	5.55	4234.51	5616.14	5923.86	6245.17
Sub-station equipment and other fixed apparatus	741.38	-	298.41	1039.79	435.77	28.11	111.39	575.27	464.52	305.62	307.61
Switchgear including cable connections	20441.66	5734.49	23.75	26199.90	8703.64	919.25	(15.17)	9607.72	16592.18	11738.02	10621.94
Transmission Lines	962.86	2098.25	382.11	3443.22	638.71	131.27	145.30	915.28	2527.94	324.15	353.23
PV modules including Mounting structures	2866.47	39.80	-	2906.27	514.22	176.59	(0.01)	690.80	2215.47	2352.25	2748.56
Inverters including Battery Bank (O & M)	266.36	3.72	-	270.08	47.83	16.42	-	64.25	205.83	218.53	255.50
Gas Turbine	142883.92	4046.65	555.69	147486.26	84444.99	4086.41	(41.13)	88490.27	58995.99	58438.93	56221.27
Gas Booster Station	23321.58	182.58	(454.67)	23049.49	15518.63	739.18	(49.83)	16207.98	6841.51	7802.95	8364.15
Gas Pipeline	36.60	-	-	36.60	32.95	-	(0.01)	32.94	3.66	3.65	3.65
Gas Steam Turbine	110327.06	98.92	(629.88)	109796.10	44188.65	3927.18	(24.03)	48091.80	61704.30	66138.41	69946.12
Gas Cooling Tower	4059.89	8.83	-	4068.72	2482.48	132.59	(0.02)	2615.05	1453.67	1577.41	1648.89
Make-up Water System	5836.00	5.37	0.89	5842.26	2433.82	210.97	0.13	2644.92	3197.34	3402.18	3626.39
Sub -Total	611139.20	310170.66	454.16	921764.02	301665.21	34349.76	(16.26)	335998.71	585765.31	309473.99	318331.03

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 st April 2018	Additions	Adjustments	Carrying Amount 31 st March 2019	01.04.2018	Depreciation	Adjustment	Up to 31 st Mar 2019	31.03.2019	31.03.2018	01.04.2017
II GENERAL ASSETS											
(FOR PROJECTS UNDER OPERATION)											
Buildings	10859.06	1542.17	1708.05	14109.28	4389.49	476.21	227.56	5093.26	9016.02	6469.57	6438.88
Furniture & Fixtures	706.19	62.16	104.40	872.75	455.21	26.98	77.47	559.66	313.09	250.98	241.51
Roads, Bridges, Culverts & Helipads	4142.67	108.01	518.15	4768.83	1871.02	138.26	121.99	2131.27	2637.56	2271.65	2309.71
Vehicles	452.89	-	36.67	489.56	293.79	21.52	21.64	336.95	152.61	159.10	187.00
Railway Siding	10.65	-	-	10.65	8.46	0.19	(0.01)	8.64	2.01	2.19	2.38
Electrical Installation	1089.77	34.83	159.32	1283.92	711.71	31.30	75.08	818.09	465.83	378.06	383.25
Temporary Buildings/Erections	2446.87	16.01	624.40	3087.28	2446.87	16.01	624.40	3087.28	-	-	-
Hospital Equipment	27.06	3.00	6.88	36.94	12.39	2.10	2.68	17.17	19.77	14.67	12.39
Tools & Plants	2613.38	62.68	1603.03	4279.09	1750.40	90.87	961.70	2802.97	1476.12	862.98	871.69
Office Equipment	378.69	51.36	43.83	473.88	193.88	19.74	25.19	238.81	235.07	184.81	167.39
I T Equipment	970.06	74.13	210.58	1254.77	834.73	87.01	193.64	1115.38	139.39	135.33	125.50
Other Equipment	968.29	60.83	247.73	1276.85	467.49	56.25	115.49	639.23	637.62	500.80	427.20
Water supply, sewerage & drainage	1120.30	70.58	310.85	1501.73	543.28	55.66	60.99	659.93	841.80	577.02	620.65
Plant & Machinery in Generating Station (Diesel Power House)	475.63	36.61	138.35	650.59	397.02	8.64	119.27	524.93	125.66	78.61	81.12
Communication Equipment	230.04	12.54	9.21	251.79	142.49	9.24	3.12	154.85	96.94	87.55	93.43
Lightning Arrestor (Pole Type Magazine Building)	142.00	56.61	(9.18)	189.43	121.10	2.25	(7.51)	115.84	73.59	20.90	21.44
Telephone Line	103.69	-	-	103.69	92.12	0.07	(0.01)	92.18	11.51	11.57	11.64
Solar Panel	118.39	1.47	-	119.86	6.23	6.99	4.64	17.86	102.00	112.16	87.20
Fixed Assets of Minor value	50.89	1.72	6.79	59.40	50.88	1.56	6.78	59.22	0.18	0.01	0.01
Energy Conservation Equipment	4.13	-	-	4.13	0.20	0.22	-	0.42	3.71	3.93	-
Free hold	2099.61	-	-	2099.61	-	-	-	-	2099.61	2099.61	1442.93
Sub -Total	29010.26	2194.71	5719.06	36924.03	14788.76	1051.07	2634.11	18473.94	18450.09	14221.49	13525.32
TOTAL (A)	640149.46	312365.37	6173.22	958688.05	316453.97	35400.83	2617.85	354472.65	604215.40	323695.48	331856.35

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 st April 2018	Additions	Adjustments	Carrying Amount 31 st March 2019	01.04.2018	Depreciation	Adjustment	Up to 31 st Mar 2019	31.03.2019	31.03.2018	01.04.2017
B) ASSETS											
(FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)											
Building	8394.24	130.17	(1709.37)	6815.04	2122.55	232.57	(227.54)	2127.58	4687.46	6271.69	5448.97
Furniture & Fixtures	991.28	7.80	(108.97)	890.11	590.96	39.10	(81.72)	548.34	341.77	400.32	421.97
Roads, Bridges, Culverts & Helipads	2186.76	298.20	(1613.45)	871.51	422.11	25.44	(336.26)	111.29	760.22	1764.65	2751.23
Vehicles	224.42	-	(36.68)	187.74	90.12	14.94	(21.64)	83.42	104.32	134.30	72.78
Electrical Installations	536.87	0.98	(159.32)	378.53	318.24	15.07	(75.10)	258.21	120.32	218.63	190.81
Temporary Buildings/Erections	2107.52	3.95	(624.39)	1487.08	2107.52	3.95	(624.39)	1487.08	-	-	-
Hospital Equipment	12.87	-	(7.60)	5.27	6.16	0.40	(2.97)	3.59	1.68	6.71	7.31
Tools & Plants	3522.37	29.10	(1605.64)	1945.83	1647.80	96.19	(963.63)	780.36	1165.47	1874.57	2002.84
Office equipment	612.99	18.63	(49.02)	582.60	438.71	15.72	(29.29)	425.14	157.46	174.28	191.06
IT Equipment	1582.30	98.55	(277.37)	1403.48	1484.47	61.43	(249.90)	1296.00	107.48	97.83	142.94
Water Supply, sewerage & drainage	818.71	29.48	(311.75)	536.44	176.89	18.41	(61.14)	134.16	402.28	641.82	566.97
Plant & Machinery in Generating Station (Diesel Power House)	176.23	-	(138.35)	37.88	137.66	2.00	(120.49)	19.17	18.71	38.57	41.88
Weigh Bridge	13.34	-	(13.34)	-	9.69	(9.70)	0.01	(-)	-	3.65	4.10
Solar panel	7.14	-	-	7.14	0.80	0.42	0.19	1.41	5.73	6.34	6.76
Communication Equipment	188.25	0.28	(9.20)	179.33	118.14	6.76	(3.11)	121.79	57.54	70.11	68.35
Plant & Machinery	351.62	-	(350.46)	1.16	31.88	-	(30.84)	1.04	0.12	319.74	338.24
Transmission Line	4613.31	70.39	(382.11)	4301.59	2463.28	227.67	(145.31)	2545.64	1755.95	2150.03	3463.23
Transformer having a rating of 100 KV & Above	328.19	-	(10.28)	317.91	105.62	16.69	(10.43)	111.88	206.03	222.57	98.25
Substation Equipment	3330.33	-	(298.41)	3031.92	1473.99	162.71	(111.40)	1525.30	1506.62	1856.34	205.39
Freehold	467.27	33.37	-	500.64	-	-	-	-	500.64	467.27	467.27
Telephone Line	1.19	-	-	1.19	0.14	0.08	(0.01)	0.21	0.98	1.05	1.13
Other Equipment	1120.00	57.56	(237.57)	939.99	496.25	55.20	(125.26)	426.19	513.80	623.75	559.34
Assets Withdrawn from Active use	-	-	-	-	-	-	-	-	-	-	-
Fixed assets of Minor value	63.08	8.76	(7.53)	64.31	63.04	8.71	(7.52)	64.23	0.08	0.04	0.04
TOTAL (B)	31650.28	787.22	(7950.81)	24486.69	14306.02	993.76	(3227.75)	12072.03	12414.66	17344.27	17050.86
GRAND TOTAL (A + B)	671799.74	313152.59	(1777.59)	983174.74	330759.99	36394.59	(609.90)	366544.68	616630.06	341039.75	348907.21

Note No. 39: Earnings per Share

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

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018
(a)	Profit after tax & before regulatory Deferral Accounts (₹ in lakh)	8654.44	25134.94
(b)	Profit after tax & after regulatory Deferral Accounts (₹ in lakh)	21393.81	27466.11
	Less: Amount to be paid for diluted portion (net of tax)	-	-
	Profit attributable to ordinary shareholders - for Basic EPS	21393.81	27466.11
	Profit attributable to ordinary shareholders - for Diluted EPS	21393.81	27466.11
(c)	Weighted average no. of Ordinary Shares for Basic EPS	3584117249	3452810400
	Weighted average no. of Ordinary Shares for Diluted - EPS	3584117249	3452810400
(d)	Nominal value of Ordinary Shares (₹)	10	10
(e)	Earnings per equity share before regulatory Deferral Accounts :		
	(i) Basic (in ₹)	0.24	0.73
	(ii) Diluted (in ₹)	0.24	0.73
(f)	Earnings per equity share after regulatory Deferral Accounts :		
	(i) Basic (in ₹)	0.60	0.80
	(ii) Diluted (in ₹)	0.60	0.80

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

(₹ in Lakh)

Particulars	As at	
	31 Mar 19	31 Mar 18
Contingent liabilities :		
Claims against the Company not acknowledged as debt in respect of:		
- Capital Works	219371.00	159047.88
- Land compensation cases	7762.00	3583.24
- Disputed Income tax demand	17213.12	161.97
- Others	7.66	4.80
Total	244353.78	162797.89
Commitments :		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	43799.02	26373.90
Other Commitment	Nil	Nil

- Claims against the company not acknowledged as debts as on March 31, 2019 include demand from the Income tax authorities for payment of tax of ₹11301.03 lakhs upon completion of their tax assessment for the A.Y. 2011-12 amounting to ₹93.72 lakhs, A.Y. 2012-13 amounting to ₹121.47 lakhs, A.Y. 2013-14 amounting to ₹213.23 lakhs and for the year 2014-15 amounting to ₹10872.61 lakhs and demand from Customs, Excise and Service Tax Appellate Tribunal (CESTAT) for payment of ₹7.20 lakhs in respect of Service Tax.
- There are few cases pending before the Arbitration Tribunal / Courts, for which amount of claims are yet to be ascertained.
- The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.
- During the financial year 2018-19, reduction in contingent liabilities amounts to ₹13304.87 lakh and addition to the same amounts to ₹94860.76 lakh.

Note No. 41: Movement in Regulatory Deferral Accounts Balances

Nature of Rate Regulated Activities

The company is primarily engaged in the business of generation and sale of electricity. The tariff based on which the Company bill to its beneficiaries for electricity sold to them is determined by the Central Electricity Regulatory Commission (CERC) in compliance to the CERC (Terms and Conditions of Tariff) Regulations, as applicable from time to time. The said regulations allow the Company to recover its costs for providing the goods or services plus a fair return.

Recognition and measurement

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

Particulars	Amount (₹ in lakh)
Depreciation as per CERC Schedule of rates	9580.97
Depreciation @2% as allowed by CERC vide the tariff order dated 09.10.2018	3856.80
Difference (Recognized as "Regulatory Deferral balances")	5724.17

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

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

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

i) Force Majeure; ii) Change in Law; and iii) Primary Fuel Cost.

The increase in gratuity expenses due to enhancement of limit up to ₹20.00 lakh as per the Payment of Gratuity (Amendment) Act, 2018 falls under the category of "Change in law",

Accordingly, an amount of ₹4793.47 lakh to the extent expected as recoverable from the beneficiaries in subsequent period as per CERC Tariff Regulations have been recognized as "Regulatory Deferral Account Balances" as on 31.03.2018 in books of NEEPCO. No movement on the aforesaid balances have occurred during the half year ended 30.09.2018.

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

NEEPCO has long term Power Purchase Agreement (PPA) with the States of the North Eastern Region (referred to as the 'Beneficiaries') for selling electricity generated from its generating stations in operations. Tariff for generating stations of NEEPCO are determined by the Central Electricity Regulatory Commission (CERC) in compliance to their notified tariff

regulations issued from time to time. As per the CERC Tariff Regulations 2014, ROE is grossed up with effective tax rate as applicable for the respective financial year. Accordingly, deferred tax accrued during the year on income generated from sale of electricity and further adjustable/reversal in future periods when the related deferred tax liability will form a part of current tax & recoverable from the beneficiaries has been accounted as "Deferred tax adjustment against deferred tax liability", which has been recognized as "Regulatory income" and presented as a movement in "Regulatory Deferral Accounts Balance" as a separate line item in compliance to the relevant provisions of Ind AS 114.

Regulatory Deferral Accounts Balances in respect of modification of Annual Fixed Costs (AFC) on account of variation of "Add cap" as allowed by Central electricity regulatory commission (CERC) for the projects under operation and that actual executed:

NEEPCO has revised AFC for its 05 (five) projects under operation, namely, Ranganadi HEP, Doyang HEP, Kopili HEP, Assam Gas based Power Plant and Agartala Gas turbine Power Plant for the period of 2014-18 based on the additional capital expenditures (Plant-wise & yearwise) as allowed by the CERC and that actually executed by the generating stations. Based on the revised AFC and computation of excess amount billed, an amount of ₹4919.35 lakh (including interest payable thereon amounting to ₹1284.83 lakh) has been recognized as "Regulatory expenses" and presented as a movement in "Regulatory Deferral Accounts Balance" as a separate line item.

Regulatory deferral accounts debit balance - Note 16 recognized:

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

Particulars	As on 31.03.2019	As on 31.03.2018	As on 01.04. 2017
A. Opening Balance	8795.89	5242.28	(2533.12)
B. Movements during the year due to			
(i) Turial Depreciation - 5724.17	16238.59	3553.61	7775.40
(ii) Deferred Tax Adjustment against Deferred Tax Liability - 14935.01			
(iii) Impact on AFC - (4420.59)			
C. Amount Collected / refunded during the year	-	-	-
D. Regulatory Deferral Account Balances recognized in the Statement of Profit & Loss (B-C)	16238.59	3553.61	7775.40
E. Closing Balance (A+D)	25034.48	8795.89	5242.28

Rate of return/Discounting rate considered for recognition of Regulatory Deferral Account Balance is "Zero" Risk/ uncertainty associated with future recovery of Regulatory Deferral Account Balances

- Demand risk:** Recovery of regulatory deferral balances are subjected to billing to its beneficiaries and accordingly associated with related normal risks, such as, attitude of the customers towards settlement of their dues, availability of alternate source of supply etc.

- Regulatory risk:** Changes, if any, in Tariff Regulations on allowability of such cost through tariff.

Period over which expected to recover

- Employees benefit expenses:** The Company expects to recover the carrying amount of regulatory deferral debit account balances over a period of 3(three) years.
- Depreciation:** The Company is expected to recover/adjust the carrying amount of the regulatory deferral account balances over the period of normative useful life of the generating station.
- Deferred Adjustment on Deferred Tax Liability on O&M Plants:** The Company is expected to recover/adjust the carrying amount of the regulatory deferral account balances over the period of normative useful life of the generating station.
- Annual Fixed Costs (AFC) on account of variation of "Add cap" (allowed by CERC vs Actually Executed):** The Company is expected to settle the Amount within a period of 1 year.

Note No. 42: Additional disclosures

❖ Disclosure on recent accounting pronouncement having impact on NEEPCO:

Ind AS-116 – Leases –To replace Ind AS-17

As per the IFRS convergence status issued by the ASB of the ICAI, Ind AS 116, Leases, has been submitted to the Ministry of Corporate Affairs (MCA) for notification. Ind AS 116 is proposed to be effective for annual reporting periods beginning on or after 1 April 2019. The new standard will require lessees to recognize most leases on their balance sheets. Lessees will use a single accounting model for all leases, with limited exemptions. This may require the company to capitalize all operating leases where we are acting as Lessee. The basis of capitalization shall be all discounted future lease rentals, all lease incentives, registration charges paid and all incidental expenses paid in regards to the lease rentals. The Company is in the process of assessing the detailed impact of Ind-AS 116.

❖ Disclosure on additional depreciation for computation of income under the Income Tax Act:

For the purpose of computation of income under the Income Tax Act for the AY 2019-20, the Company has not availed “Additional Depreciation” for its newly acquired Plant & Machinery allowed under section 32(1)(iia) of the Income Tax Act 1962.

❖ Disclosure on Tariff for 400 KV D/C Kameng - Balipara line:

M/s Powergrid Corporations of India has submitted a petition before the CERC for determination of Tariff for 400 KV D/C Kameng Balipara Line along with associated bays following declaration of its COD on 30/03/2018. The total AFC claimed by the petitioner for the period till 31.03.2019 amounts to ₹4556.20 lakhs. However, pending hearing on the tariff petition by CERC and signing of Implementation Agreement between NEEPCO & M/s Powergrid, final AFC to be allowed is not determinable at present. Also, no claim has been raised by M/s. Powergrid on NEEPCO for the same till date.

Note No. 43: Capital Management

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

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

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

Note No. 44: Disclosure on Financial Instruments

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

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

a) Financial assets and liabilities

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2019, March 31, 2018 & April 1, 2017.

(₹ in Lakh)

As at March 31, 2019	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances	-	-	-	-	9857.87	9857.87	9857.87
Trade receivables	-	-	-	-	63453.60	63453.60	63453.60
Investments	-	-	-	-	2793.00	2793.00	2793.00
Loans	-	-	-	-	602.99	602.99	602.99
Other financial assets	-	-	-	-	13897.27	13897.27	13897.27
Total	-	-	-	-	90604.73	90604.73	90604.73
Financial liabilities							
Trade and other payable	-	-	-	-	7308.48	7308.48	7308.48
Borrowings	-	-	-	-	705207.55	705207.55	705207.55
Other financial liabilities	-	-	-	-	56950.40	56950.40	56950.40
Total	-	-	-	-	769466.43	769466.43	769466.43

(₹ in Lakh)

As at March 31, 2018	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances	-	-	-	-	33607.92	33607.92	33607.92
Trade receivables	-	-	-	-	45836.76	45836.76	45836.76
Investments	-	-	-	-	2793.00	2793.00	2793.00
Loans	-	-	-	-	1101.64	1101.64	1101.64
Other financial assets	-	-	-	-	6214.92	6214.92	6214.92
Total	-	-	-	-	89554.24	89554.24	89554.24
Financial liabilities							
Trade and other payable	-	-	-	-	8775.92	8775.92	8775.92
Borrowings	-	-	-	-	665727.18	665727.18	665727.18
Other financial liabilities	-	-	-	-	44627.43	44627.43	44627.43
Total	-	-	-	-	719130.53	719130.53	719130.53

(₹ in Lakh)

As at April 1, 2017	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances	-	-	-	-	26928.01	26928.01	26928.01
Trade receivables	-	-	-	-	44108.15	44108.15	44108.15
Investments	-	-	-	-	10993.00	10993.00	10993.00
Loans	-	-	-	-	1204.23	1204.23	1204.23
Other financial assets	-	-	-	-	4938.16	4938.16	4938.16
Total	-	-	-	-	88171.55	88171.55	88171.55
Financial liabilities							
Trade and other payables	-	-	-	-	5285.97	5285.97	5285.97
Borrowings	-	-	-	-	602909.91	602909.91	602909.91
Other financial liabilities	-	-	-	-	28779.81	28779.81	28779.81
Total	-	-	-	-	636975.69	636975.69	636975.69

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main items in this category are investment in unquoted equity shares, measured at fair value.

(₹ in Lakh)

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(i) Investments	2793.00	-	-	2793.00
(ii) Trade receivables	63453.60	-	-	63453.60
(iii) Cash and Cash equivalents	9857.87	-	-	9857.87
(iv) Loans	602.99	-	-	602.99
(v) Others	13897.27	-	-	13897.27
Total financial assets measured at fair value	90604.73	-	-	90604.73
Financial liabilities measured at fair value				
(i) Borrowings	705207.55	-	-	705207.55
(ii) Trade & Other payable	7308.48	-	-	7308.48
(iii) Other financial liabilities	56950.40	-	-	56950.40
Total financial liabilities measured at fair value	769466.43			769466.43

(₹ in Lakh)

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(i) Investments	2793.00	-	-	2793.00
(ii) Trade receivables	45836.76	-	-	45836.76
(iii) Cash and Cash equivalents	33607.92	-	-	33607.92
(iv) Loans	1101.64	-	-	1101.64
(v) others	6214.92	-	-	6214.92
Total financial assets measured at fair value	89554.24	-	-	89554.24
Financial liabilities measured at fair value				
(i) Borrowings	665727.18	-	-	665727.18
(ii) Trade & Other payable	8775.92	-	-	8775.92
(iii) Other financial liabilities	44627.43	-	-	44627.43
Total financial liabilities measured at fair value	719130.53	-	-	719130.53

(₹ in Lakh)

Particulars	As at March 31, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(i) Investments	10993.00	-	-	10993.00
(ii) Trade receivables	44108.15	-	-	44108.15
(iii) Cash and Cash equivalents	26928.01	-	-	26928.01
(iv) Loans	1204.23	-	-	1204.23
(v) others	4938.16	-	-	4938.16
Total financial assets measured at fair value	88171.55	-	-	88171.55
Financial liabilities measured at fair value				
(i) Borrowings	602909.91	-	-	602909.91
(ii) Trade & Other payable	5285.97	-	-	5285.97
(iii) Other financial liabilities	28779.81	-	-	28779.81
Total financial liabilities measured at fair value	636975.69	-	-	636975.69

- The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- The fair value in respect of the unquoted equity investments cannot be reliably measured.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019, March 31, 2018 and April 1, 2017

b) Transfer of financial assets

The Company has during the financial year transferred in terms of Share Purchase Agreement drawn on 24th October 2017, the Corporation's investment (40%) in Joint Venture of M/S WARNEEP Solar Pvt. Limited to M/s. Waree Energies Limited, the other Joint Venture Partner. The sale proceeds has been accounted in the books of NEEPCO on 11th December 2017. Accordingly the investment of ₹8200.00 lakhs has been reduced as on 31.03.2018.

c) Financial risk management

In the course of its business, the Company is exposed primarily to interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market Risk: Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Credit Risk: Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Liquidity Risk: Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Company's non derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

(₹ in Lakh)

Particulars	As at March 31, 2019				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings	677211.27	677211.27	15088.86	343727.86	318394.55
Trade payable	7308.48	7308.48	7308.48	-	-
Other financial liabilities	56950.40	56950.40	56950.40	-	-
Total non- derivative financial liabilities	741470.15	741470.15	79347.74	343727.86	318394.55
Derivative financial liabilities	-	-	-	-	-

(₹ in Lakh)

Particulars	As at March 31, 2018				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings	645960.10	645960.10	14821.69	279286.76	351851.65
Trade payable	8775.92	8775.92	8775.92	-	-
Other financial liabilities	44627.43	44627.43	44627.43	-	-
Total non- derivative financial liabilities	654736.02	654736.02	23597.61	279286.76	351851.65
Derivative financial liabilities	-	-	-	-	-

(₹ in Lakh)

Particulars	As at March 31, 2017				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings	569810.57	569810.57	43618.72	214774.88	344691.97
Trade payable	5285.97	5285.97	5285.97	-	-
Other financial liabilities	28779.81	28779.81	28779.81	-	-
Total non- derivative financial liabilities	603876.35	603876.35	77684.50	214774.88	344691.97
Derivative financial liabilities	-	-	-	-	-

The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

Note No. 45: Related party disclosures

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

A. Joint Ventures :

KSK Dibbin Hydro Power Private Limited, 8-2-293/82/A/431/A, Road No.22, Jubilee Hills, Hyderabad – 500 033, India.

B. Whole time Directors :

1. Sri A G West Kharkongor	Chairman & Managing Director
2. Sri V K Singh	Director (Technical)
3. Sri M Shiva Shunmuganathan	Director (Finance)
4. Sri Satyabrata Borgohain	Director (Personnel) up to 28 th February 2019
5. Sri Anil Kumar	Director (Personnel) w.e.f. 1 st March 2019

a) Parent entities

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

(₹ in Lakh)

Particulars	31-Mar-19	31-Mar-18
<i>Sales and purchase of goods and services</i>		
sale of goods to associates	Nil	Nil
purchase of raw materials	Nil	Nil
<i>Other transactions</i>	Nil	Nil
Dividend paid to parent entity	11500.00	9214.00

b) Key management personnel compensation

Particulars	31-Mar-19	31-Mar-18
Salary and allowances	146.11	125.25
Contribution to Provident Fund and other funds	17.19	19.67
Other benefits	9.58	53.67
Total	172.88	198.59

c) Transaction with related parties

The following transactions occurred with related parties:

Particulars	31-Mar-19	31-Mar-18
<i>Sales and purchase of goods and services</i>		
Sale of goods to associates	Nil	Nil
Purchase of raw materials from associates	Nil	Nil
Purchase of various goods and services from entities controlled by key management personnel:		
i. Professional services	Nil	Nil
<i>Other transactions</i>	Nil	Nil

d) Outstanding balances arising from sales /purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31-Mar-19	31-Mar-18
Trade payable (purchases of goods and services)	Nil	Nil
Associates	Nil	Nil
Joint venture	Nil	Nil
Total payable to related parties	Nil	Nil
Trade receivables (sale of goods and services)	Nil	Nil
Associates	Nil	Nil
Joint venture	Nil	Nil
Total receivables from related parties	Nil	Nil

e) Loan to/from related parties

Particulars	31-Mar-19	31-Mar-18
<i>Loans to key management personnel</i>		
Beginning of the year	Nil	Nil
Loans advanced	Nil	Nil
Loan repayments received	Nil	Nil
Interest charged	Nil	Nil
Interest received	Nil	Nil
End of the year	Nil	Nil

f) Loans to associates

Particulars	31-Mar-19	31-Mar-18
<i>Loans to associates</i>		
Beginning of the year	Nil	Nil
Loans advanced	Nil	Nil
Loan repayments received	Nil	Nil
Interest charged	Nil	Nil
Interest received	Nil	Nil
End of the year	Nil	Nil

g) Terms and conditions

The advances to key management personnel are generally for periods which varies from 12 months to 60 months depending on the nature of advance, repayable in monthly installments. No goods were sold to associates during the year based . All other transactions were made on normal commercial terms and conditions.

All outstanding balances are unsecured and are repayable in cash.

Note No. 46: Operating Segment

- Electricity generation is the principal activity of the Corporation. Other operation like interest income does not form a reportable segment as per the Accounting Standard 108.
- The Corporation has power projects located within the country and therefore geographical segments are inapplicable.

Note No. 47: Disclosure for Ind AS 115

The Company has applied IND AS 115 for the first time by using the modified retrospective method of adoption with the date of Initial Application of 1st April 2018. Under this method, the Company recognised the cumulative effect of initially applying IND AS 115 as an adjustment to the Opening Balance of Retained Earnings as at 1st April 2018. Comparative prior period has not been adjusted.

The impact of Company's retained earnings as at 1st April 2018 is as follows –

(₹ in Lakh)

(a) Retained Earnings prior to adoption of Ind AS 115	5858.68
(b) Restatement due to Revenue from Internal Consumption	(182.07)
(c) Restatement due to reduction in corresponding Expenses	(182.07)
(d) Net Adjustment to Retained Earnings from Adoption of Ind AS 115 (d=b-c)	-
(e) Revised Retained Earnings as per Ind AS 115 (e=a-d)	5858.68

- The following table presents the amounts by which each financial statement line item is affected in the Current Year ended 31st March 2019 by the application of IND AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided –

(₹ in Lakh)

Statement of Profit and Loss	31 st March 2019 without adoption of Ind AS 115	Increase / (Decrease)	31 st March 2019 as reported post adoption of Ind AS 115
Revenue from Operations	2,00,865.57	(161.66)	2,00,703.91
Total Income	2,00,865.57	(161.66)	2,00,703.91
Other Expenses	25,355.76	(161.66)	25,194.10
Total Expenses	23,101.75	(161.66)	22,940.09

Note No. 48: Statement Showing Status of RECs as on 31.03.2019 against Generation from 5 MW Monarchak Solar Pv Power Plant

A PPA agreement has been executed with Tripura State Electricity Corporation Ltd. (TSECL) for the entire plant capacity of 5 MW. Out of this 5 MW, TSECL's RPO requirement of 18 KW is contracted for sale at CERC determined generic tariff and the balance 4.982 MW under the REC mechanism at TSECL's average pooled cost of power purchase. NEEPCO is entitled 1 REC for every MWhr sold under the REC mechanism. The RECs can be traded at energy exchange at market determined prices within the band bounded by the forbearance price and the ceiling price which are determined by CERC from time to time.

Particulars	As on 31.03.2019	As on 31.03.2018	As on 31.03.2017
Number of RECs for which eligible	25173	19584	12954
Number of RECs applied for	22968	19584	12954
Number of RECs issued	16607	13365	10994
Number of RECs placed for trading at exchange	16607	13365	NIL
Number of RECs sold	16607	NIL	NIL

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

Note No. 49: Confirmation of Balances

Balances shown under Capital advances to Contractors, Trade Payable and material in transit/with contractor/issued on loan, Trade receivables, Accounts receivable are subjected to confirmation/reconciliation and consequential adjustment, if any.

Note No. 50: Cut-off Date

The Company has taken all known ascertained liabilities pertaining to the year upto 31.03.2019 taking into consideration 5th April, 2019 as the cut-off date.

Note No. 51: Impairment loss

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

Note No. 52: Previous year figures

The previous year 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: 20-06-2019

C. Sharma
Company Secretary

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

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

T. K. Das
Partner
Membership No. 053080

Place: New Delhi



Independent Auditors' Report

To,

The Members of North Eastern Electric Power Corporation Limited

Opinion

We have audited the accompanying Consolidated Ind AS financial statements of North Eastern Electric Power Corporation Limited ("the Venturer Company") and its jointly controlled entity (collectively referred to as "the Company"), which comprise the Consolidated Balance Sheet as at 31st March 2019, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Ind AS financial statements').

In our opinion and to the best of our information and according to the explanations given to us and due consideration of Unaudited separate Ind AS financial statement of the joint venture entity referred to below in the Other Matters Paragraph, the aforesaid Consolidated Ind AS financial statements give the information required by the Companies Act 2013 ('the Act'), the Electricity Act 2003, and CERC Regulations in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the Consolidated financial position of the Company as at 31st March 2019, its financial performance including Consolidated other comprehensive income, its Consolidated Cash flows and the Consolidated Statement of Changes in equity for the year ended on that date.

Basis for Opinion

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

Emphasis of Matters

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

1. Note No. 18.3(c) in respect of restatement of the Financial Statement of earlier years in compliance of Ind AS 8 "Accounting Policies, Changes in Accounting Estimates & Errors"
2. Note No. 18.3(b) in respect of Bond redemption reserve; Company appropriates out of the profit "Bond Redemption Reserve" to the extent of 25% of the value of bonds prior to the year of redemption of bonds. At present, Company has around 12% of the value of Outstanding Bonds in its Bond Redemption Reserve.
3. Note No. 40 in respect of the uncertainty related to the outcome of the claims/arbitration proceedings and lawsuit filed by the/against the company on/by contractors and/or others. In some cases, the arbitration award has been decided against the company/lost in lower courts and the company is pursuing the matter in higher courts.

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

4. Note No. 49 in respect of balance confirmation, reconciliation and consequential adjustment from the different parties. Our report is not modified in respect of these matters.

Key Audit Matters

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

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

Sl. No.	Key Audit Matter	Auditor's Response
1	<p>Evaluation of Uncertain Arbitration Cases, Court Cases and Litigations</p> <p>The Company has material uncertain claims of Rs. 2443.53 crores containing matters under litigations, Court Cases and Arbitration Cases, which involves significant judgment to determine the possible outcome of these cases.</p> <p>Refer Notes 40 to the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>We have obtained details of Arbitration cases, Court Cases and Pending litigations for the year ended March 31, 2019 from management. We involved our team members to challenge the management's underlying assumptions in estimating the litigation cases and the possible outcome of the disputes. Our team also considered legal precedence and other rulings in evaluating management's position on these pending litigations and Arbitration cases. Additionally, we considered the effect of new information in respect of these cases to evaluate whether any change was required to management's position on these uncertainties.</p>
2	<p>Recoverability of Direct Tax Receivables</p> <p>As at March 31, 2019, Current assets in respect of Other Financial Assets include Advance Tax Refundable amounting to ₹ 3543.06 lakhs pertaining to Previous Assessment Years, which are pending adjudication.</p> <p>Refer Note 13 to the Consolidated Financial Statements.</p>	<p>Principal Audit Procedures</p> <p>We have involved our team to review the nature of the amounts recoverable, the sustainability and the likelihood of recoverability upon final assessment. We have verified the Assessment status for the years whose amount are yet to be recovered and are under Assessment under appropriate authority.</p>
3	<p>Recognition of Regulatory Deferral Account Balances in accordance with IND AS 114 and CERC Regulations 2014-19</p> <p>For the FY 2018-19, Income of Rs 162.38 crores in respect of Regulatory Deferral Account has been recognised as per the provisions of IND AS 114 and CERC Regulations, in respect of the following –</p> <ol style="list-style-type: none"> Difference in Rate of Depreciation as per CERC Regulations charged to P&L and Depreciation allowed to be recovered through tariff, for Turial Hydro Electric Project (TrHEP). Deferred tax adjustment against deferred tax liability for O&M Plants on account of Deferred tax accrued during the year capable of adjustment/reversal in future periods. Modification of Annual Fixed Costs on account of variation of Additional Capital Expenditure as allowed by CERC Regulations for O&M Projects and as actually billed. <p>Refer Note 16 and Note 41 of Financial Statements</p>	<p>Principal Audit Procedures</p> <p>Accounting Policy for recognition of Regulatory Deferral Account balances in accordance with IND AS 114 was examined. We have reviewed the nature of regulatory activities, its recognition and subsequent measurement. Also, we have involved our team to analyse the risks and uncertainties associated with future recovery of the same and the time frame within which it is expected to be recovered.</p> <p>We have reviewed the sample list of documents / calculations for recognising rate regulated activities as Regulatory Deferral Income. Our team has performed analytical procedures and carried out test of details for reasonableness of Regulatory Income / Expenses booked.</p> <p>Further, we reviewed the CERC Regulations and logic behind recognising of Regulatory Income / Expense.</p>

4	<p><i>Recoverability of Capital Expenditure through tariff, on start of Commercial Operations of Kameng Project</i></p> <p>As on 31st March 2019, total balance of Capital Work-In-Progress for Kameng Project lying in the books of NEEPCO amounts to Rs.6438.24 crores. The aforesaid amount includes significant expenditures in the form of Incidental Expenditure during Construction (IEDC) charged under the head Capital Work in Progress.</p> <p>Analysis will be carried out by CERC to determine, whether price and cost overrun will be included, for determination of Tariff by CERC, once Kameng project is capitalised., As the Actual Capital Cost of the project has exceeded Indexed Projected Cost, it may result in probable Impairment.</p>	<p><i>Principal Audit Procedures</i></p> <p>We have analysed the process of allocation of expenses for construction projects, to Incidental Expenditure during Construction. Further, detailed checking was carried out to verify the correctness of allocation of Outlays for Capital Work in Progress. Also, design of Internal Controls relating to expenses to be charged off to IEDC / CWIP was evaluated.</p> <p>The Assessment of indicators of Impairments could be carried out post capitalization of the project and its successful COD.</p>
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Our report is not modified in respect of these matters.

Other Matters

We did not audit the Ind AS financial statements of the jointly controlled entity. The Unaudited Ind AS financial statement of jointly controlled entity have been furnished to us, by the management. The Consolidated Financial Statement reflect Investments carried at ₹3233.08 lakhs in the Consolidated Balance Sheet as at March 31, 2019 and Share of Profit of Joint Venture at ₹9.99 lakhs on the Consolidated Profit & Loss, based on such Unaudited Financial Statements of such Joint Venture as at 31st March 2019, accounted for under the Equity Method. Our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the jointly controlled entity, and our report in terms of Section 143(3) and 143(11) of the Act, in so far as it relates to the aforesaid jointly controlled entity, is based solely on such Unaudited Ind AS financial statements.

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

Other Information

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Director's Report including Director's Responsibility Report and Corporate Governance, but does not include the Consolidated financial statements and our auditor's report thereon.

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

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

Based on the above, we would communicate the matter to those charged with governance, in case we conclude a material misstatement in Other Information, post availability of Other Information.

Management's Responsibility for the Consolidated Ind AS Financial Statements

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

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

Auditors' Responsibility

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

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

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

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

Report on Other Legal and Regulatory Requirements

- i. 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 of the aforesaid consolidated Ind AS financial statements.

- b. in our opinion proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept by the Company so far as it appears from our examination of those books;
- c. the Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the other comprehensive income, the Consolidated Statement of Cash Flow and the Consolidated Statement in changes in equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.;
- d. In our opinion, the aforesaid Consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. Being a Government Company, pursuant to the Notification No. GSR 463{E} dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Companies Act, 2013, are not applicable to the Company.
- f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A;
- g. With respect to compliance of Section 135 under Companies Act 2013, the Company has spent less than two percent of the average net profits of the Venturer Company during three preceding financial years, towards CSR in the current FY 2018-19 and
- h. 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 Venturer Company has disclosed the impact of pending litigations on its financial position in its Consolidated Ind AS financial statements – Refer to Note 40 to the Consolidated Ind AS financial statements;
 - ii. The Venturer Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts; and
 - iii. The Venturer Company has no case of transferring any amount to the Investor Education and Protection Fund as per the provisions of the Act.
- ii. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Venturer Company as we considered appropriate and according to the information and explanations given to us, in the 'Annexure B' on the directions and sub-directions issued by the Comptroller and Auditor General of India.

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

Tapan Kumar Das

(T. K. DAS)

Partner

Membership No.: 053080

Place : New Delhi
Date : 20th June, 2019

Annexure A to the Independent Auditors' Report

(Referred to in paragraph 3(f) under 'Report on Other Legal and Regulatory Requirements' section of independent audit report on the Consolidated financial statements of even date)

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

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended 31st March 2019, we have audited the internal financial controls over financial reporting of North Eastern Electric Power Corporation Limited ('the Venturer Company') and its jointly controlled entity which is a company incorporated in India, as of that date.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses in the internal financial control system of the Venturer Company have been identified as at 31st March 2019:

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

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

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

In our opinion, to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the other matters paragraph, the Venturer company and its jointly controlled entity, which are companies incorporated in India, in all material respects, maintained adequate internal financial controls over financial reporting as of 31st March 2019, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India and except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company's internal financial controls over financial reporting were operating effectively as of 31st March 2019.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the 31st March 2019 Consolidated Ind AS 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 the jointly controlled company, which is a company incorporated in India, is based on the corresponding Unaudited Financial Statements of such company incorporated in India.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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 Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

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

Tapan Kumar Das
(T. K. DAS)

Partner

Membership No.: 053080

Place : New Delhi

Date : 20th June, 2019

Annexure B to the Independent Auditors' Report

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

Sl. No.	Directions u/s 143(5) of the Companies Act, 2013	Auditor's reply on action taken on the directions	Impact on financial statement
1.	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the Implications of processing of Accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	The company has old information technology (IT) application system which is unable to cater the emerging needs, process all accounting transactions and complete information consistent with financial reporting objectives.	Not Ascertainable
2.	Whether there is any restructuring of an existing loan or cases of waiver/ write off of debts/ loans/ interest etc. made by a lender to the Company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	No such restructuring of existing loan or waiver/ write off of debts/ loans/ interest etc. were made by lender to the Company.	Nil
3.	Whether funds received/ receivable for specific schemes from Central/ State agencies were properly accounted for/ utilized as per its terms and conditions? List the case of deviations.	The funds received for Deen Dayal Upadhyaya Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) Schemes have been accounted and utilized as per the terms of the related schemes.	Nil

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

Tapan Kumar Das

(T. K. DAS)

Partner

Membership No.: 053080

Place : New Delhi

Date : 20th June, 2019

Part I: Consolidated Balance Sheet as at 31st March, 2019

(₹ in lakhs)

Sl No.	Particulars	Note No.	As at 31 st March 2019	As at 31 st March 2018 (Restated)	As at 1 st April 2017 (Restated)
1	ASSETS				
	Non-Current assets				
	(a) Property, Plant and Equipment	2	616630.06	341039.75	348907.21
	(b) Capital work-in-Progress	3	711874.08	938672.98	799325.64
	(c) Intangible assets under Development	4	10082.50	10082.50	10082.50
	(d) Intangible assets	4A	9776.48	6473.99	4681.85
	(e) Financial Assets				
	(i) Investment	5	3233.08	3223.09	10428.74
	(ii) Loans	6	95.93	107.20	113.96
	(f) Deferred Tax Asset (Net)	7	-	-	-
	(g) Other Non-current Assets	8	21586.28	21236.45	28261.53
	1. Total Non-Current Assets		1373278.41	1320835.96	1201801.43
2	Current assets				
	a) Inventories	9	11083.93	9104.38	13436.19
	b) Financial Assets				
	(i) Trade receivables	10	63453.60	45836.76	44108.15
	(ii) Cash and Cash equivalents	11	6900.43	33049.07	24769.25
	(iii) Bank balances other than (ii) above	12	2957.44	558.85	2158.76
	(iv) Others	13	14404.33	7209.36	6028.43
	c) Current Tax Assets	14	7921.45	9297.15	11824.22
	d) Other Current assets	15	2657.18	1943.02	2039.31
	e) Assets Held For Sale	15A	76.86	131.84	67.69
	2. Total Current Assets		109455.22	107130.43	104432.00
3	3. Regulatory deferral accounts debit balances	16	25034.48	8795.89	5242.28
	Total Assets (1 + 2 + 3)		1507768.11	1436762.28	1311475.71
4	EQUITY AND LIABILITIES				
	Equity				
	(a) Equity Share Capital	17	360981.04	345281.04	345281.04
	(b) Other Equity	18	269495.34	260958.15	243351.83
	(c) Share Application money pending Allotment	18.4	-	9600.00	-
	4. Total Equity		630476.38	615839.19	588632.87
	Liabilities				
5	Non-Current Liabilities				
	a) Financial Liabilities				
	(i) Borrowings	19	661882.06	630906.68	559292.78
	(ii) Trade payable				
	(a) Total outstanding dues of micro enterprises and small enterprises		-	-	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		-	-	-
	(iii) Other financial liabilities		-	-	-
	b) Provisions	20	15780.51	20226.57	12423.54
	c) Deferred tax liabilities (Net)	7	17747.65	3588.44	3609.34
	d) Other non-current liabilities	21	29332.11	31204.15	31311.40
	5. Total Non-Current Liabilities		724742.33	685925.84	606637.06
6	Current liabilities				
	a) Financial liabilities				
	(i) Borrowings	22	28236.63	20000.00	33275.00
	(ii) Trade Payable	23			
	(a) Total outstanding dues of micro enterprises and small enterprises		645.04	129.55	-
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6663.44	8646.37	5285.97
	(iii) Other financial liabilities	24	72039.26	59447.93	39121.94
	b) Other current liabilities	25	16051.36	16245.69	14318.83
	c) Provisions	26	17594.39	16583.41	15220.49
	d) Current Tax liabilities	14	11319.28	13944.30	8983.55
	6. Total Current Liabilities		152549.40	134997.25	116205.78
7	7. Regulatory deferral accounts credit balances		-	-	-
	Total Equity and Liabilities (4 + 5 + 6 + 7)		1507768.11	1436762.28	1311475.71

Summary of significant accounting policies - Note no.1

The accompanying notes 1 to 53 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: 20-06-2019

C. Sharma

M. Shiva Shunmuganathan

A.G. West Kharkongor

T. K. Das

Place: New Delhi

Company Secretary

Director (Finance)-cum-CFO

Chairman & Managing Director

Partner

DIN: 07551379

DIN: 03264625

Membership No. 053080

Part II: Statement of Profit and Loss

(₹ in lakhs)

Sl No.	Particulars	Notes	For the period ended 31 st Mar 19	For the period ended 31 st Mar 18 (Restated)
I	Revenue from Operations	27	200703.91	163294.41
II	Other Income	28	10137.28	3172.35
III	Total Income (I + II)		210841.19	166466.76
IV	Expenses			
	(a) Cost of materials consumed	29	56199.59	42632.78
	(b) Employee benefit expense	30	49112.45	41026.61
	(c) Finance costs	31	15704.43	6902.88
	(d) Depreciation and amortization expense	32	35711.48	18305.63
	(e) Other expenses	33	25194.10	20880.92
	Total expenses (IV)		181922.05	129748.82
V	Profit / (loss) before exceptional items, Rate Regulated Activities and tax (III-IV)		28919.14	36717.94
VI	Add : Regulatory Income/(Expense)	16	16238.59	3553.61
VII	Exceptional Items		-	-
VIII	Profit / (loss) after Regulatory Income (V + VI + VII)		45157.73	40271.55
IX	Share of Profit of Joint Ventures		9.99	994.35
X	Profit / (loss) before tax (VIII + IX)		45167.72	41265.90
IX	Tax Expense:			
	(i) Current tax		6222.51	12631.60
	Add : Tax on Regulatory Deferral Accounts		3499.22	1222.44
	Less : MAT Credit		-	895.91
	Net Current Tax		9721.73	12958.13
	(ii) Deferred tax		14045.31	(146.53)
	Total tax expenses		23767.04	12811.60
X	Profit / (loss) for the year from continuing operations (VIII - IX)		21400.68	28454.30
XI	Profit / (loss) from discontinued operations		-	-
XII	Tax expense of discontinued operations		-	-
XIII	Profit / (loss) for the year from Discontinued operations (XI - XII)		-	-
XIV	Profit / (loss) for the year/period (X + XIII)		21400.68	28454.30
XV	Other comprehensive income			
	A (i) Items that will not be reclassified to profit and loss			
	(a) Re-measurements of the defined benefit plans		325.96	363.00
	(b) Others (specify nature)			
	(ii) Income tax relating to items that will not be reclassified to profit and loss		113.90	125.63
	Sub Total (A): (i) - (ii)		212.06	237.37
	B (i) Items that will be reclassified to profit and loss			
	(ii) Income tax relating to items that will be reclassified to profit and loss			
	Sub Total (B): (i) - (ii)		-	-
	Total other comprehensive income XV = (A+ B)		212.06	237.37
XVI	Total comprehensive income for the period (XIV + XV)		21612.74	28691.67
	Earnings per equity share (for continuing operation before regulatory Deferral Accounts) :			
	(1) Basic (in ₹)		0.24	0.76
	(2) Diluted (in ₹)		0.24	0.76
XVII	Earnings per equity share (for continuing operation after regulatory Deferral Accounts) :			
	(1) Basic (in ₹)		0.60	0.82
	(2) Diluted (in ₹)		0.60	0.82
	The accompanying notes 1 to 53 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: 20-06-2019

C. Sharma

M. Shiva Shunmuganathan

A.G. West Kharkongor

T. K. Das

Place: New Delhi

Company Secretary

Director (Finance)-cum-CFO

Chairman & Managing Director

Partner

DIN: 07551379

DIN: 03264625

Membership No. 053080

Cash Flows Statement for the year ended 31st March 2019

(₹ in lakhs)

Particulars	For the year ended 31 st March 2019	For the year ended 31 st March 2018 (Restated)
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax for the year including OCI & movements in Regulatory Deferral Account Balances	45,493.68	41,628.90
Less: Movement in Regulatory deferral Account Balances	16,238.59	3,553.61
Profit before Tax	29,255.09	38,075.29
ADD :		
Depreciation & Amortisation	35,711.48	18,305.63
Finance Cost	15,704.43	6,902.88
Loss on Sale of Assets/Asset Write off	3,132.77	569.95
Expenditure towards Regulatory Deferral Account Balances	16,238.59	3,553.61
Foreign Exchange loss	822.86	87.90
Fair value loss	2.37	4.40
	<u>71,612.50</u>	<u>29,424.37</u>
	1,00,867.59	67,499.66
LESS:		
Profit on Sale of Assets	0.24	0.70
Interest/Investment income	84.98	329.00
Foreign Exchange gain	-	-
Fair value gain	-	-
	<u>85.22</u>	<u>329.70</u>
Cash flow from Operating Activities before operating Assets & Liabilities adjustments	1,00,782.37	67,169.96
Changes in operating Assets & Liabilities		
Inventories	(1979.54)	4,331.81
Trade & Other Receivable	(25339.00)	(2962.27)
Other Financial Assets, Loans and Advances	(2531.22)	(75.11)
Other Financial Liabilities & Provisions	2,866.70	19,412.39
	<u>(26,983.06)</u>	<u>20,706.82</u>
Cash flow from operating activities before taxes	73,799.31	87,876.78
Less : Direct Taxes Paid	10,308.00	9,100.00
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	63,491.31	78,776.78
B. CASH FLOW FROM INVESTING ACTIVITIES		
Property, plant and equipment	(48,212.77)	(95,363.28)
Financial assets	(9.99)	7205.65
Interest income	121.69	270.89
Dividend Income	3.10	15.01
Changes in Regulatory Deferral Account Balances	(16238.59)	(3553.61)
NET CASH FLOW FROM INVESTING ACTIVITIES (B)	(64,336.56)	(91,425.34)

C. CASH FLOW FROM FINANCING ACTIVITIES (C)		
Equity Share (Pending Allotment)	6,100.00	9,600.00
Proceed from Borrowings	74,163.18	1,15,171.15
Repayment of borrowings	(35,267.25)	(59,112.05)
Dividends & Dividend Tax paid (with adjustment for current tax written back)	(13,077.92)	(11,089.75)
Interest & Finance Charges	(54,822.81)	(35,240.88)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)	(22904.80)	19,328.47
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)	(23750.05)	6,679.91
Cash & Cash Equivalents at the beginning of the year	33,607.92	26,928.01
Cash & Cash Equivalents at the close of the year	9,857.87	33,607.92

Explanatory notes to statement of cash flows

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

(₹ in lakhs)

Particulars	As at 31 st March, 2019	As at 31 st March, 2018
Cash and Cash equivalents	6900.43	33049.07
Bank balances other than above (restricted balance)	2957.44	558.85
	9,857.87	33,607.92

- Bank balances other than Cash and Cash equivalents consists of restricted money amounting to ₹2957.44 lakhs (Previous years ₹558.85 lakhs), held for Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme) and margin money against LC provided to Bank.
- Previous year figures have been regrouped/rearranged wherever considered necessary.
- Interest & finance charges in Cash Flow from Financing Activities includes borrowing cost of ₹61.39 Lakhs (Previous year ₹52.38) & Guarantee & Commitment fee ₹546.53 Lakhs (Previous year ₹564.97 Lakhs) capitalised during the period on account of Expenditure attributable to construction (EAC).
- Changes in liabilities arising from financing activities**
 - Issue of equity instruments during the period amounts to ₹15700.00 lakh, out of which ₹6100.00 lakh received during the period.
 - (a): Borrowings ₹74,163.18 lakhs (Previous year ₹1,15,171.15 lakhs) includes net foreign exchange loss of ₹584.45 lakhs (Previous year net foreign exchange loss ₹6,758.18 lakhs).
 - (b): Amortisation of bond cost amounting to ₹240.36 lakhs (Previous year ₹232.92 lakhs) adjusted with proceed from borrowings.

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: **20-06-2019**
Place: **New Delhi**

C. Sharma
Company Secretary

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

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

T. K. Das
Partner
Membership No. 053080

Statement of Changes in Equity

A. Equity Share Capital

Period ended 31st March 2018

(₹ in lakhs)

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

Period ended 31st March 2019

(₹ in lakhs)

Balance as at 01.04.2018	Changes in equity share capital	Balance as at 31.03.2019
1	2	3
3,45,281.04	15,700.00	3,60,981.04

B. Other Equity

Period ended 31st March 2018 (Restated)

(₹ in lakhs)

Particulars	Balance as at 01.04.2017	Changes in accounting policy or prior period errors	Restated balance as at 31.03.2018	Total Comprehensive income for the year	Dividends	Transfer to/from retained earnings	Fair Value Adjustment	Balance as at 31.03.2018 (Restated)
	1	2	3	4	5	6	7	8
Retained Earnings	1671.56	4256.11	5927.67	28691.67	11089.75	17334.60	4.40	6199.39
General Reserve	197691.68	-	197691.68	-	-	-	-	197691.68
Bond Redemption Reserve	39732.48	-	39732.48	-	-	17334.60	-	57067.08
Share Application money pending Allotment	-	-	-	-	-	-	-	9600.00

Period ended 31st March 2019

(₹ in lakhs)

Particulars	Balance as at 01.04.2018	Changes in accounting policy or prior period errors	Restated balance as at 31.03.2018	Total Comprehensive income for the year	Dividends	Transfer to/from retained earnings	Fair Value Adjustment	Balance as at 31.03.2019
	1	2	3	4	5	6	7	8
Retained Earnings	6199.39	-	6199.39	21612.74	13863.86	7987.09	788.31	6749.49
General Reserve	197691.68	-	197691.68	-	-	-	-	197691.68
Bond Redemption Reserve	57067.08	-	57067.08	-	-	7987.09	-	65054.17

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: 20-06-2019

Place: New Delhi

C. Sharma
Company Secretary

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

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

T. K. Das
Partner
Membership No. 053080

Note No. 1: Significant Accounting Policies 2018-19 (Consolidated)

A. Corporate information

North Eastern Electric Power Corporation Limited ("NEEPCO" / "the Company") is a leading power utility, primarily operating in the North-Eastern Region of India. NEEPCO Ltd, a Central Public Sector Unit (CPSU) wholly owned by the Govt. of India and it is conferred with the Schedule A- Miniratna Category-I CPSE status by the Government of India. The address of the Company's registered office is Brookland Compound, Lower New Colony, Laitumkrah, Shillong 793003, Meghalaya. Authorised Capital of the Company is ₹5000 crore. With operation of 7 (seven) **hydro, 3 (three) thermal and 1(one) solar power stations, total installed capacity of NEEPCO stands at 1457 MW. In addition 01 (one) hydro** project, namely, Kameng HEP (600 MW) is in advanced stage of commissioning.

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

B. Basis of preparation

I. Statement of Compliance

The financial statements of the Company have been prepared in accordance with the relevant provisions of the Companies Act, 2013, Indian Accounting Standards (herein after referred to as "Ind-AS") as notified by the Ministry of Corporate Affairs pursuant to the section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) Rules 2015, Companies (Indian Accounting Standards) Amendment Rules 2016 and the provisions of the Electricity Act, 2003 to the extent applicable.

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

II. Basis of measurement

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

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

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Income and Expenses are accounted for on Mercantile Basis, except otherwise stated and disclosed accordingly.

III. Functional and presentation currency

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

IV. Current and Non-current classification

All assets and liabilities have been classified as current or non-current as per Company's operating cycle and other criteria set out in Schedule-III of the Companies Act 2013. Based on the nature of business, the Company has ascertained its operating cycle as 12 months for the purpose of Current or noncurrent classification of assets and liabilities.

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

V. Use of estimates and management judgments

The preparation of financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, disclosure of contingent assets and liabilities at the date of financial statements and reported amount of income and expenses during the period. Actual results may differ from those estimates.

Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised in the financial statements prospectively and if material, their effects are disclosed in the notes to the financial statements.

Key sources of estimation uncertainty at the reporting date, which may cause a material adjustment to the carrying amounts of assets and liabilities for future years are provided in Note-D.

VI. Investment in Joint Venture

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

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

C. Summary of Significant Accounting Policies

Basis of Consolidation

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105.

Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

1. Property, plant and equipment

1.1 An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

- 1.2 Property, plant and equipment held for use in the production and transmission of power, or for administrative purposes, are stated in the balance sheet at cost, less accumulated depreciation/amortization and impairment loss, if any.
- 1.3 Auxiliaries which are not separately identifiable, but are common to more than one power generating unit are capitalised in the ratio of their respective installed capacity.
- 1.4 PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost, if any, wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.
- 1.5 The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on trial/ test runs and experimental production is capitalized as an indirect element of the construction cost. However, after commencement of commercial operation, the expenditure incurred is charged to Revenue expenditure, although the contract stipulation provides for final taking over of the plant after successful commissioning of the plant.
- 1.6 Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and major overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalized and the carrying amount of the item replaced is derecognized. Similarly, overhaul costs associated with major maintenance are capitalized.
- 1.7 Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.
- 1.8 Assets over which the Company has control, though created on land not belonging to the Company are included under Property, Plant and Equipment.
- 1.9 Payments made/ liabilities created provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.
- 1.10 Spare parts procured along-with the Plant & Machinery as well as procured subsequently which meets the recognition criteria are capitalized. Other machinery spares are treated as “stores & spares” forming part of the inventory.
- 1.11 Cost of mobile handsets are recognised as revenue expenditure.
- 1.12 An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognized in profit & loss or IEDC, as the case may be.

2. Capital work-in-progress

- 2.1 Expenditure incurred on assets under construction is carried at cost under Capital work in Progress. Such costs comprises purchase price of asset including all taxes/duties and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.
- 2.2 Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs including administrative and general overhead costs, if attributable to construction of projects. Such costs are accumulated under “Capital works in progress” and subsequently allocated on systematic basis over major immovable assets. For projects under construction, the project specific IEDC is allocated to its qualifying assets at the time of capitalisation on the basis of Cost Estimate/Completion Cost of the project.

- 2.3 Capital expenditure incurred to create facilities, over which the Company does not have control and creation of which is essential for construction of the project is carried on under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.
- 2.4 Expenditure against "Deposit works" is accounted for on the basis of statement of accounts received the concerned agency and acceptance by the Company.
- 2.5 Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.
- 2.6 Share of Corporate office and Guwahati office expenditures relating to construction activities are allocated/apportioned to the projects under construction on the basis of accretion to CWIP.
- 2.7 In case of abandonment/suspension/discontinuation of project, the expenditure in relation to the same is expensed/charged off in the year of such decision.

3. Intangible Assets

- 3.1 Intangible assets acquired separately are measured on initial recognition at cost. Such assets are capitalized when the assets are ready for its intended use. After initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.
- 3.2 Computer software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortization and impairment losses, if any.
- 3.3 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for under "Land-Right to use."
- 3.4 Intangible assets not ready for its intended use as on the date of balance-sheet are disclosed as "Intangible assets under development".

4. Depreciation and amortization:

Depreciation is charged as per Electricity Act, 2003 on straight line method following the rates and methodology notified by the Central Electricity Regulatory Commission constituted under the Act except the followings:

- i. IT equipment (Computers and Peripherals) are being depreciated fully (100%) in three years.
- ii. Computer software is amortised on straight-line method over a period of legal right to use or 03 (three) years, whichever is less.
- iii. "Land-right to use" is fully amortized over the period of useful life of the project from its "Date of commercial operation".
- iv. Where the cost of depreciable assets has undergone a change due to during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, changes in duties and similar factors, the unamortized balances of such assets is depreciated prospectively over the residual life of such asset at the rate and methodology notified by the CERC regulations.
- v. Cost of major repairing and overhauls are depreciated over their useful lives where it is probable that future economic benefits will be available.
- vi. Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.
- vii. Assets/procured installed, whose individual cost is ₹5000/- or less but more than ₹750/- (hereinafter is called Assets of minor value) and assets (excluding immovable assets) whose written down value is ₹5000/- or less at the beginning of the year are full depreciated during the year leaving a nominal balance of ₹1/- only.

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

ix. Depreciation of Corporate/Administrative office assets and general assets of projects under construction are charged following the rates notified vide CERC tariff regulations.

Depreciation for each class of assets are calculated from the 1st day of the month following the month of its capitalization. For the de-capitalised assets, depreciation is calculated upto the previous month of de-capitalisation.

5. Assets held for sale

Assets classified as “Asset held for sale” at its Net Realisable Value (NRV) subject to fulfillment of its recognition criteria in compliance to the Ind-AS 105, which are as follows:

- NRV is recoverable principally through a sale transaction rather than through continuing use;
- Such assets are available for immediate sale in its present conditions;
- Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets, assets are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected to complete within one year from the date of classification.

6. Impairment of assets

6.1 At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is indication that those assets may suffer an impairment loss. If any such indication exists, the recoverable amount (i.e., higher of its fair value less cost to sell and the value-in-use) is determined on individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

6.2 If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount and the difference between the carrying amount and recoverable amount is recognised as impairment loss in the statement of profit & loss.

7. Regulatory deferral accounts

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

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

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

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

8. Foreign Currency Transaction

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

8.2 In preparing the financial statements transactions in currencies other than the entity’s functional currency are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing at that date.

8.3 Exchange differences on foreign currency borrowings relating to Asset under Constructions for future productive use are included in the cost of those assets when they are regarded as an adjustment to interest cost on those foreign currency borrowings as per the requirements of Ind AS 23.

8.4 Exchange differences on monetary items are recognized in the statement of profit and loss/IEDC, as the case may be, in the period in which they arise.

- 8.5 Exchange differences in respect of liabilities relating to fixed assets/ capital work-in-progress arising out of transaction entered into prior to 1st April, 2004 are adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress. Exchange differences arising on translation or settlement of monetary items in respect of transactions entered on or after 1st April, 2004 are recognized as income or expenses in the period in which they arise in the statement of Profit or Loss Account in case of operational power stations and added to the carrying amount of capital work in progress in case of projects under construction.
- 8.6 In accordance with the CERC tariff regulations, every generating company shall recover the foreign exchange rate variation on year-to-year basis as income or expense in the period in which it arises, i.e., the Company can recover the foreign exchange rate variation on actual basis when foreign currency loan is repaid after commercial operation date (COD).

9. Provisions, Contingent Liabilities and Contingent Assets

- 9.1 Provisions are recognized when there is a present obligation (legal or constructive) as a result of a past event and it is probable ("more likely than not") that it is required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- 9.2 The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.
- 9.3 If the effect of the time value of money is material, provision is determined by discounting the expected future cash flow using a current pre-tax rate that reflects the risk specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.
- 9.4 Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent liabilities are not recognized but disclosed unless the possibilities of outflow of economic benefits are remote. Contingent liabilities are disclosed on the basis of judgment of management and are reviewed at each balance sheet date to reflect the current management estimate.
- 9.5 Contingent assets are possible assets that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable on the basis of judgment of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate. Contingent assets are disclosed in the financial statements when inflow of economic benefit is probable.

10. Leases

- 10.1 The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease.
- 10.2 Leases are classified as finance leases whenever the terms of the lease transfers substantially all the risks and rewards incidental to the ownership of an asset to the lessee. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price. All other leases are classified as operating leases.
- 10.3 Lease assets are accounted in accordance with Ind AS 17 and amortised as follows:
- Leasehold Land, in case of projects under operation, are amortised over the period of lease or useful life of the project, whichever is lower.
 - Leasehold Land, in case of administrative offices, are amortised over the lease period.
 - Leasehold Land, in case of projects under construction are amortised over the period of lease or useful life of the project, whichever is lower, from its "Date of commercial operation".

11. Inventories

- 11.1 Inventories mainly comprise of stores and spare parts to be used for operation and maintenance of Property, Plant and Equipment.
- 11.2 Inventories are valued at costs or net realizable value (NRV), whichever is lower. Cost includes cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.
- 11.3 Value of scrap is adjusted in the account as & when sold/ disposed-off and profit/ loss, if any, is recognized in accounts in the year of sell/ disposal.

12. Trade receivable

- 12.1 Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. If collection is expected to be made within a period of 12 months or less from the reporting date, they are classified as current assets otherwise as non-current assets. Trade receivables are measured at their transaction price.
- 12.2 As the entire sales are made to State Govt. utilities, the Company is not providing for allowance for expected credit loss.
- 12.3 Trade Receivable represents the Company's right to an amount of Consideration that is unconditional (i.e. only the passage of time is required before payment of the Consideration is due)

13. Financial Instruments

- 13.1 Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction cost that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liabilities.

13.2 Other Financial Assets (Contract Assets)

A contract asset is the right to consideration in exchange for goods or services, transferred to the Customer. If the Company performs by transferring the goods or services to a Customer before the Customer pays consideration or payment is due, a Contract Asset is recognised for the Earned Consideration that is conditional.

Financial assets comprises of investments in joint venture, advances to employees, trade receivables, cash and cash equivalents, claims recoverable, security deposits etc.

i. Cash or Cash Equivalents:

The Company considers all short term Bank deposits, which are readily convertible in to known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consists of balances with banks which are unrestricted for withdrawal and usage in the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

ii. Financial assets at amortized cost:

Financial assets which are initially measured at cost are subsequently measured at amortized costs if these financial assets are held within a business model whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

iii. Financial assets at Fair value through Other Comprehensive Income (OCI)

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and contractual term of the financial assets give rise on specified days to cash flows that are solely payment of principals and the interest on principal amount outstanding.

iv. Financial assets at Fair value through Profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive item on initial recognition. The transaction cost directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in the statement of profit or loss.

v. Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

vi. Impairment of financial assets

At each reporting date, the Company assess whether the credit risk on a financial instrument has increased significantly since initial recognition

If, at the reporting date, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. If, the credit risk on that financial instrument has increased significantly since initial recognition, the Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses.

The amount of expected credit losses (or reversal) that is required to adjust the loss allowance at the reporting date is recognized as an impairment gain or loss in the statement of profit and loss.

13.3 Financial liabilities

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

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

ii. De recognition of financial liability

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

14. Borrowing cost

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

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

14.3 All other borrowing costs are recognized in the statement of profit and loss in the period in which they are incurred. Borrowing cost includes exchange differences on foreign currency borrowings are adjusted to interest cost.

14.4 Prepayment charges on repayment of loan in full will be charged off to the IEDC/ Profit & Loss account, as applicable, in the year of repayment itself.

15. Government grants

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

15.2 The benefits of a government loan at a below market rate of interest is also treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the fair value of the loan based on prevailing market interest rates.

15.3 Government grants are recognised in the statement of profit and loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognized in the balance sheet by setting up the grant as deferred income.

15.4 Other government grants (grants related to income) are recognized as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Grants related to income are presented under other income in the statement of profit and loss.

16. Employee Benefits

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

16.2 Company contribution paid/payable during the year to Employees Defined Contribution Superannuation Scheme for providing Pension benefit, Provident Fund and Gratuity are accounted for and paid to respective funds which are administered through separate trusts. The Company's liability is actuarially determined for Gratuity, Leave encashment and PMRB at the Balance Sheet date and any further accretion during the year for Gratuity is provided for and that for Leave encashment and PMRB are charged to IEDC or profit & loss, as the case may be.

16.3 The expenses incurred on terminal benefits in the form of ex-gratia payments are charged to IEDC or profit & loss, as the case may be in the year of incurrence of such expenses.

17. Income Taxes

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

17.1 Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current income tax charge is calculated by using tax rates that have been enacted or substantively enacted by the end of the reporting period.

17.2 Deferred tax

- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income.
- Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.
- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered
- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

18. Revenue

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

18.1 Revenue from Operations

- Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) and in case of power stations where final tariff is yet to be approved by CERC, provisional tariff as

agreed by the beneficiaries are adopted. Further for projects for which neither tariff approved by the CERC nor any provisional tariff agreed by the beneficiaries, sale of energy is accounted for on the basis of Annual Fixed Cost (AFC) submitted before the CERC through Tariff Petition.

- The incentives/disincentives are recognized based on norms notified by the Central Electricity Regulatory Commission.
- Rebate for prompt settlement of outstanding receivables (settlement discounts) are netted off with revenue as per the requirements of the standard.
- CERC application fee and publication expenses and interest receivable on arrear bills due to revision of Annual Fixed Cost (AFC) payable by the beneficiaries in terms of CERC regulations are being accounted for on accrual basis
- Deferred tax liabilities till March, 2009, whenever materializes and recoverable from the beneficiaries as per the CERC tariff regulations, are accounted for on year to year basis

18.2 Other Income

- Dividend income from investments are recognized when the right to receive the dividend is established.
- Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.
- Recovery/refund towards foreign currency variation in respect of foreign currency loans as per the CERC tariff regulations are accounted for on year to year basis
- Surcharge recoverable from beneficiaries for late payment of bills on account of sale of electricity and proceeds from renewable energy certificates for green energy are accounted for on cash basis.

19. Earnings Per Share

19.1 Basic earnings per share is computed by dividing the net profit for the period attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, if any, other than the conversion of potential equity shares, if any that have changed the number of equity shares outstanding, without a corresponding change in resources.

19.2 For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

20. Segment Reporting

NEEPCO is in the business of only one product, i.e., generation and selling of electricity. All the projects of NEEPCO are located with the North East Region, i.e., within the same geographical location. NEEPCO has no reportable segment and accordingly, Ind AS 108 – Operating Segment to disclose information about segments is not applicable.

21. Miscellaneous

21.1 Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

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

21.3 Physical verification of Fixed Assets and Inventories are undertaken by the management once in a year. The discrepancies noticed, if any, are accounted for in the year in which such differences are found.

D. Critical accounting judgments and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in Note-B, the management of the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical judgments in applying accounting policies

The following are the critical judgments, apart from those involving estimations (see point ii below), that the management have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements

i. Financial assets at amortized cost

The management has reviewed the Company's financial assets at amortized cost in the light of its business model and have confirmed the Company's positive intention and ability to hold these financial assets to collect contractual cash flows.

ii. Key sources of estimation uncertainty:

The following are the key assumptions concerning the future, and other key sources of estimation of uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year

a. Impairment of investments

The Company reviews its carrying value of investments carried at amortized cost annually, or more frequently when there is indication for impairment. If the recoverable amount is less than its carrying amount, the impairment loss is accounted for.

b. Provisions

Provisions (excluding retirement benefits, leave encashment and Gold Coin) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates.

c. Contingent liabilities

Contingent liabilities arising from past events, the existence of which would be confirmed only on occurrence or non-occurrence of one or more future uncertain events, not wholly within the control of the Company or contingent liabilities where there is a present obligations but it is not probable that economic benefits would be required to settle the obligations are disclosed in the financial statements unless the possibility of any outflow in settlement is remote

d. Fair value measurements and valuation processes:

For financial reporting purposes, fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

Note No. 2: Property, Plant and Equipment

(₹ in lakhs)

Particulars	Note No.	As at 31 st March, 2019	As at 31 st March, 2018	As at 1 st April, 2017
Land	37	2600.25	2566.88	1910.20
Buildings		14947.57	13960.11	13075.47
Plant & Equipments		589559.72	314279.25	322674.54
Furniture & Fixture		654.85	651.29	663.48
Vehicles		256.93	293.40	259.78
Office Equipment		1957.37	1887.09	1787.98
Others :::				
Electrical Equipment		586.14	596.68	574.06
Road, Bridges, Culvert, Helipad		3397.78	4036.30	5060.94
Tools & Plants		2641.59	2737.55	2874.53
Misc. Equipment		27.85	31.20	26.23
Total		616630.06	341039.75	348907.21

As at March 31, 2019

(₹ in lakhs)

Particulars	Free-hold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equip-ment	Electrical equip-ments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equip-ment	Total
Gross Block as at April 1, 2018	2566.88	25746.71	620682.04	1697.46	677.31	6155.50	1626.63	6329.43	6135.75	182.02	671799.74
Additions	33.37	1792.36	310335.74	69.96	-	373.88	35.81	406.21	91.78	13.48	313152.59
Disposals/Adjustment	-	(2.21)	(596.28)	(4.57)	(0.01)	(61.81)	0.00	(1095.30)	(2.61)	(14.80)	(1777.59)
Reclassified as held for sale	-	-	-	-	-	-	-	-	-	-	-
Gross Block as at March 31, 2019	2600.25	27536.86	930421.50	1762.85	677.30	6467.57	1662.44	5640.34	6224.92	180.70	983174.74
Impairment as at April 1, 2018											
Other re-classifications											
Impairment as at March 31, 2019	-	-	-	-	-	-	-	-	-	-	-
Accumulated Depreciation as at April 1, 2018	-	11786.60	306402.79	1046.17	383.91	4268.62	1029.95	2293.13	3398.20	150.62	330759.99
Charge for the period	-	802.81	34777.13	66.08	36.46	311.72	46.37	163.70	187.06	3.26	36394.59
Disposals	-	(0.12)	(318.14)	(4.25)	-	(70.14)	(0.02)	(214.27)	(1.93)	(1.03)	(609.90)
Other re-classifications	-	-	-	-	-	-	-	-	-	-	-
Accumulated depreciation as at March 31, 2019	-	12589.29	340861.78	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	366544.68
Total accumulated depreciation and impairment as at March 31, 2019	-	12589.29	340861.78	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	366544.68
Net block as at March 31, 2019	2600.25	14947.57	589559.72	654.85	256.93	1957.37	586.14	3397.78	2641.59	27.85	616630.06

As at March 31, 2018

(₹ in lakhs)

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

- Property, plant and equipment (including Capital work-in-progress) has been tested for impairment where indicators of impairment existed. Based on the assessment, the Company do not recognise any impairment charge during the current year and also during the year ended March 31, 2018.
- The Corporation has spent an amount of ₹21536.66 lakhs (previous year ₹22789.06 lakhs) on account of construction of Roads, Bridges and Culvert in respect of project under construction on assets which is not owned by the Corporation. Since this expenditure are essential for setting up the project/asset(s), the same are capitalised.
- Present and future immovable properties of Construction and O&M projects are mortgaged for raising Secured, Redeemable Non-Convertible Bonds Eleventh to Twentieth issue valuing ₹559400.00 lakhs having Charge ID with ROC are 100239598 for ₹30000.00 Lakhs, 100179561 for ₹30000.00 Lakhs, 100151868 for ₹50000.00 Lakhs, 100104890 for ₹30000.00 lakhs, 10603635 for ₹90000.00 lakhs, 10555356 for ₹60000.00 lakhs, 10534076 for ₹250000.00 lakhs, 10466275 for ₹5800.00 lakhs, 10411581 for ₹9600.00 lakhs and 10411580 for ₹4000.00 lakhs. External Commercial Borrowing raised from SBI, Singapore for construction projects is secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant, Agartala and Agartala Gas Turbine Projects –Extension, Agartala. Foreign currency Loan received from KfW, Germany for construction of Pare Hydro Electric Project at Arunachal Pradesh is guaranteed by Govt. of India.
- Interest and finance charge, related to construction projects, amounting to ₹40053.80 lakhs (previous year ₹49787.04 lakhs) has been transferred to IEDC (Ref. Note No-37). This also includes foreign exchange difference credited to carrying amount CWIP in respect of Pare Hydro Electric Project amounting to ₹238.40 lakhs (previous year debit ₹6670.28 lakhs). The foreign exchange borrowings are un-hedged.
- The net carrying amount of plant and machinery comprises of:

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Assets held under Finance Leases:			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
Net carrying amount	-	-	-
Owned assets	6,16,630.06	3,41,039.75	3,48,907.21
Net carrying amount	6,16,630.06	3,41,039.75	3,48,907.21

Note No. 3: Details of CWIP

(₹ in lakhs)

Particulars	As at 1 st April 2018	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 st March 2019	As at 31 st March 2018	As at 1 st April 2017
Building	1253.35	663.80	2.47	(980.30)	939.32	1253.35	1180.64
Temporary Buildings/Erections	-	5.22	-	(5.22)	-	-	81.78
Roads, Bridges, Culverts & Helipads	23903.28	1504.34	(3441.96)	(278.44)	21687.22	23903.28	22030.90
Electrical Installation	79.11	56.06	-	(4.74)	130.43	79.11	64.45
Water Supply, Sewerage & Drainage	44.59	85.71	(11.75)	(48.69)	69.86	44.59	73.49
Hydraulic works incldg Dams, Dykes etc.	364199.94	11926.46	28299.87	(156740.50)	247685.77	364199.94	330577.88
Other Civil works	16.90	34.34	-	(29.82)	21.42	16.90	178.09
Power house	43900.74	1384.34	6297.93	(31153.96)	20429.05	43900.74	36771.50
Switch Yard including cable connection	12128.95	643.51	42.54	(3378.28)	9436.72	12128.95	10116.05
Environment & Echology	17159.77	6.47	(4201.99)	-	12964.25	17159.77	17350.23
Transmission Lines	523.67	845.02	(43.00)	(1325.69)	-	523.67	401.38
Transformer having a rating of 100KV ampere and above	9913.54	886.39	-	-	10799.93	9913.54	6182.07
Survey & Investigation	3785.46	249.63	(267.69)	-	3767.40	3785.46	3662.57
Communication equipment	0.71	1.77	-	-	2.48	0.71	-
Substation	-	-	-	-	-	-	646.00
Plant & Machinery in Generating station	78415.54	6332.01	4843.38	(44785.06)	44805.87	78415.54	58972.43
Steam Turbine	-	-	-	-	-	-	-
Gas Booster Station	390.00	165.15	(0.01)	(477.34)	77.80	390.00	2685.13
Incidental Expenditure during Construction	382957.43	58133.66	(102034.53)	-	339056.56	382957.43	308351.05
TOTAL	938672.98	82923.88	(70514.74)	(239208.04)	711874.08	938672.98	799325.64

Note No. 4: Intangible Assets Under Development

(₹ in lakhs)

Particulars	As at 1 st April 2018	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 st March 2019	As at 31 st March 2018	As at 1 st April 2017
Upfront Premium including Processing fee	10082.50	-	-	-	10082.50	10082.50	10082.50

Note No. 4A: Intangible Assets

(₹ in lakhs)

	As at 31 March 19	As at 31 March 18	As at 1 April 17
Carrying amounts of :			
Software	30.20	53.01	58.72
Right to use (Forest Land)	9746.28	6420.98	4,623.13
Intangible assets under development		-	-
	9,776.48	6,473.99	4,681.85

INTANGIBLE ASSETS

As at March 31, 2019

(₹ in lakhs)

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

As at March 31, 2018

(₹ in lakhs)

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

As at March 31, 2017

(₹ in lakhs)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2016	151.17	4,469.05	4,620.22
Additions	16.92	154.08	171.00
Gross Block as at March 31, 2017	168.09	4,623.13	4,791.22
Accumulated Impairment as at April 1, 2016	-	-	-
Charge for the period	-	-	-
Accumulated Impairment as at March 31, 2017	-	-	-
Accumulated amortisation as at April 1, 2016	78.39	-	78.39
Charge for the period	30.98	-	30.98
Accumulated amortisation as at March 31, 2017	109.37	-	109.37
Total accumulated amortisation and impairment as at March 31, 2017	109.37	-	109.37
Net block as at March 31, 2017	58.72	4,623.13	4,681.85

- Compensation paid for forest land of 6120.20 Hectres for setting up of projects (Kameng Hydro Electric Project, Pare Hydro Electric Project and Tuirial Hydro Electric Project) are treated as " Right to use". The land was handed over by respective District administration.
- Expenses incurred on maintenance of software system payable annually are charged to revenue.

Note No. 5: Investment

(₹ in lakhs)

Particular	As at March 31, 2019		As at March 31, 2018		As at April 1, 2017	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
Quoted Investments						
TOTAL AGGREGATE QUOTED INVESTMENTS (A)						
Unquoted Investments (all fully paid)						
Investments in Equity Instruments						
- of joint ventures - jointly controlled entities	-	-	-	-	-	-
- WARNEEP Solar Pvt Limited (Equity Shares - Fully Paid up)	-	-	-	-	82000000	7225.60
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000	3233.08	27930000	3223.09	27930000	3203.14
TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)	27930000	3233.08	27930000	3223.09	109930000	10428.74
Other Investment	-	-	-	-	-	-
TOTAL other investment (C)	-	-	-	-	-	-
TOTAL INVESTMENTS (A) + (B)+ (C)	27930000	3233.08	27930000	3223.09	109930000	10428.74
Less : Aggregate amount of impairment in value of investments	-	-	-	-	-	-
- of joint ventures - jointly controlled entities	-	-	-	-	-	-
TOTAL IMPAIRMENT VALUE (D)	-	-	-	-	-	-
TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D)	-	3233.08	-	3223.09	-	10428.74

INVESTMENT IN JOINT VENTURES

(i) The carrying amount and market value of unquoted investments is as follows:

Name of the Companies	Proportion of Ownership interest as at		
	31.03.2019	31.03.2018	01.04.2017
1. WAANEER Solar Private Limited	-	-	40%
2. KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Unquoted			
Aggregate carrying amount of unquoted investments	3,233.08	3,223.09	10428.74
Total carrying amount	3,233.08	3,223.09	10,428.74

(i) The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

(ii) **Investment in WARNEER Solar Pvt Limited:** 50 MW Solar power Project has been developed by WAANEER solar Private Limited as a joint venture between WAAREE Energies Ltd and NEEPCO Ltd. The Project was commissioned on 15th June, 2015. Another 50 MW Solar Power Project is being set up in the state of Andhra Pradesh. During the FY 2017-18, the management has discontinued from the Joint Venture Company. In terms of Share Purchase Agreement drawn on 24th October 2017, the Corporation's investment (40%) in Joint Venture of M/s. WARNEER Solar Pvt. Limited was sold off to M/s. Waree Energies Limited, the other Joint Venture Partner. The sale proceeds has been accounted in the books of NEEPCO on 11th December 2017.

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

Note No. 6: Loans

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Loans and Advances to employees			
- Secured, considered good	95.93	107.20	113.96
- Unsecured, considered good	-	-	-
- Doubtful	-	-	-
Less : Allowance for bad and doubtful advances	-	-	-
TOTAL (A)	95.93	107.20	113.96

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

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

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

Note No. 7: Deferred tax balances

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Regulatory Income / (Expense)	16238.59	3553.61	7775.40
Tax rate	34.944%	34.608%	34.608%
DTL / (DTA)	5674.41	1229.83	2690.91
Deferred Tax Liability	73786.12	62668.43	61479.07
From OCI	113.90	125.63	(113.22)
Less : Deferred Tax Asset	12049.90	13264.81	10072.91
Less : Deferred Tax Recoverable	44194.97	46030.19	47766.82
Add: DTL / (DTA) for Regulatory Income/Expense	5674.41	1229.83	2690.91
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	5674.41	1229.83	2690.91
Deferred tax for JV Companies	92.50	89.38	83.22
Net Defer Tax (Asset)/ Liability	17747.65	3588.44	3609.34

Deferred Tax as on 31.03.2019

(₹ in lakhs)

Deferred Tax Reconciliation	As at March 31, 2019	As at March 31, 2018	Effect in PL
Deferred Tax Liability	(73786.12)	(62794.06)	10992.06
Deferred Tax Asset as per Ind AS	12049.90	13264.81	1214.91
Net Deferred Tax Liability	(61736.22)	(49529.25)	12206.97
Less Deferred Tax Recoverable	44194.97	46030.19	1835.22
Add: DTL / (DTA) for Regulatory Income/Expense	5674.41	1229.83	(4444.58)
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	5674.41	1229.83	(4444.58)
Net (Liability)/Asset	(17541.25)	(3499.06)	14042.19
Deferred tax for JV Companies			3.12
Effect in PL			14045.31

Deferred Tax as on 31.03.2018

(₹ in lakhs)

Deferred Tax Reconciliation	As at March 31, 2018	As at March 31, 2017	Effect in PL
Deferred Tax Liability	(62,668.43)	(61,365.85)	1302.58
Deferred Tax Asset as per Ind AS	13264.81	10,072.91	(3191.90)
Net Deferred Tax Liability	(49403.62)	(51,292.94)	(1889.32)
Less Deferred Tax Recoverable	46030.19	47,766.82	1736.63
Add: DTL / (DTA) for Regulatory Income/Expense	1229.83	2,690.91	1461.08
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	1229.83	2690.91	1461.08
Net (Liability)/Asset	(3373.43)	(3526.12)	(152.69)
Deferred tax for JV Companies			6.16
Effect in PL			(146.53)

Deferred Tax as on 01.04.2017

(₹ in lakhs)

Deferred Tax Reconciliation	As at March 31, 2017	As at March 31, 2016	Effect in PL
Deferred Tax Liability	(61479.07)	(56,178.04)	5301.03
Deferred Tax Asset as per Ind AS	10072.91	8,702.18	(1370.73)
Net Deferred Tax Liability	(51406.16)	(47,475.86)	3930.30
Less Deferred Tax Recoverable	47766.82	49,265.99	1499.17
Add: DTL / (DTA) for Regulatory Income/Expense	2690.91	166.05	(2524.86)
Less : Deferred Tax adjustment against deferred tax Assets/(Liabilities)	2690.91	166.05	(2524.86)
Net (Liability)/Asset	(3639.34)	1790.13	5429.47
Deferred tax for JV Companies			5.10
Effect in PL			5434.57

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

(₹ in lakhs)

2018-19 Deferred Tax Liabilities/ (Assets) in relation to:	Opening Balance	Recognised in Statement of Profit & Loss during the year	Closing Balance
Plant, Property & Equipment	62794.06	10992.06	73786.12
Employees Benefits	(12739.20)	1076.68	(11662.52)
Provisions for Others	(525.61)	138.23	(387.38)
Deferred Tax Recognised in OCI	-	-	113.90
Deferred Tax Recoverable	(46030.19)	1835.22	(44194.97)
Total	3499.06	14042.19	17655.15

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

(₹ in lakhs)

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

Note No. 8: Other non-current assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Capital Advances			
Secured:			
Covered By Bank Guarantee	290.72	726.17	2628.21
Un-Secured :			
Others	15281.23	14253.69	19194.31
Considered Doubtful	41.28	41.28	41.28
Less: Allowances for bad & doubtful advances	41.28	41.28	41.28
Sub-total	15281.23	14253.69	19194.31
Advances towards Land	-	33.37	21.42
Prepayments (Leasehold Land)	6014.33	6223.22	6417.59
Sub-total	6014.33	6256.59	6439.01
Total	21586.28	21236.45	28261.53

- (i) Capital advances comprises of Mobilisation Advance and Plant & Machinery advance given to contractor in respect of Construction Projects. The advances are recovered from the contractors bills.
- (ii) The Company has taken land under operating leases. There is no Minimum Lease Rental Payment for such non-cancellable operating lease entered into by the company.
- (iii) (a) During the year ended March 31, 2019, amortisation of lease recognised in the statement of profit and loss is ₹208.89 lakhs (Previous year ₹194.37 lakhs).
- (b) Significant leasing arrangements include lease of land for periods ranging between 30 years to 99 years as well as perpetual lease with renewal option.

Note No. 9: Inventories (At lower of cost or Net Realisable value)

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) General Stores			
(1) Cost	974.90	1088.10	1211.09
(2) Less : Provision	49.72	52.59	52.70
(b) Operational stores			
(1) Cost	10680.23	8591.35	12430.83
(2) Less : Provision	521.48	522.48	153.03
Total Inventories	11083.93	9104.38	13436.19
Included above, goods-in-transit			
i) General Stores	-	-	-
ii) Operational Stores	39.36	0.70	1910.86
Total Goods in transit	39.36	0.70	1910.86

Note No. 10: Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Trade Receivables considered good - Secured	-	-	-
Trade Receivables considered good - Unsecured	63453.60	45836.76	44108.15
Trade Receivables which have significant increase in Credit Risk	-	-	-
Trade Receivables - credit impaired	-	-	-
Allowance for doubtful debts	-	-	-
TOTAL	63453.60	45836.76	44108.15

- (i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.
- (ii) Where no due date is specifically agreed upon, the normal credit period allowed by the Company is in compliance to the CERC regulations / Guidance.
- (iii) Where a trade receivable has been provided for, such provision could be dictated by prudence, but one could still expect to realise the amount within 12 months from the balance sheet date. Under such circumstances, the said trade receivable is classified as current. Where, however, there is no expectation to realise the amount within the next twelve months period, the same needs to be classified as non-current along with the provision made for the same.
- (iv) Changes in Trade Receivables.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening Balance	45836.76	44108.15	101609.73
Add:: Net Revenue Recognised but not realised during the year	17616.84	1728.61	(57501.58)
Closing Balance	63453.60	45836.76	44108.15

- (v) Trade receivables are further analysed as :

(₹ in lakhs)

As at March 31, 2019	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	25958.89	-	25958.89
More than 60 days up to six months	10575.67	-	10575.67
More than six months	26919.04	-	26919.04
TOTAL	63453.60	-	63453.60

(₹ in lakhs)

As at March 31, 2018	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	23913.06	-	23913.06
More than 60 days up to six months	6991.38	-	6991.38
More than six months	14932.32	-	14932.32
TOTAL	45836.76	-	45836.76

(₹ in lakhs)

As at April 1, 2017	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	22910.16	-	22910.16
More than 60 days up to six months	8455.01	-	8455.01
More than six months	12742.98	-	12742.98
TOTAL	44108.15	-	44108.15

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2019 to be ₹63453.60 lakhs (March 31, 2018: ₹45836.76 lakhs, April 1, 2017: ₹44108.15 lakhs), which is the fair value of trade receivables after allowance for credit losses. The Company's exposure to customers is diversified and except MeECL (Meghalaya), no single customer contributes to more than 10% of outstanding dues (i.e. more than 60 days) accounts receivable as at March 31, 2019.

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

	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balance at the beginning of the period	Nil	Nil	Nil
Additions during the period	Nil	Nil	Nil
Utilised during the period	Nil	Nil	Nil
Balance at the end of the period	Nil	Nil	Nil

In determining the allowances for doubtful trade receivables the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix.

Note No. 11: Cash and Cash Equivalents

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	6899.80	11998.27	5368.36
(ii) In Deposit Account (original maturity less than 3 months)		21050.00	19400.00
(b) Cheques, drafts on hand	-	-	-
(c) Cash in hand	-	-	-
(d) Others	0.63	0.80	0.89
Cash and cash equivalents as per balance sheet	6900.43	33049.07	24769.25
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account	-	-	-
(ii) In Deposit Account	-	-	-
Total	6900.43	33049.07	24769.25

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

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Restricted Money	2957.44	558.85	2158.76
Total	2957.44	558.85	2158.76

- (i) Bank balances other than Cash & cash Equivalent consists of restricted money for project relating to Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme) and margin money against LC provided to Bank.
- (ii) The cash and bank balances as above are primarily denominated and held in Indian rupees.
- (iii) **Deen Dayal Upadhyaya Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme)**
Cash & Bank balances of ₹9857.97 lakhs (previous year ₹33607.92 lakhs) includes an amount of ₹174.94 lakhs (previous year ₹172.66 lakhs) received from Rural Electrification Corporation Limited towards eligible fund for execution of the project under Deen Dayal Upadhyaya Gram Jyoti Yojana and an amount of ₹2395.03 Lakhs (Previous year Nil) received from Rural Electrification Corporation Limited towards eligible fund for implementation of Saubhagya Scheme works in Sepahijala and South Tripura district of Tripura.

Note No. 13: Others

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
a) Accounts Receivables			
- Secured, considered good		-	-
- Unsecured, considered good	9627.02	1894.81	4211.05
- Doubtful		-	-
Advance tax refundable	3543.06	3,552.14	
Advances to staff	507.06	994.44	1090.27
Interest accrued on loans and deposits	625.30	665.11	622.01
Security Deposits	101.89	102.86	105.10
TOTAL	14404.33	7209.36	6028.43

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Interest accrued on deposits and loans			
Unsecured, considered good	625.30	665.11	622.01
Unsecured, considered doubtful			
Less: Allowance for credit losses			
Other financial assets			
Advances to staff	507.06	994.44	1090.27
Security Deposits	101.89	102.86	105.10

- (i) Accounts receivables comprises of deferred Tax recoverable amounting to ₹1835.23 lakhs, amount to be billed to the beneficiaries namely Tripura(for TGBPP): ₹2911.09 lakhs, Mizoram (for TrHEP): ₹1250.02 lakhs and FERV reimbursable ₹2285.39 lakhs and amount receivable from REC towards implementation of DDUGJY scheme amounting to ₹1345.29 lakhs.
- (ii) Interest on Deposits and Loans include Interest on STDR and Interest accrued on Advances to Contractors.
- (iii) There are no outstanding debts due from directors or other officers of the Company.
- (iv) Loan & Advances to employees includes Interest bearing Computer Advance and interest free Furniture Advance and Multipurpose Advance. Computer advance & Furniture advance are recovered from employees in 60 equal instalments whereas Multipurpose Advance is recovered in 12 installments.
- (v) Security deposits are primarily consists of Deposit against BSNL Lines, Gas Connection, Cable Connection etc. which will be refunded on surrender of services provided by service providers.

- (iv) Changes in Account Receivables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Opening Balance	1894.81	4211.05	1429.00
Add:: Net Revenue Recognised but not realised during the year	7732.22	(2316.24)	2782.05
Closing Balance	9627.03	1894.81	4211.05

Note No. 14: Current tax assets and liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Current tax assets			
Benefit of tax losses to be carried back to recover taxes paid in prior periods	-	-	-
Advance tax paid including TDS	7921.45	9297.15	11824.22
TOTAL	7921.45	9297.15	11824.22
Current tax liabilities			
Income Tax payable	11319.28	13944.30	8983.55
TOTAL	11319.28	13944.30	8983.55

Current Tax assets relates to advance Tax paid during the year. Current Tax liabilities relates to Tax computed as per IT Act.

Note No. 15: Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Prepaid Expenses including prepaid insurance	1875.07	962.63	988.01
Advances to Suppliers & Contractors	635.69	833.97	905.11
Less : Allowances for doubtful	47.41	47.41	47.64
Prepayments (Leasehold land)	193.83	193.83	193.83
Scrap /Obsolete assets	352.38	335.69	-
Less : Provisions	352.38	335.69	-
Total	2657.18	1943.02	2039.31

- (i) Prepaid Expenses consists of amount paid in advance in respect of prepaid insurance, License fee (pollution control) & BSNL lease line for Internet, the benefit of which has not yet expired on reporting date. Prepaid expenses of items of ₹20000/- and below are charged to natural head of accounts.
- (ii) Advances to suppliers & contractors are the short term advances to be recovered within 12 months from the bills. The advances are given as stipulated under the work/supply order.

Note No. 15A: Assets held for sale

(₹ in lakhs)

Description of the non-current asset	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Plant & Equipment	105.69	591.51	577.22
Furniture & Fixture	-	-	-
Vehicles	8.71	48.31	-
Office Equipment	-	0.53	-
Tools & Plants	56.20	55.66	-
Misc. Equipment	2.56	2.56	-
Gross value of Assets held for sale	173.16	698.57	577.22
Less: Provision	96.30	566.72	509.53
NRV for Assets held for sale	76.86	131.84	67.69

Assets classified as "Asset held for sale" at its Net Realisable Value (NRV) subject to fulfillment of its recognition criteria in compliance to the Ind-AS 105, which are as follows:

- NRV is recoverable principally through a sale transaction rather than through continuing use
- Such assets are available for immediate sale in its present conditions;
- Its sale are highly probable, i.e., the appropriate level of management is committed to a plan to sell the assets, assets are actively marketed for sell that is reasonable in relation to its current fair value and the sale is expected to complete within one year from the date of classification.

Note No. 16: Regulatory Deferral Accounts Debit Balance

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
(i) Employees benefit expenses - gratuity			
Opening Balance	4793.47	-	-
Addition during the period	-	4793.47	-
Realized/Adjustment during the period	-	-	-
Closing balance	4793.47	4793.47	-
ii) Depreciation - Turrial HEP			
Opening Balance	-	-	-
Addition during the period	5724.17	-	-
Realized/Adjustment during the period	-	-	-
Closing balance	5724.17	-	-
(iii) Deferred Tax adjustment against deferred tax liabilities			
Opening Balance	4002.42	5242.28	(2533.12)
Addition during the period	14935.01	(1239.86)	7775.40
Closing balance	18937.43	4002.42	5242.28
(iv) Estimated impact on AFC (tariff)			
Opening Balance	-	-	-
Addition during the period	(4420.59)	-	-
Total (i) + (ii) + (iii)	25034.48	8795.89	5242.28

- i) Deferral Regulatory Account Balance has been adjusted in line with Accounting Policy No-7. Refer Note No.41 for detailed disclosure.
- ii) Estimated impact on AFC (tariff) is due to Add Cap as allowed by CERC as against actually executed during 2014-19.

Note No. 17: Equity Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Equity Share Capital	3,60,981.04	3,45,281.04	3,45,281.04
TOTAL	3,60,981.04	3,45,281.04	3,45,281.04

Authorised Share Capital

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
5,00,00,00,000 nos. of equity shares of ₹10/- each (Previous year 5,00,00,00,000 nos. of equity shares of ₹10/- each)	5,00,000.00	5,00,000.00	5,00,000.00
Issued and Subscribed capital comprises :			
3,60,98,10,400 nos. as on March '19 :	3,60,981.04	3,45,281.04	3,45,281.04
3,45,28,10,400 nos. as on March '18 & 1 st April '17: of equity shares of ₹10/- each			
Total	3,60,981.04	3,45,281.04	3,45,281.04

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

Particulars	As at March 31, 2019					
	Opening balance as on 01.04.2018		Movement during 2018-19		Closing Balance as on 31.03.2019	
	No. of shares	₹in Lakhs	No. of shares	₹in Lakhs	No. of shares	₹in Lakhs
Ordinary shares of ₹10 each						
At beginning of the year	3,45,28,10,400	3,45,281.04	15,70,00,000	15,700.00	3,60,98,10,400	3,60,981.04
Shares allotted during the year	-	-	-	-	-	-
	3,45,28,10,400	3,45,281.04	15,70,00,000	15,700.00	3,60,98,10,400	3,60,981.04

The Corporation has received an amount of ₹6100.00 lakhs (previous year ₹9600.00 lakhs) towards Equity share contribution from Govt. of India during the period ended 31st March 2019. Further, the Share Certificate in respect of ₹9600.00 lakhs received on 31st March 2018 has been allotted in the name of the President of India in the month of April 2018.

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

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

Particulars	As at March 31, 2019		As at March 31, 2018		As at March 31, 2017	
	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares	No. of Shares Held (Face value of ₹10 each)	% of Total Shares
Hon'ble President of India	3,60,98,09,800	100	3,45,28,09,800	100	3,45,28,09,800	100

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

Note No. 17A: Investment in joint Venture

(₹ in lakhs)			(₹ in lakhs)					(₹ in lakhs)				
31 st March 2019			31 st March 2018					1 st April 2017				
Name of the Joint Ventures	KSK Dibbin	Total	Name of the Joint Ventures	Waaneep Solar	Meratron	KSK Dibbin	Total	Name of the Joint Ventures	Waaneep Solar	Meratron	KSK Dibbin	Total
Percentage Holding	0.30	-	Percentage Holding	-	-	0.30	-	Percentage Holding	0.40	-	0.30	-
Equity	9311.00	-	Equity	-	-	9311.00	-	Equity	20500.00	-	9311.00	-
Reserve and Surplus	1465.94	-	Reserve and Surplus	-	-	1432.63	-	Reserve and Surplus	(2436.00)	-	1366.13	-
Net Assets	10776.94	-	Net Assets	-	-	10743.63	-	Net Assets	18064.00	-	10677.13	-
Share of Equity	3233.08	3233.08	Share of Equity	-	-	3223.09	3223.09	Share of Equity	7225.60	-	3203.14	10428.74
Total Equity	-	3233.08	Total Equity	-	-	-	3223.09	Total Equity	-	-	-	10428.74
Cost in stand alone financial	2793.00	2793.00	Cost in stand alone financial	-	-	2793.00	2793.00	Cost in stand alone financial	8200.00	-	2793.00	10993.00
Difference to Transition Reserve in CFS	440.08	440.08	Difference to Transition Reserve in CFS	-	-	430.09	430.09	Difference to Transition Reserve in CFS	(974.40)	-	410.14	(564.26)
Differential Entry	9.99	9.99	Differential Entry	974.40	-	19.95	994.35	Differential Entry	(556.80)	-	25.13	(531.67)
Defer Tax Entry	3.12	-	Defer Tax Entry	-	-	6.16	-	Defer Tax Entry	-	-	5.10	-

Note No. 18: Other equity

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
General Reserve	197691.68	197691.68	197691.68
Retained Earnings	6749.49	6199.39	5927.67
Bond Redemption Reserve	65054.17	57067.08	39732.48
Total	269495.34	260958.15	243351.83

18.1 General Reserve

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Balance at the beginning of the year/period	197691.68	197691.68	197691.68
Movements	-	-	-
Balance at the end of the year/period	197691.68	197691.68	197691.68

18.2 Retained Earnings

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Balance at the beginning of the year/period	6199.39	5927.67	5891.07
Profit attributable to owners of the Company	21400.68	28454.30	28486.02
Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	212.06	237.37	(213.92)
FV loss adjustment	2.37	4.40	4.74
Payment of dividends on equity shares	11500.00	9214.00	11017.00
Mat credit	785.94	-	-
Related income-tax on Dividend	2363.86	1875.75	2242.80
Transfer to Bond Redemption Reserve	7987.09	17334.60	14980.44
Balance at the end of the year/period	6749.49	6199.39	5927.67

18.3 Bond Redemption Reserve

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Balance at the beginning of the year/period	57067.08	39732.48	24752.04
Movement during the year/period	7987.09	17334.60	14980.44
Balance at the end of the year/period	65054.17	57067.08	39732.48

The nature of reserves are follows:

- (a) **General Reserve:** Under the erstwhile companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.
- (b) **Bond redemption reserve:** In accordance with the applicable provision of the Companies Act 2013 read with Rules, the Company appropriates out of the profit "Bond Redemption Reserve" on a prudent basis every year to the extent of 25% of the value of bonds prior to the year of redemption of bonds.

(c) Note on Re-statement of Financial Statement

- A. During the Financial Year 2018-19, the Company has restated its financial statement for the FY 2017-18 & earlier years for prior period years retrospectively in Compliance to Ind AS 8 - Accounting Policies, Changes in Accounting Estimates & Errors. The said restatement is due to reason that during the Financial Year 2018-19, the Company has adopted the provision of the CERC Regulations for the purpose of computation of deferred adjustment for deferred tax liability as the same would get adjusted in effective tax rates in future years. Accordingly, the Company has presented a third balance sheet as at the beginning of the preceding period (i.e. as on 01.04.2017) in compliance to the Ind AS 1 for comparative information due to retrospective restatement in addition to the balance sheet, statements of profit and loss, cash flows and statements of changes in equity and related notes for the year ended 31.03.2018 and 31.03.2019.

B. Impact of the rectification are as follows:

- FY 2015-16
Regulatory Income increased by ₹479.81 lakhs having impact of equivalent amount on PBT as on 31.03.2016
- FY 2016-17
Movement in Regulatory deferral accounts balance increased by ₹7775.40 lakhs having impact of equivalent amount on PBT as on 31.03.2017
- FY 2017-18
Movement in Regulatory deferral accounts balance decreased by ₹1239.86 lakhs having impact of equivalent amount on PBT as on 31.03.2018.
- The amount of correction at the beginning of earliest period presented i.e. as on 01.04.2017 are as follows -
Net Worth increased by ₹4256.11 lakhs
Regulatory Deferral Account Debit Balance increased by ₹5242.28 lakhs
Current Tax Liability increased by ₹986.17 lakhs

18.4 Share Application money pending allotment

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Share application money pending allotment	-	9600.00	-

Non-current liabilities

Financial Liabilities

Note no. 19 Long term borrowings

(₹ in Lakh)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
1. SECURED BORROWINGS			
A. PRIVATELY PLACED PSU BONDS			
a. Twentieth issue	30000.00	-	-
Less : Bond expense amortization	28.40	-	-
Bond - Twentieth issue (Net)	29971.60	-	-
7 years NEEPCO 9.50% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 25% of face value on 29-05-2024, 29-11-2024, 29-05-2025 & 29-11-2025 with Call Option on 29-11-2023, 29-05-2024, 29-11-2024, 29-05-2025. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			
b. Nineteenth issue	30000.00	30000.00	-
Less : Bond expense amortization	29.48	31.67	-
Bond - Nineteenth issue (Net)	29970.52	29968.33	-
10 years NEEPCO 8.75% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 25% of face value on 06-09-2026; 06-03-2027; 06-09-2027 & 06-03-2028 with call option on 06-03-2023, 10-08-2023, 10-02-2024, 10-08-2024, 10-02-2025, 10-08-2025, 10-02-2026, 10-08-2026, 10-02-2027, 10-08-2027, 10-02-2028. (The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			
c. Eighteenth issue	50000.00	50000.00	-
Less : Bond expense amortization	32.73	36.33	-
Bond - Eighteenth issue (Net)	49967.27	49963.67	-
8 years NEEPCO 7.68% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 50% of face value on 15-05-2025 & 15-11-2025 with call option on 15-11-2022, 15-05-2023, 15-11-2023, 15-05-2024, 15-11-2024, 15-05-2025. (The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			

d. Seventeenth issue	30000.00	30000.00	30000.00
Less: Bond expense amortization	15.10	24.24	30.05
Bond - Seventeenth issue (Net)	29984.90	29975.76	29969.95
3 years 2 months NEEPCO 7.80% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at par on 27-05-2020. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).			
e. Sixteenth Issue	90000.00	90000.00	90000.00
Less: Bond expense amortization	58.66	62.39	65.93
Bond - Sixteenth issue (Net)	89941.34	89937.61	89934.07
15 years NEEPCO 8.68% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 30-09-2026; 30-09-2027; 30-09-2028; 30-09-2029 & 30-09-2030. (The assets attached to the earth as well as other movable assets of the Tuirial Hydro Electric Project in Mizoram, Kopili Hydro Electric Project in Assam and the landed property of the Corporation in the District of Mehhsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee)			
f. Fifteenth issue	60000.00	60000.00	60000.00
10 years NEEPCO 9.15% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 25-03-2021; 25-03-2022; 25-03-2023; 25-03-2024 & 25-03-2025. (The assets of the Agartala Gas Turbine Project (original open-cycle plant) in Tripura, assets except the Gas Turbines & Steam Turbines in the Assam Gas Based Project, Assam, assets except Plant & Machinery in the generating station in the Ranganadi Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).			
g. Fourteenth issue	250000.00	250000.00	250000.00
10 years NEEPCO 9.60% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at 20% of face value on 01-10-2020; 01-10-2021; 01-10-2022; 01-10-2023 & 01-10-2024. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).			

h. Thirteenth issue 10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020; 15-03-2021, 15-03-2022 & 15-03-2023. (The Steam Turbines of the Assam Gas Based Power Plant, Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).	4350.00	5800.00	7250.00
i. Twelfth issue 10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019; 27-06-2020; 27-06-2021 & 27-06-2022. (All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).	7200.00	9600.00	12000.00
j. Eleventh issue 10 years NEEPCO 10.20% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000 each, redeemable at par on 15-12-2021 with a put & call option on 15-12-2018. (The Gas Turbines of the Assam Gas Based Power Project, Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).	4000.00	4000.00	4000.00
Sub-total : Privately Placed PSU Bonds (A)	555385.63	529245.37	453154.01
B. SECURED TERM LOANS			
Foreign Currency Loan External Commercial Borrowing [Secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant, Agartala and Agartala Gas Turbine Projects –Extension, Agartala. [SBI, Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin (margin has been reduced to 2.75% p.a. w.e.f 20 th March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 th June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	26606.05	31689.49	38239.21
Sub- total Secured Loans (B)	26606.05	31689.49	38239.21
Total : Secured Borrowings (A+B)	581991.68	560934.86	491393.23

2. UNSECURED BORROWINGS:			
(i) Rupee Loan			
Subordinate Loans from Government of India	29196.42	29196.42	29196.42
Less: Amortization of Loan Expenses	75.98	78.29	79.68
Subordinate Loan from the Government of India (net)	29120.44	29118.13	29116.74
(Govt of India has sanctioned subordinate loan of ₹29196.42 lakhs at the interest rate of 1 % p.a. The loan was sanctioned on various date with last drawal on 6 th July 2015. The loan is repayable in 15 equal annual installments from the 16 th year after commissioning of the Tuirial Hydro Electric Project, Mizoram) i.e from 30 th January 2018.			
(ii) Foreign Currency Loan			
Loan from KfW, Germany	50769.94	40853.69	38782.81
(Guaranteed by the Govt. of India) Loan sanctioned for construction of the Pare Hydro Electric Project (110 MW) at Arunachal Pradesh. (Loan of 80 million and 20 million EURO was sanctioned from KfW, Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 th December 2008 & 20 th December 2017 at fixed interest rate of 3.46% p.a. & 0.85% p.a. respectively. The loan is guaranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayable in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively.)			
Total Unsecured Borrowing (i + ii)	79890.38	69971.82	67899.55
GRAND TOTAL : Non-Current Liabilities	661882.06	630906.68	559292.78

The maturity profile of borrowings is as follows:

Contractual maturities	As at March 31, 2019	As at March 31, 2018	As at 1st April, 2017
In one year or less or on demand	15,088.86	14,821.69	10,343.72
Between one & two years	1,09,421.09	14,821.69	14,193.72
Between two & tree years	82,643.49	1,06,821.69	14,193.72
Between three & four years	78,643.49	80,821.69	1,06,193.72
Between four & five years	73,019.79	76,821.69	80,193.72
More than five years	3,18,394.55	3,51,851.65	3,44,691.97
Total contractual cash flows	6,77,211.27	6,45,960.10	5,69,810.57
Less: Capitalisation of transaction costs	Nil	Nil	Nil
Total Borrowings	6,77,211.27	6,45,960.10	5,69,810.57

Note No. 20: Long Term Provisions

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Provision for Gratuity	-	6563.29	1268.54
Provision for Leave encashment	10073.45	8478.08	7229.86
Medical benefit for retired employees	5550.27	5034.81	3799.52
Award of Gold Coin	156.79	150.39	125.62
Total	15780.51	20226.57	12423.54

The provision for employee benefits includes gratuity, Leave Encashment, Post retirement medical benefit, Gold Coin at retirement. The increase/ decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year. For disclosure on Actuarial Valuation as Per Ind AS19 refer note no. 20A.

1. Defined Contribution Plan

The Company participates in a number of defined contribution plans on behalf of relevant personnel. Any expense recognised in relation to these schemes represents the value of contributions payable during the period by them at rates specified by the rules of those plans. The only amounts included in the balance sheet are those relating to the prior months contributions that were not due to be paid until after the end of the reporting period. The major defined contribution plans operated by the Company are as below:

a) Provident fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. Company pays fixed contribution at predetermined rates to the Provident Fund Trust, which invests the fund in permitted securities as per Government guidelines. The Companies contribution to the fund for the period was ₹3461.83 lakhs (previous year ₹3281.28 lakhs). The investment has earned sufficient interest to pay the same to the member as per the rate specified by the Government of India.

b) Superannuation fund

In terms of the Guidelines of Department of Public Enterprise (DPE), Govt. of India (GOI) issued vide O.M. no. 2 (70)/08-DPE (WC) / GL-xiv/08 dt. 26.11.2008 and OM. No. 2(70)/08-DPE (WC) / GL-vii/09 dt.02.04.2009, the Company has formulated the NEEPCO Employees Defined Contribution Superannuation Benefit Scheme. The Companies contribution to the trust managing this scheme for the period was ₹2360.57 lakhs (previous year ₹2298.55 lakhs).

2. Defined benefit plans

a. Retiring gratuity

The Company has a defined benefit gratuity plan. Every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 x last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹20.00 lakhs, on superannuation, resignation, termination, disablement or on death. The liability for the same is recognized on the basis of actuarial valuation. The Board of Directors in their meeting held on 01.04.2013 has approved the creation of Gratuity Fund Trust vide its Resolution No. 195/16 dt.1.4.2013 in order to meet the requirement of funds for payment of Gratuity to the employees separated from the services of the Corporation. Accordingly NEEPCO Employees Group Gratuity Assurance Fund Trust has been constituted on 25th June, 2013 and a Master Policy, named as North Eastern Electric Power Corporation Ltd Employees Group Gratuity-cum-Life Assurance (cash accumulation) Scheme, has been taken from the Life Insurance Corporation of India on 5th August, 2013.

b. Post-Retirement Medical Benefit scheme

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

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

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

c. Gold Coin on Superannuation

To nurture a good organizational culture and appreciate the sincere services rendered by the employee, the Corporation is providing a Gold Coin to the retiring employee on the date of retirement. The liability for the same is recognized on the basis of actuarial valuation.

3. Other Employee benefit

a. Leave

The Company provides for earned leave benefits (including compensatory absences) and half pay leave to the employees of the Company which accrue annually at 30 days and 20 days respectively. Earned leave account is maintained in one section only i.e. en-cashable. On Superannuation/ separation of the employee from the Corporation, entire leave (Earned leave & Maximum 240 days Half Pay Leave) subject to a ceiling of 300 days will be en-cashable. Half pay leave cannot be commuted. The cash equivalent payable for Half Pay Leave would be equal to leave salary as admissible for half pay plus Dearness Allowance.

b. Social Security Scheme

The Company has a Social Security Scheme in lieu of compassionate appointment. The Company makes a matching contribution to the scheme. The objective of the scheme is to provide cash benefits to the dependent beneficiaries in the event of the death of an employee of the Company while in service including permanent total disablement leading to cessation of employment.

Note No. 20A: Disclosures As Per Ind AS19

Actuarial Valuation of Gratuity Liability

Scale of Benefit

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

Amt in ₹

31/03/2018	Actuarial Basis used in Valuation	31/03/2019
7.70%	Interest Rate	7.43%
7.00%	Salary Inflation	7.00%
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

31/03/2018	Results of Valuation	31/03/2019
2090203056.00	Liability to be shown in Balance Sheet	2019350713.00
1091171948.00	Charges to Profit/Loss for the Period	180485201.00
(109127109.00)	Other comprehensive Income	(24283974.00)

31/03/2018	Changes in Present Value of Obligation as at	31/03/2019
1206657562.00	Present value of obligation as on last valuation	2090203056.00
112573260.00	Current Service Cost	118670264.00
92912632.00	Interest Cost	144156547.00
N/A	Participant Contribution	N/A
957890909.00	Plan Amendments : Vested portion at the end of period (Past Service)	-
(25714932.00)	Actuarial gain/loss on obligations due to change in Financial Assumption	33377547.00
(254116375.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(67042176.00)
-	Actuarial gain/loss on obligations due to Other reason	-
-	Benefits Paid	300014525.00
2090203056.00	Present value of obligation as on valuation date	2019350713.00
2695438728.00	Accrued Gratuity	2663410882.00

31/03/2018	Changes in Fair Value of Plan Assets as at	31/03/2019
937725372.00	Fair value of Plan Assets at Beginning of period	1108231632.00
72204854.00	Interest Income	82341610.00
269005605.00	Employer Contributions	982653137.00
	Benefits Paid	300014525.00
(170704199.00)	Return on Plan Assets excluding Interest Income	(9380655.00)
1108231632.00	Fair value of Plan Assets at End of measurement period	1863831199.00

31/03/2018	Reconciliation to Balance Sheet	31/03/2019
(981971424.00)	Funded Status	(155519514.00)
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
1108231632.00	Fund Asset	1863831199.00
2090203056.00	Fund Liability	2019350713.00

31/03/2018	Plan Assumptions	31/03/2019
7.70%	Discount Rate	7.43%
7.70%	Expected Return on Plan Asset	7.43%
7.00%	Rate of Compensation Increase (Salary Inflation)	7.00%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	10
10	Average Duration of Liabilities	10
IALM 2006-2008 Ultimate	Mortality Table	IALM 2006-2008 Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60
0.100%	Early Retirement & Disablement (All Causes Combined)	0.100%
0.06%	Above age 45	0.06%
0.03%	Between 29-45	0.03%
0.01%	below age 29	0.01%
NA	Voluntary Retirement	NA

31/03/2018	Expense Recognized in statement of Profit/Loss as at	31/03/2019
112573260.00	Current Service Cost	118670264.00
20707779.00	Net Interest Cost	61814937.00
1091171948.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	180485201.00

31/03/2018	Other Comprehensive Income	31/03/2019
(25714932.00)	Actuarial gain/loss on obligations due to Unexpected Experience	33377547.00
(254116375.00)	Actuarial gain/loss on obligations due to Unexpected Experience	(67042176.00)
(279831307.00)	Total Actuarial (gain)/losses	(33664629.00)
(170704199.00)	Return on Plan Asset, Excluding Interest Income	(9380655.00)
(109127109.00)	Balance at the end of the Period	(24283974.00)
(109127109.00)	15088.86	(24283974.00)

31/03/2018		Sensitivity Analysis	31/03/2019	
Increase	Decrease		Increase	Decrease
2026751831.00	2153929010.00	Discount Rate (-/+ 0.5%)	1958285547.00	2083788194.00
-2.963%	3.126%	% Change Compared to base due to sensitivity	-3.024%	3.191%
2102652942.00	2073203144.00	Salary Growth (-/+ 0.5%)	2031769720.00	2005881644.00
0.671%	-0.739%	% Change Compared to base due to sensitivity	0.615%	-0.667%
2088951476.00	2088324884.00	Attrition Rate (-/+ 0.5%)	2019633422.00	2019068004.00
0.015%	-0.015%	% Change Compared to base due to sensitivity	0.014%	-0.014%
2090580614.00	2086695746.00	Mortality Rate (-/+ 10%)	2021349870.00	2017351556.00
0.093%	-0.093%	% Change Compared to base due to sensitivity	0.099%	-0.099%

Cash Flow

Rupees (INR)

Next Year Total (Expected)	1923421679.00
Minimum Funding Requirements	221581351.00

Actuarial Valuation of Leave Encashment

Scale of Benefit

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

31/03/2018	Actuarial Basis used in Valuation	31/03/2019
7.70%	Interest Rate	7.43%
7.00%	Salary Inflation	7.00%
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

31/03/2018	Results of Valuation	31/03/2019
878233588.00	Liability to be shown in Balance Sheet	1037770270.00
582254713.00	Charges to Profit/Loss for the Period	339507788.00

31/03/2018	Changes in Present Value of Obligation as at	31/03/2019
782357929.00	Present value of obligation as on last valuation	878233588.00
129330861.00	Current Service Cost	77948339.00
41515967.00	Interest Cost	58566829.00
(13718661.00)	Actuarial gain/loss on obligations due to Change in Financial Assumption	20242739.00
425126546.00	Actuarial gain/loss on obligations due to Unexpected Experience	182749881.00
486379054.00	Benefits Paid	179971106.00
878233588.00	Present value of obligation as on valuation date	1037770270.00

31/03/2018	Changes in Fair Value of Plan Assets as at	31/03/2019
486379054.00	Benefits Paid	179971106.00

31/03/2018	Reconciliation to Balance Sheet	31/03/2019
N/A	Funded Status	N/A
N/A	Unfunded Accrued/Prepaid Pension cost	N/A
878233588.00	Fund Liability	1037770270.00

31/03/2018	Plan Assumptions	31/03/2019
7.70%	Discount Rate	7.43%
-	Expected Return on Plan Asset	-
7.00%	Rate of Compensation Increase (Salary Inflation)	7.00%
N/A	Pension Increase Rate	N/A
10	Average expected future service (Remaining working Life)	10
10	Average Duration of Liabilities	10
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate		Ultimate
60	Superannuation at age-Male	60
60	Superannuation at age-Female	60

31/03/2018	Expense Recognized in statement of Profit/Loss as at	31/03/2019
129330861.00	Current Service Cost	77948339.00
41515967.00	Net Interest Cost	58566829.00
411407885.00	Actuarial Gain loss	202992620.00
582254713.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	339507788.00

31/03/2018		Sensitivity Analysis	31/03/2019	
Increase	Decrease		Increase	Decrease
843568029.00	915154834	Discount Rate (-/+ 0.5%)	1000794515	1077081008
3.947%	-4.204%	% Change Compared to base due to sensitivity	-3.563%	3.788%
910968882.00	847148221	Salary Growth (-/+ 0.5%)	1076852698	1000680361
-3.727%	3.540%	% Change Compared to base due to sensitivity	3.766%	-3.574%
878604541.00	877862635	Attrition Rate (-/+ 0.5%)	1038610864	10036929676
-0.042%	0.042%	% Change Compared to base due to sensitivity	0.081%	-0.081%
884328170.00	872139008	Mortality Rate (-/+ 10%)	1043737449	1031803091
-0.694%	0.694%	% Change Compared to base due to sensitivity	0.575%	-0.575%

Actuarial Valuation of Post Retirement Medical Benefit Liability

31/03/2018	Actuarial Basis used in Valuation	31/03/2019
7.70%	Interest Rate	7.43%
Not Considered	Medical Cost escalation Rate	Not Considered
IALM 2006-2008	Mortality	IALM 2006-2008
ULTIMATE	Attrition Rate	ULTIMATE
1.00%		1.00%

31/03/2018	Results of Valuation	31/03/2019
536212608.00	Liability to be shown in Balance Sheet	590281784.00
85301589.00	Charges to Profit/Loss Account for the Year	98635444.00
72827152.00	Other Comprehensive Income	(8312225.00)

31/03/2018	Changes in Present Value of Obligation as at	31/03/2019
406943991.00	Present value of obligation as on last valuation	536212608.00
55078017.00	Current Service Cost	60141685.00
30223572.00	Interest Cost	38493759.00
(10500808.00)	Actuarial gain/loss on obligations due to Change in Financial Assumption	12080340.00
83327960.00	Actuarial gain/loss on obligations due to Unexpected Experience	(20392565.00)
28860125.00	Benefits Paid	36254043.00
536212608.00	Present value of obligation as on valuation date	590281784.00

31/03/2018	Changes in Fair Value of Plan Assets as at	31/03/2019
28860125.00	Benefits Paid	36254043.00

31/03/2018	Reconciliation to Balance Sheet	31/03/2019
Unfunded	Funded Status	Unfunded
536212608.00	Fund Liability	590281784.00

31/03/2018	Plan Assumptions	31/03/2019
7.70%	Discount Rate	7.43%
10 yrs.	Average expected future service (Remaining working Life)	10 yrs.
IALM 2006-2008	Mortality Table	IALM 2006-2008
Ultimate	Superannuation at age-Male (for active staff)	Ultimate
60	Superannuation at age-Female (for active staff)	60
60		60

31/03/2018	Expense Recognized in statement of Profit/Loss as at	31/03/2019
55078017.00	Current Service Cost	60141685.00
30223572.00	Net Interest Cost	38493759.00
85301589.00	Benefit Cost(Expense Recognized in Statement of Profit/loss)	98635444.00

31/03/2018	Other Comprehensive Income	31/03/2019
(10500808.00)	Actuarial gain/loss on obligations due to Change in Financial Assumption	12080340.00
83327960.00	Actuarial gain/loss on obligations due to Unexpected Experience	(20392565.00)
72827152.00	Total Actuarial (gain)/losses	(8312225.00)
72827152.00	Balance at the end of the Period	(8312225.00)
72827152.00	Net (Income)/Expense for the Period Recognized in OCI	(8312225.00)

31/03/2018		Sensitivity Analysis	31/03/2019	
Increase	Decrease		Increase	Decrease
515072323.00	567314616	Discount Rate (-/+ 50BPS)	562289810	620673546
-3.940%	5.80%	%Change Compared to base due to sensitivity	-4.742%	5.149%
545295894.00	534974268	Medical Cost (-/+ 1%)	596184602	584378966
1.690%	-0.23%	%Change Compared to base due to sensitivity	1.000%	-1.000%
528470949.00	544262843	Mortality Rate (-/+ 10 BPS)	583670628	597070025
-1.444%	1.50%	%Change Compared to base due to sensitivity	-1.120%	1.150%
536065926.00	536359500.00	Attrition Rate (-/+ 10BPS)	590098797.00	590464771.00
-0.030%	-0.030%	%Change Compared to base due to sensitivity	-0.031%	-0.031%

AWARD OF GOLD COIN ON RETIREMENT

31.03.2018	Actuarial Basis used in Valuation	31.03.2019
7.50%	Interest Rate	7.43%
IALM 2006-2008	Mortality	IALM 2006-2008
10 per thousand p.a	Attrition Rate	10 per thousand p.a

Results of Valuation

15670962.00	Liability to be shown in Balance Sheet	15740944.00
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Note No. 21: Other Non Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
a) Deferred Revenue arising from Government Grant	31059.51	31146.03	31084.94
Less: Adjusted during the year	1851.15	86.98	20.31
Add: Amortised of Tuorial Grant in Aid	(0.15)	0.46	81.40
Sub-total	29208.21	31059.51	31146.03
b) Deferred Foreign Currency Fluctuation liabilities	123.90	144.64	165.37
Total	29332.11	31204.15	31311.40

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

- A. NEEPCO's approved Accounting Policy includes policy of recognition and accounting of "Government grant" (para 15 of note 1 –Summary of Significant Accounting Policies).
- B. Govt. of India has approved a Sub-ordinate loan amounting to ₹29196.42 Lakh to NEEPCO for implementation of Tuirial HEP with interest @1% per annum payable from the "Date of Commercial Operation" of the project. Of the aforesaid loan amount, NEEPCO has received ₹29096.42 lakh till 31.03.2015 and the balance ₹100.00 lakh has been received during the FY 2015-16. The loan amount (₹29096.42 lakh) received till 31.03.2015 has been recognized in books of NEEPCO as on 01.04.2015 (Ind AS Transition date) at its carrying value in compliance to the Ind AS 101 (Exception to the retrospective application). However, for the loan amount (₹100.00 lakh) received during the FY 2015-16, the benefit of the loan due to below market rate of interest (considered SBI base rate @9.70% effective as on Jun '15) amounting to ₹82.64 lakh has been treated as a govt. grant and recognized in the Books of NEEPCO accordingly. Amortization of the grant till March '19 amounts to ₹6.66 lakh.
- C. The Financial Contribution by M/s Kfw Frankfurt am main, Germany amounting to ₹72.74 lakh for Expert services relating to Environment & Ecology (₹62.01 lakh) and Consultancy Services (₹10.73 lakh) for Pare HEP (Project under construction). The said amount has been recognized on fulfilment of conditions attached to allowing the said contribution.

(ii) Spares out of Grant in Aid

During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of ₹11.11 lakhs (previous year ₹86.98 lakhs) for spares purchased out of Grant-in-aid received from the Central Government. In addition, amortization of Grant in Aid relating to Tuirial HEP amounts to ₹1840.04 lakhs. An equivalent amount has been recognized as income in the statement of Profit & Loss.

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

As per the Investment Approval sanctioned vide the Ministry of Power's letter no.7/7/2009-H-I dated 14th January, 2011, an amount of ₹300.00 crores has been sanctioned by the Ministry of Development of North Eastern Region (MDONER) as a part of the approved funding pattern for the Tuirial Hydro Electric Project, Mizoram. The total amount of ₹300.00 crores are included in Grant in Aid which is subjected to amortization during normative useful life of the project since its commissioning.

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

Note No. 22: Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
Short Term Loan for construction Projects			
(i) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal Repayable in 4 (four) quarterly installments, commencing after 3(three) months from the date of first drawal.	-	-	19975.00
(ii) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal (Bullet repayment within six months from the date of drawal)	-	-	13300.00
(iii) Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal. The short term loan has been sanctioned by SBI, Shillong on 26 th May 2017 at the rate of MCLR 1 year plus nil margin. The last MCLR is at the rate of 8.15% pa. Bullet repayment within 12 months from the date of first drawal.	-	20000.00	-

(iv) Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh.- The short term loan has been sanctioned by Canara Bank, Shillong on 25 th February 2019 at the rate of MCLR 1 year with annual reset. The last MCLR is at the rate of 8.65% pa. The loan is available for drawal up to one year from the date of sanction. Each tranche of the loan availed shall be repaid within 12 months from the date of its availment.	10000.00	-	-
Working capital Demand Loan			
(i) State Bank of India, Shillong Secured against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal. The working capital demand loan has been sanctioned by SBI, Shillong on 22 nd February 2019 at the rate of MCLR 3 months plus nil margin. The last MCLR is at the rate of 8.25% pa. The tenor of the loan is up to 21 st January 2020.	11136.63	-	-
(ii) Axis Bank, Shillong Unsecured Working Capital Demand Loan was sanctioned by Axis Bank on 14 th December 2018 at the rate of MCLR 1 months plus Nil margin. The last MCLR as on 31.03.2019 was as the rate of 8.35% pa. The tenor of the loan is up to 31 st July 2019.	7100.00	-	-
Total	28236.63	20000.00	33275.00

Note No. 23: Trade Payables

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Total outstanding dues of micro enterprises and small enterprises	645.04	129.55	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	6663.44	6060.73	5285.97
Payable to beneficiaries	-	2585.64	-
Total Borrowings	7308.48	8775.92	5285.97

The trade payable includes payment for fuel cost for the month of March and provisions made on contractors / suppliers for March 2019.

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
(a) Creditors for supplies and services	7308.48	8775.92	5285.97

The amount due to Micro and Small Enterprises as defined in the "The Micro, Small and Medium Enterprises Development Act, 2006" has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro and Small Enterprises are as under:

Description	For the year ended March 31, 2019	For the year ended March 31, 2018	For the year ended March 31, 2017
i. The principal amount remaining unpaid to supplier as at the end of the year	645.04	129.55	-
ii. The interest due thereon remaining unpaid to supplier as at the end of the year	-	-	-
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-	-
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year	-	-	-

The amount payable to MSME as on 31st March 2019 is not outstanding for more than 45 days & accordingly no interest is due on the said outstanding amount.

Current Liabilities

Note No. 24: Other Financial Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at 1 st April, 2017
I. SECURED BORROWINGS			
A. PRIVATELY PLACED PSU BONDS			
a. Thirteenth issue 10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020; 15-03-2021, 15-03-2022 & 15-03-2023. (The Steam Turbines of the Assam Gas Based Power Plant, Assam and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).	1450.00	1450.00	
b. Twelfth issue 10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019; 27-06-2020; 27-06-2021 & 27-06-2022. (All the Plant and Machinery in the Generating Station of the Ranganadi Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).	2400.00	2400.00	

B. SECURED TERM LOANS			
Foreign Currency Loan			
External Commercial Borrowing [Secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant, Agartala and Agartala Gas Turbine Projects-Extension, Agartala. [SBI, Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin (margin has been reduced to 2.75% p.a. w.e.f 20 th March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 th June 2014. The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	7094.21	6670.92	6649.85
Sub-Total	10944.21	10520.92	6649.85
II Unsecured Borrowings Foreign Currency Loan Loan from Kfw, Germany (Guaranteed by the Government of India) (Loan of 80 million and 20 million EURO was sanctioned from KFW, Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 th December 2008 & 20 th December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guaranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayable in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively.)	4144.65	4299.58	3692.28
Sub-Total	4144.65	4299.58	3692.28
Sub total of borrowings	15088.86	14820.50	10342.13
III Interest accrued but not due on: Bonds Loans from Kfw External Commercial Borrowing Short term borrowing	18367.64 373.61 50.15 33.18	17177.60 390.58 58.28 135.89	2929.33 367.41 57.63 227.67
Sub-total	18824.58	17762.35	3582.04
IV. Other liabilities Creditors for Capital Expenditure Payables for employees Benefits Other Provisions Advance from REC for Deen Dayal Upadhaya Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana	12029.86 23312.26 213.85 2569.85	15010.82 11561.26 - 293.00	16391.20 7075.40 - 1731.17
Sub-Total	38125.82	26865.08	25197.77
Total	72039.26	59447.93	39121.94

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

NEEPCO has implemented decision of the Govt. of India communicated by the Ministry of Power vide letter no. 2/1/2014-H.I (Pt) dated 29.01.2019 for regularization of pay scales of its below Board level Executives with effect from 01.01.1997. Based on the revised pay computed for its eligible executives in compliance to the aforesaid direction, impact of arrear payment for the period of 01.01.2007 to 31.03.2019 has been calculated as ₹11416.78 lakh (excluding impact of actuarial valuation on Gratuity, Leave encashment and Post-retirement medical benefit) and has been accounted for in Books of NEEPCO under appropriate heads.

Note No. 25: Other Current Liabilities

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Advances from Contractors & Others	11402.67	13381.46	12544.98
Direct & Indirect Taxes Payable	2400.94	756.19	499.08
Other liability (Deferred foreign currency fluctuation)	20.74	20.74	20.74
Other Statutory Dues (CPF, LIP NESSS etc)	2227.01	2087.30	1254.03
Total	16051.36	16245.69	14318.83

- Advances from Contractors & others relates to security deposit, earnest money deducted from works/supply bill which will be settled on completion of work after defect liability period as stipulated by the terms of contract/supply order.
- Direct & Indirect taxes includes TDS on provision as on 31st March 2019 & indirect tax like GST deducted from works / supply bill of March not due and not deposited up to the reporting date.
- Other Liability (Deferred Foreign Expenditure)- refer note no 21 (v).
- Other Statutory Dues Payable includes Corporation contribution to Provident fund, LIC premium deducted, Pension contribution, employees contribution to Provident fund and other deduction made during March not due & not deposited up to the reporting date.

Note No. 26: Provisions

(₹ in lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018	As at April 1, 2017
Employee benefits			
Gratuity	1560.89	3256.42	1420.78
Medical benefit for retired employees	352.55	327.32	269.92
Leave encashment	304.25	304.25	593.72
Award of Gold Coin	0.62	6.32	18.61
Sub-total	2218.31	3894.31	2303.03
Provision for Write off	15376.08	12689.10	12917.46
Total	17594.39	16583.41	15220.49

Employee benefit- Refer Note no. 20A

Provision for Write Off relates to amount provided towards Tipaimukh Hydro Electric Project, Manipur amounting to ₹1858.33 lakhs, Siang Hydro Electric Project, Arunachal Pradesh amounting to ₹10698.82 lakhs, Tuivai HEP ₹2254.02 lakhs, Residential building of Tuivai Hydro Electric Project, Mizoram amounting to ₹153.33 lakhs, S&I expenditure on various projects amounting to ₹411.31 lakhs and Fixed Assets of Corporate Office amounting to ₹0.27 lakhs.

Note No. 27: Revenue from Operations

(₹ in lakhs)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
Sale of Power	197721.91	159686.06
DSM receivable	2492.11	2965.92
RRAS receivable	929.19	459.71
Internal consumption	-	182.07
Rebate	(884.83)	(781.00)
Sale of Electricity (Net)	200258.38	162512.76
Other operating Revenue ::		
NERLDC Fees & Charges	445.53	373.43
Interest from Beneficiaries	-	408.22
Net Revenue from Operation	200703.91	163294.41

- Sale of power is accounted for based on tariff approved by the Central Electricity Regulatory Commission. In case of power stations where final tariff is yet to be notified/approved by the commission, provisional tariff as agreed by the beneficiaries are adopted.
- Sale includes ₹8674.98 lakhs (Previous year ₹2868.16) 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 up to 31st March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees from the beneficiaries or long term transmission customers/DICs, as the case may be. Accordingly, current year sale includes ₹1835.23 lakh (previous year ₹1717.73 lakh).
- DSM and RRAS is accounted up to the period of the FY 2018-19, as per the weekly statements issued by the NERPC.
- Internal (Colony) Consumption of 10.05 mu Units for the FY 2018-19 valued at ₹161.66 lakhs calculated based on Normative Energy Charge Rate of the respective power stations has not been recognized, in order to comply with Ind AS 115 applicable from 1st April 2018.
- During the year the Company realized Incentive of ₹924.41 lakhs, through Capacity Charge and Energy Charge on account of Plant Performance exceeding its Normative Parameters. Plant wise break up for the same are Kopilli ₹695.95 lakhs; Kopilli II ₹101.06 lakhs and Khandong ₹127.40 lakhs.

Note No. 28: Other Non-Operating Income

(₹ in lakhs)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
a) Other non-operating income (net of expenses directly attributable to such income)		
Interest on Investment	81.88	313.99
Dividend Earned - Mutual Fund	3.10	15.01
Grant in Aid	1851.15	86.98
CERC filling fee Recovery	79.53	58.96
Other Misc Receipts	280.52	118.03
FERV Recoveable/Payable (Net)	2305.02	20.74
Liability/Provision written back	171.56	632.36
Delayed Payment Surcharge	4828.50	1739.73
Income on Sale of Investment	535.78	185.85
Sub Total	10137.04	3171.65
Other gains and losses		
Gain /(loss) on disposal of PPE	0.24	0.70
TOTAL	10137.28	3172.35

Note No. 29: Cost of Material Consumed

(₹ in lakhs)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
Purchase of Gas	52058.40	41665.33
Transportation charges for Gas	4141.19	967.45
TOTAL	56199.59	42632.78

Note No. 30: Employees Remuneration and Benefit Expenses

(₹ in lakhs)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
Salary & Wages	50245.88	38149.55
Contribution to Provident Fund	3461.83	3281.28
Gratuity	1941.11	10905.65
Employees Pension	2360.57	2298.55
Leave Encashment	3477.04	5822.55
Award of Gold Coin	42.03	24.37
Staff welfare expenses	48.83	61.66
Computer adv to emp. - fair valuation loss	1.37	5.15
Furniture adv to emp. - fair valuation loss	0.41	1.11
Total	61579.07	60549.87
Amount transferred to IEDC	12466.62	19523.26
Carried forward to Statement of Profit & Loss	49112.45	41026.61

- Interest subsidy on House Building Advance is payable to the eligible employees subject to submission of their application duly following the prescribed procedure & acceptance of the same by the competent authority. Accordingly interest subsidy are recognised in the books of accounts based on actual payment basis as allowed by the appropriate authority.
- The salary & wages includes pay parity in respect of executives as per cabinet decision refer Note no. 24.
- Employees' remuneration and benefits include the following for the Directors including the Chairman & Managing Director

Particulars	Current year (2018-19) (₹ in lakhs)	Previous year (2017-18) (₹ in lakhs)
Salary and allowances	206.25	105.71
Contribution to Provident Fund and other funds	25.29	16.42
Other benefits	15.26	39.35
Total	246.80	161.48

Note No. 31: Finance Costs

(₹ in lakhs)

Particulars	For the period ended 31 Mar 19	For the period ended 31 Mar 18
A. Interest Expenses		
i) Cash Credit from State Bank of India	951.90	617.98
ii) Interest on ECB Loan	2012.18	1879.08
iii) Bonds	49194.18	43374.48
iv) Exchange Rate Fluctuation	584.45	6758.18
v) Kfw Loan	1546.90	1576.93
vi) Interest on Short term Borrowing	195.37	1865.92
vii) Interest on Loans from G.O.I	340.76	-
viii) Interest expense	324.57	-
B. Finance Charges		
i) Guarantee fee on foreign Loan	546.53	564.97
ii) Commitment Fees	-	-
C. Other Borrowing Costs	61.39	52.38
Total	55758.23	56689.92
Amount transferred to IEDC	40053.80	49787.04
Amount carried forward to Statement of Profit & Loss	15704.43	6902.88

Note No. 32: Depreciation

(₹ in lakhs)

Particulars	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
PPE Depreciation (Note No- 2)	36394.59	19610.28
Intangible Assets (Note No-4A)	123.10	75.04
Adjustments	-	-
Sub total	36517.69	19685.32
Amount transferred to IEDC	806.21	1379.69
Carried forward to Statement of Profit & Loss	35711.48	18305.63

Note No. 33: Other Expenses

(₹ in lakhs)

Particulars	Note No	For the period ended 31 Mar 19	For the period ended 31 Mar 18
GENERATION EXPENSES			
Repairs & maintenance :			
a) Roads & buildings		1166.43	1096.54
b) Power house		4895.38	5123.62
c) Hydraulic works		564.02	370.75
d) Line & sub-stations		196.61	292.07
e) Others		692.98	642.56
f) Stores & spares (against Grant-in-Aid)		11.11	86.98
Sub Total		7526.53	7612.52
ADMINISTRATION EXPENSES			
a) Travelling expenses		296.09	272.08
b) Advertisement expenses		100.27	84.88
c) Insurance charges		862.16	616.95
d) Rents		15.78	3.98
e) Rates & taxes		46.99	30.58
f) Entertainment expenses		0.77	1.40
g) General expenses	35	7448.07	6684.52
h) Publicity expenses		59.65	15.98
i) Legal charges		73.04	83.07
j) Filing fees to CERC		41.28	88.43
k) NERLDC Fees & Charges		483.22	373.08
l) Research & Development Expenses		12.44	-
m) Corporate Social Responsibility & SD		463.09	532.35
o) RRAS- Expenditure		12.64	11.32
p) Interest to beneficiary states		-	-
q) Trading Expenses		213.21	0.24
r) Energy Savings Certificate (PAT)		-	355.25
s) Share of General establishment	36	3996.83	3309.86
Sub Total		14125.53	12463.97
Other Expenses			
Lubricants, oil etc		172.46	94.96
Electricity Duty		16.37	15.40
U I Charge		104.74	99.34
Transmission Charges		29.84	12.18
Provision for Write off		2939.20	388.72
Prepayment Amortisation		279.43	193.83
Sub Total		3542.04	804.43
TOTAL		25194.10	20880.92

Note No. 34: Payment to Auditors

(₹ in lakhs)

Particulars	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
Statutory Audit fees	18.35	16.34
Tax audit fees	-	0.53
Cost Audit Fees	2.15	1.63
Internal Audit Fees	21.66	-
Other expenses	8.65	5.54
Total	50.81	24.04

Note No. 35: General Expenses

For the period ended :

(₹ in Lakh)

Particulars	Operation & Maintenance		General Administration		Project (Under Construction)		Total	
	March'19	March'18	March'19	March'18	March'19	March'18	March'19	March'18
Transport expenses	1230.67	839.47	199.97	162.16	475.06	594.96	1905.70	1596.59
Printing & stationery	37.62	30.68	36.74	24.83	17.35	14.73	91.71	70.24
Postage & telegram	1.93	1.35	4.16	4.25	1.34	2.27	7.43	7.86
Medical expenses	857.25	638.48	253.83	234.34	356.64	377.09	1467.72	1249.91
Medical expenses to Retd. Employees	-	-	986.38	853.02	-	-	986.38	853.02
Licence & registration	18.68	10.82	0.04	0.95	6.06	26.26	24.78	38.04
Paper & periodicals	0.12	0.53	1.71	1.98	0.31	0.18	2.14	2.69
Uniforms & liveries	4.66	5.22	10.25	0.92	0.17	0.61	15.08	6.74
Honorarium	1.70	2.58	1.55	2.57	0.06	-	3.31	5.15
Electric & water charges	146.71	268.62	86.19	89.19	1532.27	1336.52	1765.17	1694.32
Bank charges	5.03	33.77	1.40	1.32	0.59	2.00	7.02	37.09
Social welfare	931.79	847.90	46.82	44.93	87.33	87.25	1065.94	980.08
Consultancy charges	14.40	55.48	47.61	146.78	20.55	6.31	82.56	208.57
Security arrangement	3206.41	2676.08	182.76	162.63	615.29	389.89	4004.46	3228.60
Training expenses	84.69	159.73	-	-	-	-	84.69	159.73
Staff recruitment expenses	0.20	0.10	39.31	23.90	-	0.01	39.51	24.01
Hospital facilities	18.02	17.04	-	-	2.04	3.62	20.06	20.66
Subscription & membership fees	9.00	4.47	8.25	9.07	-	-	17.25	13.54
Communication expenses	66.13	39.75	252.45	192.61	53.01	147.43	371.59	379.78
Office furnishing	-	0.13	0.37	0.62	2.75	1.20	3.12	1.95
Miscellaneous expenses	168.18	564.17	123.23	105.75	64.81	79.28	356.22	749.20
I.B. expenses	131.48	56.28	99.02	74.20	55.28	110.10	285.78	240.57
Laboratory & meter testing charges	3.89	0.06	-	-	-	5.97	3.89	6.03
Environment & Ecology	94.11	65.20	-	-	-	-	94.11	65.20
Photographic records	-	-	0.59	1.29	-	-	0.59	1.29
Loss of Stock/Advance written off	1.20	118.34	-	-	-	0.80	1.20	119.14
I T Expenses	177.34	134.55	125.88	154.22	62.28	76.65	365.50	365.42
Losses of Stores/obsolete/condemnation	146.58	57.19	-	-	-	-	146.58	57.19
Loss on sale of fixed Assets	45.44	5.55	0.35	0.15	0.62	0.20	46.41	5.90
Employee Family Economi Rehab Scheme	-	-	5.32	-	-	-	5.32	-
Incidental Expenditure Saubhaghya	4.34	-	-	-	-	-	-	-
Assets written off Damaged/un-traceable	0.04	-	-	-	-	-	0.04	-
Compensation	40.46	50.98	8.00	-	-	26.00	48.46	76.98
TOTAL	7448.07	6684.52	2522.18	2291.67	3353.81	3289.32	13319.72	12265.50

Note No. 36: Incidental Expenditure of Corporate office

(₹ in Lakh)

Particulars	Note No.	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
Administration & other Expenses			
Travelling expenses		162.83	147.30
Rent		96.83	113.09
Rates & taxes		371.54	11.71
General expenses	35	2522.18	2291.67
Repairs & maintenance		258.59	195.20
Audit fees & expenses	34	50.81	24.04
Legal expenses		26.13	18.36
Insurance charges		62.68	36.79
Entertainment expenses		0.96	0.29
Advertisement expenses		4.94	4.13
Contribution to Chief Relief Fund		200.00	208.66
Publicity expenses		185.52	237.98
Board meeting expenses		53.82	20.64
Total		3996.83	3309.86
Expenditure charged to Profit & Loss Account	33	3996.83	3309.86

Note No. 37: Incidental Expenditure during Construction

(₹ in Lakh)

Particulars	Note No.	For the period ended 31 Mar 2019	For the period ended 31 Mar 2018
GENERAL ADMINISTRATION			
A. Employees benefit Expenses	30	12466.62	19523.26
B. Interest and Finance expenses capitalized	31	40053.80	49787.04
C. Depreciation	32	806.21	1379.69
D. Administration & other expenses			
Travelling expenses		147.31	203.23
Rents		5.73	16.46
Rates & taxes		21.07	34.15
General expenses	35	3353.81	3289.32
Repairs & maintenance		281.46	673.21
Environment & Ecology		24.08	2.57
Energy Conservation expenses		2.60	0.00
Legal expenses		34.96	72.36
Insurance charges		1261.91	1541.09
Entertainment expenses		0.00	0.11
Tender expenses		13.10	30.71
Sub total (D)		5146.03	5863.21
Total (A + B + C + D)		58472.66	76553.20
Less : Non-operating receipts			
i) Interest on advances from Suppliers/Contractors		46.04	517.89
ii) Others		292.96	297.28
Sub total		339.00	815.17
Net Expenditure		58133.66	75738.03
Expenditure transferred to Capital Work-in-Progress	3	58133.66	75738.03

Note No. 38: Property Plant & Equipment

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 st April 2018	Additions	Adjustments	Carrying Amount 31 st March 2019	01.04.2018	Depreciation	Adjustment	Up to 31 st Mar 2019	31.03.2019	31.03.2018	01.04.2017
A) ASSETS											
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES :											
Building and civil engineering works containing generation plant & equipment, main plant	54238.90	37722.37	284.88	92246.15	18627.05	2930.99	(3.74)	21554.30	70691.85	35611.85	37022.68
Hydraulic works including Dams Dykes, Reservoirs & Tunnels	166655.66	200372.26	(174.31)	366853.61	85875.01	15307.12	(34.58)	101147.55	265706.06	80780.65	84552.32
Plant & Machinery in Generating Station	68725.42	59762.88	186.62	128674.92	33869.88	5366.30	(110.11)	39126.07	89548.85	34855.54	36413.55
Transformer having a rating of 100 K.V. ampere and above	9775.44	94.54	(19.33)	9850.65	3851.58	377.38	5.55	4234.51	5616.14	5923.86	6245.17
Sub-station equipment and other fixed apparatus	741.38	-	298.41	1039.79	435.77	28.11	111.39	575.27	464.52	305.62	307.61
Switchgear including cable connections	20441.66	5734.49	23.75	26199.90	8703.64	919.25	(15.17)	9607.72	16592.18	11738.02	10621.94
Transmission Lines	962.86	2098.25	382.11	3443.22	638.71	131.27	145.30	915.28	2527.94	324.15	353.23
PV modules including Mounting structures	2866.47	39.80	-	2906.27	514.22	176.59	(0.01)	690.80	2215.47	2352.25	2748.56
Inverters including Battery Bank (O & M)	266.36	3.72	-	270.08	47.83	16.42	-	64.25	205.83	218.53	255.50
Gas Turbine	142883.92	4046.65	555.69	147486.26	84444.99	4086.41	(41.13)	88490.27	58995.99	58438.93	56221.27
Gas Booster Station	23321.58	182.58	(454.67)	23049.49	15518.63	739.18	(49.83)	16207.98	6841.51	7802.95	8364.15
Gas Pipeline	36.60	-	-	36.60	32.95	-	(0.01)	32.94	3.66	3.65	3.65
Gas Steam Turbine	110327.06	98.92	(629.88)	109796.10	44188.65	3927.18	(24.03)	48091.80	61704.30	66138.41	69946.12
Gas Cooling Tower	4059.89	8.83	-	4068.72	2482.48	132.59	(0.02)	2615.05	1453.67	1577.41	1648.89
Make-up Water System	5836.00	5.37	0.89	5842.26	2433.82	210.97	0.13	2644.92	3197.34	3402.18	3626.39
Sub -Total	611139.20	310170.66	454.16	921764.02	301665.21	34349.76	(16.26)	335998.71	585765.31	309473.99	318331.03

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 st April 2018	Additions	Adjustments	Carrying Amount 31 st March 2019	01.04.2018	Depreciation	Adjustment	Upto 31 st Mar 2019	31.03.2019	31.03.2018	01.04.2017
II GENERAL ASSETS (FOR PROJECTS UNDER OPERATION)											
Buildings	10859.06	1542.17	1708.05	14109.28	4389.49	476.21	227.56	5093.26	9016.02	6469.57	6438.88
Furniture & Fixtures	706.19	62.16	104.40	872.75	455.21	26.98	77.47	559.66	313.09	250.98	241.51
Roads, Bridges, Culverts & Helipads	4142.67	108.01	518.15	4768.83	1871.02	138.26	121.99	2131.27	2637.56	2271.65	2309.71
Vehicles	452.89	-	36.67	489.56	293.79	21.52	21.64	336.95	152.61	159.10	187.00
Railway Siding	10.65	-	-	10.65	8.46	0.19	(0.01)	8.64	2.01	2.19	2.38
Electrical Installation	1089.77	34.83	159.32	1283.92	711.71	31.30	75.08	818.09	465.83	378.06	383.25
Temporary Buildings/Erections	2446.87	16.01	624.40	3087.28	2446.87	16.01	624.40	3087.28	-	-	-
Hospital Equipment	27.06	3.00	6.88	36.94	12.39	2.10	2.68	17.17	19.77	14.67	12.39
Tools & Plants	2613.38	62.68	1603.03	4279.09	1750.40	90.87	961.70	2802.97	1476.12	862.98	871.69
Office Equipment	378.69	51.36	43.83	473.88	193.88	19.74	25.19	238.81	235.07	184.81	167.39
I T Equipment	970.06	74.13	210.58	1254.77	834.73	87.01	193.64	1115.38	139.39	135.33	125.50
Other Equipment	968.29	60.83	247.73	1276.85	467.49	56.25	115.49	639.23	637.62	500.80	427.20
Water supply, sewerage & drainage	1120.30	70.58	310.85	1501.73	543.28	55.66	60.99	659.93	841.80	577.02	620.65
Plant & Machinery in Generating Station (Diesel Power House)	475.63	36.61	138.35	650.59	397.02	8.64	119.27	524.93	125.66	78.61	81.12
Communication Equipment	230.04	12.54	9.21	251.79	142.49	9.24	3.12	154.85	96.94	87.55	93.43
Lightning Arrestor (Pole Type Magazine Building)	142.00	56.61	(9.18)	189.43	121.10	2.25	(7.51)	115.84	73.59	20.90	21.44
Telephone Line	103.69	-	-	103.69	92.12	0.07	(0.01)	92.18	11.51	11.57	11.64
Solar Panel	118.39	1.47	-	119.86	6.23	6.99	4.64	17.86	102.00	112.16	87.20
Fixed Assets of Minor value	50.89	1.72	6.79	59.40	50.88	1.56	6.78	59.22	0.18	0.01	0.01
Energy Conservation Equipment	4.13	-	-	4.13	0.20	0.22	-	0.42	3.71	3.93	-
Free hold	2099.61	-	-	2099.61	-	-	-	-	2099.61	2099.61	1442.93
Sub -Total	29010.26	2194.71	5719.06	36924.03	14788.76	1051.07	2634.11	18473.94	18450.09	14221.49	13525.32
TOTAL (A)	640149.46	312365.37	6173.22	958688.05	316453.97	35400.83	2617.85	354472.65	604215.40	323695.48	331856.35

(₹ in Lakh)

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	Carrying Amount 1 st April 2018	Additions	Adjustments	Carrying Amount 31 st March 2019	01.04.2018	Depreciation	Adjustment	Up to 31 st Mar 2019	31.03.2019	31.03.2018	01.04.2017
B) ASSETS (FOR PROJECTS UNDER CONSTRUCTION & OTHER OFFICES)											
Building	8394.24	130.17	(1709.37)	6815.04	2122.55	232.57	(227.54)	2127.58	4687.46	6271.69	5448.97
Furniture & Fixtures	991.28	7.80	(108.97)	890.11	590.96	39.10	(81.72)	548.34	341.77	400.32	421.97
Roads, Bridges, Culverts & Helipads	2186.76	298.20	(1613.45)	871.51	422.11	25.44	(336.26)	111.29	760.22	1764.65	2751.23
Vehicles	224.42	-	(36.68)	187.74	90.12	14.94	(21.64)	83.42	104.32	134.30	72.78
Electrical Installations	536.87	0.98	(159.32)	378.53	318.24	15.07	(75.10)	258.21	120.32	218.63	190.81
Temporary Buildings/ Erections	2107.52	3.95	(624.39)	1487.08	2107.52	3.95	(624.39)	1487.08	-	-	-
Hospital Equipment	12.87	-	(7.60)	5.27	6.16	0.40	(2.97)	3.59	1.68	6.71	7.31
Tools & Plants	3522.37	29.10	(1605.64)	1945.83	1647.80	96.19	(963.63)	780.36	1165.47	1874.57	2002.84
Office equipment	612.99	18.63	(49.02)	582.60	438.71	15.72	(29.29)	425.14	157.46	174.28	191.06
I T Equipment	1582.30	98.55	(277.37)	1403.48	1484.47	61.43	(249.90)	1296.00	107.48	97.83	142.94
Water Supply, sewerage & drainage	818.71	29.48	(311.75)	536.44	176.89	18.41	(61.14)	134.16	402.28	641.82	566.97
Plant & Machinery in Generating Station (Diesel Power House)	176.23	-	(138.35)	37.88	137.66	2.00	(120.49)	19.17	18.71	38.57	41.88
Weigh Bridge	13.34	-	(13.34)	-	9.69	(9.70)	0.01	(0.00)	-	3.65	4.10
Solar panel	7.14	-	-	7.14	0.80	0.42	0.19	1.41	5.73	6.34	6.76
Communication Equipment	188.25	0.28	(9.20)	179.33	118.14	6.76	(3.11)	121.79	57.54	70.11	68.35
Plant & Machinery	351.62	-	(350.46)	1.16	31.88	-	(30.84)	1.04	0.12	319.74	338.24
Transmission Line	4613.31	70.39	(382.11)	4301.59	2463.28	227.67	(145.31)	2545.64	1755.95	2150.03	3463.23
Transformer having a rating of 100 KV & Above	328.19	-	(10.28)	317.91	105.62	16.69	(10.43)	111.88	206.03	222.57	98.25
Substation Equipment	3330.33	-	(298.41)	3031.92	1473.99	162.71	(111.40)	1525.30	1506.62	1856.34	205.39
Freehold	467.27	33.37	-	500.64	-	-	-	-	500.64	467.27	467.27
Telephone Line	1.19	-	-	1.19	0.14	0.08	(0.01)	0.21	0.98	1.05	1.13
Other Equipment	1120.00	57.56	(237.57)	939.99	496.25	55.20	(125.26)	426.19	513.80	623.75	559.34
Assets Withdrawn from Active use	-	-	-	-	-	-	-	-	-	-	-
Fixed assets of Minor value	63.08	8.76	(7.53)	64.31	63.04	8.71	(7.52)	64.23	0.08	0.04	0.04
TOTAL (B)	31650.28	787.22	(7950.81)	24486.69	14306.02	993.76	(3227.75)	12072.03	12414.66	17344.27	17050.86
GRAND TOTAL (A + B)	671799.74	313152.59	(1777.59)	983174.74	330759.99	36394.59	(609.90)	366544.68	616630.06	341039.75	348907.21

Note No. 39: Earnings per Share

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

	Particulars	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2017
(a)	Profit after tax & before regulatory Deferral Accounts (₹ in lakh)	8661.31	26123.13	22370.01
(b)	Profit after tax & after regulatory Deferral Accounts (₹ in lakh)	21400.68	28454.30	28486.02
	Less: Amount to be paid for diluted portion (net of tax)	-	-	-
	Profit attributable to ordinary shareholders - for Basic EPS	21400.68	28454.30	28486.02
	Profit attributable to ordinary shareholders - for Diluted EPS	21400.68	28454.30	28486.02
(c)	Weighted average no. of Ordinary Shares for Basic EPS	3584117249	3452810400	3452810400
	Weighted average no. of Ordinary Shares for Diluted - EPS	3584117249	3452810400	3452810400
(d)	Nominal value of Ordinary Shares (₹)	10	10	10
(e)	Earnings per equity share before regulatory Deferral Accounts:			
	(i) Basic (in ₹)	0.24	0.76	0.65
	(ii) Diluted (in ₹)	0.24	0.76	0.65
(f)	Earnings per equity share after regulatory Deferral Accounts:			
	(i) Basic (in ₹)	0.60	0.82	0.83
	(ii) Diluted (in ₹)	0.60	0.82	0.83

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

Particulars	As at		(₹ in Lakh)
	31-Mar-19	31-Mar-18	31-Mar-17
Contingent liabilities :			
Claims against the Company not acknowledged as debt in respect of:			
- Capital Works	219371.00	159047.88	149358.36
- Land compensation cases	7762.00	3583.24	3416.74
- Disputed Income tax demand	17213.12	161.97	48.15
- Others	7.66	4.80	8.76
Total	244353.78	162797.89	152832.01
Commitments :			
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)	43799.02	26373.90	147309.55
Other Commitment	Nil	Nil	Nil

- Claims against the company not acknowledged as debts as on March 31, 2019 include demand from the Income tax authorities for payment of tax of ₹11301.03 lakhs upon completion of their tax assessment for the A.Y. 2011-12 amounting to ₹93.72 lakhs, A.Y. 2012-13 amounting to ₹121.47 lakhs, A.Y. 2013-14 amounting to ₹213.23 lakhs and for the year 2014-15 amounting to ₹10872.61 lakhs and demand from Customs, Excise and Service Tax Appellate Tribunal (CESTAT) for payment of ₹7.20 lakhs in respect of Service Tax.
- There are few cases pending before the Arbitration Tribunal / Courts, for which amount of claims are yet to be ascertained.
- The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.
- The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.
- During the financial year 2018-19, reduction in contingent liabilities amounts to ₹13304.87 lakh and addition to the same amounts to ₹94860.76 lakh.

Note No. 41: Movement in Regulatory Deferral Accounts Balances

Nature of Rate Regulated Activities

The company is primarily engaged in the business of generation and sale of electricity. The tariff based on which the Company bill to its beneficiaries for electricity sold to them is determined by the Central Electricity Regulatory Commission (CERC) in compliance to the CERC (Terms and Conditions of Tariff) Regulations, as applicable from time to time. The said regulations allow the Company to recover its costs for providing the goods or services plus a fair return.

Recognition and measurement

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

Particulars	Amount (₹ in lakh)
Depreciation as per CERC Schedule of rates	9580.97
Depreciation @2% as allowed by CERC vide the tariff order dated 09.10.2018	3856.80
Difference (Recognized as "Regulatory Deferral balances")	5724.17

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

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

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

i) Force Majeure; ii) Change in Law; and iii) Primary Fuel Cost.

The increase in gratuity expenses due to enhancement of limit up to ₹20.00 lakh as per the Payment of Gratuity (Amendment) Act, 2018 falls under the category of "Change in law",

Accordingly, an amount of ₹4793.47 lakh to the extent expected as recoverable from the beneficiaries in subsequent period as per CERC Tariff Regulations have been recognized as "Regulatory Deferral Account Balances" as on 31.03.2018 in books of NEEPCO. No movement on the aforesaid balances have occurred during the half year ended 30.09.2018.

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

NEEPCO has long term Power Purchase Agreement (PPA) with the States of the North Eastern Region (referred to as the 'Beneficiaries') for selling electricity generated from its generating stations in operations. Tariff for generating stations of NEEPCO are determined by the Central Electricity Regulatory Commission (CERC) in compliance to their notified tariff regulations issued from time to time. As per the CERC Tariff Regulations 2014, ROE is grossed up with effective tax rate as

applicable for the respective financial year. Accordingly, deferred tax accrued during the year on income generated from sale of electricity and further adjustable/reversal in future periods when the related deferred tax liability will form a part of current tax & recoverable from the beneficiaries has been accounted as "Deferred tax adjustment against deferred tax liability", which has been recognized as "Regulatory income" and presented as a movement in "Regulatory Deferral Accounts Balance" as a separate line item in compliance to the relevant provisions of Ind AS 114.

Regulatory Deferral Accounts Balances in respect of modification of Annual Fixed Costs (AFC) on account of variation of "Add cap" as allowed by Central electricity regulatory commission (CERC) for the projects under operation and that actual executed:

NEEPCO has revised AFC for its 05 (five) projects under operation, namely, Ranganadi HEP, Doyang HEP, Kopili HEP, Assam Gas based Power Plant and Agartala Gas turbine Power Plant for the period of 2014-18 based on the additional capital expenditures (Plant-wise & year wise) as allowed by the CERC and that actually executed by the generating stations. Based on the revised AFC and computation of excess amount billed, an amount of ₹4919.35 lakh (including interest payable thereon amounting to ₹1284.83 lakh) has been recognized as "Regulatory expenses" and presented as a movement in "Regulatory Deferral Accounts Balance" as a separate line item.

Regulatory deferral accounts debit balance - Note 16 recognized :

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

Particulars	As on 31.03.2019	As on 31.03.2018	As on 01.04. 2017
A. Opening Balance	8795.89	5242.28	(2533.12)
B. Movements during the year due to (i) Turial Depreciation - 5724.17 (ii) Deferred Tax Adjustment against Deferred Tax Liability - 14935.01 (iii) Impact on AFC - (4420.59)	16238.59	3553.61	7775.40
C. Amount Collected / refunded during the year	-	-	-
D. Regulatory Deferral Account Balances recognized in the Statement of Profit & Loss (B-C)	16238.59	3553.61	7775.40
E. Closing Balance (A+D)	25034.48	8795.89	5242.28

Rate of return/Discounting rate considered for recognition of Regulatory Deferral Account Balance is "Zero"
Risk/uncertainty associated with future recovery of Regulatory Deferral Account Balances

- **Demand risk:** Recovery of regulatory deferral balances are subjected to billing to its beneficiaries and accordingly associated with related normal risks, such as, attitude of the customers towards settlement of their dues, availability of alternate source of supply etc.
- **Regulatory risk:** Changes, if any, in Tariff Regulations on allowability of such cost through tariff. Period over which expected to recover
 - i. **Employees benefit expenses:** The Company expects to recover the carrying amount of regulatory deferral debit account balances over a period of 3(three) years.
 - ii. **Depreciation:** The Company is expected to recover/adjust the carrying amount of the regulatory deferral account balances over the period of normative useful life of the generating station.
 - iii. **Deferred Adjustment on Deferred Tax Liability on O&M Plants:** The Company is expected to recover/adjust the carrying amount of the regulatory deferral account balances over the period of normative useful life of the generating station.
 - iv. **Annual Fixed Costs (AFC) on account of variation of "Add cap" (allowed by CERC vs Actually Executed):** The Company is expected to settle the Amount within a period of 1 year.

Note No. 42: Additional disclosures

❖ Disclosure on recent accounting pronouncement having impact on NEEPCO:

Ind AS-116 – Leases –To replace Ind AS-17

As per the IFRS convergence status issued by the ASB of the ICAI, Ind AS 116, Leases, has been submitted to the Ministry of Corporate Affairs (MCA) for notification. Ind AS 116 is proposed to be effective for annual reporting periods beginning on or after 1 April 2019. The new standard will require lessees to recognize most leases on their balance sheets. Lessees will use a single accounting model for all leases, with limited exemptions. This may require the company to capitalize all operating leases where we are acting as Lessee. The basis of capitalization shall be all discounted future lease rentals, all lease incentives, registration charges paid and all incidental expenses paid in regards to the lease rentals. The Company is in the process of assessing the detailed impact of Ind-AS 116.

❖ Disclosure on additional depreciation for computation of income under the Income Tax Act:

For the purpose of computation of income under the Income Tax Act for the AY 2019-20, the Company has not availed “Additional Depreciation” for its newly acquired Plant & Machinery allowed under section 32(1)(iia) of the Income Tax Act 1962.

❖ Disclosure on Tariff for 400 KV D/C Kameng - Balipara line:

M/s Powergrid Corporations of India has submitted a petition before the CERC for determination of Tariff for 400 KV D/C Kameng Balipara Line along with associated bays following declaration of its COD on 30/03/2018. The total AFC claimed by the petitioner for the period till 31.03.2019 amounts to ₹4556.20 lakhs. However, pending hearing on the tariff petition by CERC and signing of Implementation Agreement between NEEPCO & M/s Powergrid, final AFC to be allowed is not determinable at present. Also, no claim has been raised by M/s Powergrid on NEEPCO for the same till date.

❖ Consolidated Financial Statement (CFS) has been prepared based on Unaudited Financial Statements of M/s. Dibbin Hydro Power Private Ltd., the JV Company of NEEPCO.

Note No. 43: Capital Management

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

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

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

Note No. 44: Disclosure on Financial Instruments

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

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

a) Financial assets and liabilities

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2019, March 31, 2018 & April 1, 2017.

(₹ in Lakhs)

As at March 31, 2019	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances					9857.87	9857.87	9857.87
Trade receivables					63453.60	63453.60	63453.60
Investments					3233.08	3233.08	3233.08
Loans					602.99	602.99	602.99
Other financial assets					13897.27	13897.27	13897.27
Total					91044.81	91044.81	91044.81
Financial liabilities							
Trade and other payable					7308.48	7308.48	7308.48
Borrowings					705207.55	705207.55	705207.55
Other financial liabilities					56950.40	56950.40	56950.40
Total					769466.43	769466.43	769466.43

(₹ in Lakhs)

As at March 31, 2018	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances					33607.92	33607.92	33607.92
Trade receivables					45836.76	45836.76	45836.76
Investments					3223.09	3223.09	3223.09
Loans					1101.64	1101.64	1101.64
Other financial assets					6214.92	6214.92	6214.92
Total					89984.33	89984.33	89984.33
Financial liabilities							
Trade and other payable					8775.92	8775.92	8775.92
Borrowings					665727.18	665727.18	665727.18
Other financial liabilities					44627.43	44627.43	44627.43
Total					719130.53	719130.53	719130.53

(₹ in Lakhs)

As at April 1, 2017	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
Financial assets							
Cash and bank balances					26928.01	26928.01	26928.01
Trade receivables					44108.15	44108.15	44108.15
Investments					10428.74	10428.74	10428.74
Loans					1204.23	1204.23	1204.23
Other financial assets					4938.16	4938.16	4938.16
Total					87607.29	87607.29	87607.29
Financial liabilities							
Trade and other payable					5285.97	5285.97	5285.97
Borrowings					602909.91	602909.91	602909.91
Other financial liabilities					28779.81	28779.81	28779.81
Total					636975.69	636975.69	636975.69

- b) The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below:

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of investment in quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data. The main items in this category are investment in unquoted equity shares, measured at fair value.

(₹ in Lakhs)

Particulars	As at March 31, 2019			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(i) Investments	3233.08	-	-	3233.08
(ii) Trade receivables	63453.60	-	-	63453.60
(iii) Cash and Cash equivalents	9857.87	-	-	9857.87
(iv) Loans	602.99	-	-	602.99
(v) others	13897.27	-	-	13897.27
Total financial assets measured at fair value	91044.81	-	-	91044.81
Financial liabilities measured at fair value				
(i) Borrowings	705207.55	-	-	705207.55
(ii) Trade & Other payable	7308.48	-	-	7308.48
(iii) Other financial liabilities	56950.40	-	-	56950.40
Total financial liabilities measured at fair value	769466.43			769466.43

(₹ in Lakhs)

Particulars	As at March 31, 2018			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(i) Investments	3223.09	-	-	3223.09
(ii) Trade receivables	45836.76	-	-	45836.76
(iii) Cash and Cash equivalents	33607.92	-	-	33607.92
(iv) Loans	1101.64	-	-	1101.64
(v) others	6214.92	-	-	6214.92
Total financial assets measured at fair value	89984.33	-	-	89984.33
Financial liabilities measured at fair value				
(i) Borrowings	665727.18	-	-	665727.18
(ii) Trade & Other payable	8775.92	-	-	8775.92
(iii) Other financial liabilities	44627.43	-	-	44627.43
Total financial liabilities measured at fair value	719130.53			719130.53

Particulars	As at April 1, 2017			
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(i) Investments	10428.74	-	-	10428.74
(ii) Trade receivables	44108.15	-	-	44108.15
(iii) Cash and Cash equivalents	26928.01	-	-	26928.01
(iv) Loans	1204.23	-	-	1204.23
(v) others	4938.16	-	-	4938.16
Total financial assets measured at fair value	87607.29	-	-	87607.29
Financial liabilities measured at fair value				
(i) Borrowings	602909.91	-	-	602909.91
(ii) Trade & Other payable	5285.97	-	-	5285.97
(iii) Other financial liabilities	28779.81	-	-	28779.81
Total financial liabilities measured at fair value	636975.69	-	-	636975.69

- The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.
- The fair value in respect of the unquoted equity investments cannot be reliably measured.
- Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.
- There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2019, March 31, 2018 and April 1, 2017.

c) Transfer of financial assets

The Company has during the financial year transferred in terms of Share Purchase Agreement drawn on 24th October 2017, the Corporation's investment (40%) in Joint Venture of M/s. WARNEEP Solar Pvt Limited to M/s. Waree Energies Limited, the other Joint Venture Partner. The sale proceeds has been accounted in the books of NEEPCO on 11th December 2017. Accordingly the investment of ₹8200.00 lakhs has been reduced as on 31.03.2018.

d) Financial risk management

In the course of its business, the Company is exposed primarily to interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

Market Risk: Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

Credit Risk: Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Liquidity Risk: Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

- e) The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Company's non derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

(₹ in Lakh)

Particulars	As at March 31, 2019				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings	677211.27	677211.27	15088.86	343727.86	318394.55
Trade payable	7308.48	7308.48	7308.48	-	-
Other financial liabilities	56950.40	56950.40	56950.40	-	-
Total non- derivative financial liabilities	741470.15	741470.15	79347.74	343727.86	318394.55
Derivative financial liabilities	-	-	-	-	-

(₹ in Lakh)

Particulars	As at March 31, 2018				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings	645960.10	645960.10	14821.69	279286.76	351851.65
Trade payable	8775.92	8775.92	8775.92	-	-
Other financial liabilities	44627.43	44627.43	44627.43	-	-
Total non- derivative financial liabilities	654736.02	654736.02	23597.61	279286.76	351851.65
Derivative financial liabilities	-	-	-	-	-

(₹ in Lakh)

Particulars	As at April 1, 2017				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
Non- derivative financial liabilities					
Borrowings	569810.57	569810.57	43618.72	214774.88	344691.97
Trade payable	5285.97	5285.97	5285.97	-	-
Other financial liabilities	28779.81	28779.81	28779.81	-	-
Total non- derivative financial liabilities	603876.35	603876.35	77684.50	214774.88	344691.97
Derivative financial liabilities	-	-	-	-	-

The cost of unquoted investments approximate the fair value because there is a wide range possible fair value measurements and the cost represents estimate of fair value within that range.

Note No. 45: Related party disclosures

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

A. Joint Ventures:

KSK Dibbin Hydro Power Private Limited, 8-2-293/82/A/431/A, Road No. 22, Jubilee Hills, Hyderabad – 500 033, India.

B. Whole time Directors:

1.	Sri A G West Kharkongor	Chairman & Managing Director
2.	Sri V K Singh	Director (Technical)
3.	Sri M Shiva Shunmuganathan	Director (Finance)
4.	Sri Satyabrata Borgohain	Director (Personnel) up to 28 th February 2019
5.	Sri Anil Kumar	Director (Personnel) w.e.f. 1 st March 2019

a) Parent entities

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

(₹ in Lakh)

Particulars	31 March 2019	31 March 2018
<i>Sales and purchase of goods and services</i>		
sale of goods to associates	Nil	Nil
purchase of raw materials	Nil	Nil
<i>Other transactions</i>		
Dividend paid to parent entity	11500.00	9214.00

b) Key management personnel compensation

Particulars	31 March 2019	31 March 2018
Salary and allowances	146.11	125.25
Contribution to Provident Fund and other funds	17.19	19.67
Other benefits	9.58	53.67
Total	172.88	198.59

c) Transaction with related parties

The following transactions occurred with related parties:

Particulars	31 March 2019	31 March 2018
<i>Sales and purchase of goods and services</i>		
Sale of goods to associates	Nil	Nil
Purchase of raw materials from associates	Nil	Nil
Purchase of various goods and services from entities controlled by key management personnel:		
i. Professional services	Nil	Nil
<i>Other transactions</i>	Nil	Nil

d) Outstanding balances arising from sales /purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	31 March 2019	31 March 2018
Trade payable (purchases of goods and services)	Nil	Nil
Associates	Nil	Nil
Joint venture	Nil	Nil
Total payable to related parties	Nil	Nil
Trade receivables (sale of goods and services)	Nil	Nil
Associates	Nil	Nil
Joint venture	Nil	Nil
Total receivables from related parties	Nil	Nil

e) Loan to/from related parties

Particulars	31 March 2019	31 March 2018
<i>Loans to key management personnel</i>		
Beginning of the year	Nil	Nil
Loans advanced	Nil	Nil
Loan repayments received	Nil	Nil
Interest charged	Nil	Nil
Interest received	Nil	Nil
End of the year	Nil	Nil

f) Loan to Associates

Particulars	31 March 2019	31 March 2018
<i>Loans to associates</i>		
Beginning of the year	Nil	Nil
Loans advanced	Nil	Nil
Loan repayments received	Nil	Nil
Interest charged	Nil	Nil
Interest received	Nil	Nil
End of the year	Nil	Nil

g) Terms and conditions

The advances to key management personnel are generally for periods which varies from 12 months to 60 months depending on the nature of advance, repayable in monthly installments. No goods were sold to associates during the year based. All other transactions were made on normal commercial terms and conditions .

All outstanding balances are unsecured and are repayable in cash.

Note No. 46: Operating Segment

- Electricity generation is the principal activity of the Corporation. Other operation like interest income does not form a reportable segment as per the Accounting Standard 108.
- The Corporation has power projects located within the country and therefore geographical segments are inapplicable.

Note No. 47: Disclosure for Ind AS 115

The Company has applied IND AS 115 for the first time by using the modified retrospective method of adoption with the date of Initial Application of 1st April 2018. Under this method, the Company recognised the cumulative effect of initially applying IND AS 115 as an adjustment to the Opening Balance of Retained Earnings as at 1st April 2018. Comparative prior period has not been adjusted.

The impact of Company's retained earnings as at 1st April 2018 is as follows –

	(₹ in Lakh)
(a) Retained Earnings prior to adoption of Ind AS 115	5858.68
(b) Restatement due to Revenue from Internal Consumption	(182.07)
(c) Restatement due to reduction in corresponding Expenses	(182.07)
(d) Net Adjustment to Retained Earnings from Adoption of Ind AS 115 (d=b-c)	-
(e) Revised Retained Earnings as per Ind AS 115 (e=a-d)	5858.68

- The following table presents the amounts by which each financial statement line item is affected in the Current Year ended 31st March 2019 by the application of IND AS 115 as compared with the previous revenue recognition requirements. Line items that were not affected by the changes have not been included. As a result, the sub-totals and totals disclosed cannot be recalculated from the numbers provided –

	31 st March 2019 without adoption of Ind AS 115	Increase / (Decrease)	31 st March 2019 as reported post adoption of Ind AS 115
Revenue from Operations	2,00,865.57	(161.66)	2,00,703.91
Total Income	2,00,865.57	(161.66)	2,00,703.91
Other Expenses	25,355.76	(161.66)	25,194.10
Total Expenses	23,101.75	(161.66)	22,940.09

Note No. 48: Statement Showing Status of RECs as on 31.03.2019 against Generation from 5 MW Monarchak Solar Pv Power Plant

A PPA agreement has been executed with Tripura State Electricity Corporation Ltd. (TSECL) for the entire plant capacity of 5 MW. Out of this 5 MW, TSECL's RPO requirement of 18 KW is contracted for sale at CERC determined generic tariff and the balance 4.982 MW under the REC mechanism at TSECL's average pooled cost of power purchase. NEEPCO is entitled 1 REC for every MWhr sold under the REC mechanism. The RECs can be traded at energy exchange at market determined prices within the band bounded by the forbearance price and the ceiling price which are determined by CERC from time to time.

Particulars	As on 31.03.2019	As on 31.03.2018	As on 31.03.2017
Number of RECs for which eligible	25173	19584	12954
Number of RECs applied for	22968	19584	12954
Number of RECs issued	16607	13365	10994
Number of RECs placed for trading at exchange	16607	13365	NIL
Number of RECs sold	16607	NIL	NIL

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

Note No. 49: Confirmation of Balances

Balances shown under Capital advances to Contractors, Trade Payable and material in transit/with contractor/issued on loan, Trade receivables, Accounts receivable are subjected to confirmation/reconciliation and consequential adjustment, if any.

Note No. 50: Cut-off Date

The Company has taken all known ascertained liabilities pertaining to the year upto 31.03.2019 taking into consideration 5th April, 2019 as the cut-off date.

Note No. 51: Impairment loss

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

Note No. 52: Previous year figures

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

Note No. 53: Disclosure as per Schedule III of Companies Act 2013 (As on 31.03.2019)

Name of the entities in the Group	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lakh)	As % of consolidated net profit or loss	Amount (₹ in lakh)
1	2	3	4	5
Parent:				
NEEPCO Ltd	99.49	630128.80	99.95	21605.87
Joint Ventures (AS per proportionate consolidation /Investment as per equity method):				
KSK Dibbin Hydro Power	0.51	3233.08	0.05	9.99

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: 20-06-2019
Place: New Delhi

C. Sharma
Company Secretary

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

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

T. K. Das
Partner
Membership No. 053080

Annexure - 6C

Sub: Management reply to the Independent Auditors' Opinion on Internal Financial Controls of NEEPCO reported under section 143 (3) (i) of the Companies Act 2013.

Independent Auditors' Opinion	Management reply
<p>The company has old Information Technology (IT) application system which is unable to cater the emerging needs and complete information consistent with financial reporting objectives.</p> <p>This could potentially result into weakness in the internal financial controls over financial reporting of the company.</p>	<p>The Information Technology (IT) Application System presently the Company (i.e. NEEPCO) using for its Financial Accounting and Stores Accounting is called MATFIN, which is developed on "Ingres" Database and 4GL.</p> <p>NEEPCO is under the process of migrating to ERP system for which selection of Implementing Agency through NIT is under process.</p> <p>On implementation of ERP, the weakness in IT Application System, as reported by the Independent Auditors, will be mitigated.</p>

For and on behalf of the Board of Directors

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

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

Dated: 29-08-2019

Place: New Delhi

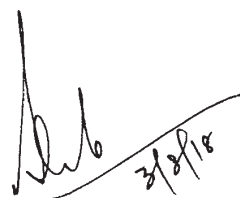
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED, SHILLONG FOR THE YEAR ENDED 31 MARCH 2019

The preparation of financial statements of North Eastern Electric Power Corporation Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under section 143 of the Act, based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 June 2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of North Eastern Electric Power Corporation Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



(Suparna Deb)

Director General of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata
Date: 11 July 2019

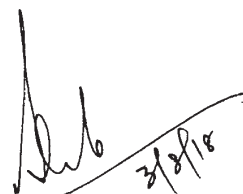
COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED, FOR THE YEAR ENDED 31 MARCH 2019

The preparation of consolidated financial statements of North Eastern Electric Power Corporation Limited for the year ended 31 March 2019 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) read with section 129(4) of the Act is responsible for expressing opinion on the financial statements under section 143 read with section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 20 June 2019.

I, on the behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of North Eastern Electric Power Corporation Limited for the year ended 31 March 2019 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statements of North Eastern Electric Power Corporation Limited for the year ended on that date. **Further, section 139(5) and 143(6)(a) of the Act are not applicable to its joint venture company M/s. KSK Dibbin Hydro Power Private Limited being private entity, for appointment of their Statutory Auditor and for conduct of supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditors nor conducted the supplementary audit of this company.** This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records.

On the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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



(Suparna Deb)

Director General of Commercial Audit
& Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata

Date: 11 July 2019

Form No. MR-3 Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 [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 2019** ('Audit period') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31 March 2019 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings.
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
 - (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (b) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015;
- vi. Other laws specifically applicable to the Company as per the certificate placed at the Board Meetings by the Company Secretary.
- vii. I have also examined compliance with the applicable clauses of the following:
 - (a) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to Board & General Meetings.
 - (b) Debt Listing Agreement entered into by the Company with BSE Limited.
 - (c) Guidelines for Corporate Governance for CPSEs issued by the Department of Public Enterprises, Govt. of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

- a) *The Company did not appoint any Women Director as required under section 149(1) of the Act. However, after the end of the FY 2018-19 Smt. Mala Sinha was appointment as a women independent director by the Ministry of Power vide its letter dated 11th July 2019 for a period of 3 years.*
- b) *The company has an old Information Technology (IT) system and infrastructure which is unable to cater the emerging needs and complete information consistent with financial reporting objectives and may be unable to meet the safety and security threats which may arise in due course of time.*
- c) *The company has spent ₹4.20 crores less than the prescribed CSR expenditure. However, the reasons for such underutilization has been mentioned in the Annual Report of the Company.*
- d) *The company has held all the title deeds of immovable properties registered in its name except one freehold land measuring 183.19 hectares, valued at ₹4.52 crores. The same is not yet registered in its name and is pending. However, as per Section 187 of the Companies Act, 2013 all investments made in any property, shares or securities shall be made and held by the company in its own name.*
- e) *The company has two separate wings for data back-up at its registered corporate office address, which is not as per the Information Technology Act, 2000.*

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except for the non-appointment of Women Director in the Board of the company. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

I further report that during the audit period the following events may have major bearing on company's affairs:

- (a) The company has issued non-convertible debentures aggregating to ₹300 Crores for its short term and long term requirements.
- (b) The company has also allotted equity shares aggregating to ₹157 Crores to the President of India.

Place : Guwahati
Date : 2nd August 2019

For **Narayan Sharma & Associates**
Company Secretaries



Narayan Sharma
(Proprietor)

FCS No. 5117 C P No.:3844

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

Annexure - A

To,

The Members

North Eastern Electric Power Corporation Limited

Brookland Compound, Lower New Colony,

Dist. East Khasi Hills

Shillong-793003

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

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

Place : Guwahati

Date : 2nd August 2019

For **Narayan Sharma & Associates**

Company Secretaries



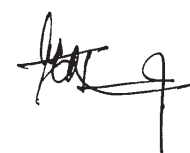
Narayan Sharma
(Proprietor)

FCS No. 5117 C P No.: 3844

Annexure - 8B
Reply to the Secretarial Auditors' Observations raised in the Secretarial Audit Report for the year 2018-19

Sl. No.	Secretarial Auditors' Observation	Reply/Explanation of the Management
1	<i>The Company did not appoint any Women Director as required under section 149(1) of the Act. However, after the end of the FY 2018-19 Smt. Mala Sinha was appointed as a women independent director by the Ministry of Power vide its letter dated 11th July 2019 for a period of 3 years.</i>	As per the Articles of association of the Company, all members of the Board of directors shall be appointed by the President of India. The Ministry of Power, Govt. of India, vide its letter dated 11 th July 2019 has appointed a Women Director, Smt. Mala Sinha as an Independent Director on the Board of NEEPCO.
2	<i>The company has an old Information Technology (IT) system and infrastructure which is unable to cater the emerging needs and complete information consistent with financial reporting objectives and maybe unable to meet the safety and security threats which may arise in due course of time.</i>	The Corporation is currently using an application (MATFIN) for Materials and Financial system which was introduced in the year 1998. To cater to the emerging needs and to have an integrated modern day solution covering most of the key business areas of the organization, the Corporation has decided to implement an ERP solution. The process for the same has already been started. The new proposed system would ensure adherence to safety and security standards to a large extent.
3	<i>The company has spent ₹4.20 crores less than the prescribed CSR expenditure. However, the reasons for such underutilization has been mentioned in the Annual report of the Company.</i>	The reasons for under spending of CSR outlay is mainly due to delay in receiving proposals. However, the unspent amount of ₹4.20 Crore will be carried over and included in the CSR&S budget of 2019-20 and will be utilized during the period.
4	<i>The company has held all the title deeds of immovable properties registered in its name except one freehold land measuring 183.19 hectares, valued at ₹4.52 crores. The same is not yet registered in its name and is pending. However, as per Section 187 of the Companies Act, 2013 all investments made in any property, shares or securities shall be made and held by the company in its own name.</i>	The land measuring 183.19 hectares, valued at ₹4.52 crores which was acquired for the KHEP Stage-II is under litigation for enhancement of unit rates for compensation to the land owners and this is pending in the Land Tribunal Court at Jowai, West Jaintia Hills district, Meghalaya. The Land Owner have received compensation under protest preferring to seek legal help vide Section 18 of the Land Acquisition Act 1894 for enhancement of the unit rate fixed by the D.C. Jaintia Hills. There are 303 Land Owners and the case being heard in the court has taken considerable time to finalise the judgment. The Title Deed for the said land would be finalized on completion of the court case.
5	<i>The company has two separate wings for data back-up at its registered corporate office address, which is not as per the Information Technology Act, 2000.</i>	Since March, 2019 the backup is being stored in two geographically different location, one at Shillong and another in Delhi Office.

For and on behalf of the Board of Directors


(A. G. West Kharkongor)

Chairman & Managing Director

DIN : 03264625

Dated: 29-08-2019

Place: New Delhi

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

Pursuant to Section 134 (m) of the Companies Act, 2013, read with Rule 8(3) of Companies (Accounts) Rules, 2014 the information on conservation of energy, technology absorption, foreign exchange earnings and outgo during the year 2018-19 are as under:

A. Conservation of energy:

I. Steps taken on energy conservation:

- a. **Energy Audits:** Mandatory energy audits in thermal plants, which includes Monitoring & verification audit for PAT Cycle II.
- b. **Auxiliary power consumption (APC):** Installation of 20 kW, 50 kW and 5 kW solar plants at AGTCCPP and KHEP respectively.
- c. **Lighting:** Replacement of conventional electric lamps with LED lamps in phases, Retrofitting of power house control room illumination with energy efficient system in RHEP.
- d. **Heat energy:** Boiler re-insulation, chemical treatment of cooling water, replacement of aluminum cooling fans by Fibre reinforced plastic (FRP) fans, chemical cleaning of condenser tubes and Helium leak test of condenser negative pressure parts.
- e. **Others:** phase wise installation of occupancy sensor to enable automatic ON/OFF operation of switches.

II. Steps taken by the Company for utilizing alternate sources of Energy:

- a. Installation of 5 kWp Solar PV plant and 500 litres Solar Hot water system in the Guest House of Kopili HEP.
- b. Installation of 15 kWp, 5 kWp, 5 kWp roof top solar PV system in office building, erectors' hostel and guest house. 1000 LPD Solar Hot Water system each at Guest House 1 and Guest House 2 at AGBPP.
- c. Installation of 10 kWp Solar PV plant and 1500 litres Solar Hot water system in the Guest House of Kameng HE Project.
- d. Installation of 20 kWp and 50 kWp Solar PV plant in AGTCCP.
- e. Installation of 2 kWp Solar panel for boundary illumination, 3 kWp solar panel for office ground floor illumination and 2 kWp Solar Hot water system with a capacity of 1000 lit/hr in NEEPCO Bhawan, Guwahati .

III. Additional investments and proposals for reduction in consumption of energy.

Provision of ₹147.49 Lakh has been kept in the BE 2019-2020 for different schemes like:

- i. Energy efficient Ceiling fans, 5 star air conditions, 3 star split ACs, and replacement of conventional electric lamps with LEDs.
- ii. Thermal insulation testing of all hot conduits.
- iii. Chemical treatment of cooling water system round the year.
- iv. Renovation works of steam pipe insulation.
- v. Erection and commissioning of Sulphuric Acid storage tank and Sulphuric acid dosing system in AGBPP.
- vi. Replacement of insulation of all vulnerable IBR pipes of all Steam turbine generator in AGBPP.
- vii. Installation of 50 kW Grid Interactive Solar PV plant in Corporate Office, Shillong.

IV. Impact of measures taken for energy conservation:

Savings achieved on account of specific efforts on energy conservation for 2018-2019.

Sl. No.	Area / Activities	Energy unit	Savings qty. of units	Rs. (in Crore)
1.	Electrical	kWh	914692.15	0.57
2.	Heat Energy (Equivalent MCM of gas)	MCM	4.96	3.31

V. Capital Investment on Energy Conservation Equipment in the year 2018-19:

₹93.63Lakh.

VI. PAT Cycle-II:

Target given by BEE in respect of Net Station heat rate of AGBPP and AGTCPP has been achieved.

B. TECHNOLOGY ABSORPTION:

(i) Efforts made towards technology absorption:

- Installation of state of the art **dam safety monitoring system** of existing dams by installing Global Navigation Satellite System (GNSS) Equipment, Geodetic Equipment, Seismic Sensors, dam safety monitoring software etc., with 24x7 connectivity between control room located at respective project sites and central control center at NEEPCO HQ, Shillong has been commissioned at Kopili HEP on 06.08.2018, Ranganadi HEP on 01.10.2018 and Doyang HEP on 20.02.2019. The system shall provide real-time information / data for monitoring the safe performance during normal operation by providing more comprehensive information and to manage or predict unsatisfactory performance. Integration of all the remote controlled centers with Central Control Center at Shillong is in progress.
- Inflow forecasting system for 405 MW Ranganadi H. E. Plant (RHEP), Arunachal Pradesh** is in progress with the assistance of the North-Eastern Space Applications Centre (NESAC), Department of Space, Govt. of India, by using state of the art technology involving installation of 17 nos. Automatic Weather Station (AWS) and 4 nos. Doppler based Digital Water Level Recorder (DWLR). Installations of 4 nos. of DWLR and 17 nos. of AWS have been completed. Manual collection of data from the instruments is continuing.
- Installation of SCADA system at Ranganadi HEP:** The Plant has three layer of control system namely, local control Panel, Unit Control Panel and Control Desk. Sequential operation of the machine is processed by Procontrol P-13. In order to incorporate Data Acquisition System and Sequence of Events to improve operation efficiency of the plant, Procontrol P-13 System has been integrated with ABB's Symphony S Plus control system by keeping the existing control hardware and also by installing a state-of-the-art HMI system. In the HMI system, monitoring of governor and switchyard parameters have been incorporated. The system also has the required supervisory functions, controls like sequential/emergency starting and stopping of units and the related switchyard bays. Monitoring of all the other bays of the 132 KV and 400 KV switchyard bays are also functional in the HMI system.

The Plant also has an Online Vibration Monitoring System (VMS) in the three generating units for recording, trending, analyzing of vibration level of the units. Keeping in view the functions that are available in the HMI system and the online VMS, it was decided to have a station SCADA for the plant by integrating the VMS with the Procontrol P-13 Symphony S Plus HMI system. The same was completed in all respects on 25th January, 2019.
- Upgradation of vibration monitoring and analysis system from M/s. Bentley Nevada, USA, Model: 7200 series - Non API compliant to M/S METRIX Instruments Pvt. Ltd., USA, Model: SETPOINT –API 670 complaint in AGBPP Gas Turbine Unit-1, Unit-2 and Unit-3. Up-gradation work is completed for Unit -3, the upgradation work is in progress in Unit-1 and Unit-2.
- Up-gradation of Mark-IV control system of AGBPP Gas Turbine Unit-6 to Mark-VIe control of GE.
- Up-gradation of Waukesha /12V, AT25GL gas engine to Waukesha/12V275GL+ gas engine of Unit-4 in AGBPP. (Work Order placed on 24.01.2019).

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

- The dam safety monitoring system will provide all the critical information during emergencies, as well as in normal day-to-day operations of the dams and enhance emergency response capability.



- b) The Flood Early Warning System for 3 x 135 MW Ranganadi HEP will give timely notice for gated dam water release, reducing damage to surrounding communities and ecosystems. It will strengthen overall flood management, including preparedness, response and recovery and it will minimize safety and infrastructure threats.
- c) The plant performance becomes more reliable, the SCADA system facilitates remote real time control & monitoring of a lot of system & equipments operating in unison, will maximize productivity, reduce operating and maintenance cost. The SCADA system design protects control system obsolescence, it can be easily scaled to meet growing demand on operation, thereby preserving capital investment.
- d) The new vibration monitoring system (API 670 compliant) will reduce loss of production, labour cost, deliver more efficiency and safety.
- e) The Mark VIe control system retrofit provides improved performance, ease of operation through advance software & tools. Less maintenance and mean time to repair with modern diagnostics tools.
- f) The new Waukesha/12V275GL+ gas engine will provide maximum uptime and profitability, with enhance performance and low emissions. The new engine comes with an advance engine controller which will simplify operation enhancing performance.

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

2016-17:

- Up gradation of Turbine control system (from MEGAC-MACTUS to PC based MEGAC-V DIASYS Netmation) completed for 2 nos. MHI make Gas Turbines at AGBPP from MHI, Japan.

2017-18:

- Refurbished Compressor Rotor of gas turbine Unit-4, AGBPP, from Mitsubishi Heavy Industries (MHI), Japan.

2018-19:

- Detailed Work Order placed on 24.01.2019 for supply of new GE-Waukesha USA, Gas Engine (12V 275 GL+), and its auxiliaries for Renovation & Modernization of the 4th unit of the Gas Booster Station of AGBPP.
- Order for new generator rotor (T190-290) for AGTCCPP was placed on 14.12.2018. The rotor was despatch from Rotterdam, Netherlands on 28.12.2018.

(iv) Expenditure incurred on Research and Development:

Total expenditure against R&D during the year 2018-19 is ₹65.10 Lakh.

Foreign Exchange Earning & Outgo

Foreign Exchange Earning & Outgo	
Particulars	Amount in ₹ in crores
Foreign Exchange Earning	159.34
Foreign Exchange Outgo	150.18

Note : The above figures represents actual inflow & actual outflow in foreign currency during the year 2018-19

For and on behalf of the Board of Directors

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

Dated: 29-08-2019
Place: New Delhi

ANNEXURE-10

PARTICULARS OF CORPORATE SOCIAL RESPONSIBILITY (AS PER COMPANIES ACT 2013)

CSR Policy

The CSR&S policy 2015, articulates the company's commitment to its stakeholders to conduct its business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Accordingly, while determining CSR & Sustainability activities, priority has been given to stakeholders in the neighborhood area around its area of operation, offices, land affected and backward districts.

Aims and thrust areas for CSR & Sustainability activities are as below:

- Promoting Education (Improvement of school buildings, supply of benches etc.).
- Sports, Art & Culture.
- Entrepreneur Development Programmes, Livelihood.
- Medical & Health facilities.
- Rural Infrastructure Development.
- Sanitation, Drinking Water and Waste Management
- Construction of toilets in schools especially for the girl child in NE States and also around Project areas under Swachh Vidyalaya Abhiyan.
- The direct beneficiaries of such schemes are the local populace, majority of whom are SCs/ STs in an around the Project/ Plants Sites and Offices.

Impact Assessment

Placement of detailed order for Impact assessment study and evaluation by an external agency for the CSR&S activities undertaken to validate compliance of the CSR provisions of the Companies Act is being processed.

CSR Committee

All CSR programmes/ projects/ activities are approved by the Board of Directors on recommendation of the two tier CSR committees.

A. Board Level Committee – Tier -I:

1. Shri A.G. West Kharkongor, Chairman & Managing Director - Chairman
2. Dr. Amitabha De - Independent Director - Member
3. Shri Gopal Krishan Agarwal - Independent Director - Member
4. Dr. Hari Narayan Borkataky - Independent Director - Member
5. Shri V.K. Singh, Director (Technical) - Member
6. Shri Anil Kumar, Director (Personnel) - Member

B. Nodal Officer:

Shri. Subrata Saha, Chief General Manager(E/M), Env & RR Wing, CSR assisted by Standing Committee on CSR & Sustainability - **Tier -II.**

**Average Net Profit of Last three Financial Years:
(₹ in Crore.)**

Sl. No.	Year	Net Profit (PBT)
1	2015-16	435.38
2	2016-17	360.25
3	2017-18	415.11
Total		1210.74
Average Net Profit		403.58
2% of Average Net Profit		8.07
Carried over unspent amount from FY 2017-18		1.28
Total CSR Budget for the year 2018-19		9.35

CSR&S Budget for the FY 2018-19:

₹9.35 Crore (2% of avg. PBT i.e. ₹8.07 Cr + ₹1.28 Crore unspent amount of 2017-18).

Details of CSR expenditure during the financial Year 2018-19:

- a) Total amount to be spent for the financial year: **₹9.35 Cr.**
- b) Amount unspent if any: (9.35 Cr. – 5.15 Cr.) = **₹4.20 Cr.**
- c) Manner in which the amount spent during the financial year is detailed below: -

Sl. No.	Heads	Expenditure Rs. in Cr.
1	Promoting Education	1.99
2	Preventive Health Care	0.76
3	Swachh Bharat Abhiyan	1.58
4	Entrepreneurship Development Programme	0.19
5	Rural Area/ Other Area Development	0.63
6	Total	5.15

Reasons for not spending the amount:

The reasons for under spending of CSR outlay is mainly due to delay in receiving proposals. However, the unspent

amount of ₹4.20 Crore will be carried over and included in the CSR&S budget of 2019-20 and will be utilized during the period.

Responsibility Statement:

It is ensured that, implementation and monitoring of CSR&S activity is in compliance with CSR objectives, policy of the company and other various Government acts and guidelines.

For and on behalf of the Board of Directors

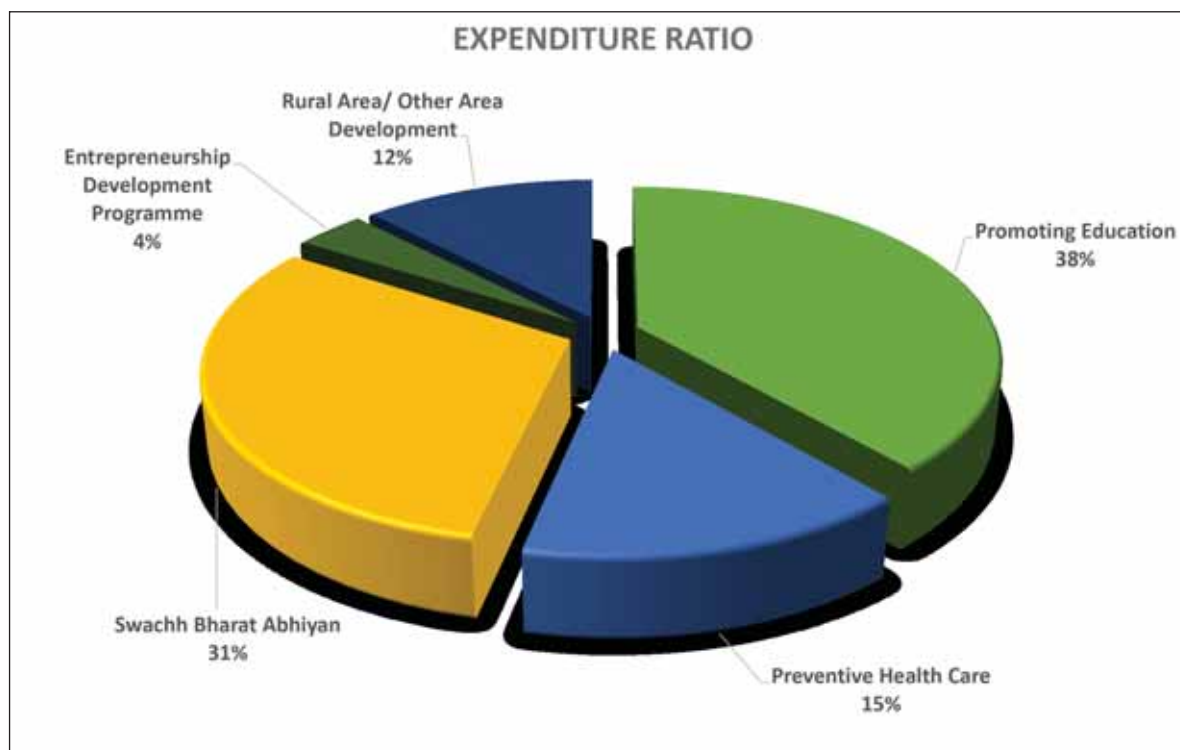


(A. G. West Kharkongor)
Chairman & Managing Director
DIN: 03264625

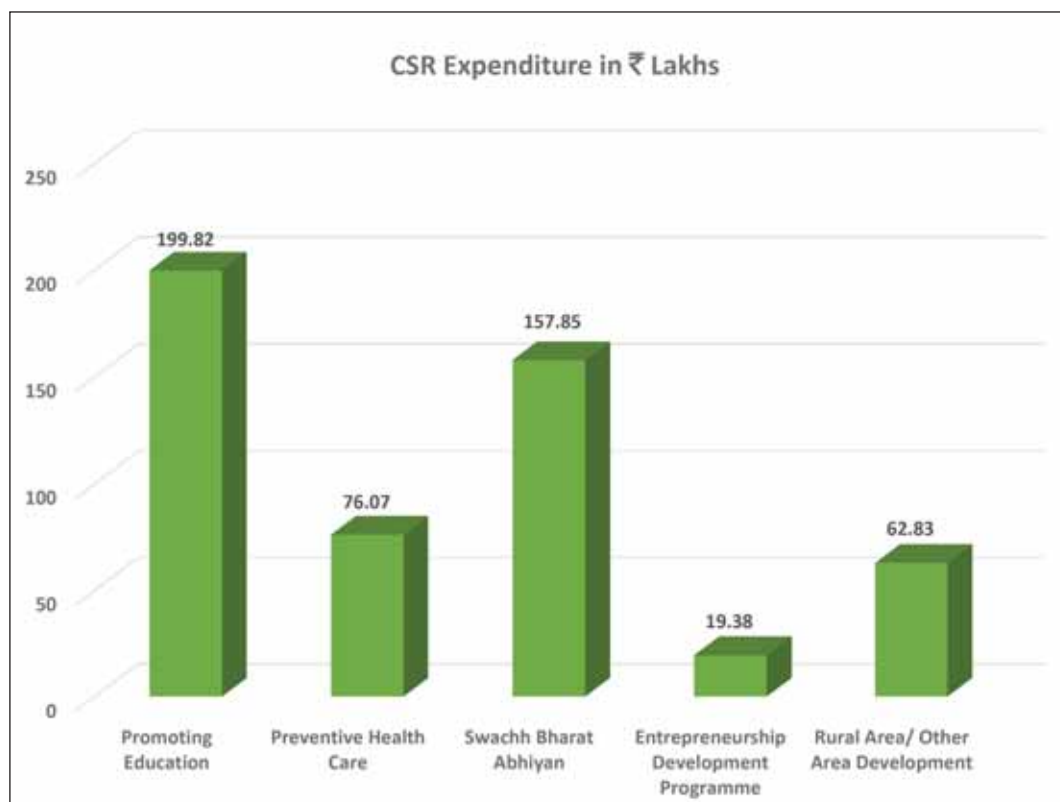
Dated: 29-08-2019

Place: New Delhi

CSR Expenditure ratios during 2018-19



CSR Expenditure during 2018-19



Glimpses of CSR activities during 2018-19



Medical Camp, KHEP, Assam



Construction of Public Toilet, Dainthlen, Meghalaya



Construction of school at Sohra, Meghalaya



North Eastern Electric Power Corporation Limited

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

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