

**NORTH EASTERN ELECTRIC POWER CORPORATION LIMITED**

**Consolidated Balance Sheet as at 31<sup>st</sup> March 2021**

( ₹ in lakhs )

Sl No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020 #	As at 1 <sup>st</sup> April 2019
	<b><u>ASSETS</u></b>				
1	<b><u>Non-Current assets</u></b>				
	(a) Property, Plant and Equipment	2	1349807.25	609778.57	623441.52
	(b) Capital work -in- Progress	3	16896.60	774042.04	707423.18
	(c) Intangible assets under Development	4	649.91	501.44	82.50
	(d) Intangible assets	4A	712.48	684.95	30.2
	(e) Right to Use Assets	4A	8129.91	7914.68	9746.28
	(f) Investment in subsidiary and Joint Venture companies	5	445.99	3237.42	3233.08
	(g) Financial Assets				
	Loans	6	28.30	58.69	95.93
	(h) Deferred Tax Asset (Net)	7			
	(i) Other Non-current Assets	8	18667.86	22797.56	14153.67
	<b>1. Total Non-Current Assets</b>		<b>1395338.30</b>	<b>1419015.35</b>	<b>1358206.36</b>
2	<b><u>Current assets</u></b>				
	a ) Inventories	9	13526.33	12077.36	10158.75
	b ) Financial Assets				
	( i ) Trade receivables	10	57710.73	66226.10	63453.60
	( ii ) Cash and Cash equivalents	11	46.89	187.24	6900.43
	( iii ) Bank balances other than (ii) above	12	171.24	318.15	2957.44
	( iv ) Others	13	38045.65	29000.29	10861.27
	d ) Other Current assets	14	4200.53	2850.81	2540.21
	<b>2. Total Current Assets</b>		<b>113701.37</b>	<b>110659.95</b>	<b>96871.70</b>
3	<b>3 . Regulatory deferral accounts debit balances</b>	15	<b>84384.08</b>	<b>79861.53</b>	73650.03
	<b>Total Assets ( 1 + 2 + 3 )</b>		<b>1593423.75</b>	<b>1609536.83</b>	<b>1528728.09</b>

Sl No.	Particulars	Note No.	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020 #	As at 1 <sup>st</sup> April 2019
	<b><u>EQUITY AND LIABILITIES</u></b>				
4	<b>Equity</b>				
	( a ) Equity Share Capital	16	360981.04	360981.04	360981.04
	( b ) Other Equity	17	284371.30	282898.52	268284.11
	<b>4. Total Equity</b>		<b>645352.34</b>	<b>643879.56</b>	<b>629265.15</b>
	<b><u>Liabilities</u></b>				
5	<b>Non-Current Liabilities</b>				
	<b>a ) Financial Liabilities</b>				
	( i ) Borrowings	18	659364.91	614359.39	661882.06
	( ii ) <u>Trade payables</u>				
	(a) Total outstanding dues of micro enterprises and small enterprises				
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises				
	b ) Provisions	19	1349.59	6729.10	5707.06
	c ) Deferred tax liabilities ( Net )	7	61908.98	59793.34	61828.72
	d) Deferred Revenue	26	24393.51	26004.23	27614.95
	<b>5. Total Non-Current Liabilities</b>		<b>747016.99</b>	<b>706886.06</b>	<b>757032.79</b>
6	<b><u>Current liabilities</u></b>				
	<b>a ) Financial liabilities</b>				
	( i ) Borrowings	21	36797.75	80905.26	28269.81
	( ii ) <u>TradePayables</u>				
	(a) Total outstanding dues of micro enterprises and small enterprises		434.36	206.99	277.15
	(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	22	8148.95	9483.71	7308.48
	( iii ) Other financial liabilities	23	119154.91	132288.68	71728.93
	b) Other current liabilities	24	12106.02	13663.44	16030.62
	c) Provisions	25	16742.44	15010.96	12291.76
	d) Current tax liabilities (net)	8		0.00	
	e) Deferred Revenue	26	7669.99	7212.17	2102.81
	<b>6. Total Current Liabilities</b>		<b>201054.42</b>	<b>258771.21</b>	<b>138009.56</b>
7	<b>7. Regulatory deferral accounts credit balances</b>	15		0.00	4420.59
	<b>Total Equity and Liabilities ( 4 + 5 + 6 +7 + 8 )</b>		<b>1593423.75</b>	<b>1609536.83</b>	<b>1528728.09</b>

# Restated

**Summary of Significant Accounting Policies - Note no.1**

The accompanying notes 1 to 52 form an integral part of these financial statements

Date: Place	For and on behalf of the Board of Directors			In terms of our report of even date	
				For L K Kejriwal & Co Chartered Accountants F.R.N.001368C	
	A. P. Rong Company Secretary	Anil Kumar Director (Finance)	Vinod Kumar Singh Chairman & Managing Director	Naresh Kr Poddar Partner Membership No-041717	

**Consolidated Statement of Changes in Equity for the year ended 31<sup>st</sup> March 2021****(A) Equity Share Capital****For the year ended 31<sup>st</sup> March 2021****( ₹ in lakhs )**

Particulars	Amount
Balance as at 1 <sup>st</sup> April 2020	360981.04
Changes in equity capital during the year	0
Balance as at 31 <sup>st</sup> March 2021	360981.04

**For the year ended 31<sup>st</sup> March 2020****( ₹ in lakhs )**

Particulars	Amount
Balance as at 1 <sup>st</sup> April 2019	360981.04
Changes in equity capital during the year	0
Balance as at 31 <sup>st</sup> March 2020	360981.04

**(B) Other Equity****For the year ended 31<sup>st</sup> March 2021****( ₹ in lakhs )**

Particulars	Reserve & Surplus			Total
	Bonds redemption reserve	General Reserve	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2020	65054.17	197691.68	20152.67	282898.52
Profit for the year			4791.23	4791.23
Other Comprehensive income			(818.45)	(818.45)
<b>Total Comprehensive Income</b>			3972.78	3972.78
Final Dividend paid for FY2019-20			(2500.00)	(2500.00)
Balance as at 31 <sup>st</sup> March 2021	65054.17	197691.68	21625.45	284371.30

**For the year ended 31<sup>st</sup> March 2020 #****( ₹ in lakhs )**

Particulars	Reserve & Surplus			Total
	Bonds redemption reserve	General Reserve	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2019	65054.17	197691.68	5538.26	268284.11
Profit for the year			19631.15	19631.15
Other Comprehensive income			(315.08)	(315.08)
<b>Total Comprehensive Income</b>			19316.07	19316.07
Final Dividend paid for FY2018-19			(3900.00)	(3900.00)
Tax on Final Dividend			(801.66)	(801.66)
Balance as at 31 <sup>st</sup> March 2020	65054.17	197691.68	20152.67	282898.52

For the year ended 01<sup>st</sup> April 2019

( ₹ in lakhs )

Particulars	Reserve & Surplus			Total
	Bonds redemption reserve	General Reserve	Retained Earnings	
Balance as at 1 <sup>st</sup> April 2018	57067.08	197691.68	5275.95	260034.71
Transfer to/ from Retained earnings	7987.09		(7987.09)	0.00
Profit for the year			21112.89	21112.89
Other Comprehensive income			214.43	214.43
<b>Total Comprehensive Income</b>			21327.32	21327.32
Excess prov. Written back			785.94	785.94
Interim Dividend paid for FY 2018-19			(4700.00)	(4700.00)
Final Dividend paid for FY2017-18			(6800.00)	(6800.00)
Tax on Dividend			(2363.86)	(2363.86)
Balance as at 31 <sup>st</sup> March 2019	65054.17	197691.68	5538.26	268284.11

# Restated

Date: Place	For and on behalf of the Board of Directors			In terms of our report of even date
	A. P. Rong Company Secretary	Anil Kumar Director (Finance)	Vinod Kumar Singh Chairman & Managing Director	For L K Kejriwal & Co Chartered Accountants F.R.N.001368C Naresh Kr Poddar Partner Membership No-041717

**Consolidated Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2021**

( ` in lakhs )

SI No.	Particulars	Notes	For the Year ended 31st-Mar-21	For the Year ended 31st-Mar-20 #
	<b>Income</b>			
I	Revenue from Operations	27	228809.42	216576.28
II	Other Income	28	26634.86	4031.07
III	<b>Total Income (I + II)</b>		<b>255444.28</b>	<b>220607.35</b>
IV	<b>Expenses</b>			
	(a) Fuel cost	29	49454.08	69001.25
	(b) Employee benefit expense	30	42644.29	39225.27
	(c) Finance costs	31	50932.61	17309.98
	(d) Depreciation and amortization expense	32	65614.53	34302.60
	(e) Other expenses	33	38154.80	41069.27
	<b>Total expenses (IV)</b>		<b>246800.31</b>	<b>200908.37</b>
V	<b>Profit / (loss) before exceptional items, Tax and Regulatory deferral accounts balances (III - IV)</b>		<b>8643.97</b>	<b>19698.98</b>
VI	Exceptional Items - (income)/expenses		4076.02	
VII	Share of Profit of Joint Ventures		1.57	4.34
VIII	<b>Profit / (loss) before Tax and Regulatory deferral account balances (V - VI + VII)</b>		<b>4569.52</b>	<b>19703.32</b>
IX	Tax Expense:			
	(i) Current tax			
	Current year		559.65	2924.94
	Earlier years		604.77	7447.67
	<b>Total Current Tax</b>		<b>1164.42</b>	<b>10372.61</b>
	(ii) Deferred tax (Net of DTA)		<u>2115.64</u>	<u>(2035.38)</u>
	Total Tax Expense		3280.06	8337.23
X	<b>Profit / (loss) before regulatory deferral account balances (VIII -IX)</b>		<b>1289.46</b>	<b>11366.09</b>
XI	Net movement in regulatory deferral account balances (Net of tax)	37	3501.77	8265.06

XII	<b>Profit / (loss) for the year ( X + XI )</b>		<b>4791.23</b>	<b>19631.15</b>
XIII	<b>Other comprehensive income</b>			
	A (i)			
	Items that will not be reclassified to profit and loss			
	(a) Remeasurements of the defined benefit plans		(1258.30)	(488.01)
	(b) Others - FV loss adjustment		0.15	2.40
			<b>(1258.15)</b>	<b>(485.61)</b>
	(ii) Income tax relating to items that will not be reclassified to profit and loss		(439.70)	(170.53)
	B (i) Items that will be reclassified to profit and loss			
	(ii) Income tax relating to items that will be reclassified to profit and loss			
	<b>Total other comprehensive income XII = (A+ B)</b>		<b>(818.45)</b>	<b>(315.08)</b>
XIV	<b>Total comprehensive income for the period (XII + XIII)</b>		<b>3972.78</b>	<b>19316.07</b>
XV	Earnings per equity share ( Par value ₹ 10 each)	35		
	Basic & Diluted (₹) ( including net movement in regulatory deferral account balances)		0.13	0.54
	Basic & Diluted (₹) ( excluding net movement in regulatory deferral account balances)		0.04	0.31

# Restated

The accompanying notes 1 to 52 form an integral part of these financial statements

Date: Place	For and on behalf of the Board of Directors			In terms of our report of even date
				For L K Kejriwal & Co Chartered Accountants F.R.N.001368C
	A. P. Rong Company Secretary	Anil Kumar Director (Finance)	Vinod Kumar Singh Chairman & Managing Director	Naresh Kr. Poddar Partner Membership No-041717

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021**

₹ in lakhs

Particulars	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020 #
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	4,569.52	19,703.32
Add: Net Movements in Regulatory deferral account balances (Net of tax)	3,501.77	8,265.06
Add: Tax on net Movements in Regulatory deferral account balances	1,020.78	2,367.03
	<b>4,522.55</b>	<b>10,632.09</b>
<b>Profit before tax including movements in regulatory deferral account balances</b>	<b>9,092.07</b>	<b>30,335.41</b>
Adjustment for:		
Depreciation, amortisation and impairment expense	65,614.53	34,302.60
Provisions/Write off	3,303.21	10,953.08
Regulatory Deferral account credit balances		(4,420.59)
Regulatory Deferral account debit balances	(4,522.55)	(6,211.50)
Deferred Revenue	(1,152.90)	3,519.38
Foreign exchange loss/(gain)	647.34	1,069.44
Finance costs	50,285.27	16,240.54
Interest/income from term deposits/bonds/investments	(9.76)	(39.08)
Provisions Written back	(81.04)	(154.22)
Profit on de-recognition of property, plant and equipment	(1.73)	(3.55)
Loss on de-recognition of property, plant and equipment	3.77	5.82
Delayed Payment Surcharge	(25,093.79)	(3,465.46)
	<b>88,992.35</b>	<b>51,796.46</b>
<b>Operating profit before working capital changes</b>	<b>98,084.42</b>	<b>82,131.87</b>
Adjustment for:		
Trade Receivables	18,885.90	(2,010.39)
Inventories	(1,448.97)	(1,918.61)
Trade payables, provisions, other financial liabilities and other liabilities	(26,744.85)	(35,892.87)
Loans, other financial assets and other assets	(7,514.40)	(20,183.52)
	<b>(16,822.32)</b>	<b>(60,005.39)</b>
<b>Cash generated from operations</b>	<b>81,262.10</b>	<b>22,126.48</b>
Income tax (paid)/refunded	<b>(1,300.00)</b>	<b>(12,710.87)</b>
<b>Net cash from/(used in) operating activities - A</b>	<b>79,962.10</b>	<b>9,415.61</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equivalent & intangible assets	(14,538.59)	(36,089.40)
Interest/income on term deposits/bonds/ investment received	9.76	39.08
Dividend Received	-	-
Change in Bank balance other than cash and cash equivalents	146.91	2,639.29
Delayed Payment Surcharge Received	14,723.26	2,703.35
<b>Net cash from/(used in) investing activities - B</b>	<b>341.34</b>	<b>(30,707.68)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of equity instruments of the Company	-	-
Proceeds from non-current borrowings	1,40,000.00	55,000.00
Repayment of non-current borrowings	(1,08,987.29)	(15,398.54)
Proceeds from current borrowings	(44,107.51)	52,668.63
Payment of finance lease obligations	(747.96)	(691.77)

Interest paid	(64,101.03)	(72,297.78)
Dividend paid	(2,500.00)	(3,900.00)
Tax on Dividend		(801.66)
<b>Net cash from/(used in) financing activities - C</b>	<b>(80,443.79)</b>	<b>14,578.88</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(140.35)</b>	<b>(6,713.19)</b>
<b>Cash and cash equivalents at the beginning of the year (see Note 1 and 2 below)</b>	187.24	6,900.43
<b>Cash and cash equivalents at the end of the year (see Note 1 and 2 below)</b>	46.89	187.24

# Restated

\* please refer note no. 11 & 12

Notes:

- Cash and Cash equivalent consists of cheques, drafts, stamps in hand, balances with bank, and deposits with original maturity of upto three months.
- Reconciliation of Cash and Cash Equivalents:  
Cash and Cash equivalents as per note no. 11
- Cash & Cash Equivalent consists of NIL amount against CSR Unspent for the year.
- Reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities.

For the year ended 31 March 2021

₹ in lakhs

Particulars	Non-current borrowings**	Finance lease obligation	Current borrowings
Opening balance as at 1st April 2020	7,22,814.68	978.75	80,769.90
Cash Flows during the year	1,40,000.00	(747.96)	(44,104.15)
Principal repayment during the period	(1,08,987.29)		
Non-Cash Changes due to :			
Acquisition under finance lease		559.66	
Variations in exchange rate	1,414.01		
Transaction cost on borrowings	191.94		
<b>Closing balance as at 31st March 2021</b>	<b>7,55,433.34</b>	<b>790.45</b>	<b>36,665.75</b>

For the year ended 31 March 2020

₹ in lakhs

Particulars	Non-current borrowings**	Finance lease obligation	Current borrowings
Opening balance as at 1st April 2019	6,77,211.28		28,236.63
Cash Flows during the year	55,000.00	(691.77)	62,533.27
Principal repayment during the period	(15,398.54)		-10000
Non-Cash Changes due to :			
Acquisition under finance lease	-	1670.52	
Variations in exchange rate	6,193.88		
Transaction cost on borrowings	(191.94)		
<b>Closing balance as at 31st March 2020</b>	<b>7,22,814.68</b>	<b>978.75</b>	<b>80,769.90</b>

\*\* includes current maturity of long term borrowings

Date: Place	For and on behalf of the Board of Directors		In terms of our report of even date	
			For L K Kejriwal & Co Chartered Accountants F.R.N.001368C	
	A. P. Rong Company Secretary	Anil Kumar Director (Finance)	Vinod Kumar Singh Chairman & Managing Director	Naresh Kr. Poddar Partner Membership No-041717

## **NOTE NO. 1: SIGNIFICANT ACCOUNTING POLICIES 2020-21**

### **A. Corporate information**

North Eastern Electric Power Corporation Limited (“NEEPCO Ltd.” / “the Company”) is a leading power utility, primarily operating in the North-Eastern Region of India. NEEPCO Ltd, a Central Public Sector Enterprise (CPSE), is a wholly owned Subsidiary of NTPC Ltd and it is conferred with the Schedule A-Miniratna Category-I CPSE status by the Government of India. The address of the Company’s registered office is Brookland Compound, Lower New Colony, Laitumkhrach, Shillong 793003, Meghalaya. Authorised Capital of the Company is ₹ 5000 crore. The Company has its 12 (twelve) generating stations, which are under operation [except Kopili (4 X 50 MW) power station is under shut down from the 07th of October 2019 due to rupturing of the penstock and presently under Reconstruction Renovation and Modernisation ] with 8 (eight) hydro, 3 (three) thermal and 1(one) solar power generating stations. Present installed capacity of the company is 2057 MW.

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

### **B. Basis of preparation**

#### **I. Statement of Compliance**

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

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

#### **II. Basis of measurement**

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

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

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

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

#### **III. Functional and presentation currency**

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

#### **IV. Current and Non-current classification**

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

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

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

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

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

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

## **VI. Investment in Joint Venture**

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

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

## **C. Summary of Significant Accounting Policies**

### **Basis of Consolidation**

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

The results and assets and liabilities of joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105.

Under the equity method, an investment in a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit and loss of the joint venture. When the Group's share of losses of a joint venture exceeds the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

An investment in a joint venture is accounted for using the equity method from the date on which the investee becomes a joint venture. On acquisition of the investment in a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

If there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in a joint venture (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated, then it is necessary to recognise impairment loss with respect to the Group's investment in a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

## **1. Property, plant and equipment**

1.1 An item of PPE is recognized as an asset if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

1.2 Property, plant and equipment held for use in the production and transmission of power, or for administrative purposes, are stated in the balance sheet at cost, less accumulated depreciation/amortization and impairment loss, if any.

1.3 Auxiliaries which are not separately identifiable, but are common to more than one power generating unit are capitalised in the ratio of their respective installed capacity.

1.4 PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost, if any, wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

1.5 The expenditure incurred on start-up and commissioning of the project, including the expenditure incurred on trial/test runs and experimental production is capitalized as an indirect element of the construction cost. However, after commencement of commercial operation, the expenditure incurred is charged to Revenue expenditure, even if the contract stipulation provides for final taking over of the plant after successful commissioning of the plant.

1.6 Subsequent expenditure on major maintenance or repairs includes the cost of the replacement of parts of assets and major overhaul costs. Where an asset or part of an asset is replaced and it is probable that future economic benefits associated with the item will be available to the Company, the expenditure is capitalized and the carrying amount of the item replaced is derecognized. If it is not practicable to determine the carrying amount of the replaced part, the company uses the cost of the replacement as an indication of what the cost of replaced part was at the time it was acquired or constructed. Similarly, overhaul costs associated with major maintenance are capitalized.

1.7 Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

1.8 Assets over which the Company has control, though created on land not belonging to the Company are included under Property, Plant and Equipment.

1.9 Payments made/ liabilities created provisionally towards compensation, rehabilitation and other expenses relating to land in possession are treated as cost of land.

1.10 Spare parts procured along-with the Plant & Machinery as well as procured subsequently which meets the recognition criteria are capitalized. Other machinery spares are treated as "stores & spares" forming part of the inventory.

1.11 Cost of mobile handsets are recognised as revenue expenditure.

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

## **2. Capital work-in-progress**

2.1 Expenditure incurred on assets under construction is carried at cost under Capital work in Progress. Such costs comprises purchase price of asset including all taxes/duties and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

2.2 Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs including administrative and general overhead costs, if attributable to construction of projects. Such costs are accumulated under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets. For projects under construction, the project specific IEDC is allocated to its qualifying assets at the time of capitalisation on the basis of Cost Estimate/Completion Cost of the project.

2.3 Capital expenditure incurred to create facilities, over which the Company does not have control and creation of which is essential for construction of the project is carried on under "Capital works in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.

2.4 Expenditure against "Deposit works" is accounted for on the basis of statement of accounts received from the concerned agency and acceptance by the Company.

2.5 Common expenditure of a project, which is partially in operation and partially under construction, is being apportioned on the basis of the installed capacity.

2.6 Share of Corporate office and Guwahati office expenditures relating to construction activities are allocated/apportioned to the projects under construction on the basis of accretion to CWIP.

2.7 In case of abandonment/suspension/discontinuation of project, the expenditure in relation to the same is expensed/charged off in the year of such decision.

### **3. Intangible Assets**

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

3.2 Intangible assets acquired separately are measured on initial recognition at cost. Such assets are capitalized when the assets are ready for its intended use. After initial recognition, intangible assets are carried at cost less accumulated amortization and impairment losses, if any.

3.3 Computer software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortization and impairment losses, if any.

3.4 Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for under "Land-Right to use."

3.5 Intangible assets not ready for its intended use as on the date of balance-sheet are disclosed as "Intangible assets under development".

### **4. Depreciation and amortization:**

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

- i. IT equipment (Personal Computers and Laptops including Peripherals) are depreciated in a period of three years.
- ii. Computer software is amortised on straight-line method over a period of legal right to use or 03 (three) years, whichever is less. The amortisation period and the amortisation method of intangible assets with a finite useful life is reviewed at each financial year and adjusted prospectively, wherever required.

- iii. "Land-right to use" is fully amortized over the period of useful life of the project, from its "Date of commercial operation".
- iv. Leasehold Lands are amortised over the period of lease or useful life of the project, whichever is lower, from its "Date of commercial operation". Leasehold Land, in case of administrative offices, are amortised over the lease period.
- v. Where the cost of depreciable assets has undergone a change due to during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, changes in duties and similar factors, the unamortized balances of such assets is depreciated prospectively over the residual life of such asset at the rate and methodology notified by the CERC regulations.
- vi. Cost of major repairing and overhauls are depreciated over their useful lives where it is probable that future economic benefits will be available.
- vii. Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.
- viii. Assets/procured installed, whose individual cost is Rs. 5000/- or less but more than Rs. 750/- (hereinafter is called Assets of minor value) and assets (excluding immovable assets) whose written down value is Rs. 5000/- or less at the beginning of the year are full depreciated during the year leaving a nominal balance of Rs. 1/- only.
- ix. Low value items, which are in the nature of the assets (excluding immovable assets) and value up to Rs. 750/- are not capitalized and charged off to revenue during the year.
- x. Depreciation of an asset ceases at the earlier of the date that the asset is classified as held for sale( or included in a disposal group that is classified as asset held for sale) in accordance with Ind AS 105 and the date that the asset is decognised.
- xi. Depreciation of Corporate/Administrative office assets and general assets of projects under construction are charged following the rates notified vide CERC tariff regulations.

## **5. Impairment of assets**

5.1 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.

5.2 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.

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

## **6. Regulatory deferral accounts**

6.1 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".

6.2 Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

6.3 Regulatory Deferral Account Balances are evaluated at each Balance Sheet Date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If it is no longer probable that future economic benefit associated with such balances will flow to the Company, such balances are de-recognized.

6.4 Regulatory deferral Account Balances are tested for impairment at each Balance sheet date.

## **7. Foreign Currency Transaction**

7.1 Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates.

7.2 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.

7.3 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.

7.4 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.

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

7.6 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).

## **8. Provisions, Contingent Liabilities and Contingent Assets**

8.1 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.

8.2 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.

8.3 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.

8.4 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.

8.5 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.

## **9. Leases**

9.1 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.

9.2 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.

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

## **10. Inventories**

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

10.2 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.

10.3 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.

## **11. Trade receivable**

11.1 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.

11.2 As the entire sales are made to State Govt. utilities as well as power trading companies, the Company is not providing for allowance for expected credit loss.

11.3 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)

## **12. Financial Instruments**

12.1 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.

## **12.2 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.

## **12.3 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.

(i) 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.

### **13. Borrowing cost**

13.1 Borrowing costs consist of interest and other costs that the Company incurs in connection with the borrowing of funds. Borrowing costs that are directly attributable to the acquisition, construction/development or erection of qualifying assets are capitalised to the cost of those assets, until such time substantially all the activities necessary to prepare the qualifying assets for their intended use are completed.

13.2 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.

13.3 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.

13.4 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.

### **14. Government grants**

14.1 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.

14.2 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.

14.3 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.

14.4 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.

### **15. Employee Benefits**

15.1 Employee benefits consist of provident fund, pension, gratuity, post-retirement medical benefit (PRMB), leave benefits and other terminal benefits.

15.2 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.

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

15.4 Short term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under performance related pay if the company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

15.5 The expenses incurred on terminal benefits in the form of ex-gratia payments are charged to IEDC or profit & loss, as the case may be in the year of incurrence of such expenses.

## **16. Income Taxes**

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

### **16.1 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.

### **16.2 Deferred tax**

- Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Tax relating to items recognized directly in other comprehensive income forms part of the statement of comprehensive income.

- Deferred tax is provided, using the balance sheet method, on all temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

- The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered

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

- Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

## **17. 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.

## **17.1 Revenue from Operations**

### **a) Revenue from Sale of Power**

i. 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 and excludes amounts collected on behalf of third parties.

ii. Sale of Power is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC). In case of power stations where final tariff is yet to be approved by CERC, the sale of energy is provided for on the basis of provisional rate considering the Annual Fixed Cost submitted before the CERC through Tariff Petition as per the principles enunciated in the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations 2019. For projects for which neither CERC approved tariff is available nor petition pending with the CERC, sale of energy is accounted for on the basis of tariff as agreed by the beneficiaries. Revenue from sale of power includes sales delivered to customers but not yet billed, commonly referred to as "Unbilled revenue".

iii. The incentives/disincentives are recognized based on norms notified by the Central Electricity Regulatory Commission.

iv. 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

v. Exchange difference on account of translation of foreign currency borrowings recognized upto 31<sup>st</sup> March 2016, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per the CERC Tariff Regulations are accounted as "Deferred foreign currency fluctuation asset" with corresponding credit to "Deferred income from foreign currency fluctuation" . Deferred income from foreign currency fluctuation account is amortized in the proportion in which depreciation is charged on such exchange differences and same is adjusted against depreciation expense.

vi. Rebate allowed to beneficiaries for timely payments are netted off with the the revenue from operation on account of Sale of energy

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

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

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

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

## **17.2 Other Income**

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

ii. Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

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

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

## **18 Material prior period error**

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

## **19 Earnings Per Share**

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

19.2 For the purpose of calculating diluted earnings per share, the net profit for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

## **20 Miscellaneous**

21.1 Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

21.2 Liabilities for pending Capital works executed but not certified are not provided for , pending acceptance by the Company.

21.3 Physical verification of Fixed Assets and Inventories are undertaken by the management once in a year. The discrepancies noticed, if any, are accounted for in the year in which such differences are found.

## **D. Critical accounting judgments and key sources of estimation uncertainty**

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

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

**Critical judgments in applying accounting policies:**

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

**i. Financial assets at amortized cost**

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

**ii. Key sources of estimation uncertainty:**

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

**a. Impairment of investments**

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

**b. Provisions**

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

**c. Assets held for sale**

Significant judgment is required to apply the accounting of non-current assets held for sale under Ind AS 105 - 'Non-current assets held for sale and discontinued operations'. In assessing the applicability, management has exercised judgment to evaluate the availability of the asset for immediate sale, management's commitment for the sale and probability of sale within one year to conclude if their carrying amount will be recovered principally through a sale transaction rather than through continuing use.

**d. 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	As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2020	As at 1 <sup>st</sup> April,2019
Freehold Land	2600.25	2600.25	2600.25
Right to Use (Leasehold Land)	5818.81	6019.26	6208.16
Buildings - Freehold			
Main Plant	114407.82	69257.11	70911.33
Others	15453.16	15459.80	14947.57
Right to Use	40.77	29.53	
Plant & Equipments	1199089.73	503962.30	519251.70
Furniture & Fixture	603.81	627.68	654.85
Vehicles			
Owned	239.09	268.58	256.93
Right to use	685.53	905.14	
Office Equipment	2289.27	2161.31	1957.37
Others :::			
Electrical Equipment	630.78	643.44	586.14
Road , Bridges, Culvert, Helipad	4051.77	3830.45	3397.78
Tools & Plants	3863.58	3985.19	2641.59
Misc . Equipment	32.88	28.53	27.85
<b>Total</b>	<b>1349807.25</b>	<b>609778.57</b>	<b>623441.52</b>

As at 31<sup>st</sup> March 2021

( ₹ in lakhs )

Particulars	Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	Total
Gross Block as at April 1, 2020	2600.25	121758.47	842653.74	1797.55	2131.80	6862.09	1727.90	6128.72	7610.34	187.62	8807.13	1002265.61
Additions	0.00	49997.86	753564.11	43.32	376.45	596.94	49.01	397.44	163.51	11.28	0.00	805199.92
Disposals/Adjustment	0.00	(87.53)	(340.84)	(65.24)	(291.32)	(480.28)	(27.35)	0.00	(146.16)	(6.73)	0.00	(1445.45)
Reclassified as held for sale												
<b>Gross Block as at March'31, 2021</b>	<b>2600.25</b>	<b>171668.80</b>	<b>1595877.01</b>	<b>1775.63</b>	<b>2216.93</b>	<b>6978.75</b>	<b>1749.56</b>	<b>6526.16</b>	<b>7627.69</b>	<b>192.17</b>	<b>8807.13</b>	<b>1806020.08</b>
Impairment as at April 1, 2020												
Other re-classifications												
<b>Impairment as at March'31, 2021</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		0.00
Accumulated Depreciation as at April 1, 2020	0.00	37012.03	338691.44	1169.87	958.08	4700.78	1084.46	2298.27	3625.15	159.09	2787.87	392487.04
Charge for the period	0.00	4860.16	58894.95	61.60	622.16	357.64	51.17	176.12	250.44	7.41	200.45	65482.10
Disposals	0.00	(105.14)	(799.11)	(59.65)	(287.93)	(368.94)	(16.85)	0.00	(111.48)	(7.21)	0.00	(1756.31)
Other re-classifications												0.00
<b>Accumulated depreciation as at March'31, 2021</b>	<b>0.00</b>	<b>41767.05</b>	<b>396787.28</b>	<b>1171.82</b>	<b>1292.31</b>	<b>4689.48</b>	<b>1118.78</b>	<b>2474.39</b>	<b>3764.11</b>	<b>159.29</b>	<b>2988.32</b>	<b>456212.83</b>
<b>Total accumulated depreciation and impairment as at March'31, 2021</b>	<b>0.00</b>	<b>41767.05</b>	<b>396787.28</b>	<b>1171.82</b>	<b>1292.31</b>	<b>4689.48</b>	<b>1118.78</b>	<b>2474.39</b>	<b>3764.11</b>	<b>159.29</b>	<b>2988.32</b>	<b>456212.83</b>
<b>Net block as at March'31, 2021</b>	<b>2600.25</b>	<b>129901.75</b>	<b>1199089.73</b>	<b>603.81</b>	<b>924.62</b>	<b>2289.27</b>	<b>630.78</b>	<b>4051.77</b>	<b>3863.58</b>	<b>32.88</b>	<b>5818.81</b>	<b>1349807.25</b>

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

( ₹ in lakhs )

Particulars	Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	Total
Gross Block as at April 1, 2019	2600.25	119994.07	838495.51	1762.85	677.30	6467.57	1662.44	5640.34	6224.92	180.70	6208.16	989914.11
Additions	0.00	2662.95	24661.20	44.11	1463.50	517.21	116.34	644.03	1635.10	9.97	81.28	31835.69
Disposals/Adjustment	0.00	(898.55)	(20502.97)	(9.41)	(9.00)	(122.69)	(50.88)	(155.65)	(249.68)	(3.05)	2517.69	(19484.19)
Reclassified as held for sale												
<b>Gross Block as at March'31, 2020</b>	<b>2600.25</b>	<b>121758.47</b>	<b>842653.74</b>	<b>1797.55</b>	<b>2131.80</b>	<b>6862.09</b>	<b>1727.90</b>	<b>6128.72</b>	<b>7610.34</b>	<b>187.62</b>	<b>8807.13</b>	<b>1002265.61</b>
Impairment as at April 1, 2019												
Other re-classifications												
<b>Impairment as at March'31, 2020</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		<b>0.00</b>
Accumulated Depreciation as at April 1, 2019	0.00	34135.17	319243.81	1108.00	420.37	4510.20	1076.30	2242.56	3583.33	152.85	0.00	366472.59
Charge for the period	0.00	3533.00	29940.63	62.99	545.81	306.76	50.24	159.02	204.50	8.94	270.17	35082.06
Disposals	0.00	(656.14)	(10493.00)	(1.12)	(8.10)	(116.18)	(42.08)	(103.31)	(162.68)	(2.70)	2517.70	(9067.61)
Other re-classifications												0.00
<b>Accumulated depreciation as at March'31, 2020</b>	<b>0.00</b>	<b>37012.03</b>	<b>338691.44</b>	<b>1169.87</b>	<b>958.08</b>	<b>4700.78</b>	<b>1084.46</b>	<b>2298.27</b>	<b>3625.15</b>	<b>159.09</b>	<b>2787.87</b>	<b>392487.04</b>
<b>Total accumulated depreciation and impairment as at March'31, 2020</b>	<b>0.00</b>	<b>37012.03</b>	<b>338691.44</b>	<b>1169.87</b>	<b>958.08</b>	<b>4700.78</b>	<b>1084.46</b>	<b>2298.27</b>	<b>3625.15</b>	<b>159.09</b>	<b>2787.87</b>	<b>392487.04</b>
<b>Net block as at March'31, 2020</b>	<b>2600.25</b>	<b>84746.44</b>	<b>503962.30</b>	<b>627.68</b>	<b>1173.72</b>	<b>2161.31</b>	<b>643.44</b>	<b>3830.45</b>	<b>3985.19</b>	<b>28.53</b>	<b>6019.26</b>	<b>609778.57</b>

As at April 01, 2019

( ₹ in lakhs )

Particulars	Freehold Land	Buildings	Plant & equipments	Furniture & Fixture	Vehicle	Office Equipment	Electrical equipments	Road, Bridges, Culvert, Helipad	Tools & Plants	Misc Equipment	Right to Use (Leasehold Land)	Total
Gross Block as at April 1, 2018	2566.88	118203.92	527539.68	1697.46	677.31	6155.50	1626.63	6329.43	6135.75	182.02	6417.05	677531.63
Additions	33.37	1792.36	311552.11	69.96	0.00	373.88	35.81	406.21	91.78	13.48		314368.96
Disposals/Adjustment	0.00	(2.21)	(596.28)	(4.57)	(0.01)	(61.81)	0.00	(1095.30)	(2.61)	(14.80)	(208.89)	(1986.48)
Reclassified as held for sale	-											-
<b>Gross Block as at March 31, 2019</b>	<b>2600.25</b>	<b>119994.07</b>	<b>838495.51</b>	<b>1762.85</b>	<b>677.30</b>	<b>6467.57</b>	<b>1662.44</b>	<b>5640.34</b>	<b>6224.92</b>	<b>180.70</b>	<b>6208.16</b>	<b>989914.11</b>
Impairment as at April 1, 2018												
Other re-classifications												
<b>Impairment as at March 31, 2019</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Accumulated Depreciation as at April 1, 2018	0.00	33332.48	284818.70	1046.17	383.91	4268.62	1029.95	2293.13	3398.20	150.62	0.00	330721.78
Charge for the period	0.00	802.81	34743.25	66.08	36.46	311.72	46.37	163.70	187.06	3.26		36360.71
Disposals	0.00	(0.12)	(318.14)	(4.25)	0.00	(70.14)	(0.02)	(214.27)	(1.93)	(1.03)		(609.90)
Other re-classifications												
<b>Accumulated depreciation as at March 31, 2019</b>	<b>0.00</b>	<b>34135.17</b>	<b>319243.81</b>	<b>1108.00</b>	<b>420.37</b>	<b>4510.20</b>	<b>1076.30</b>	<b>2242.56</b>	<b>3583.33</b>	<b>152.85</b>	<b>0.00</b>	<b>366472.59</b>
<b>Total accumulated depreciation and impairment as</b>	<b>0.00</b>	<b>34135.17</b>	<b>319243.81</b>	<b>1108.00</b>	<b>420.37</b>	<b>4510.20</b>	<b>1076.30</b>	<b>2242.56</b>	<b>3583.33</b>	<b>152.85</b>	<b>0.00</b>	<b>366472.59</b>
<b>Net block as at March 31, 2019</b>	<b>2600.25</b>	<b>85858.90</b>	<b>519251.70</b>	<b>654.85</b>	<b>256.93</b>	<b>1957.37</b>	<b>586.14</b>	<b>3397.78</b>	<b>2641.59</b>	<b>27.85</b>	<b>6208.16</b>	<b>623441.52</b>

i. Property, plant and equipment (including Capital work-in-progress) has been tested for impairment where indicators of impairment existed. Based on the assessment, the Company do not recognise any impairment charge during the previous year and also during the year ended March 31, 2021.

ii. Present and future immovable properties of Construction and O&M projects are mortgaged for raising Secured, Redeemable Non-Convertible Bonds Eleventh to Twenty second issue valuing ₹ 524700.00 lakhs having Charge ID with ROC are 100394348 for ₹ 50000.00 Lakhs, 100334035 for ₹ 15000.00 Lakhs, 100239598 for ₹ 30000.00 Lakhs, 100179561 for ₹ 30000.00 Lakhs, 100151868 for ₹ 50000.00 Lakhs, 10603635 for ₹ 90000.00 lakhs , 10555356 for ₹ 48000.00 lakhs, 10534076 for ₹ 200000.00 lakhs, 10466275 for ₹ 2900.00 lakhs, 10411581 for ₹ 4800.00 lakhs ,10411580 for ₹ 4000.00 lakhs. Secured Medium & Long Term Loan amounting to ₹130000.00 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.

iii. The conveyancing of the title to 33.19 Are of freehold land at Guwahati valued ₹ 4.41 crore purchased by NEEPCO Ltd. from Assam Tea Corporation Ltd is awaiting completion of mutation process, for which application already submitted to concerned department of the Govt. of Assam. In addition, land measuring 183.19 hectare acquired for Kopili Stage II valued ₹ 4.52 crore in under litigation due to the claim lodged by the 303 land owners with respect to enhancement of land compensation and the matter is pending before the Special Judge (Judicial), West Jaintia Hills, Meghalaya.

iv. The loss due to mishap occurred in Kopili HEP (200 MW) on 7<sup>th</sup> October 2019 has been reassessed during the year and amount stands at ₹ 10366.72 lakhs(Net block).Of the said amount Rs.10120.81 lakhs was accounted for as on 31.03.2020 & the balance has been recognised in the current financial year.

v. Interest and finance charge, related to construction projects, amounting to ₹ 14835.19 lakhs (previous year ₹ 45149.26 lakhs) has been transferred to IEDC (Ref. Note No-34 B). The foreign exchange borrowings are un-hedged.

vi. Exchange differences capitalized are disclosed in the 'Addition' column of Capital work-in-progress (CWIP) and allocated to various heads of CWIP in the year of capitalisation through 'Deductions/Adjustments' column of CWIP. Exchange differences in respect of assets already capitalised are disclosed in the 'Deductions/Adjustments' column of Property, plant and equipment. Asset-wise details of exchange differences and borrowing costs included in the cost of major heads of CWIP and property, plant and equipment through 'Addition' or 'Deductions/Adjustments' column are given below:

( ₹ in lakhs )

Particulars	For the year ended 31st March 2021		For the year ended 31st March 2020	
	Exchange Difference included in PPE/CWIP	Borrowing costs included in PPE/CWIP	Exchange Difference included in PPE/CWIP	Borrowing costs included in PPE/CWIP
Main Plant Building	23.82	922.97	906.18	
Hydraulic works, reservoir , dam, tunnel	945.58	10908.40	783.84	
Plant & Equipment	(202.74)	3001.89	3965.64	
Others including pending allocation		1.92		45149.26
<b>Total</b>	<b>766.66</b>	<b>14835.18</b>	<b>5655.66</b>	<b>45149.26</b>

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

₹ In lakhs

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019
<b>Assets held under Finance Leases</b>			
Cost	-	-	-
Accumulated depreciation and impairment losses	-	-	-
<b>Net carrying amount</b>	-	-	-
<b>Owned assets</b>	1349080.95	608843.90	623441.52
<b>Net carrying amount</b>	<b>1349080.95</b>	<b>608843.90</b>	<b>623441.52</b>

The net carrying amount of PPE (Owned assets) above does not include Assets under "Right to use (Building and vehicles)" recognized in books as per Ind AS 116 amounting to ` 726.30 lakh (previous year ` 934.67 lakh).

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

₹ In lakhs

Particulars	Gross Block		Depreciation	
	for the year ended		for the year ended	
	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
Disposal of assets	(88.92)	(120.98)	(77.93)	(110.89)
Retirement of assets	(1705.06)	(21888.58)	(1267.82)	(11482.09)
Cost adjustments including exchange difference	766.66		0.00	
Assets capitalised with retrospective effect/ Write back of excess capitalisation	(2.67)		0.00	0.00
Others	(415.46)	2525.37	(410.56)	2525.37
<b>Total</b>	<b>(1445.45)</b>	<b>(19484.19)</b>	<b>(1756.31)</b>	<b>(9067.61)</b>

Note no. 3 Details of CWIP

( ₹ in lakhs )

Particulars	As at 1 <sup>st</sup> April 2020	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Building	548.52	388.17	(12.92)	370.35	553.42	548.52	939.32
Roads,Bridges,Culverts & Helipads	22055.91	251.57	(21894.27)	213.36	199.85	22055.91	21687.22
Electrical Installation	1.09	0.00	(0.07)	1.02	0.00	1.09	130.43
Water Supply,Sewerage & Drainage	53.78	132.88	(9.79)	44.87	132.00	53.78	69.86
Hydraulic works incldng Dams,Dykes etc.	251931.09	7001.95	327847.75	584128.06	2652.73	251931.09	247685.77
Other Civil works	85.86	22.43	0.00	0.00	108.29	85.86	21.42
Power house	21209.72	562.68	27452.18	49108.32	116.26	21209.72	20429.05
Switch Yard including cable connection	9685.24	150.32	12220.84	22017.69	38.71	9685.24	9436.72
Environment & Echology	13083.93	33.00	(13091.60)	0.00	25.33	13083.93	12964.25
Transmission Lines	6.00	0.00	0.00	3.23	2.77	0.00	
Transformer having a rating of 100KV ampere and above	10903.82	245.90	14493.55	25401.35	241.92	10903.82	10799.93
Survey & Investigation	3850.42	28.69	79.75	0.00	3958.86	3850.42	3767.4
Communication equipment	0.00	0.99	0.00	0.00	0.99	0.00	2.48
Plant & Machinery in Generating station	47451.58	5831.10	63156.93	115242.48	1197.13	47457.58	44805.87
Gas Booster Station	0.00	2482.83	0.00	0.00	2482.83	0.00	77.8
EDP & WP Machine		17.04	(9.15)	4.09	3.80	0.00	0.00
Incidental Expenditure during Construction	<u>398736.66</u>	<u>25380.59</u>	<u>(412824.76)</u>	<u>0.00</u>	<u>11292.49</u>	<u>398736.66</u>	339056.56
	779603.62	42530.14	(2591.56)	796534.82	23007.38	779603.62	711874.08
Less : Provision for write off	6044.53	79.76			6124.29	6044.53	5376.08
<b>Construction Store (net of provisions)</b>	482.95	267.36	(687.20)	49.60	13.51	482.95	925.18
<b>TOTAL</b>	<b>774042.04</b>	<b>42717.74</b>	<b>(3278.76)</b>	<b>796584.42</b>	<b>16896.60</b>	<b>774042.04</b>	<b>707423.18</b>

Note no. 4 Intangible Assets Under Development

( ₹ In lakhs)

As at 31.03.2021

Particulars	As at 1 <sup>st</sup> April 2020	Additions during the year	Adjustments during the year	Capitalised during the year	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Upfront Premium including Processing fee	10082.50			0.00	10082.50	10082.50	10082.50
Software	<u>418.94</u>	<u>244.42</u>	<u>0.00</u>	<u>95.95</u>	<u>567.41</u>	<u>418.94</u>	0.00
	10501.44	244.42	0.00	95.95	10649.91	10501.44	10082.50
Less : Provision for write off	10000.00				10000.00	10000.00	10000.00
Total	501.44	244.42	0.00	95.95	649.91	501.44	82.50

As at 31.03.2020

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

Note no. 4A Intangible Assets

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>Carrying amounts of :</b>			
Software	712.48	684.95	30.20
Right to use (Forest Land)	8,129.91	7914.68	9746.28
<b>Total</b>	<b>8,842.39</b>	<b>8,599.63</b>	<b>9,776.48</b>

As at 31<sup>st</sup> March 2021

( ₹ in lakhs)

Particulars	Software	Right to use (Forest Land)	Total
Gross Block as at April 1, 2020	952.55	8,079.19	9,031.74
Additions	273.97	307.68	581.65
Adjustment for the period	-	-	-
<b>Gross Block as at March 31, 2021</b>	<b>1,226.52</b>	<b>8,386.87</b>	<b>9,613.39</b>
Accumulated Impairment as at April 1, 2020			
Charge for the period			
<b>Accumulated Impairment as at March 31, 2021</b>			
Accumulated amortisation as at April 1, 2020	267.60	164.51	432.11
Charge for the period	246.44	92.45	338.89
Adjustment for the period	-	-	-
<b>Accumulated amortisation as at March 31, 2021</b>	<b>514.04</b>	<b>256.96</b>	<b>771.00</b>
<b>Total accumulated amortisation and impairment as at March 31, 2021</b>	<b>514.04</b>	<b>256.96</b>	<b>771.00</b>
<b>Net block as at March 31, 2021</b>	<b>712.48</b>	<b>8,129.91</b>	<b>8,842.39</b>

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

( ₹ in lakhs)

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

As at April 01, 2019

( ₹ in lakhs )

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

- i) Compensation paid for forest land in possession/use ( 5967.24 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".
- ii) Expenses incurred on maintenance of software system payable annually are charged to revenue.

Note no. 5 Investment in subsidiary and Joint Venture companies

( ₹ in lakhs )

Particular	As at 31 <sup>st</sup> March,2021		As at 31 <sup>st</sup> March,2020		As at 1 <sup>st</sup> April 2019	
	Quantity	Amount	Quantity	Amount	Quantity	Amount
<b>Quoted Investments</b>						
<b>TOTAL AGGREGATE QUOTED INVESTMENTS (A)</b>						
<b>Unquoted Investments (all fully paid)</b>						
Investments in Equity Instruments						
- of joint ventures - jointly controlled entities						
- KSK Dibbin Hydro Power (Equity Share Fully Paid up)	27930000	3238.99	27930000	3237.42	27930000	3233.08
<b>TOTAL AGGREGATE UNQUOTED INVESTMENTS (B)</b>	<b>27930000</b>	<b>3238.99</b>	<b>27930000</b>	<b>3237.42</b>	<b>27930000</b>	<b>3233.08</b>
Other Investment	-	-	-	-	-	-
<b>TOTAL other investment (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL INVESTMENTS (A) + (B)+ (C)</b>	<b>27930000</b>	<b>3238.99</b>	<b>27930000</b>	<b>3237.42</b>	<b>27930000</b>	<b>3233.08</b>
Less : Aggregate amount of impairment in value of investments		2793.00				
- of joint ventures - jointly controlled entities						
<b>TOTAL IMPAIRMENT VALUE (D)</b>						
<b>TOTAL INVESTMENTS CARRYING VALUE (A) + (B) + (C) - (D)</b>		<b>445.99</b>		<b>3237.42</b>		<b>3233.08</b>

**INVESTMENT IN JOINT VENTURES**

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

Name of the Companies	Proportion of Ownership interest as at		
	31.03.2021	31.03.2020	01.04.2019
KSK Dibbin Hydro Power	30%	30%	30%

Particular	As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2020	As at 1 <sup>st</sup> April 2019
<b>(a) Unquoted</b>			
Aggregate carrying amount of unquoted investments	445.99	3,237.42	3,233.08
<b>Total carrying amount</b>	<b>445.99</b>	<b>3,237.42</b>	<b>3,233.08</b>

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

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

NEEPCO is under the process of exploring various scopes & opportunities for ensuring viability of M/s KSK Dibbin hydro Power Pvt Ltd, the Joint Venture Company, including engagement of legal expert to protect the Corporation's (NEEPCO's) interest for the investment made. However, considering commercial non viability of the project in its present form as observed by interdisciplinary committee of the Company, provision of equivalent amount has been made for the said investment.

**Note no. 6 Loans**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>Loans and Advances to employees</b>			
- Secured, considered good		-	
- Unsecured, considered good	28.30	58.69	95.93
- Doubtful		-	
Less : Allowance for bad and doubtful advances		-	
<b>TOTAL</b>	<b>28.30</b>	<b>58.69</b>	<b>95.93</b>

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

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

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

**Note no.- 7 Deferred tax balances**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Deferred Tax Liability	108464.60	76916.47	73786.12
Difference in Book depreciation & Tax Depreciation			
Less : Deferred Tax Asset			
Unaborsorbed depreciaton	30546.32		
Provisions	9781.56	9620.13	387.38
Statutory dues	1163.83	2966.20	10188.99
Leave encashment	5158.25	4630.65	1473.53
Deferred Tax of JV companies	94.34	93.85	92.50
<b>Net Defer Tax (Asset)/ Liability</b>	<b>61908.98</b>	<b>59793.34</b>	<b>61828.72</b>

**Deferred Tax as on 31.03.2021**

( ₹ in lakhs )

Deferred Tax Reconciliation	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	Effect in PL
Defered Tax Liability as per Ind AS	(108464.60)	(76916.47)	31548.13
Defered Tax Asset as per Ind AS	46649.96	17216.98	(29432.98)
Net Defered Tax Liability	(61814.64)	(59699.49)	2115.15
Net (Liability)/Asset as per Ind AS	(61814.64)	(59699.49)	2115.15
Deferred Tax of JV companies			0.49
<b>Effect in PL</b>			<b>2115.64</b>

**Deferred Tax as on 31.03.2020**

( ₹ in lakhs )

Deferred Tax Reconciliation	As at 31 <sup>st</sup> March 2020	As at 31 <sup>st</sup> March 2019	Effect in PL
Defered Tax Liability as per Ind AS	(76916.47)	(73786.12)	3130.35
Defered Tax Asset as per Ind AS	17216.98	12049.90	(5167.08)
Net Defered Tax Liability	(59699.49)	(61736.22)	(2036.73)
Net (Liability)/Asset as per Ind AS	(59699.49)	(61736.22)	(2036.73)
Deferred Tax of JV companies			1.35
<b>Effect in PL</b>			<b>(2035.38)</b>

(i) North Eastern Electric Power Corporation (NEEPCO/ the Company) is in continuous profit (Profit before tax as well as Profit after tax) since the financial year 2003-04. During the current financial year, i.e. FY 2020-21, Kameng Hydro Electric Project (4X150 MW) (KaHEP) of the Company has been commissioned, resulting in substantial capitalization of Plant Assets. The said capitalization has resulted in accrual of considerable Deferred Tax Liability (DTL) for the Company during the year amounting to Rs. 31548.13 lakhs (which includes DTL amounting to Rs. 27093.07 lakhs for KaHEP, resulting in loss after tax to the Company.

NEEPCO is in the business of generation and sale of electricity. Electricity generated by various power plants of the Company are sold to various beneficiaries under long-term power purchase agreements. Tariffs for the generating stations are determined by the Central Electricity Regulatory Commission (CERC) in compliances to the CERC Tariff Regulations issued time to time on "Cost plus basis". Considering the CERC determined tariff for billing on NEEPCO's beneficiaries, as well as prevailing power market in India and Plant performances of the generating stations, it is expected that sufficient taxable profit will be available to the Company in future years.

In compliance to the Ind AS 12 - Taxes, the Company has recognised Deferred Tax Asset (DTA) amounting to 30546.32 lakhs during the FY 2020-21 in respect of "Unabsorbed depreciation" with convincing evidence that sufficient future taxable income will be available against which such DTA can be realized.

(ii) MAT credit available for the Company as on 01.04.2020 amounts to ₹ 2342.50 lakhs, being the amount as per computation of tax credit under Sec 115 JAA for the A/Y 2020-21. Balance MAT credit available as on 31.03.2021 amounts to ₹ 2342.50 lakhs.

(iii) Refer note no 49 for detailed disclosure.

**Movement in deferred tax balances**
**As at 31<sup>st</sup> March 2021**

(₹ In Lakhs)

Particulars	As at 1 <sup>st</sup> April 2020	Recognised in statement of profit and loss	Recognised in OCI	Others	As at 31 <sup>st</sup> March 2021
Deferred tax liability					
Difference in book depreciation and	76916.47	31548.13			108464.60
Less: Deferred tax assets					
Unabsorbed depreciation		30546.32			30546.32
Provisions	9620.13	161.43			9781.56
Statutory dues	5119.05	(1802.37)			3316.68
Leave encashment	2477.80	527.60			3005.40
Deferred Tax of JV companies	93.85	0.49			94.34
Net tax (assets) / liabilities	59793.34	2114.66	0.00	0.00	61908.98

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

(₹ In Lakhs)

Particulars	As at 1 <sup>st</sup> April 2019	Recognised in statement of profit and loss	Recognised in OCI	Others	As at 31 <sup>st</sup> March 2020
Deferred tax liability					
Difference in book depreciation and	73786.12	3130.35	0.00	0.00	76916.47
Less: Deferred tax assets					
Provisions	387.38	9232.75			9620.13
Statutory dues	10188.99	(5069.94)			5119.05
Leave encashment	1473.53	1004.27			2477.80
Deferred Tax of JV companies	92.50	1.35			93.85
Net tax (assets) / liabilities	61828.72	(2035.38)	0.00	0.00	59793.34

**As at 1st April 2019**

(Rs. In Lakhs)

Particulars	As at 1 April 2018	Recognised in statement of profit and loss	Recognised in OCI	Others	As at 1st April 2019
Deferred tax liability					
Difference in book depreciation and	62794.06	10992.06	0.00	0.00	73786.12
Less: Deferred tax assets					
Provisions	525.61	(138.23)			387.38
Statutory dues	9670.30	518.69			10188.99
Leave encashment	3068.90	(1595.37)			1473.53
Deferred Tax of JV companies	89.38	3.12			92.50
Net tax (assets) / liabilities	49618.63	12210.09	0.00	0.00	61828.72

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>Capital Advances</b>			
<b>Secured :</b>	=	=	=
<b>Un-Secured :</b>			
Covered By Bank Guarantee			290.72
Others	13519.30	15558.61	15281.23
Considered Doubtful	39.64	41.28	41.28
Interest accrued on advances	383.36	460.87	
Less: Allowances for bad & doubtful advances	<u>39.64</u>	<u>41.28</u>	<u>41.28</u>
	13902.66	16019.48	15571.95
Deferred Foreign Currency Fluctuation Assets	791.68	2051.34	(1794.48)
Advance tax refundable	4529.19	3108.19	3543.06
Advance tax paid including TDS	1321.46	6509.02	7921.45
<b>Less : Current tax liabilities</b>			
Current year	559.65	5378.86	6454.37
Adjustment for earlier years	793.03	(344.87)	1835.83
Other Comprehensive Income	(496.33)	(56.63)	113.90
Pertaining to regulatory deferral account balances	1020.78	2367.03	2684.21
MAT credit entitlement	=	<u>(2453.92)</u>	
<b>Current Tax Asset / Liabilities (Net)</b>	(555.67)	1618.55	(3166.86)
<b>Total</b>	<b>18667.86</b>	<b>22797.56</b>	<b>14153.67</b>

(i) Capital advances comprises of Mobilisation Advance and advance against arbitral award deposited to escrow account in respect of Projects.

(ii) Tax refundable relates to FY 2013-14 to 2015-16 & FY 2017-18 to FY 2019-20 are ₹ 333.48 lakhs , ₹ 439.85 lakhs, ₹ 872.26 lakhs , ₹ (1597.55) lakhs, ₹ 2250.66 lakhs and ₹ 2230.49 respectively for which appeals are pending with Income Tax Authorities.

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

(iv) Refer Note No-49 for detailed disclosure on Income Tax.

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>Operational stores ::</b>			
Stores & Spares	12053.08	11098.09	9633.36
Consumables	137.27	210.94	202.44
Others	1335.98	768.33	322.95
Obsolete/ Scrap	<u>890.90</u>	<u>822.95</u>	<u>521.48</u>
	14417.23	12900.31	10680.23
Less :: Provision for shortages		0.00	
Provision for obsolete/ unservicable Items	<u>890.90</u>	<u>822.95</u>	<u>521.48</u>
<b>Total Inventories</b>	<b>13526.33</b>	<b>12077.36</b>	<b>10158.75</b>
<b>Included above, goods-in-transit</b>			
Stores & Spares	38.90	644.71	39.36
<b>Total Goods in transit</b>	<b>38.90</b>	<b>644.71</b>	<b>39.36</b>

Secured, Working Capital Demand Loan of ₹ 19174.67 lakhs (previous year ₹ 25769.90 lakhs) was drawn against hypothecation of the stocks of stores and spares and Book Debt of the Company to the extent of drawal.

**Note no. - 10 Trade receivables**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Trade Receivables considered good - Secured		-	
Trade Receivables considered good - Unsecured	57710.73	66226.10	63453.60
Trade Receivables - credit impaired	-	-	
Allowance for doubtful debts	-	-	
<b>TOTAL</b>	<b>57710.73</b>	<b>66226.10</b>	<b>63453.60</b>

(i) Trade receivables are dues in respect of goods sold or services rendered in the normal course of business.

(ii) Where no due date is specifically agreed upon, the normal credit period allowed by the Company is in compliance to the CERC regulations / Guidance.

(iii) Where a trade receivable has been provided for, such provision could be dictated by prudence, but one could still expect to realise the amount within 12 months from the balance sheet date. Under such circumstances, the said trade receivable is classified as current. Where, however, there is no expectation to realise the amount within the next twelve months period, the same needs to be classified as non-current along with the provision made for the same.

(iv) Change in trade receivables

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Opening Balance	66226.10	63453.60	45836.76
Add:: Net Revenue Recognised but not realised during the year	(8515.37)	2772.50	17616.84
Closing Balance	57710.73	66226.10	63453.6

(v) Trade receivables are further analysed as :

( ` in lakhs )

As at March 31, 2021	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	25205.92	-	25205.92
More than 45 days upto six months	6319.30	-	6319.30
More than six months	26185.51	-	26185.51
<b>TOTAL</b>	<b>57710.73</b>	<b>0.00</b>	<b>57710.73</b>

( ` in lakhs )

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

( ` in lakhs )

As at April 01, 2019	Gross credit risk amount	Allowance for credit losses	Net credit risk amount
Amounts not yet due	25958.89	-	25958.89
More than 60 days upto six months	10575.67	-	10575.67
More than six months	26919.04	-	26919.04
<b>TOTAL</b>	<b>63453.60</b>	<b>0.00</b>	<b>63453.60</b>

The Company considers its maximum exposure to credit risk with respect to customers as at March 31, 2021 to be `57710.73 lakhs (March 31, 2020: `66226.10 lakhs), which is the fair value of trade receivables after allowance for credit losses. The Company's exposure to customers is diversified and except MeECL (Meghalaya), no single customer contributes to more than 10% of outstanding dues ( i.e. more than 45 days) accounts receivable as at March 31, 2021 .

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

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Balance at the beginning of the period	Nil	Nil	Nil
Additions during the period			
Utilised during the period			
<b>Balance at the end of the period</b>		-	-

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

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
(a) Balances with banks			
(1) Unrestricted Balance with banks			
(i) In Current Account	45.97	186.60	6899.80
(ii) In Deposit Account (original maturity less than 3 months)			
(b) Cheques, drafts on hand			
(c) Cash in hand			
(d) Others	0.92	0.64	0.63
<b>Cash and cash equivalents as per balance sheet</b>	<b>46.89</b>	<b>187.24</b>	<b>6900.43</b>
(a) Earmarked Balances with banks			
(1) Earmarked Balance with banks			
(i) In Current Account			
(ii) In Deposit Account			
<b>Total</b>	<b>46.89</b>	<b>187.24</b>	<b>6900.43</b>

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Restricted Money	171.24	318.15	2957.44
<b>Total</b>	<b>171.24</b>	<b>318.15</b>	<b>2957.44</b>

**(i) Breakup of Restricted Money**

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Margin Money against LC	0.00	104.40	387.47
DDUGVY scheme of GOI	160.23	160.87	174.94
SAUBHAGYA scheme of GOI	11.01	52.88	2395.03
<b>Total</b>	<b>171.24</b>	<b>318.15</b>	<b>2957.44</b>

(ii) Bank balances other than Cash &amp; cash Equivalent consists of restricted money for project relating to Deen Dayal

Upadhyaya Gram Jyoti Yojana(DDUGJY) and Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA Scheme).

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

**Note no.- 13 Others**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>a) Other Receivables</b>			
- Secured, considered good			
- Unsecured, considered good	1499.32	1347.02	1345.29
- Doubtful			
Unbilled Revenue	36374.34	27440.80	8281.73
Advances to staff	63.83	114.04	507.06
Interest accrued on STDR	0.00	12.57	625.30
Security Deposits	108.16	85.86	101.89
<b>TOTAL</b>	<b>38045.65</b>	<b>29000.29</b>	<b>10861.27</b>

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>Interest accrued on deposits and loans</b>			
Unsecured, considered good	-	12.57	625.30
Unsecured, considered doubtful			
Less: Allowance for credit losses			
<b>Other financial assets</b>			
Advances to staff	63.83	114.04	507.06
Security Deposits	108.16	85.86	101.89

(i) Unbilled Revenue comprises of Energy bills amounting to ` 15758.24 lakh, power trading ` 1430.41 lakhs, Electricity Duty ` 530.21 lakhs, provisional revenue ` 10729.69 lakhs, FERV ` 1429.91 lakhs, NERLDC fees & charges recoverable amounting to ` 34.37 lakh, Deferred Tax materialisation amounting to ₹ 1319.85 lakhs , Effective tax rate (FY 2016-17) ₹ 5123.77 lakhs, TDS & TCS ₹ 17.81 lakhs and Rent ` 0.08 lakhs.

(ii) Accounts Receivables consists of amount receivable from REC towards implementation of DDUGJY scheme amounting to ₹1323.95 lakhs and amount receivable from PRMB trust ₹ 175.37 lakhs.

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

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

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

(vi) Security deposits are primarily consists of Deposit against BSNL Lines, Gas Connection, Cable Connection etc. which will be refunded on surrender of services provided by service providers.

(vii) Changes in Other Receivables - Unsecured considered good and Unbilled revenue

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at March 31,2019
Opening Balance	28787.82	9627.02	1894.81
Add : Addition during the year	27598.52	27442.52	9627.02
Less : Realised / Billed during the year	18512.68	8281.72	1894.81
Closing Balance	37873.66	28787.82	9627.02

Note no.- 14 Other current assets

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Prepaid Expenses including prepaid insurance	2954.37	2158.09	1875.07
Advances to Suppliers & Contractors - Unsecured, considered good	795.94	574.34	635.69
Less : Allowances for doubtful	<u>54.16</u>	<u>56.51</u>	<u>47.41</u>
Scrap /Obsolete assets	10686.84	10368.59	352.38
Less : Provisions	10686.84	<u>10368.59</u>	<u>352.38</u>
	0.00	0.00	0.00
Assets held for disposal	174.89	174.89	76.86
Advance tax refundable	329.49		
<b>Total</b>	<b>4200.53</b>	<b>2850.81</b>	<b>2540.21</b>

(i) Prepaid Expenses consists of amount paid in advance in respect of prepaid insurance , License fee (polution control) & BSNL lease line for Internet, the benefit of which has not yet expired on reporting date. Prepaid expenses of items of ₹ 20000/- and below are charged to natural head of accounts.

(ii) Advances to suppliers & contractors are the short term advances to be recovered within 12 months from the bills. The advances are given as stipulated under the work/supply order.

(iii) Amounts of tax refundable relate to the AY 2009-10 and AY 2011-12 to 2013-14 are ₹4.87 lakhs, ₹ 3.13 lakhs, ₹153.60 lakhs and ₹ 19.07 lakhs respectively as assessed during the FY 2020-21 under “Vivad Se Vishwas Scheme”. Further, ₹ 148.82 lakhs has been credited to the bank account of the assessee (NEEPCO on 22.04.2021 on assessment of tax for the AY 2019-20.

(iv) Assets held for disposal consists of following items

( ` in lakhs )

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
Plant & Equipments	306.25	306.25	105.69
Vehicles	8.71	8.71	8.71
Office Equipment			
Tools & Plants	56.20	56.20	56.20
Misc . Equipment			2.56
<b>Gross value of Assets held for disposal</b>	<u>371.16</u>	<u>371.16</u>	<u>173.16</u>
Less: Provision	196.27	196.27	96.30
<b>NRV for Assets held for disposal</b>	174.89	174.89	76.86

(v) Scarp/Oboslete Assets

` in lakhs

Unit	As on 31.03.2021	As on 31.03.2020	As on 01.04.2019
AGBPP	169.68	193.60	297.33
AGTPP	5.40	5.40	38.30
KHEP	10380.03	10134.13	13.32
RHEP	31.27	30.33	
PARE	1.70	1.70	1.70
KAMENG	3.04	3.04	1.34
KOLKATA	0.39	0.39	0.39
TGBPP	0.08		
Rupa (S&I)	0.21		
Shillong	94.03		
Guwahati	1.00		
<b>TOTAL</b>	<b>10686.84</b>	<b>10368.59</b>	<b>352.38</b>
Less: Provision	10686.84	10368.59	352.38

Note- 15 Regulatory Deferral Accounts Debit Balance

( ` in lakhs )

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>Regulatory deferral account Debit balance</b>			
<b>(i) Employees benefit expenses - gratuity</b>			
Opening Balance	4793.47	4793.47	4793.47
Addition during the period			
<b>Closing balance</b>	<b>4793.47</b>	<b>4793.47</b>	<b>4793.47</b>
<b>ii) Depreciation - Turrial HEP</b>			
Opening Balance	9842.54	5724.17	0.00
Addition during the period	4119.51	4118.37	5724.17
<b>Closing balance</b>	<b>13962.05</b>	<b>9842.54</b>	<b>5724.17</b>
<b>(iii) Deferred Tax adjustment against deferred tax liabilities</b>			
Opening Balance	23056.57	18937.43	4002.42
Addition during the period	1177.30	4119.14	14935.01
<b>Closing balance</b>	<b>24233.87</b>	<b>23056.57</b>	<b>18937.43</b>
<b>(iv) Deferred Tax Recoverable</b>			
Opening Balance	41254.63	44194.96	46030.19
Realized/Adjustment during the period	(1319.85)	(2940.33)	(1835.23)
<b>Closing balance</b>	<b>39934.78</b>	<b>41254.63</b>	<b>44194.96</b>
<b>(v) Exchange difference</b>			
Opening Balance	914.32	0.00	
Addition during the period	647.34	914.32	
Realized/Adjustment during the period	101.75		
<b>Closing balance</b>	<b>1459.91</b>	<b>914.32</b>	
<b>Regulatory deferral account Debit balance</b>	<b>84384.08</b>	<b>79861.53</b>	<b>73650.03</b>
<b>Regulatory deferral account Credit balance</b>			
<b>(i) Estimated impact on AFC (tariff)</b>			
Opening Balance		(4420.59)	
Addition during the period		4420.59	(4420.59)
<b>Closing balance</b>	<b>0.00</b>	<b>0.00</b>	<b>(4420.59)</b>
<b>Regulatory deferral account Credit balance</b>	<b>0.00</b>	<b>0.00</b>	<b>(4420.59)</b>

Deferral Regulatory Account Balance has been adjusted in line with **Accounting Policy No-6**. Refer Note No.37 for detailed disclosure.

Particulars	As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2020	As at 1 <sup>st</sup> April,2019
Equity Share Capital	3,60,981.04	3,60,981.04	3,60,981.04
<b>Total</b>	<b>3,60,981.04</b>	<b>3,60,981.04</b>	<b>3,60,981.04</b>

**Authorised Share Capital**

Particulars	As at 31 <sup>st</sup> March,2021	As at 31 <sup>st</sup> March,2020	As at 1 <sup>st</sup> April 2019
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
<b>Issued and Subscribed capital comprises :</b>			
3,60,98,10,400 nos. (Previous period 3,60,98,10,400 nos.) of equity shares of ₹ 10/- each	3,60,981.04	3,60,981.04	3,60,981.04
<b>Total</b>	<b>3,60,981.04</b>	<b>3,60,981.04</b>	<b>3,60,981.04</b>

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

Particulars	As at March 31, 2021					
	Opening balance as on 01.04.2020		Movement during 2020-21		Closing Balance as on 31.03.2021	
	No. of shares	in Lakhs	No. of shares	in Lakhs	No. of shares	in Lakhs
<b>Ordinary shares of ₹ 10 each</b>						
At beginning of the year	3,60,98,10,400	3,60,981.04	-	-	3,60,98,10,400	3,60,981.04
Shares allotted during the year	-	-	-	-	-	-
<b>Total</b>	<b>3,60,98,10,400</b>	<b>3,60,981.04</b>	<b>-</b>	<b>-</b>	<b>3,60,98,10,400</b>	<b>3,60,981.04</b>

Particulars	As at March 31, 2020					
	Opening balance as on 01.04.2019		Movement during 2019-20		Closing Balance as on 31.03.2020	
	No. of shares	in Lakhs	No. of shares	in Lakhs	No. of shares	in Lakhs
<b>Ordinary shares of ₹ 10 each</b>						
At beginning of the year	3,60,98,10,400	3,60,981.04	-	-	3,60,98,10,400	3,60,981.04
Shares allotted during the year	-	-	-	-	-	-
<b>Total</b>	<b>3,60,98,10,400</b>	<b>3,60,981.04</b>	<b>-</b>	<b>-</b>	<b>3,60,98,10,400</b>	<b>3,60,981.04</b>

Particulars	As at April 1, 2019					
	Opening balance as on 01.04.2018		Movement during 2018-19		Closing Balance as on 01.04.2019	
	No. of shares	in Lakhs	No. of shares	in Lakhs	No. of shares	in Lakhs
<b>Ordinary shares of ₹ 10 each</b>						
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	-	-	-	-	-	-
<b>Total</b>	<b>3,45,28,10,400</b>	<b>3,45,281.04</b>	<b>15,70,00,000</b>	<b>15,700.00</b>	<b>3,60,98,10,400</b>	<b>3,60,981.04</b>

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

Particulars	As at March 31, 2021		As at March 31, 2020		As at April 01 2019	
	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
<b>Hon'ble President of India</b>	Nil	Nil	Nil	Nil	3609809800	100
<b>NTPC Ltd.</b>	3,60,98,09,800	100	3609809800	100	Nil	Nil

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

(iv) The Cabinet Committee on Economic Affairs, chaired by Prime Minister accorded in-principle approval for strategic disinvestment of Government of India shareholding of 100% in NEEPCO alongwith transfer of management control to an identified CPSE strategic buyer, namely NTPC. Accordingly, acquisition of entire equity stake of Government of India in NEEPCO Ltd by NTPC Ltd completed on 27<sup>th</sup> March 2020 through share transfer in pursuant to share purchase agreement dt. 25<sup>th</sup> March 2020 between Government of India & NTPC Ltd. NTPC Ltd holds 100% ownership interest in NEEPCO Ltd including & as on 31<sup>st</sup> March 2021.

**Note 16A : Investment in Joint Venture**

(` in lakhs )

31 <sup>st</sup> March 2021			30 <sup>th</sup> March 2020			31 <sup>st</sup> March 2019		
Name of the Joint Ventures	KSK Dibbin	Total	Name of the Joint Ventures	KSK Dibbin	Total	Name of the Joint Ventures	KSK Dibbin	Total
Percentage Holding	0.30		Percentage Holding	0.30		Percentage Holding	0.30	
Equity	9311.00		Equity	9311.00		Equity	9311.00	
Reserve and Surplus	1485.63		Reserve and Surplus	1480.41		Reserve and Surplus	1465.94	
Net Assets	10796.63		Net Assets	10791.41		Net Assets	10776.94	
Share of Equity	3238.99	3238.99	Share of Equity	3237.42	3237.42	Share of Equity	3233.08	3233.08
Total Equity		3238.99	Total Equity		3237.42	Total Equity		3233.08
Cost in stand alone financials	2793.00	2793.00	Cost in stand alone financials	2793.00	2793.00	Cost in stand alone financials	2793.00	2793.00
Difference to Transition Reserve in CFS	445.99	445.99	Difference to Transition Reserve in CFS	444.42	444.42	Difference to Transition Reserve in CFS	440.08	440.08
Differential Entry	1.57	1.57	Differential Entry	4.34	4.34	Differential Entry	9.99	9.99
Defer Tax Entry	0.49		Defer Tax Entry	1.35		Defer Tax Entry	3.12	

Note no.- 17 Other equity		( ₹ in lakhs )		
Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019	
General Reserve	197691.68	197691.68	197691.68	
Retained earnings	21625.45	20152.67	5538.26	
Bond redemption reserve	65054.17	65054.17	65054.17	
<b>Total</b>	<b>284371.30</b>	<b>282898.52</b>	<b>268284.11</b>	

17.1 General Reserve		( ₹ in lakhs )		
Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019	
Balance at the beginning of the year/period	197691.68	197691.68	197691.68	
<b>Balance at the end of the year/period</b>	<b>197691.68</b>	<b>197691.68</b>	<b>197691.68</b>	

17.2 Retained Earnings		( ₹ in lakhs )		
Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019	
Balance at the beginning of the year/period	20152.67	5538.26	5275.95	
Profit attributable to owners of the Company	4791.23	19631.15	21112.89	
Other comprehensive income arising from remeasurement of defined benefit obligation net of income tax	(818.45)	(315.08)	214.43	
Payment of dividends on equity shares	(2500.00)	(3900.00)	(11500.00)	
Excess provision written back			785.94	
Related income-tax on Dividend		(801.66)	(2363.86)	
Transfer to Bond Redemption Reserve			(7987.09)	
<b>Balance at the end of the year/period</b>	<b>21625.45</b>	<b>20152.67</b>	<b>5538.26</b>	

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

17.3 Bond Redemption Reserve		( ₹ in lakhs )		
Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019	
Balance at the beginning of the year/period	65054.17	65054.17	57067.08	
Movement during the year/period		0	7987.09	
<b>Balance at the end of the year/period</b>	<b>65054.17</b>	<b>65054.17</b>	<b>65054.17</b>	

**The nature of reserves are follows:**

**(a) General Reserve :-** Under the erstwhile companies Act 1956, a general reserve was created through an annual transfer of net profit at a specified percentage in accordance with applicable regulations. Consequent to the introduction of Companies Act 2013, the requirement to mandatory transfer a specified percentage of net profit to general reserve has been withdrawn.

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

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

Note no.- 18 Long term borrowings

( ₹ in lakhs )

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>1. SECURED BORROWINGS</b>			
<b>A. PRIVATELY PLACED PSU BONDS</b>			
<b><u>i. Twenty second Issue</u></b>	50000.00		
<b>Less : Bond expense amortisation</b>	34.89		
<b>Add: Interest accrued but not due</b>	<u>1158.36</u>		
<b>Bond - Twenty second Issue ( Net)</b>	51123.47		
8 years NEEPCO 7.55% Secured, Redeemable, Non-Convertible, Taxable Bonds of Rs.10,00,000 each, redeemable at 25% of face value on 10-12-2026, 10-06-2027, 10-12-2027 & 10-06-2028 with Call Option on 10-06-2025, 10-12-2025, 10-06-2026, 10-12-2026, 10-06-2027, 10-12-2027. The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunchal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been identified for creation of charge by way of mortgage through a Trust Deed with the appointed Debenture Trustee: Charge ID No.100394348			
<b><u>ii. Twenty first Issue</u></b>	15000.00	15000.00	
<b>Less : Bond expense amortisation</b>	24.04	27.14	
<b>Add: Interest accrued but not due</b>	<u>21.43</u>	<u>21.37</u>	
<b>Bond - Twenty first Issue ( Net)</b>	14997.39	14994.23	
8 years NEEPCO 8.69% Secured, Redeemable, Non-Convertible, Taxable Bonds in the nature of debetures of Rs.10,00,000 each, redeemable at 50% of face value on 26-09-2026, 26-09-2027 with Call Option on 26-09-2024, 26-03-2025, 26-09-2025, 26-03-2026,26-09-2026 & 26-03-2027. The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunchal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee.			
<b><u>iii. Twentieth issue</u></b>	30000.00	30000.00	30000.00
<b>Less : Bond expense amortisation</b>	21.01	24.88	28.40
<b>Add: Interest accrued but not due</b>	<u>960.41</u>	<u>965.57</u>	960.41
<b>Bond - Twentieth Issue ( Net)</b>	30939.40	30940.69	30932.01

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<p>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 &amp; 29-11-2025 with Call Option on 29-11-2023, 29-05-2024, 29-11-2024, 29-05-2025.</p> <p>(The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunchal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).</p>			
<p><b>iv. Nineteenth issue</b></p> <p><b>Less : Bond expense amortisation</b></p> <p><b>Add: Interest accrued but not due</b></p> <p><b>Bond - Nineteenth issue ( Net)</b></p>	<p>30000.00</p> <p>24.13</p> <p><u>359.59</u></p> <p>30335.46</p>	<p>30000.00</p> <p>26.92</p> <p><u>365.78</u></p> <p>30338.86</p>	<p>30000.00</p> <p>29.48</p> <p>359.59</p> <p>30330.11</p>
<p>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 &amp; 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.</p> <p>(The assets attached to the earth as well as other movable assets of the Pare Hydro Electric Project, Arunchal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of mortgage through a Trust Deed with the appointed Debenture Trustee).</p>			
<p><b>v. Eighteenth issue</b></p> <p><b>Less : Bond expense amortisation</b></p> <p><b>Add: Interest accrued but not due</b></p> <p><b>Bond -Eighteenth issue ( Net)</b></p>	<p>50000.00</p> <p>24.63</p> <p><u>1441.32</u></p> <p>51416.69</p>	<p>50000.00</p> <p>28.84</p> <p><u>1447.87</u></p> <p>51419.03</p>	<p>50000.00</p> <p>32.73</p> <p>1441.32</p> <p>51408.59</p>
<p>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 &amp; 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.</p> <p>(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).</p>			
<p><b>vi. Seventeenth issue</b></p> <p><b>Less : Bond expense amortisation</b></p> <p><b>Add: Interest accrued but not due</b></p> <p><b>Bond -Seventeenth issue ( Net)</b></p>		<p>30000.00</p> <p>5.22</p> <p><u>805.57</u></p> <p>30800.35</p>	<p>30000.00</p> <p>15.10</p> <p>801.37</p> <p>30786.27</p>

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
3 years 2 months NEEPCO 7.80% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹ 10,00,000 each, redeemable at par on 27-05-2020. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).			
<b>vii. Sixteenth Issue</b>	90000.00	90000.00	90000.00
<b>Less : Bond expense amortisation</b>	50.16	54.59	58.66
<b>Add: Interest accrued but not due</b>	<u>2290.09</u>	<u>2283.83</u>	2290.09
<b>Bond -Sixteenth ( Net)</b>	92239.93	92229.24	92231.43
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)			
<b>viii. Fifteenth issue</b>	48000.00	60000.00	60000.00
<b>Add: Interest accrued but not due</b>	<u>84.23</u>	<u>105.00</u>	105.29
<b>Bond -Fifteenth ( Net)</b>	48084.23	60105.00	60105.29
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).			
<b>ix. Fourteenth issue</b>	200000.00	250000.00	250000.00
<b>Add: Interest accrued but not due</b>	<u>0.00</u>		11967
<b>Bond -Fourteenth ( Net)</b>	200000.00	250000.00	261967.00
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).			

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b>x. Thirteenth issue</b>	2900.00	4350.00	5800.00
<b>Add: Interest accrued but not due</b>	<u>18.23</u>	<u>18.19</u>	24.31
<b>Bond -Thirteenth ( Net)</b>	2918.23	4368.19	5824.31
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).			
<b>xi. Twelfth issue</b>	4800.00	7200.00	9600.00
<b>Add: Interest accrued but not due</b>	<u>166.65</u>	<u>251.12</u>	333.31
<b>Bond -Twelfth ( Net)</b>	4966.65	7451.12	9933.31
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).			
<b>xii. Eleventh issue</b>	4000.00	4000.00	4000.00
<b>Add: Interest accrued but not due</b>	<u>84.95</u>	<u>85.84</u>	84.95
<b>Bond -Eleventh ( Net)</b>	4084.95	4085.84	4084.95
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 ).			
<b>Sub-total : Privately Placed PSU Bonds (A)</b>	<b>531106.40</b>	<b>576732.55</b>	<b>577603.27</b>
<b><u>B. SECURED TERM LOANS</u></b>			
<b><u>i. Rupee Loans:</u></b>			
<b><u>a. Medium Term Coporate Loan from Canara Bank</u></b>	50000.00	40000.00	
<b>Add: Interest accrued but not due</b>	<u>130.89</u>	<u>136.59</u>	
<b>Medium Term Coporate Loan from Canara Bank (Net)</b>	50130.89	40136.59	
Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh. The loan is repayble in 16 structured quarterly installment after 1 year moratorium from first drawal on 03-02-2020.			

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
<b><u>b. Corporate Term Loan from Punjab National Bank</u></b>	80000.00		
Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh. The loan is repayable in following quarterly installments after 2 years moratorium from first drawal: 12 equal installments of Rs.25 crore each starting from 30.12.2022, 8 equal installments of Rs.50 crore each starting from 30.12.2025 and 4 equal installments of Rs.137.50 crore each starting from 30.12.2027.			
<b><u>Foreign Currency Loan</u></b>			
<b>External Commercial Borrowing</b>	20734.21	28996.44	33700.26
<b>Add: Interest accrued but not due</b>	<u>13.55</u>	<u>25.48</u>	50.15
<b>External Commercial Borrowing ( Net)</b>	20747.76	29021.92	33750.41
[Secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects –Extension, Agartala. [SBI,Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin ( margin has been reduced to 2.75% p.a. w.e.f 20 <sup>th</sup> March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 <sup>th</sup> June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]			
<b>Sub- Total Secured Loans (B)</b>	<b>150878.65</b>	<b>69158.51</b>	<b>33750.41</b>
<b>Total : Secured Borrowings (A+B)</b>	<b>681985.05</b>	<b>645891.06</b>	<b>611353.68</b>
<b><u>2.UNSECURED BORROWINGS:</u></b>			
<b>(i) Rupee Loan</b>			
<b>Subordinate Loans from Government of India</b>	29196.42	29196.42	29196.42
<b>Less : Loan expense amortisation</b>	<u>71.42</u>	<u>73.76</u>	<u>75.98</u>
<b>Subordinate Loans from Government of India ( Net)</b>	29125.00	29122.66	29120.44
(Govt of India has sanctioned subordinate loan of ₹ 29196.42 lakhs at the interest trate of 1 % p.a . The loan was sanctioned on various date with last drawal on 6th July 2015 . The loan is repayable in 15 equal annual installments from the 16th year after commissioning of the Tuirial Hydro Electric Project, Mizoram) i.e from 30th January 2018.			
<b><u>(ii) Foreign Currency Loan</u></b>			
<b>Loan from KfW, Germany</b>	50802.71	54263.75	54914.59
<b>Less :: Fair Value ( 80 million &amp; 20 Million)</b>	(117.20)	(49.42)	
<b>Add: Interest accrued but not due</b>	<u>332.70</u>	<u>361.00</u>	373.61
<b>Loan from KfW, Germany (Net)</b>	51252.61	54674.17	55288.20
(Guaranteed by the Govt. Of India) Loan sanctioned for construction of the Pare Hydro Electric Project (110 MW) at Arunachal Pradesh.			

Particulars	As at March 31, 2021	As at March 31, 2020	As at April 1, 2019
( Loan of 80 million and 20 million EURO was sanctioned from KFW , Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 <sup>th</sup> December 2008 & 20th December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayble in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively. )			
<b>Total Unsecured Borrowing ( i + ii)</b>	80377.61	83796.83	84408.64
<b>3. Interest accrued but not due</b>			
<b>3. Lease Liability - Asset under Lease</b>	790.45	978.75	
<b>Total ( 1 + 2 + 3 )</b>	<b>763153.11</b>	<b>730666.64</b>	<b>695762.32</b>
<b>Less : Current maturities of ( Refer Note 23)</b>			
Bonds	69850.00	95850.00	3850.00
Rupee Term Loan MTCL	12500.00		
Foreign Currency Loan - Secured	7538.64	7731.58	7094.21
Foreign Currency Loan - unsecured	6314.50	5260.36	4144.65
Interest accrued but not due	7062.40	6873.21	18791.40
Lease Liability - Asset under Lease	522.66	592.10	
<b>GRAND TOTAL : Non-Current Liabilities</b>	<b>659364.91</b>	<b>614359.39</b>	<b>661882.06</b>

The maturity profile of borrowings (Principal amounts) are as follows:

₹ in lakhs

Contractual maturities	As at March 31, 2021	As at March 31, 2020	As at March 31, 2019
In one year or less or on demand	96,203.14	1,48,842.74	15088.86
Between one & two years	97,203.14	83,673.24	109421.09
Between two & three years	96,471.42	79,673.24	82643.49
Between three & four years	1,05,814.50	73,890.14	78643.49
Between four & five years	86,314.50	83,090.86	73019.79
More than five years	2,73,426.63	2,53,836.39	318394.55
<b>Total contractual cash flows</b>	<b>755433.34</b>	<b>723006.61</b>	<b>677211.27</b>
Less: Capitalisation of transaction costs	Nil	Nil	Nil
<b>Total Borrowings</b>	<b>755433.34</b>	<b>723006.61</b>	<b>677211.27</b>

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Provision for Leave encashment			
Medical benefit for retired employees	1070.55	6587.61	5550.27
Other retirement benefits	<u>279.04</u>	141.49	<u>156.79</u>
Total	1349.59	6729.10	5707.06

The provision for employee benefits includes gratuity, Leave Encashment, Post retirement medical benefit, Gold Coin at retirement. The increase/ decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year.

**1. Defined Contribution Plan**

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

**a) Provident fund**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. Company pays fixed contribution at predetermined rates to the Provident Fund Trust, which invests the fund in permitted securities as per Government guidelines. The Companies contribution to the fund for the period was ` 3351.80 lakhs (previous year ` 3340.19 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 ` 2324.90 lakhs (previous year ` 2280.70 lakhs).

**2. Defined benefit plans**

**a. 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.

**b. Other retirement benefit on Superannuation**

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

**3. Other Employee benefit**

**Social Security Scheme**

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

**Actuarial Valuation of Gratuity Liability****Summary of results:**

	Assets / Liability	31-03-2020	31-03-2021
a	Present value of obligation	19,874.07	19,701.01
b	Fair value of plan assets	18,567.96	18,171.16
c	Net assets / (liability) recognized in balance	-1,306.11	-1,529.85

**Summary of membership data:**

	As at	31-03-2020	31-03-2021
a)	Number of employees	2163	2038
b)	Total Monthly Salary (Lakhs)	2167.42	2102.4
c)	Average Past Service (Years)		23.36
d)	Average Age (Years)		49.9
e)	Average remaining working life (Years)		10.1
f)	weighted average duration		9.06

**Economic Assumptions:**

As at	31-03-2020	31-03-2021
i) Discounting Rate	6.75	6.75
ii) Future salary Increase	6.5	6.5

**Demographic Assumption:**

As at	31-03-2020	31-03-2021
i) Retirement Age (Years)	60	60
ii) Mortality rates inclusive of provision for disability **	100% of IALM (2012 - 14)	100% of IALM (2012 - 14)
iii) Attrition at Ages	<b>Withdrawal</b>	<b>Withdrawal</b>
	<b>Rate (%)</b>	<b>Rate (%)</b>
Up to 30 Years	0.01%	0.01%
From 31 to 44 years	0.03%	0.03%
Above 44 years	0.06%	0.06%

**Scale of Benefits:**

a)	Salary for calculation of gratuity	Last drawn qualifying salary.
b)	Vesting Period	5 years of service.
c)	Benefit on normal retirement	As per the provisions of payment of Gratuity Act 1972 as amended.
d)	Benefit on early retirement / withdrawal / resignation	Same as normal retirement benefit based on service upto the date of exit.
e)	Benefit on death in service	Same as normal retirement benefit based on service upto the date of death & no vesting conditions apply.
f)	Limit	20.00 Lakhs.

**Plan Liability:**

Date Ending	31-03-2020	31-03-2021
Present value of obligation as at the end of the period	19,874.07	19,701.01

**Service Cost:**

		31-03-2020	31-03-2021
a)	Current Service Cost	1,217.33	1,151.79
b)	Past Service Cost including curtailment Gains/Losses	--	--
c)	Gains or Losses on Non routine settlements	--	--
d)	Total Service Cost	1,217.33	1,151.79

**Net Interest Cost:**

		31-03-2020	31-03-2021
a)	Interest Cost on Defined Benefit Obligation	1,263.98	1,341.50
b)	Interest Income on Plan Assets	1,258.09	1,253.34
c)	Net Interest Cost (Income)	5.90	88.16

**Change in Benefit Obligation:**

		31-03-2020	31-03-2021
a)	Present value of obligation as at the beginning of the period	20,193.51	19,874.07
b)	Acquisition adjustment	--	--
c)	Interest Cost	1,263.98	1,341.50
d)	Service Cost	1,217.33	1,151.79
e)	Past Service Cost including curtailment Gains/Losses	--	--
f)	Benefits Paid	-2,935.68	-2,828.70
g)	Total Actuarial (Gain)/Loss on Obligation	134.93	162.35
h)	Present value of obligation as at the End of the period	19,874.07	19,701.01

**Bifurcation of Actuarial Gain/Loss on Obligation:**

		31-03-2020	31-03-2021
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	--	--
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	699.58	
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	-564.65	162.35

**Actuarial Gain/Loss on Plan Asset:**

		31-03-2020	31-03-2021
a)	Expected Interest Income	1,258.09	1,253.34
b)	Actual Income on Plan Asset	1,310.14	1,125.79
c)	Actuarial gain / (loss) for the year on Asset	52.05	-127.54

**Balance Sheet and related analysis:**

		31-03-2020	31-03-2021
a)	Present Value of the obligation at end	19,874.07	19,701.01
b)	Fair value of plan assets	18,567.96	18,171.16
c)	Unfunded Liability/provision in Balance Sheet	-1,306.11	-1,529.85

**The amounts recognized in the income statement:**

		31-03-2020	31-03-2021
a)	Total Service Cost	1,217.33	1,151.79
b)	Net Interest Cost	5.90	88.16
c)	Expense recognized in the Income Statement	1,223.23	1,239.95

**Other Comprehensive Income (OCI):**

		31-03-2020	31-03-2021
a)	Net cumulative unrecognized actuarial gain/(loss) opening		
b)	Actuarial gain / (loss) for the year on PBO	-134.93	-162.35
c)	Actuarial gain / (loss) for the year on Asset	52.05	-127.54
d)	Unrecognized actuarial gain/(loss) for the year	-82.88	-289.90

**Change in plan assets :**

		31-03-2020	31-03-2021
a)	Fair value of plan assets at the beginning of the period	18,638.31	18,567.96
b)	Actual return on plan assets	1,310.14	1,125.79
c)	Employer contribution	1,555.20	1,306.11
d)	Benefits paid	-2,935.68	-2,828.70
e)	Fair value of plan assets at the end of the period	18,567.96	18,171.16

**Major categories of plan assets (as percentage of total plan assets):**

		31-03-2020	31-03-2021
a)	Government of India Securities	--	--
b)	State Government securities	--	--
c)	High Quality Corporate Bonds	--	--
d)	Equity Shares of listed companies	--	--
e)	Property	--	--
f)	Funds Managed by Insurer	100%	100%
g)	Bank Balance	--	--
	<b>Total</b>	<b>100%</b>	<b>100%</b>

**Change in Net Defined Benefit Obligation:**

		31-03-2020	31-03-2021
a)	Net defined benefit liability at the start of the period	1,555.20	1,306.11
b)	Acquisition adjustment	--	--
c)	Total Service Cost	1,217.33	1,151.79
d)	Net Interest cost (Income)	5.90	88.16
e)	Re-measurements	82.88	289.90
f)	Contribution paid to the Fund	-1,555.20	-1,306.11
g)	Benefit paid directly by the enterprise		
h)	Net defined benefit liability at the end of the period	1,306.11	1,529.85

**Bifurcation of PBO at the end of year in current and non current:**

		31-03-2021
a)	Current liability (Amount due within one year)	2,141.10
b)	Non-Current liability (Amount due over one year)	17,559.92
	<b>Total PBO at the end of year</b>	<b>19,701.01</b>

**Expected contribution for the next Annual reporting period:**

		31-03-2021
a)	Service Cost	1,060.19
b)	Net Interest Cost	103.26
c)	Expected Expense for the next annual reporting period	1,163.46

**Sensitivity Analysis of the defined benefit obligation:**

<b>a) Impact of the change in discount rate</b>		
	Present Value of Obligation at the end of the period	19,701.01
a)	Impact due to increase of 0.50%	-530.82
b)	Impact due to decrease of 0.50 %	557.79
<b>b) Impact of the change in salary increase</b>		
	Present Value of Obligation at the end of the period	19,701.01
a)	Impact due to increase of 0.50%	185.00
b)	Impact due to decrease of 0.50 %	-193.85

<b>Maturity Profile of Defined Benefit Obligation:</b>		
	Year	Amount
a)	0 to 1 Year	
b)	1 to 2 Year	
c)	2 to 3 Year	
d)	3 to 4 Year	
e)	4 to 5 Year	
f)	5 to 6 Year	
g)	6 Year onwards	

**Actuarial Valuation of Leave Encashment**

**Summary of results:**

	<b>Assets / Liability</b>	<b>31-03-2020</b>	<b>31-03-2021</b>
a	Present value of obligation	13,251.63	14,761.46
b	Fair value of plan assets	--	--
c	Net assets / (liability) recognized in balance sheet as provision	-13,251.63	-14,761.46

**Summary of membership data:**

	<b>As at</b>	<b>31-03-2020</b>	<b>31-03-2021</b>
a)	Number of employees	2163	2038
b)	Total Monthly Salary for (Lakhs)	2167.42	2102.40
	leave encashment		
c)	Total Monthly Salary for (Lakhs)		4204.8
	leave availment		
d)	Average Past Service (Years)		23.36
e)	Average Age (Years)		49.9
f)	Average remaining (Years)		10.1
	working life		
g)	Leave balance considered on valuation date		3,89,098
h)	Weighted average duration of PBO		9.06

**Economic Assumptions:**

	<b>31-03-2020</b>	<b>31-03-2021</b>
i) Discounting Rate	6.75	6.75
ii) Future salary Increase	6.5	6.5

**Demographic Assumption:**

i) Retirement Age (Years)	60	60	
ii) Mortality rates inclusive of provision for disability **	100 % of IALM (2006 - 08)	100 % of IALM (2012 - 14)	
iii) Ages	<b>Withdrawal</b>	<b>Withdrawal</b>	
	<b>Rate (%)</b>	<b>Rate (%)</b>	
	Up to 30 Years		0.1
	From 31 to 44 years		0.3
		0.6	
iv) Leave			
Leave Availment Rate		Nil	
Leave Lapse rate while in service		Nil	
Leave Lapse rate on exit		Nil	
Leave encashment Rate while in service		Nil	

**Scale of Benefits:**

a)	Salary for calculation of Earned Leave	Last drawn qualifying salary.
b)	Vesting Period	Nil.
c)	Benefits	
1	Yearly accrual	30 days
2	Maximum accumulation	As per Company Policy
3	Total Leave Days	3,89,288
4	Availment in service (Compensated absence)	Yes
5	Leave encashment in service	No
6	Leave encashment on exit	Yes
7	Month to be treated as	30 days
8	Leave Lapse	Yes (above 300 days)
d)	Benefit on normal retirement	maximum upto 300 days of Actual Accumulation whichever is less
e)	Benefit on early retirement/ withdrawal/ resignation/ death	Same as normal retirement benefit.

**Plan Liability:**

Date Ending	31-03-2020	31-03-2021
Present value of obligation as at the end of the period	13,251.63	14,761.46

**Service Cost:**

	31-03-2020	31-03-2021
a) Current Service Cost	2,306.24	1,690.16
b) Past Service Cost including curtailment Gains/Losses	--	--
c) Gains or Losses on Non routine settlements	--	--
d) Total Service Cost	2,306.24	1,690.16

**Net Interest Cost:**

	31-03-2020	31-03-2021
a) Interest Cost on Defined Benefit Obligation	647.83	894.49
b) Interest Income on Plan Assets		--
c) Net Interest Cost (Income)	647.83	894.49

**Table showing Change in Benefit Obligation:**

	31-03-2020	31-03-2021
a) Present value of obligation as at the beginning of the period	10,377.70	13,251.63
b) Acquisition adjustment	--	--
c) Interest Cost	647.83	894.49
d) Service Cost	2,306.24	1,690.16
e) Past Service Cost including curtailment Gains/Losses	--	--
f) Benefits Paid	-1,560.36	-1,093.84

g)	Total Actuarial (Gain)/Loss on Obligation	1,480.22	19.03
h)	Present value of obligation as at the	13,251.63	14,761.46
	End of the period		

**Actuarial Gain/Loss on Obligation:**

		31-03-2020	31-03-2021
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption		--
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	139.88	--
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	1,340.34	-180.97

**Actuarial Gain/Loss on Plan Asset:**

		31-03-2020	31-03-2021
a)	Expected Interest Income	--	--
b)	Actual Income on Plan Asset	--	--
c)	Actuarial gain / (loss) for the year on Asset	--	--

**Balance Sheet and related analysis:**

		31-03-2020	31-03-2021
a)	Present Value of the obligation at end	13,251.63	14,761.46
b)	Fair value of plan assets	--	--
c)	Unfunded Liability/provision in Balance Sheet	-13,251.63	-14,761.46

**The amounts recognized in the income statement:**

		31-03-2020	31-03-2021
a)	Total Service Cost	2,306.24	1,690.16
b)	Net Interest Cost	647.83	894.49
c)	Net actuarial (gain) / loss recognized in the period	1,480.22	19.03
c)	Expense recognized in the Income Statement	4,434.29	2,603.67

**Change in Net Defined Benefit Obligation:**

		31-03-2020	31-03-2021
a)	Net defined benefit liability at the start of the period	10,377.70	13,251.63
b)	Acquisition adjustment		--
c)	Total Service Cost	2,306.24	1,690.16
d)	Net Interest cost (Income)	647.83	894.49
e)	Re-measurements	1,480.22	19.03
f)	Contribution paid to the Fund	--	--
g)	Benefit paid directly by the enterprise	-1,560.36	-1,093.84
h)	Net defined benefit liability at the end of the period	13,251.63	14,761.46

**Bifurcation of PBO at the end of year in current and non current:**

		31-03-2020	31-03-2021
a)	Current liability (Amount due within one year)	1,017.56	1,129.90
b)	Non-Current liability (Amount due over one year)	12,234.08	13,631.57
	<b>Total PBO at the end of year</b>	<b>13,251.63</b>	<b>14,761.46</b>

**Expected contribution for the next Annual reporting period:**

		31-03-2021
a)	Service Cost	1,734.48
b)	Net Interest Cost	996.40
c)	Expected Expense for the next annual reporting period	2,730.88

**Sensitivity Analysis of the defined benefit obligation:**

<b>a) Impact of the change in discount rate</b>		
	Present Value of Obligation at the end of the period	<b>14,761.46</b>
a)	Impact due to increase of 0.50 %	-508.47
b)	Impact due to decrease of 0.50 %	539.98
<b>b) Impact of the change in salary increase</b>		
	Present Value of Obligation at the end of the period	<b>14,761.46</b>
a)	Impact due to increase of 0.50 %	537.66
b)	Impact due to decrease of 0.50 %	-509.22

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

**Summary of results:**

	<b>Assets / Liability</b>	31-03-2020	31-03-2021
a	Present value of obligation	7,025.95	8,536.57
b	Fair value of plan assets	--	7,024.04
c	Net assets / (liability) recognized in balance sheet as provision	-7,025.95	-1,512.53

**Summary of membership data:**

	<b>As at</b>	31-03-2020	31-03-2021
In Service Emp			
a)	Number of employees	2163	2038
c)	Average Past Service (Years)	--	23.36
d)	Average Age (Years)	--	49.9
e)	Average remaining working life (Years)	--	10.1
f)	Weighted average remaining working life.	--	9.06
1424	1539		

a)	Number of Retired Employee	1424	1539
b)	Average Age (Years)		65.92
	Yearly Cost per Reitee		
	(a) Out Patient treatment cost		25400/-
	(b) In-patient treatment cost		

**Economic Assumptions:**

		<b>31-03-2020</b>	<b>31-03-2021</b>
a)	Discounting Rate	6.75	6.75
b)	Future Medical Cost Increase		
	a) Outdoor Treatment	Nil	2
	b) Indoor Treatment		

**Demographic Assumption:**

i) Retirement Age (Years)		60	60
ii) Mortality rates inclusive of provision for disability **		100% of IALM (2006- 08)	100% of IALM (2012 - 14)
iii) Ages		<b>Withdrawal</b>	<b>Withdrawal</b>
		<b>Rate (%)</b>	<b>Rate (%)</b>
Up to 30 Years		0.1	0.1
From 31 to 44 years		0.3	0.3
Above 44 years		0.6	0.6

**Mortality & Morbidity rates:**

a) While in service - 100% of IALM (2012-14) rates have been assumed which also includes the allowance for disability benefits

Age	Mortality Rate	Age	Mortality Rate
15	0.000698	40	0.00168
20	0.000924	45	0.002579
25	0.000931	50	0.004436
30	0.000977	55	0.007513
35	0.001202	60	0.011162

b) After Retirement - 100% of (1996-98) rates have been assumed

Age	Rate	Age	Rate
50	0.004243	80	0.070802
60	0.010907	85	0.106891
65	0.01389	90	0.151539
70	0.024301	100	0.266511
75	0.043272		

**Plan Liability:**

Date Ending		<b>31-03-2020</b>	<b>31-03-2021</b>
Present value of obligation as at the end of the period		7,025.95	8,536.57

**Service Cost:**

		<b>31-03-2020</b>	<b>31-03-2021</b>
a)	Current Service Cost	696.93	581.54
b)	Past Service Cost including curtailment Gains/Losses	--	--
c)	Gains or Losses on Non routine settlements	--	--
d)	Total Service Cost	696.93	581.54

**Net Interest Cost:**

		31-03-2020	31-03-2021
a)	Interest Cost on Defined Benefit Obligation	386.12	474.25
b)	Interest Income on Plan Assets	0.00	335.93
c)	Net Interest Cost (Income)	386.12	138.32

**Change in Present Benefit Obligation:**

		31-03-2020	31-03-2021
a)	Present value of obligation as at the beginning of the period	5,902.82	7,025.95
b)	Interest Cost	386.12	474.25
c)	Service Cost	696.93	581.54
d)	Benefits Paid	-365.06	-415.53
e)	Total Actuarial (Gain)/Loss on Obligation	405.14	870.36
f)	Present value of obligation as at the End of the period	7,025.95	8,536.57

**Actuarial (Gain)/Loss on Obligation:**

		31-03-2020	31-03-2021
a)	Actuarial (Gain)/Loss on arising from Change in Demographic Assumption	--	--
b)	Actuarial (Gain)/Loss on arising from Change in Financial Assumption	444.63	1,207.75
c)	Actuarial (Gain)/Loss on arising from Experience Adjustment	-39.50	-337.39

**Actuarial (Gain)/Loss on Plan Asset:**

		31-03-2020	31-03-2021
a)	Expected Interest Income	--	335.93
b)	Actual Income on Plan Asset	--	237.88
c)	Actuarial gain / (loss) for the year on Asset	--	-98.04

**Balance Sheet and related analysis:**

		31-03-2020	31-03-2021
a)	Present Value of the obligation at end	7,025.95	8,536.57
b)	Fair value of plan assets		7,024.04
c)	Unfunded Liability/provision in Balance Sheet	-7,025.95	-1,512.53
d)	Unfunded liability recognized in Balance Sheet	-7,025.95	-1,512.53

**The amounts recognized in the income statement:**

		31-03-2020	31-03-2021
a)	Service Cost	696.93	581.54
b)	Net Interest Cost	386.12	138.32
c)	Expense recognized in the Income Statement	1,083.05	719.87

**Other Comprehensive Income (OCI):**

		31-03-2020	31-03-2021
a)	Net cumulative unrecognized actuarial gain/(loss) opening		

b)	Actuarial gain / (loss) for the year on PBO	-405.14	-870.36
c)	Actuarial gain / (loss) for the year on Asset	--	-98.04
d)	Unrecognized actuarial gain/(loss) at the end of the year	-405.14	-968.40

**Change in plan assets:**

		31-03-2020	31-03-2021
a)	Fair value of plan assets at the beginning of the period		--
b)	Actual return on plan assets		237.88
c)	Employer contribution		7,025.95
d)	Benefits paid		-239.80
e)	Fair value of plan assets at the end of the period		7,024.04

**Major categories of plan assets (as percentage of total plan assets):**

		31-03-2020	31-03-2021
a)	Government of India Securities	--	--
b)	State Government securities	--	--
c)	High Quality Corporate Bonds	--	--
d)	Equity Shares of listed companies	--	--
e)	Property	--	--
f)	Funds Managed by Insurer	100%	100%
	<b>Total</b>	<b>100%</b>	<b>100%</b>

**Change in Net Defined Benefit Obligation:**

		31-03-2020	31-03-2021
a)	Net defined benefit liability at the start of the period	5,902.82	7,025.95
b)	Service Cost	696.93	581.54
c)	Net Interest cost (Income)	386.12	138.32
d)	Re-measurements	405.14	968.40
e)	Contribution paid to the Fund	--	-7,025.95
f)	Benefit paid directly by the enterprise	-365.06	-175.74
g)	Net defined benefit liability at the end of the period	7,025.95	1,512.53

**Bifurcation of PBO at the end of year in current and non current:**

		31-03-2020	31-03-2021
a)	Current liability (Amount due within one year)		441.98
b)	Non-Current liability (Amount due over one year)		8,094.59
	<b>Total PBO at the end of year</b>		<b>8,536.57</b>

**Expected contribution for the next Annual reporting period:**

		31-03-2020	31-03-2021
a)	Service Cost		--
b)	Net Interest Cost		--
c)	Expected Expense for the next annual reporting period		--

**Sensitivity Analysis of the defined benefit obligation:**

<b>a) Impact of the change in discount rate</b>		
	Present Value of Obligation at the end of the period	8,536.57
a)	Impact due to increase of 0.50 %	--
b)	Impact due to decrease of 0.50 %	--
<b>b) Impact of Medical Cost Rate</b>		
	Present Value of Obligation at the end of the period	8,536.57
a)	Impact due to increase of 0.50 %	--
b)	Impact due to decrease of 0.50 %	--

**AWARD OF GOLD COIN ON RETIREMENT**

**Summary of results:**

	<b>Assets / Liability</b>	<b>31-03-2021</b>
a	Present value of obligation	288
b	Fair value of plan assets	--
c	Net assets / (liability) recognized in balance sheet as provision	-288

**Summary of membership data:**

	<b>As at</b>	<b>31-03-2021</b>
a)	Number of employees	2038
b)	Total Monthly Salary (Lakhs)	N/A
c)	Average Past Service (Years)	23.36
d)	Average Age (Years)	49.9
e)	Average remaining working life (Years)	10.1

**Economic Assumptions:**

	<b>31-03-2021</b>
i) Discounting Rate	6.75%
ii) Gold Coin Escalation rate	6.50%

**Demographic Assumption:**

i) Retirement Age (Years)	60	
ii) Mortality Table	IALM(2012-14)	
iii) Ages	<b>Withdrawal</b>	
	<b>Rate (%)</b>	
	Up to 30 Years	0.01%
	From 31 to 44 years	0.03%
Above 44 years	0.06%	

**Actuarial Value:**

<b>Present value of obligation as at the end of period (31/03/2021)</b>	<b>288.18</b>
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**Bifurcation of PBO at the end of year as per schedule III to the companies Act, 2013:**

		<b>31-03-2021</b>
a)	Current liability (Amount due within one year)	9.14
b)	Non-Current liability (Amount due over one year)	279.04
c)	<b>Total PBO at the end of year</b>	<b>288.18</b>

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>Short Term Loan for construction Projects</b>			
Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh.- The short term loan has been sanctioned by Canara Bank , Shillong on 25 <sup>th</sup> February 2019 at the rate of MCLR 1 year with annual reset. The last MCLR is at the rate of 8.65% pa. The loan is available for drawal upto one year from the date of sanction. Each tranche of the loan availed shall be repaid within 12 months from the date of its availment.	0.00	40000.00	10000.00
<b>Add: Interest accrued but not due</b>		<u>80.58</u>	33.18
<b>Short Term Loan loan ( Net)</b>	0.00	40080.58	10033.18
<b>Working capital Demand Loan</b>			
<b>(i) State Bank of India, Shillong</b>			
Secured against hypothecation of book debts and all other inventories of the company both present and future to the extent of drawal. The <b>Cash Credit (CC)</b> sanctioned by SBI, Shillong on 17.06.2020 at the rate of 1 year MCLR months plus NIL margin. The last MCLR i.e. on 31.03.2021 is at the rate of 7.00% p.a. The tenor of the loan is upto 16.06.2021	6174.67	4319.90	
<b>Add: Interest accrued but not due</b>	<u>0.00</u>	<u>9.48</u>	
<b>Working Capital Demand Loan loan ( Net)</b>	6174.67	4329.38	
Secured against hypothecation of book debts and all other inventories of the company both present and future to the extent of drawal. The Working Capital Demand Loan (WC DL) sanctioned by SBI, Shillong on 17.06.2020 at the rate of 1 year MCLR months plus NIL margin. The last MCLR i.e. on 31.03.2021 is at the rate of 7.00% p.a. The tenor of the loan is upto 16.06.2021	13000.00	21450.00	11136.63
<b>Add: Interest accrued but not due</b>	<u>23.08</u>	<u>45.30</u>	
<b>Working capital demand loan ( Net)</b>	13023.08	21495.30	11136.63
<b>(ii) Axis Bank, Shillong</b>			
The Working Capital Demand Loan (WC DL) sanctioned by Axis Bank, Shillong on 21.12.2020 This is Unsecured Loan at the rate of external benchmark plus spread i.e. 3M plus spread. The last 3M MIBOR plus spread i.e. on 31.03.2021 is at the rate of 6.00% p.a.	9100.00	13500.00	7100.00
<b>(iii) ICICI Bank, Shillong</b>			
The Working Capital Facilities in form of Short Term Loan (STL) sanctioned by ICICI Bank, Shillong on 12.11.2020. This is Unsecured Loan at the rate of external benchmark link rate. The last external benchmark link rate i.e. on 31.03.2021 is at the rate of 6.00% p.a.	8500.00	1500.00	
<b>Total</b>	36797.75	80905.26	28269.81

**Note no.- 22 Trade Payables**

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Total outstanding dues of micro enterprises and small enterprises	434.36	206.99	277.15
Total outstanding dues of creditors other than micro enterprises and small enterprises	8148.95	9483.71	7308.48
<b>Total</b>	<b>8583.31</b>	<b>9690.70</b>	<b>7585.63</b>

The trade payable includes payment for fuel cost for the month of 31st March 2021 and provisions made on contractors / suppliers for March 2021.

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Creditors for supplies and services	8583.31	9690.70	7585.63

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:

( ₹ in lakhs )

Description	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1st April 2019
i. The principal amount remaining unpaid to supplier as at the end of the year	434.36	206.99	277.15
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 2021 is not outstanding for more than 45 days & accordingly no interest is due on the said outstanding amount.

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>I. SECURED BORROWINGS</b>			
<b>A. PRIVATELY PLACED PSU BONDS</b>			
<b>a. Seventeenth issue</b>	0.00	30000.00	
3 years 2 months NEEPCO 7.80% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹ 10,00,000 each, redeemable at par on 27-05-2020. (The assets attached to the earth as well as other movable assets of the Kameng Hydro Electric Project, Arunachal Pradesh and the landed property of the Corporation in the District of Mehsana, Gujarat have been charged by way of pari passu mortgage through a Trust Deed with the appointed Debenture Trustee).			
<b>b. Fifteenth issue</b>	12000.00	12000.00	
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).			
<b>c. Fourteenth issue</b>	50000.00	50000.00	
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).			

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<p><b>d. Thirteenth issue</b>  10 years NEEPCO 9.00% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹ 10,00,000/- each, redeemable at 20% of face value on 15-03-2019; 15-03-2020;15-03-2021, 15-03-2022 &amp; 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).</p>	1450.00	1450.00	1450.00
<p><b>e. Twelfth issue</b>  10 years NEEPCO 9.25% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹ 10,00,000/- each, redeemable at 20% of face value on 27-06-2018; 27-06-2019;27-06-2020; 27-06-2021 &amp; 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).</p>	2400.00	2400.00	2400.00
<p><b>xii. Eleventh issue</b>  10 years NEEPCO 10.20% Secured, Redeemable, Non-Convertible, Taxable Bonds of ₹ 10,00,000 each, redeemable at par on 15-12-2021 with a put &amp; 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 ).</p>	4000.00		
<p><b>B. SECURED TERM LOANS</b>  <b>i. Rupee Loans:</b>  <b>a. Medium Term Coporate Loan from Canara Bank</b>  Secured by pari passu charge over assets of the Kameng Hydro Electric Power Project (600 MW) situated at Arunachal Pradesh.  The loan is repayable in 16 structured quarterly installment after 1 year moratorium from first drawal on 03-02-2020.</p>	12500.00		

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b>Foreign Currency Loan</b>			
<b>External Commercial Borrowing</b>			
[Secured by Hypothecation of all movable & immovable assets (including plant, machinery) created / to be created in respect of Tripura Gas Based Power Plant , Agartala and Agartala Gas Turbine Projects –Extension, Agartala. [SBI,Singapore has sanctioned 100 million US Dollar ECB loan @ interest rate of 3 months LIBOR plus 3.05% p.a. as margin ( margin has been reduced to 2.75% p.a. w.e.f 20 <sup>th</sup> March 2018). The agreement was signed on 9.12.2013. The last drawal was on 4 <sup>th</sup> June 2014 . The ECB loan is repayable in 39 equal quarterly installments w.e.f. 20.06.2014]	7538.64	7731.58	7094.21
<b>Sub-Total</b>	89888.64	103581.58	10944.21
<b>II Unsecured Borrowings</b>			
<b>Foreign Currency Loan</b>			
<b>Loan from Kfw, Germany</b>			
<b>(Guranteed by the Government of India)</b>			
( Loan of 80 million and 20 million EURO was sanctioned from KFW , Germany under the Indo-German Bilateral Development Cooperation Programme. The loan agreement 80 million and 20 million EURO was executed on 11 <sup>th</sup> December 2008 & 20th December 2017 at fixed interest rate of 3.46 % p.a. & 0.85% p.a. respectively. The loan is guranteed by Govt of India. The last loan installment of 80 million EURO was received on 03.03.2016 & 20 million EURO was received on 16.08.2018. The loans are repayble in 30 equal half-yearly installments w.e.f. 30-12-2013 & 20 equal half-yearly installments w.e.f. 30-12-2020 respectively. )	6314.50	5260.36	4144.65
<b>Sub-Total</b>	6314.50	5260.36	4144.65
<b>Sub total of borrowings</b>	<b>96203.14</b>	<b>108841.94</b>	<b>15088.86</b>
<b>III Interest accrued but not due on:</b>			
Bonds	6585.26	6350.14	18367.64
Loans from Kfw	332.70	361.00	373.61
External Commercial Borrowing	13.55	25.48	50.15
Medium Term Loan	130.89	136.59	
Short term borrowing & Working Capital Loan			
<b>Sub-total</b>	<b>7062.40</b>	<b>6873.21</b>	<b>18791.40</b>
<b>IV. Other liabilities</b>			
<b>Payable for Capital Expenditure</b>			
- micro and small enterprises	28.22	189.96	367.89
- other than micro and small enterprises	11864.92	11221.18	11384.82
Payables for employees Benefits	991.56	2142.45	23312.26
Other Provisions	2.74	4.61	213.85
Advance from Beneficiaries	2275.00	2147.92	
Advance from REC for Deen Dayal Upadhaya Gram Jyoti Yojana & Pradhan Mantri Sahaj Bijli Har Ghar Yojana	204.27	275.31	2569.85
Lease Liability - Asset under Lease	522.66	592.10	
<b>Sub-Total</b>	15889.37	16573.53	37848.67
<b>Total</b>	<b>119154.91</b>	<b>132288.68</b>	<b>71728.93</b>

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
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Creditor for Capital expenditure represents amount payable to contractor in respect of work done & measured at the reporting date.

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

Description	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 01.04.2019
i. The principal amount remaining unpaid to supplier as at the end of the year	28.22	189.96	367.89
ii. The interest due thereon remaining unpaid to supplier as at the end of the year			
iii. The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under this Act			
iv. The amount of interest accrued during the year and remaining unpaid at the end of the year			

The amount payable to MSME as on 31st March 2021 is not outstanding for more than 45 days & accordingly no interest is due on the said outstanding amount.

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
Retention money from Contractors & Others	10028.92	11577.76	11402.67
<b><u>Other Statutory Dues ::</u></b>			
Direct & Indirect Taxes Payables	780.57	749.06	2400.94
Other Statutory Dues ( CPF,LIP NESSS etc)	1296.53	1336.62	2227.01
<b>Total</b>	<b>12106.02</b>	<b>13663.44</b>	<b>16030.62</b>

(i) Retention money received from Contractors & others relates to security deposit , earnest money deducted from works/supply bill which will be settled on completion of work after defect liability period as stipulated by the terms of contract/supply order.

(ii) Direct & Indirect taxes includes TDS on provision as on 31<sup>st</sup> March 2021 & indirect tax like GST deducted from works /supply bill of March 2021 not due and not deposited upto the reporting date.

(iii) Other Statutory Dues Payable includes Corporation contribution to Provident fund, LIC premium deducted , Pension contribution, employees contribution to Provident fund and other deduction made during March not due & not deposited upto the reporting date.

**Note- 25 Provisions**

( ₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
<b><u>Employee benefits</u></b>			
Gratuity	1529.85	1306.11	1560.89
Medical benefit for retired employees	441.98	438.34	352.55
Leave encashment	14761.47	13251.64	10377.70
Other retirement benefits	9.14	14.87	0.62
<b>Total</b>	<b>16742.44</b>	<b>15010.96</b>	<b>12291.76</b>

The provision for employee benefits includes gratuity, Leave Encashment, Post retirement medical benefit, Gold Coin at retirement. The increase/ decrease in the carrying amount of the provision for the current year is mainly on account of net impact of incremental charge for current year and benefits paid in the current year.

**1. Defined Contribution Plan**

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

**a) Provident fund**

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary. Company pays fixed contribution at predetermined rates to the Provident Fund Trust, which invests the fund in permitted securities as per Government guidelines. The Companies contribution to the fund for the period was ` 3351.80 lakhs (previous year ` 3340.19 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 ` 2324.90 lakhs (previous year ` 2280.70 lakhs).

## 2. Defined benefit plans

### a. Retiring gratuity

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

The Board of Directors in their meeting held on 01.04.2013 has approved the creation of Gratuity Fund Trust vide its Resolution No.195/16 dt.1.4.2013 in order to meet the requirement of funds for payment of Gratuity to the employees separated from the services of the Corporation. Accordingly NEEPCO Employees Group Gratuity Assurance Fund Trust has been constituted on 25th June 2013 and a Master Policy, named as North Eastern Electric Power Corporation Ltd Employees Group Gratuity –cum- Life Assurance (cash accumulation) Scheme, has been taken from the Life Insurance Corporation of India on 5th August 2013. Transactions with LIC during the FY 2020-21 for assessing fund balance as on 31.03.2021 are as per books of NEEPCO.

#### Details of Funded Assets with LIC

₹ in lakhs

Particulars	31.03.2021	31.03.2020	31.03.2019
Opening Balance	18567.96	18638.31	11025.31
Transactions during the year (Net Debit)	1522.59	1380.49	6821.34
Interest earned during the year (Net Credit)	1125.79	1310.14	791.66
Closing Balance	18171.16	18567.96	18638.31

### b. Post –Retirement Medical Benefit scheme

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

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

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

### c. Other retirement benefit on Superannuation

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

### 3. Other Employee benefit

#### a. Leave

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

#### 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- 26 Deferred Revenue (Non- Current) (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
a ) Deferred Revenue arising from Government Grant	26004.23	27614.95	29208.21
Less : Adjusted during the year	1610.72	1610.72	1593.26
<b>Total</b>	<b>24393.51</b>	<b>26004.23</b>	<b>27614.95</b>

#### Deferred Revenue ( Current) (₹ in lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020	As at 1 <sup>st</sup> April 2019
a ) Deferred Revenue arising from Government Grant	1610.72	1593.26	1851.30
Add : Addition during the year	1610.72	1610.72	1593.26
Less : Adjusted during the year	<u>1610.72</u>	<u>1593.26</u>	<u>1851.30</u>
<b>Sub- total</b>	<b>1610.72</b>	<b>1610.72</b>	<b>1593.26</b>
b ) Deferred Foreign Currency Fluctuation liabilities	6059.27	5601.45	509.55
<b>Total</b>	<b>7669.99</b>	<b>7212.17</b>	<b>2102.81</b>

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

NEEPCO's approved Accounting Policy includes policy of recognition and accounting of "Government grant" (para 14 of note 1 –Summary of Significant Accounting Policies).

B. Govt. of India has approved a Sub-ordinate loan amounting to ₹ 29196.42 Lakh to NEEPCO for implementation of Tuirial HEP with interest @1% per annum payable from the "Date of Commercial Operation" of the project. Of the aforesaid loan amount, NEEPCO has received ₹ 29096.42 lakh till 31.03.2015 and the balance ₹ 100.00 lakh has been received during the FY 2015-16. The loan amount ( ₹ 29096.42 lakh) received till 31.03.2015 has been recognized in books of NEEPCO as on 01.04.2015 (Ind AS Transition date) at its carrying value in compliance to the Ind AS 101 (Exception to the retrospective application). However, for the loan amount ( ₹ 100.00 lakh) received during the FY 2015-16, the benefit of the loan due to below market rate of interest (considered SBI base rate @9.70% effective as on Jun'15) amounting to ₹ 82.64 lakh has been treated as a govt. grant and recognized in the Books of NEEPCO accordingly.

#### Spares out of Grant in Aid

During the current year, repairs & maintenance has been debited and Stock of Spares has been credited by an amount of ₹ 14.33 lakhs ( Previous year ₹ 9.26 lakhs ) for spares purchased out of Grant-in-aid received from the Central Govt. An equivalent amount has been recognized as income in the statement of Profit & Loss.

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

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

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Sale of Energy	203936.44	207394.26
Sale of Energy through trading	15776.03	2161.49
Electricity Duty	1564.69	1046.06
Revenue from DSM	2819.97	2971.54
Revenue from RRAS	892.46	488.94
<b>Others ::</b>		
CERC filling fee from the beneficiaries	0.00	145.41
FERV (Net) from the beneficiaries	1547.99	32.55
NERLDC Fees & Other Charges from the beneficiaries	319.56	738.24
<b>Sale of Electricity (Net)</b>	<b>226857.14</b>	<b>214978.49</b>
<b>Other operating Revenue ::</b>		
Interest from the beneficiaries	341.56	4.53
Recognition from deferred revenue - Govt. grant	1610.72	1593.26
<b>Net Revenue from Operation</b>	<b>228809.42</b>	<b>216576.28</b>

a. Sale of Power is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC). In case of power stations where final tariff is yet to be approved by CERC, the sale of energy is provided for on the basis of provisional rate considering the Annual Fixed Cost submitted before the CERC through Tariff Petition as per the principles enunciated in the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations 2019. For projects for which neither CERC approved tariff is available nor petition pending with the CERC, sale of energy is accounted for on the basis of tariff as agreed by the beneficiaries. Revenue from sale of power includes sales delivered to customers but not yet billed, commonly referred to as "Unbilled revenue".

b. Sale of energy includes ₹ 6903.18 lakhs (previous year ₹ 3826.51 lakh) being the revenue for the year recognised based on Annual Fixed Cost as per petition submitted to CERC pending issue of orders.

c. Sale includes ₹ 576.68 lakhs (Previous year ₹ Nil) on account of earlier years sales arising out of finalization of tariff in current year.

d. In terms of regulation. 67 of the CERC (Terms and conditions of Tariff) Regulations, 2019, deferred tax liabilities for the period upto 31<sup>st</sup> March, 2009 whenever they materialise shall be recoverable directly by the generating companies or transmission licensees or from the beneficiaries or long term transmission customers/DICs, as the case may be. Accordingly, current sales includes ₹ 1319.85 lakhs ( Previous year ₹1281.85 lakhs) as deferred tax materialisation.

e. Sale of energy is net of rebate to beneficiaries amounting to ₹ 848.64 lakh (previous year ₹ 1401.78 lakhs)

f. DSM and RRAS is accounted upto the period of the financial year 2020-21, as per the weekly statements issued by the NERPC.

g. On commissioning of the Kameng HEP (600 MW) during the current financial year, merchant power (345 MW) generated by the aforesaid plant has been sold/traded through NTPC Vidyut Vyapar Nigam Ltd (NVVN) under bi-lateral agreement as well as on "Day ahead" and "Real time" markets. Further, NEEPCO has traded available power under "Un-requisitioned surplus (URS)" for its thermal power plants, namely, AGBP and AGTPCC and on imposition of regulation to Meghalaya Energy Corporation Ltd (MeECL), its beneficiary, on "Day ahead" and "Real time" markets.

**Note- 28 Other Income**

( ₹ in lakhs )

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>Other non-operating income (net of expenses directly attributable to such income)</b>		
Interest on deposit with banks	9.76	39.08
Other Misc Receipts	1459.89	419.03
<u>Liability/Provision written back</u>		
Obsolete spares	0.00	53.42
Others	81.04	100.80
Delayed Payment Surcharge from the beneficiaries	25093.79	3465.46
<b>Sub Total</b>	<b>26644.48</b>	<b>4077.79</b>
<b>Other gains and losses</b>		
Gain /(loss) on disposal of PPE	1.73	3.55
	<b>26646.21</b>	<b>4081.34</b>
<b>Less : Transferred to Expenditure during construction Note 34 (E)</b>	11.35	50.27
<b>TOTAL</b>	<b>26634.86</b>	<b>4031.07</b>

(i) Other Misc Receipts includes transit hostel recoveries, interest from contractors, liquidity damage recovered, recoveries of rents from residential/non residential building, interest from employees on loans, other recoveries from contractor/suppliers, sale of tender paper etc.

(ii) Liability/Provision written back - others consists of excess provision in respect of Audit fees, accounts payable etc.

(iii) Delay payment surcharge includes Rs.10365.52 lakh accounted for during the current financial year based on significant certainty of collectability from MeECL

**Note no.-29 Fuel Cost**

( ₹ in lakhs )

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Purchase of Gas	43645.89	63787.18
Transportation charges for Gas	5808.19	5214.07
<b>TOTAL</b>	<b>49454.08</b>	<b>69001.25</b>

**Note- 30 Employees Remuneration and Benefit Expenses**

( ₹ in lakhs )

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Salary & Wages	38143.62	36608.63
Contribution to Provident Fund	3351.80	3340.19
Gratuity	1251.40	1223.26
Employees Pension	2324.90	2280.70
Leave Encashment	2603.67	4439.82
Staff welfare expenses	767.11	1187.26
Computer adv to emp. - fair valuation loss	0.00	0.54
Furniture adv to emp. - fair valuation loss	0.00	0.32
<b>Total</b>	<b>48442.50</b>	<b>49080.72</b>
<b>Amount transferred to IEDC - Note 34(A)</b>	5798.21	9855.45
<b>Carried forward to Statement of Profit &amp; Loss</b>	<b>42644.29</b>	<b>39225.27</b>

1. Interest subsidy on House Building Advance is payable to the eligible employees subject to submission of their application duly following the prescribed procedure & acceptance of the same by the competent authority. Accordingly interest subsidy are recognised in the books of accounts based on actual payment basis as allowed by the appropriate authority.

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

Particulars	Current year (2020-21) ( ` in lakhs)	Previous year (2019-20) ( ` in lakhs)
Salary and allowances	130.15	150.73
Contribution to Provident Fund and other funds	10.68	17.11
Other benefits	34.86	12.43
<b>Total</b>	<b>175.69</b>	<b>180.27</b>

3. Staff welfare expenses includes employees Post retirement medical benefits, other service welfare benefits (gold coin, interest subsidy on House building loan, lease accommodation etc.)

**Note- 31 Finance Costs**

( ₹ in lakhs )

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>A. Interest Expenses</b>		
i) Interest on Cash Credit & Working capital demand loan	2892.11	2634.30
ii) Interest on ECB Loan	840.47	1622.73
iii) Interest on Bonds	50164.27	51315.99
iv) Exchange Rate Fluctuation	647.34	1069.44
v) Interest on Kfw Loan	1447.74	1465.26
vi) Interest on Short term Borrowing	2810.68	2934.20
vii) Interest on Loans from G.O.I	291.96	291.96
viii) Interest on Medium & Corporate Term Loan	5740.20	203.73
ix) Interest Expense - Asset under Lease	134.18	133.31
<b>B. Finance Charges</b>		
Guarantee fee on foreign Loan net of EIR	715.88	712.75
<b>C. Other Borrowing Costs</b>	82.97	75.57
<b>Total</b>	<b>65767.80</b>	<b>62459.24</b>
<b>Amount transferred to IEDC - Note 34(B)</b>	14835.19	45149.26
<b>Amount carried forward to Statement of Profit &amp; Loss</b>	<b>50932.61</b>	<b>17309.98</b>

**Note- 32 Depreciation**

( ₹ in lakhs )

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
PPE Depreciation( Note No- 2)	65482.10	35082.06
Intangible Assets ( Note No-4A)	338.89	132.26
<b>Sub total</b>	<b>65820.99</b>	<b>35214.32</b>
<b>Amount transferred to IEDC - Note 34 (C)</b>	206.46	911.72
<b>Carried forward to Statement of Profit &amp; Loss</b>	<b>65614.53</b>	<b>34302.60</b>

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>GENERATION EXPENSES</b>		
Repairs & maintenance :		
Roads & buildings	1824.58	1687.56
Power house	10051.41	7505.74
Hydraulic works	998.82	703.24
Line & sub-stations	159.72	185.41
Others	659.37	728.11
Stores & spares (against Grant-in-Aid)	26.72	9.26
<b>Sub Total</b>	<b>13720.62</b>	<b>10819.32</b>
<b>ADMINISTRATION EXPENSES</b>		
Travelling expenses	162.68	477.85
Advertisement expenses	35.82	39.06
Insurance charges	8474.48	3316.97
Rents	142.69	137.12
Rates & taxes	133.35	168.86
Entertainment expenses	1.96	1.18
Audit fees & expenses	17.95	23.06
Transport expenses	951.75	1132.43
Printing & stationery	47.06	72.34
Postage	3.22	6.86
Medical expenses	999.08	1451.77
Licence & registration	43.47	39.09
Newspaper & periodicals	0.49	2.27
Uniforms & liveries	6.86	11.01
Honorarium	0.50	2.88
Electricity charges	666.47	1301.12
Bank charges	25.17	15.06
Social welfare	988.17	892.86
Consultancy charges	143.88	251.99
Professional Charges	40.54	62.45
Security arrangement	4294.80	4531.87
Training expenses	158.23	85.90
Staff recruitment expenses	41.56	36.56
Hospital facilities	22.45	21.10
Subscription & membership fees	13.92	15.19
Communication expenses	289.45	416.30
Office furnishing	2.00	3.91
Miscellaneous expenses	200.65	233.98
I.B. expenses	324.94	292.43
Laboratory & meter testing charges	2.90	0.27
Environment & Ecology	210.63	110.43
Photographic records	0.06	0.20
Loss of Stock/Advance written off	0.46	0.90
EDP Expenses	388.62	282.12
Loss on sale of fixed Assets	3.77	5.82
Employee Family Economic Rehab Scheme	106.61	44.90
Incidental Expenditure Saubhaghya	0.08	2.36

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Assets written off Damaged/un-traceable	1.64	0.30
Compensation	5.00	139.60
Board meeting expenses	8.88	42.09
Publicity expenses	42.92	157.82
Legal charges	119.33	316.59
Filing fees to CERC	90.66	69.89
NERLDC Fees & Charges	347.02	627.47
Research & Development Expenses		31.61
Corporate Social Responsibility & SD	1358.55	989.10
RRAS- Expenditure	106.94	811.07
Interest to beneficiary states		1200.57
Trading Expenses	1635.94	218.69
Energy Conservation expenses	0.01	0.42
Tender expenses	1.68	14.95
Covid 19 Expenses	71.96	0.00
<b>Sub Total</b>	<b>22737.25</b>	<b>20110.64</b>
<b>Other Expenses</b>		
Lubricants, oil etc	85.30	143.68
Electricity Duty	1579.99	1415.56
DSM payable	476.32	2157.34
Transmission Charges	804.19	35.87
Provision for Write off	3303.21	10953.08
<b>Sub Total</b>	<b>6249.01</b>	<b>14705.53</b>
	<b>42706.88</b>	<b>45635.49</b>
<b>Less : Trasferred to Expenditure during Construction Note No -34 (D)</b>	<b>4552.08</b>	<b>4566.22</b>
<b>Total</b>	<b>38154.80</b>	<b>41069.27</b>

**Details in respect of Audit Expenses**

( ₹ in lakhs )

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>As Auditor</b>		
Audit Fees	10.28	9.77
Limited Review	6.05	8.14
Other expenses	1.62	5.15
<b>Total</b>	<b>17.95</b>	<b>23.06</b>

**Provision for write off**

( ₹ in lakhs )

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Assets	430.45	10267.96
Impairment of Investment	2793.00	0.00
Inventories	0.00	3.96
Unserviceable capital works	79.76	672.06
Doubtful advance	0	9.10
<b>Total</b>	<b>3303.21</b>	<b>10953.08</b>

Note no.- 34

**INCIDENTAL EXPENDITURE DURING CONSTRUCTION**

( ₹ in lakhs )

Particulars	Note No.	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b><u>A. Employees benefit Expenses</u></b>			
Salary & Wages		4765.32	7555.41
Contribution to Provident Fund		339.00	536.08
Gratuity		139.52	219.26
Employees Pension		245.44	367.63
Leave Encashment		290.01	1170.35
Staff welfare expenses		18.92	6.72
<b>Total (A)</b>	30	<b>5798.21</b>	<b>9855.45</b>
<b><u>B. Interest and Finance expenses capitalized</u></b>			
Interest on Bonds		12712.80	41937.16
Interest on Short term Borrowing		813.56	3137.93
Interest on Medium & Corporate Term Loan		1274.08	
Interest Expense - Asset under Lease		4.59	28.24
<b>Other Borrowing Costs</b>		30.16	<u>45.93</u>
<b>Total (B)</b>	31	<b>14835.19</b>	<b>45149.26</b>
<b>C. Depreciation</b>	32	<b>206.46</b>	<b>911.72</b>
<b><u>D. Administration &amp; other expenses</u></b>			
Travelling expenses		24.03	127.82
Rents		5.30	4.75
Rates & taxes		4.74	6.82
Transport expenses		137.91	256.33
Printing & stationery		3.03	11.16
Postage & telegram		0.17	1.09
Medical expenses		72.23	303.11
Licence & registration		2.38	12.11
Paper & periodicals		0.00	0.14
Uniforms & liveries		0.21	0.37
Honorarium		0.00	0.08
Electric & water charges		148.45	933.06
Bank charges		0.09	0.45
Social welfare		55.98	19.18
Consultancy charges		5.53	24.08
Security arrangement		150.00	551.48
Hospital facilities		1.23	1.70
Communication expenses		4.37	20.09

Particulars	Note No.	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Office furnishing		0.00	0.47
Miscellaneous expenses		13.37	74.44
I.B. expenses		2.72	51.28
I T Expenses		4.50	32.91
Loss on sale of fixed Assets		0.00	0.02
Repairs & maintenance		0.00	
Roads & Building		0.89	65.33
Plant & equipment		2634.81	6.31
Others		23.39	110.04
Environment & Ecology		2.29	0.00
Filing fees to CERC		3.00	
Energy Conservation expenses		0.01	0.42
Legal expenses		0.00	11.30
Insurance charges		1249.58	1924.69
Entertainment expenses		0.19	0.24
Tender expenses		1.68	<u>14.95</u>
<b>Sub total (D)</b>	33	<b><u>4552.08</u></b>	<b><u>4566.22</u></b>
Total ( A + B + C + D )		25391.94	60482.65
E. Less : Non-operating receipts			
Interest from advances		1.45	11.36
Hire charges		0.11	0.75
Transit hostel recoveries		0.38	13.48
Recovery of Rent		0.98	15.38
Miscellaneous Income		<u>8.43</u>	<u>9.30</u>
Total ( E )		<u>11.35</u>	<u>50.27</u>
Net Expenditure		25380.59	60432.38
<b>Expenditure transferred to Capital Work-in-Progress</b>	3	<b>25380.59</b>	<b>60432.38</b>

Miscellaneous income includes recoveries from contractor, sale of tender paper, amortisation of Computer advance & furniture advance etc.

**Note no.- 35 EARNINGS PER SHARE**

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

( ₹ in lakhs )

	Particulars	For the year	
		ended 31-Mar-21	ended 31-Mar-20
(a)	Profit after tax & before regulatory Deferral Accounts ( ₹ in lakhs )	1289.46	11366.09
(b)	Profit after tax & after regulatory Deferral Accounts ( ₹ in lakhs )	4791.23	19631.15
	Less: Amount to be paid for diluted portion (net of tax)		
	<b>Profit attributable to ordinary shareholders - for Basic EPS</b>	4791.23	19631.15
	<b>Profit attributable to ordinary shareholders - for Diluted EPS</b>	4791.23	19631.15
(c)	Weighted average no. of Ordinary Shares for Basic EPS	3609810400	3609810400
	Weighted average no. of Ordinary Shares for Diluted - EPS	3609810400	3609810400
(d)	Nominal value of Ordinary Shares ( ` )	10	10
(e)	Earnings per equity share before regulatory Deferral Accounts :		
	(i) Basic (in ₹ ) ( Not Annualised)	0.04	0.31
	(ii) Diluted (in ₹ )	0.04	0.31
(f)	Earnings per equity share after regulatory Deferral Accounts :		
	(i) Basic (in ₹ ) ( Not Annualised)	0.13	0.54
	(ii) Diluted (in ₹ )	0.13	0.54

**Note no.- 36 CONTINGENT LIABILITIES AND COMMITMENTS (TO THE EXTENT NOT PROVIDED FOR)**

( ₹ in lakhs )

Particulars	As at	
	31-Mar-21	31-Mar-20
<b>Contingent liabilities :</b>		
Claims against the Company not acknowledged as debt in respect of:		
- Capital Works	156610.00	153671.00
- Land compensation cases	2738.00	4818.00
- Disputed Income tax demand	46889.39	44506.69
- Others	3.49	22.48
<b>Total</b>	<b>206240.88</b>	<b>203018.17</b>
<b>Commitments :</b>		
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances and deposits)		
Property , Plant & Equipment	32640.30	22394.77

(i) Claims against the company not acknowledged as debts as on March 31,2021 include demand from the Income tax authorities for payment of tax of ₹ 46889.39 lakhs upon completion of their tax assessment for the A.Y. 2012-13 amounting to ₹ 3821.34 lakhs , A.Y. 2013-14 amounting to ₹ 2142.98 lakhs ,A.Y. 2014-15 amounting to ₹ 10872.61 lakhs, A.Y. 2015-16 amounting to ₹ 11381.61 lakh, A.Y. 2016-17 amounting to ₹ 9112.52 lakh, **A.Y. 2018-19** amounting to ₹ 2891.40 lakh, Cases pending before High Court, Meghalaya amounting to ₹ 6659.73 lakh and demand from Customs, Excise and Service Tax Appellate Tribunal (CESTAT) for payment of ₹ 7.20 lakhs in respect of Service Tax.

(ii) There are few cases pending before the Arbitration Tribunal / Courts, for which amount of claims are yet to be ascertained.

(iii) The company is contesting the demand and the management including its tax advisors believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of these proceedings will not have a material adverse effect on the Company's financial position and results of operations.

(iv) The Company is subject to legal proceedings and claims, which have arisen in the ordinary course of business. The Company's management does not reasonably expect that these legal actions, when ultimately concluded and determined, will have a material and adverse effect on the Company's results of operations or financial condition.

### Note no. 37 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 31.03.2021 is as follows:

Particulars	Amount (₹ in lakhs)
Depreciation as per CERC Schedule of rates	6897.95
Depreciation @2% as allowed by CERC vide the tariff order dated 09.10.2018	2778.44
<b>Difference (Recognized as "Regulatory Deferral balances")</b>	<b>4119.51</b>

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

Ministry of Labour and Employment vide their Gazette notification dated the 29th March 2018 has notified the Payment of Gratuity (Amendment) Act, 2018 (12 of 2018) and thus has increased the limit of gratuity upto ₹ 20 (Twenty) lakh from the existing ₹ 10 (Ten) lakh. Regulation 8 (3) of the CERC (Terms and conditions of Tariff) Regulations 2014 provides that "The Commission shall carry out truing up of tariff of generating station based on the performance of following Uncontrollable Parameters:

- Force Majeure;
- Change in Law; and
- Primary Fuel Cost.

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

Accordingly, an amount of ₹ 4793.47 lakh to the extent expected as recoverable from the beneficiaries in subsequent period as per CERC Tariff Regulations have been recognized as "Regulatory Deferral Account Balances" as on 31.03.2021 in books of NEEPCO. No movement on the aforesaid balances have occurred during the year ended 31.03.2021.

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

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

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

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

( ` In lakh)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2020	41254.63
B	Addition during the year (assets +)/ liability (-)	0.00
C	Amount collected (-)/refunded (+) during the year	(1319.85)
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	(1319.85)
E	Closing balance as on 31.03.2021 (A+D)	39934.78

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

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

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

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

( ` In lakh)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2020	914.32
B	Addition during the year (assets +)/ liability (-)	647.34
C	Amount collected (-)/refunded (+) during the year	101.75
D	Regulatory income/(expense) recognized in the Statement of Profit and Loss (B-C)	545.59
E	Closing balance as on 31.03.2021 (A+D)	1459.91

**a) Regulatory deferral accounts debit balance - Note 15 recognized :**

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

( ₹ in lakhs )

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
A. Opening Balance	79861.53	69229.44
B. Movements during the year due to (i) Turial Depreciation ₹ 4119.51 lakhs (ii) Deferred Tax Adjustment against Deferred Tax Liability ₹ 1177.30 lakhs (iii) Deferred Tax Recoverable ₹ (1319.85) Lakhs (iv) Exchange difference ₹ 545.59 lakhs	4522.55	10632.09
C. Amount Collected / refunded during the year	0	0
D. Regulatory Deferral Account Balances recognized in the Statement of Profit & Loss (B-C)	4522.55	10632.09

E. Closing Balance (A+D)	<b>84384.08</b>	<b>79861.53</b>
b) Net movements in regulatory deferral account balances (I)	<b>4522.55</b>	<b>10632.09</b>
c) Tax on net movements in regulatory deferral account balances (II)	<b>1020.78</b>	<b>2367.03</b>
d) Total amount recognised in the statement of profit & loss during the year ( I - II)	<b>3501.77</b>	<b>8265.06</b>

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:** On account of Changes, if any, in Regulations and submission or approval of a rate setting application or the entity's assessment on the expected future regulatory actions.

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 2(two) years.

ii. **Others:** 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 projects/generating stations.

### **Note No. 38 Additional disclosures**

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

(i) Penstock I - feeding 02 (two) units (50 MW each) of Kopili Hydro Power Station, Umrongso, Assam of the Company got ruptured on 07.10.2019 following a Load through off and tripping of Unit -I (50 MW). 03 (three) other units were in full load during the mishap. Rupture happend at three locations of Penstock including at location immediately downstream of Valve House. Penstock protection valve closing mechanism was damaged in the incident and therefore, the Valve could not be closed to isolate the Penstock, consequently thereafter, the Power House was flooded upto EOT Crane beam level within a very short period. At present, Kopili (4 X 50 MW) system in in shutdown condition. The value of damaged assets assessed & recognised in books till 31.03.2021 amounts to Rs.10366.72 lakhs ( Gross value Rs.20670.50 lakhs & Accumulated depreciation Rs.10303.78 lakhs), for which provision for an equivalent amount has been provided in books.

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

#### **II. Segment Reporting**

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

III. During the year ended 31.03.2021, four units (each of installed capacity 150 MW) of Kameng Hydro Power Plant has been commissioned. Date of commercial operation of Unit # 1, Unit # 2, Unit # 3 and Unit # 4 of the said generating plant are 17<sup>th</sup> Jun 2020, 1<sup>st</sup> July 2020, 22<sup>nd</sup> January 2021 and 12<sup>th</sup> February 2021 respectively.

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

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

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

- (i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
- (ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application.
- (iii) Excluded the initial direct costs, if any, from the measurement of the right-of-use asset at the date of initial application.

(c) On transition to Ind AS 116, the weighted average incremental borrowing rate applied to lease liabilities recognised under Ind AS 116 is 8.69 %. For agrrements relating to the FY 2020-21 the weighted average incremental borrowing rate is taken as 7.55 %.

##### **(B) Company as Lessee**

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

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

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

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

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

(` In lakh)

Particulars	For the Year ended 31 <sup>st</sup> March 2021	For the Year ended 31 <sup>st</sup> March 2020
Opening Balance	978.75	0.00
- Additions in lease liabilities	425.48	1537.21
- Interest cost during the year	134.18	133.31
- Payment of lease liabilities	747.96	691.77
<b>Closing Balance</b>	<b>790.45</b>	<b>978.75</b>
<b>Current</b>	<b>522.66</b>	<b>592.10</b>
<b>Non Current</b>	<b>268.06</b>	<b>386.65</b>

(iii) The following are the carrying amounts of "Right to use Leased Assets" as on 31.03.2021:

(` In lakh)

Particulars	For the Year ended 31 <sup>st</sup> March 2021	For the Year ended 31 <sup>st</sup> March 2020
Opening Balance	934.67	0.00
- Additions in lease liabilities	425.48	1537.21
- Amortization during the period	633.85	602.54
Closing Balance	726.30	934.67

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

(` In lakh)

Particulars	For the Year ended 31 <sup>st</sup> March 2021	For the Year ended 31 <sup>st</sup> March 2020
Depreciation expense for right-of-use assets	633.85	602.54
Interest expense on lease liabilities	134.18	133.31
Expense relating to short-term leases	0.00	0.00

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

(₹ In lakh)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Less than one year	522.66	592.10
Between one and two years	194.48	286.72
Between two and three years	52.83	70.94
Between three and four years	14.96	13.07
Between four and five years	5.52	10.41
More than five years	0.00	5.52
<b>Total</b>	<b>790.45</b>	<b>978.75</b>

## V. COVID-19 disclosure

I. The Company is in the business of generation and sale of electricity which is an essential service as emphasized by the Ministry of Power (MoP), Govt. of India. Due to outbreak of COVID 19, the Company has ensured availability of its power plants to generate electricity and has continued to supply electricity during the period of lockdown. In line with the directions of MoP dated 15<sup>th</sup> & 16<sup>th</sup> May 2020 issued in accordance with the announcement of Govt. of India under the Atmanirbhar Bharat special Economic and Compensation package, to allow a rebate between 20% - 25% on the capacity charge during the lockdown period subject to approval of the Board of Directors, an amount of `4076.02 lakh has been approved by the Board, to be allowed during the financial year 2020-21, subject to fulfilling conditions stipulated. During the year ended 31<sup>st</sup> March 2021, the Company has accounted for a rebate of `4076.02 lakh in respect of beneficiaries fulfilling conditions approved by the Board and the same has been disclosed as exceptional items.

Further, Central Electricity Regulatory Commission (CERC) issued an order dated 3<sup>rd</sup> April 2020 wherein it was directed that "Late Payment Surcharge (LPS)" shall apply at a reduce rate of 12% p.a. instead of its normal rate of 18% p.a. on payments becoming overdue during the period from 24<sup>th</sup> March 2020 to 30<sup>th</sup> June 2020 to contain the impact of COVID 19. Further, under the Atmanirbhar Bharat package, the Company has deferred the capacity charges to DISCOMs for the lockdown period for the power not scheduled to be payable without interest after the lockdown period in three equal monthly installments. The impact on profit for the year due to reduction in LPS rate and deferment of capacity charges is not materials. The Company expects to fully recover the carrying amount of the assets including receivables, other financial and non-financial assets. The Company believes that the impact due to outbreak of COVID 19 is likely to be short -term in nature and does not anticiapate any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as & when they fall due. The Company will continue to monitor any material changes to future conditions, considering the uncertainty involved there-in.

#### VI. Disclosure on Vivad Se Vishwas Scheme:

The Govt. of India vide notification no. S.O. 1129 (E) dated 18.03.2020 notified "Direct Tax Vivad Se Vishwas Rules, 2020" and deadline for filing declaration under the said scheme (VsVs) extended till 31.03.2021. During the FY 2020-21, the Company has settled the following pending Income Tax disputes by opting for the VsVs Scheme.

( ` in lakh)

FY	AY	Forum	(Payable)/ Receivable under VsVs Scheme	Balance under "Advance tax refundable" as on 31.03.2020	Impact in the Statement of P&L A/c for the year ended 31.03.2021 (Dr)/ Cr
2008-09	2009-10	Commissioner (Appeals)	4.87	7.75	(2.89)
2009-10	2010-11	ITAT, Guwahati	(124.46)	116.66	(241.13)
2010-11	2011-12		3.13	414.29	(411.16)
2011-12	2012-13	High Court of Meghalaya	153.60	71.99	81.61
2012-13	2013-14		19.08	49.97	(30.89)
<b>TOTAL</b>			<b>56.20</b>	<b>660.66</b>	<b>(604.46)</b>

Accordingly, the Company has included net impact of the scheme during the FY 2020-21 amounting to ` 604.46 lakh in the Statement of Profit and Loss Account as Current Tax relating to the Previous Years under Vivas Se Vishwas Scheme.

#### VII Note on Re-statement of Financial Statements:

During the Financial Year 2020-21, NEEPCO Ltd (the Company) has restated/modified its Financial Statements for the FY 2019-20 retrospectively in Compliance to "Ind AS 8 – Accounting Policies, Changes in Accounting Estimates & Errors". The said restatement/modification was carried out on account of changes in Accounting Policy on "Revenue from operations - Revenue from sale of power" as follows:

*"Sale of Power is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC). In case of power stations where final tariff is yet to be approved by CERC, the sale of energy is provided for on the basis of provisional rate considering the Annual Fixed Cost submitted before the CERC through Tariff Petition as per the principles enunciated in the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations 2019. For projects for which neither CERC approved tariff is available nor petition pending with the CERC, sale of energy is accounted for on the basis of tariff as agreed by the beneficiaries."*

Accordingly, the Company has presented a third balance sheet at the beginning of the preceding period (i.e., as on 01.04.2019) in compliance to "Ind AS 1 - Presentation of Financial statements" for comparative information due to retrospective restatement in addition to the Balance sheet, Statement of Profit and loss, Cash flow and Statement of Changes in Equity and related notes for the year ended 31.03.2020 and 31.03.2021.

**Impact of the aforesaid modification in policy are as follows:**

**i. As on 01.04.2019**

No impact

**ii. FY 2019-20**

Revenue from operation and Total income increased by ₹ 3826.51 lakh

Current Tax liability increased by ₹ 668.57 lakh

Net worth increased by ₹ 3157.94 lakh

**Note no.- 39 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.- 40 Disclosure on Financial Instruments**

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

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

**Financial assets and liabilities**

The following table presents the carrying amount and fair value of each category of financial assets & liabilities as at March 31, 2021 & March 31, 2020.

*( ` in Lakhs)*

As at March 31, 2021	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>							
Cash and bank balances					218.13	218.13	218.13
Trade receivables					57710.73	57710.73	57710.73
Loans					28.30	28.30	28.30
Other financial assets					38045.65	38045.65	38045.65
<b>Total</b>					96002.81	96002.81	96002.81
<b>Financial liabilities</b>							
Trade and other payables					8583.31	8583.31	8583.31
Borrowings					799160.41	799160.41	799160.41
Other financial liabilities					22951.77	22951.77	22951.77
<b>Total</b>					830695.49	830695.49	830695.49

*( ` in Lakhs)*

As at March 31, 2020	Fair value through statement of profit & loss	Fair value through OCI	Derivative instruments in hedging relationship	Derivative instruments not in hedging relationship	Amortised Cost	Total Carrying Value	Total Fair Value
<b>Financial assets</b>							
Cash and bank balances					505.39	505.39	505.39

Trade receivables					66226.10	66226.10	66226.10
Loans					58.69	58.69	58.69
Other financial assets					29000.29	29000.29	29000.29
<b>Total</b>					<b>95790.47</b>	<b>95790.47</b>	<b>95790.47</b>
<b>Financial liabilities</b>							
Trade and other payables					9690.70	9690.70	9690.70
Borrowings					810593.15	810593.15	810593.15
Other financial liabilities					23446.74	23446.74	23446.74
<b>Total</b>					<b>843730.59</b>	<b>843730.59</b>	<b>843730.59</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, 2021			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
( i ) Trade receivables	57710.73	-	-	57710.73
( ii ) Cash and Cash equivalents	218.13	-	-	218.13
( iii ) Loans	28.30	-	-	28.30
( iv ) others	38045.65	-	-	38045.65
<b>Total financial assets measured at fair value</b>	<b>96002.81</b>	-	-	<b>96002.81</b>
<b>Financial liabilities measured at fair value</b>				
( i ) Borrowings	799160.41	-	-	799160.41
( ii ) Trade & Other payables	8583.31	-	-	8583.31
( iii ) Other financial liabilities	22951.77	-	-	22951.77
<b>Total financial liabilities measured at fair value</b>	<b>830695.49</b>			<b>830695.49</b>
	( ` in Lakhs)			
Particulars	As at March 31, 2020			
	Level 1	Level 2	Level 3	Total
<b>Financial assets measured at fair value</b>				
( i ) Trade receivables	66226.10	-	-	66226.10
( ii ) Cash and Cash equivalents	505.39	-	-	505.39
( iii ) Loans	58.69	-	-	58.69

( iv ) others	29000.29	-	-	29000.29
<b>Total financial assets measured at fair value</b>	<b>95790.47</b>	-	-	<b>95790.47</b>
<b>Financial liabilities measured at fair value</b>				
( i ) Borrowings	810593.15	-	-	810593.15
( ii ) Trade & Other payables	9690.70	-	-	9690.70
( iii ) Other financial liabilities	23446.74	-	-	23446.74
<b>Total financial liabilities measured at fair value</b>	<b>843730.59</b>			<b>843730.59</b>

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

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

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end

There have been no transfers between Level 1 and Level 2 for the years ended March 31, 2021 and March 31, 2020.

#### **Transfer of financial assets**

There have been no transfers of financial assets during the 2020-21.

#### **Financial risk management**

In the course of its business, the Company is exposed primarily to interest rates, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which covers the risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the Board of Directors. The risk management framework aims to:

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

Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

**Market Risk** :- Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

**Credit Risk** :- Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

**Liquidity Risk**: Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The following table shows a maturity analysis of the anticipated cash flows including interest payable for the Company's non derivative financial liabilities on an undiscounted basis, which therefore differ from both carrying value and fair value.

(` in Lakhs)

Particulars	As at March 31, 2021				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
<b>Non- derivative financial liabilities</b>					
Borrowings	799160.41	799160.41	96203.14	385803.57	273426.63
Trade payables	8583.31	8583.31	8583.31		
Other financial liabilities	22951.77	22951.77	22429.11	522.66	
<b>Total non- derivative financial liabilities</b>	<b>830695.49</b>	<b>830695.49</b>	<b>127215.56</b>	<b>386326.23</b>	<b>273426.63</b>
<b>Derivative financial liabilities</b>					
	(` in Lakhs)				
Particulars	As at March 31, 2020				
	Carrying amount	Contractual cash flows	Less than 1 year	Between 1 - 5 years	More than 5 years
<b>Non- derivative financial liabilities</b>					
Borrowings	810593.15	810593.15	148650.81	320327.48	253836.39
Trade payables	9690.70	9690.70	9690.70		
Other financial liabilities	23446.74	23446.74	22854.64	592.10	
<b>Total non- derivative financial liabilities</b>	<b>820283.85</b>	<b>820283.85</b>	<b>158341.51</b>	<b>320327.48</b>	<b>253836.39</b>
<b>Derivative financial liabilities</b>					

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

**Note no.- 41 Related party disclosures**

The required information with respect to Related Party Disclosure as per Ind AS-24 is given as under:

**A. Joint Ventures :**

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

**B. Whole time Directors :**

1 Sri V K Singh	Chairman & Managing Director
2 Sri Anil Kumar	Director (Personnel) holding additional charge of D(F) w.e.f 2.4.2020
3 Sri Hemanta Kumar Deka	Director ( Technical) w.e.f. 6.7.2020

**a) Parent entities**

Government of India holds 100% ownership interest in NEEPCO Ltd till 26<sup>th</sup> March 2020. However, acquisition of entire equity stake of Government of India in NEEPCO Ltd by NTPC Ltd completed on 27<sup>th</sup> March 2020 through share transfer in pursuant to share purchase agreement dt. 25<sup>th</sup> March 2020 between Government of india & NTPC Ltd. NTPC Ltd holds 100% ownership interest in NEEPCO Ltd including & as on 31<sup>st</sup> March 2021.

*( ` i n Lakhs)*

Particulars	31-Mar-21	31-Mar-20
<i>Sales and purchase of goods and services</i>		
sale of goods to associates	Nil	Nil
purchase of raw materials	Nil	Nil
<i>Other transactions</i>		
Dividend paid to Ministry of Power, Govt of India		3900.00
Paid to NTPC Ltd towards dividend	2500.00	
Paid to NVVN Ltd towards trading margin	907.33	
Paid to PTC Ltd towards power exchange registration	8.26	
Paid to NTPC Ltd towards consultancy	0.00	81.58

**b) Key management personnel compensation***( ` i n Lakhs)*

Particulars	31-Mar-21	31-Mar-20
Salary and allowances	202.46	140.78
Contribution to Provident Fund and other funds	16.08	16.00
Other benefits	41.73	9.16
<b>Total</b>	<b>260.27</b>	<b>165.94</b>

**c) Terms and conditions**

The advances to key management personnel are generally for periods which varies from 12 months to 60 months depending on the nature of advance, repayable in monthly instalments. No goods were sold to associates during the year based . All other transactions were made on normal commercial terms and conditions .

All outstanding balances are unsecured and are repayable in cash

d) Apart from the above there were no other related party transaction during the FY 2020-21.

**Note No. - 42 Operating Segment**

**a.** Electricity generation is the principal activity of the Corporation. Other operation like interest income does not form a reportable segment as per the Accounting Standard 108.

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

**Note No 43 Financial Risk Management**

**(i) Exposure to Credit Risk**

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was :

(` in lakhs)

Particulars	As at 31 <sup>st</sup> March 2021	As at 31 <sup>st</sup> March 2020
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments		
Non-current loans	28.3	58.69
Other non-current financial assets	0	0
Cash and cash equivalents	46.89	187.24
Bank balances other than cash and cash equivalents	171.24	318.15
Current loans	63.83	114.04
Other current financial assets*	1607.48	1445.45
Total (A)	1917.74	2123.57
Financial assets for which loss allowance is measured using life-time Expected Credit Losses (ECL) as per simplified approach		
Trade receivables	57710.73	66226.10
Unbilled revenue	36374.34	27440.80
Total (B)	94085.07	93666.9
Total (A+B)	96002.81	95790.47

★ Excluding unbilled revenue (Refer Note 13)

**(ii) Provision for expected credit losses**

**(a) Financial assets for which loss allowance is measured using 12 month expected credit losses**

The Company has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. Accordingly, no loss allowance for impairment has been recognised.

**(b) Financial assets for which loss allowance is measured using life-time expected credit losses as per simplified approach**

The Company has customers (State government utilities) with capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behaviour and extensive analysis of customer credit risk. Hence, no impairment loss has been recognised during the reporting periods in respect of trade receivables and unbilled revenue.

**(iii) Ageing analysis of trade receivables**

The ageing analysis of the trade receivables is as below:

(` in lakhs)

Ageing	Not due	0 - 30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31st March 2021	25205.92	1850.79	2147.59	2097.57	221.17	26187.69	57710.73
Gross carrying amount as on 31st March 2020	13989.23	3887.79	2667.54	3.48	0.71	45677.35	66226.10

**Liquidity Risks**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company has an appropriate liquidity risk management framework for the management of short, medium and long term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate cash reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

The Company's Treasury department is responsible for managing the short-term and long-term liquidity requirements of the Company. Short-term liquidity situation is reviewed daily by the Treasury department. The Board of directors has established policies to manage liquidity risk and the Company's Treasury department operates in line with such policies. Any breaches of these policies are reported to the Board of Directors. Long-term liquidity position is reviewed on a regular basis by the Board of Directors and appropriate decisions are taken according to the situation.

Typically, the Company ensures that it has sufficient cash on demand to meet expected operational expenses for a month, including the servicing of financial obligations, this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters. As part of the CERC Regulations, tariff inter-alia includes recovery of capital cost. The tariff regulations also provide for recovery of energy charges, operations and maintenance expenses and interest on normative working capital requirements. Since billing to the customers are generally on a monthly basis, the Company maintains sufficient liquidity to service financial obligations and to meet its operational requirements.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

(` in lakhs)

Particulars	As at 31-03-2021	As at 31-03-2020
<b><u>Fixed-rate borrowings</u></b>		
Foreign currency loans	-	-
<b><u>Floating-rate borrowings</u></b>		
Cash credit /WCDL	65925.33	42394.62
Term loans	45000.00	10000.00
Foreign currency loans	-	-
Total	110925.33	52394.62

**(ii) Maturities of financial liabilities**

The following are the contractual maturities of derivative and non-derivative financial liabilities, based on contractual cash flows:

31 <sup>st</sup> March 2021		Contractual cash flows					(` in lakhs)
Contractual maturities of financial liabilities	Contractual cash flows						
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total	
<b><u>Non-derivative financial liabilities</u></b>							
Secured bonds	2,400.00	67,450.00	65,850.00	2,04,000.00	1,85,000.00	524700.00	
Rupee term loans from banks	3125.00	9375.00	17500.00	60000.00	40000.00	130000.00	
Rupee term loans from others					29196.00	29196.00	
Finance lease obligations						0.00	
Foreign currency loans	1885.00	5653.00	7539.00	5657.00		20734.00	
Unsecured foreign currency loans from banks and financial institutions						0.00	
Unsecured foreign currency loans (guaranteed)	2296.00	4019.00	6315.00	18943.00	19230.00	50803.00	
Cash credit /WCDL	44074.67					44074.67	
<b>31<sup>st</sup> March 2020</b>		Contractual cash flows					(` in lakhs)
Contractual maturities of financial liabilities	Contractual cash flows						
	3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total	
<b><u>Non-derivative financial liabilities</u></b>							
Secured bonds	32400.00	63450.00	69850.00	204850.00	200000.00	570550.00	
Rupee term loans from banks		40000.00	10000.00	30000.00		80000.00	
Rupee term loans from others					29196.00	29196.00	
Finance lease obligations						0.00	
Foreign currency loans	1933.00	5799.00	7732.00	13532.44		28996.44	
Unsecured foreign currency loans from banks and financial institutions						0.00	
Unsecured foreign currency loans (guaranteed by GOI)	2215.00	3045.00	6091.00	18273.00	24639.75	54263.75	
Cash credit /WCDL		40769.90				40769.90	

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the Company's income. The

objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Board of Directors is responsible for setting up of policies and procedures to manage market risks of the Company. All such transactions are carried out within the guidelines set by the risk management committee.

**Currency risk**

The Company is exposed to foreign currency risk on certain transactions that are denominated in a currency other than entity's functional currency, hence exposure to exchange rate fluctuations arises. The risk is that the functional currency value of cash flows will vary as a result of movements in exchange rates.

The currency profile of financial assets and financial liabilities as at 31 March 2021 and 31 March 2020 are as below

<b>31<sup>st</sup> March 2021</b>			
(` in lakhs)			
Particulars	USD	Others	Total
<b>Financial Assets</b>			
Trade other receivables	0	0	0
Cash and Cash equivalent	0	0	0
Other Financial Assets	0	0	0
Total			
<b>Financial Liabilities</b>			
Secured Foreign Currency loans	20734.21		20734.21
Unsecured Foreign Currency loans from banks & financial institution	50802.71		50802.71
Trade payables & other financial liabilities			0.00
Total	71536.92	0.00	71536.92
<b>31<sup>st</sup> March 2020</b>			
(` in lakhs)			
Particulars	USD	Others	Total
<b>Financial Assets</b>			
Trade other receivables	0	0	0
Cash and Cash equivalent	0	0	0
Other Financial Assets	0	0	0
Total	0	0	0
<b>Financial Liabilities</b>			
Secured Foreign Currency loans	28996.44	0	28996.44
Unsecured Foreign Currency loans from banks & financial institution	54263.75	0	54263.75
Trade payables & other financial liabilities	0	0	0.00
Total	83260.19	0.00	83260.19

Out of the above, no amount is hedged by derivative instruments. In respect of the balance exposure, gain/(loss) on account of exchange rate variations on all foreign currency loans and foreign currency monetary items (up to COD) is recoverable from beneficiaries. Therefore, currency risk in respect of such exposure would not be very significant.

**Sensitivity analysis**

Since the impact of strengthening or weakening of INR against USD, Euro, JPY and other currencies on the statement of profit and loss would not be very significant; therefore, sensitivity analysis for currency risk is not disclosed.

**Interest Rate risk**

The Group is exposed to interest rate risk arising mainly from non-current borrowings with floating interest rates. The Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings will fluctuate with changes in interest rates. The Group manages the interest rate risks by entering into different kinds of loan arrangements with varied terms (e.g. fixed rate loans, floating rate loans, rupee term loans, foreign currency loans, etc.).

At the reporting date the interest rate profile of the Group's interest-bearing financial instruments is as follows:

(` in lakhs)

Particulars	31 <sup>st</sup> March 2021	31 <sup>st</sup> March 2020
<b>Financial Assets</b>		
<b>Fixed Rate Instruments</b>		
Bank Deposits	171.24	318.15
Total	171.24	318.15
<b>Financial Liabilities</b>		
<b>Fixed Rate Instruments</b>		
Bonds	531106.40	576732.55
Foreign currency loans	51252.61	54674.17
Rupee term loan	29125.00	29122.66
Lease obligations	790.45	978.75
	612274.46	661508.13
<b>Variable-rate instruments</b>		
Foreign currency loans	20747.76	29021.92
Rupee term loan	160753.97	116575.88
Cash Credit	6174.67	4329.38
	187676.40	149927.18
Total	799950.86	811435.31

**Fair value sensitivity analysis for fixed-rate instruments**

The Company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**Cash flow sensitivity analysis for variable-rate instruments**

A change of 50 basis points in interest rates at the reporting date would have increased (decreased) profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for the previous year.

(` in lakhs)

Particulars	Profit or loss	
	50 bp increase	50 bp decrease
<b>31-Mar-21</b>		
Foreign currency loans	(403.94)	403.94
Rupee term loans	(3403.69)	3403.69
Cash credit	(19.26)	19.26
Total	(3826.89)	3826.89
<b>31-Mar-20</b>		
Foreign currency loans	(369.86)	369.86
Rupee term loans	(3156.21)	3156.21
Cash credit	(13.17)	13.17
Total	(3539.24)	3539.24

**Note No. 44****Fair value of financial assets and liabilities measured at amortised cost**

( ` in lakhs)

Particulars	Level	As at 31 <sup>st</sup> March 2021		As at 31 <sup>st</sup> March 2020	
		Carrying amount	Fair value	Carrying amount	Fair value
<b>Financial assets</b>					
Loans	3	28.3	28.3	58.69	58.69
Trade receivables	3	57710.73	57710.73	66226.10	66226.10
Cash and cash equivalents	3	46.89	46.89	187.24	187.24
Bank balances other than cash and cash equivalents	3	171.24	171.24	318.15	318.15
Other financial assets	3	38045.65	38045.65	29000.29	29000.29
<b>Financial liabilities</b>					
Bonds	3	531106.40	560747.69	576732.55	606435.58
Foreign currency loans - KFW	3	51252.61	55931.33	54674.17	60588.25
Foreign currency loans - ECB	3	20747.76	20747.76	29021.92	29021.92
Rupee term loans	3	130130.89	130130.89	40136.59	40136.59
Government Subordinate Loan	3	29125.00	8446.15	29122.66	7850.54
Lease obligations	3	790.45	790.45	978.75	978.75
Borrowings - current	3	36797.75	36797.75	80905.26	80905.26
Trade payables and payable for capital expenditure	3	8583.31	8583.31	9690.7	9690.70
Other financial liabilities	3	119154.91	119154.91	132288.68	132288.68

The carrying amounts of current trade receivables, current trade payables, payable for capital expenditure, investment in subsidiary and joint venture companies, cash and cash equivalents and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

The fair values for loans, borrowings, non-current trade payables and payable for capital expenditure were calculated based on cash flows discounted using a current discount rate. They are classified at respective levels based on availability of quoted prices and inclusion of observable/non observable inputs.

**Note No 45****Disclosure as per Ind AS 115, ' Revenue from Contracts with Customers'****Nature of goods and services**

The revenue of the Company comprises of income from energy sales, sale of energy through trading and other services. The following is a description of the principal activities:

**(a) Revenue from energy sales**

The major revenue of the Company comes from energy sales. The Company sells electricity to bulk customers, mainly electricity utilities owned by State Governments Discoms operating in States. Sale of electricity is generally made pursuant to long-term Power Purchase Agreements (PPAs) entered into with the beneficiaries. Further, the Company sell electricity through Power Exchanges available with them under "Merchant Power".

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for energy sales:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Energy sales	The Company recognises revenue from contracts for energy sales over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from energy sales is determined in terms of CERC Regulations as notified from time to time. Sale of Power is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC). In case of power stations where final tariff is yet to be approved by CERC, the sale of energy is provided for on the basis of provisional rate considering the Annual Fixed Cost submitted before the CERC through Tariff Petition as per the principles enunciated in the Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations 2019. For projects for which neither CERC approved tariff is available nor petition pending with the CERC, sale of energy is accounted for on the basis of tariff as agreed by the beneficiaries. The amounts are billed on a monthly basis and are payable within contractually agreed credit period.

**(b) Revenue from energy trading, consultancy and other services**

**Sale of Energy through trading**

Below are the details of nature, timing of satisfaction of performance obligations and significant payment terms under contracts for sale of energy through trading:

Product/ Service	Nature, timing of satisfaction of performance obligations and significant payment terms
Sale of energy through trading	The Company recognises revenue from contracts for sale of energy through trading over time as the customers simultaneously receive and consume the benefits provided by the Company. The tariff for computing revenue from sale of energy through trading is determined as per the terms of the agreements. The amounts are billed as per periodicity specified in the Contract and are payable within contractually agreed credit period.

**Note No 46 Corporate Social Responsibility (CSR)**

As per Section 135 of the Companies Act, 2013 read with guidelines issued by Department of Public Enterprises, GOI, the Company is required to spend, in every financial year, at least two per cent of the average net profits of the Company made during the three immediately preceding financial years in accordance with its CSR Policy. The details of CSR expenses for the year are as under:

(a) Gross amount required to spent by the Company during the year: ` 1358.55 Lakh

(b) Amount approved by the Board to be spent during the year : ` 728.18 Lakh

(c) Amount spent during the year:

( ` in lakh)

Sl No.	Particulars	FY 2020-21 #	FY 2019-20
(i)	Construction/acquisition of any asset	921.70	506.52
(ii)	On purposes other than (i) above	<b>436.85</b>	482.58

# Included "On-going projects" amounting to Rs. 544.72 lakh

(d)	Details of related party transactions, e.g., contribution to a trust / society / section 8 company controlled by the company in relation to CSR expenditure as per Accounting Standard (AS) 18, Related Party Disclosures	NIL
-----	---	-----

- (e) Other details  
In case of Section 135 (5) Unspent amount

( ` in lakh)

Amount deposited in Specified Fund of Sch. VII within 6 months	Amount required to be spent during the year	Amount spent during the year
0	0	0

In case of Section 135 (5) Excess amount spent

( ` in lakh)

Amount required to be spent during the year	Amount spent during the year	Closing balance
0	0	0

**Detail of ongoing projects along with**

In case of Section 135 (6) (Ongoing Project)

( ` in lakh)

Amount required to be spent during the year	Amount spent during the year		Closing balance	
	From Company's bank A/c	From Separate CSR Unspent A/c	With Company	In Separate CSR Unspent A/c
<b>1358.55</b>	<b>813.83</b>	0	0	544.72

- (f) Break-up of the CSR expenses under major heads is as under:

( ` in lakh)

Particulars	FY 2020-21	FY 2019-20
1. Eradicating Hunger and Poverty, Health Care and Sanitation	876.81	512.10
2. Education and Skill Development	250.57	360.00
3. Sports	1.02	
4. Rural Development	<b>230.15</b>	117.00
<b>Total</b>	<b>1358.55</b>	989.10

**Note no. 47 Disclosure as per Ind AS 1 'Presentation of financial statements**

**a) Changes in Accounting Policies:**

During the year, following changes to the accounting policies have been made:

- Modification in Accounting Policy on "Revenue from operations - Revenue from Sale of Power", resulting in restatements of the Financial Statements for FY 2019-20 and has been disclosed under Note no. 38 (VII). Further, impact of the said modification on revenue from operation during the current financial year is to the tune of Rs. 6903.18 lakhs.
- Certain other changes have also been made in the policies nos. 1.6, 4 (x), 6.3, 11.2, 17.1 (a) (i), 17.1 (a) (iii), 17.1 (a) (v), 17.1 (a) (vi) 17.2 (iv), 18 and D (c) for improved disclosures. There is no impact on the financial statements due to these changes. However, the policy numbers have been rearranged in the current year as required.

**(b) Reclassifications and comparative figures**

Certain reclassifications have been made to the comparative period's financial statements to enhance comparability with the current year's financial statements.

As a result, certain line items have been reclassified in the balance sheet and statement of cash flows, the details of which are as under:

Items of balance sheet before and after reclassification as at 31<sup>st</sup> March 2020

( ` in lakh)

Sl. No.	Particulars	Amount before reclassification	Reclassification	Amount after reclassification	Remarks	Reason for reclassification
<b>Assets</b>						
1	Property Plant and equipment - Buildings (Note 2)	15489.33	69257.11	84746.44	Main Plant Buildings reclassified under "Buildings"	

2	Property Plant and equipment (Note 2)	573219.41	(69257.11)	503962.30		
3	Other non- current assets (Note 8)	18666.80	4130.76	22797.56	Grouped "Current tax assets (net) incl tax on OCI" Rs.1618.55 lakh , "Interest accrued on deposits & loans" Rs. 460.87 lakh and "Deferred foreign currency fluctuation asset" Rs. 2051.34 lakh .	Groping/reclassification made for aligning F. S. with NTPC, the holding company
4	Financial assets - Current - Others (Note 13)	27685.99	(2512.21)	25173.78	Grouped "Deferred foreign currency fluctuation asset" Rs. 2051.34 lakh and "Interest accrued on deposits & loans" Rs. 460.87 lakh under "Other Non current assets".	
5	Current tax assets (Net)	2230.49	(2230.49)	0.00	Grouped under "Other non-current assets" at note 8 to the F.S.	
<b>Equity and Liabilities</b>						
6	Provisions - non current (Note 19)	18963.18	(12234.08)	6729.10	Employees Leave encashment provision under "Non-current liability" has been reclassified under "Current liability"	
7	Provisions - Current (Note 25)	2776.88	12234.08	15010.96	Tax on "Other comprehensive income" grouped under " <b>Other non-current asset</b> "	
8	Deferred Tax Liabilities (Net) (Note 7)	59528.96	170.53	59699.49	Interest accrued but not due on Short term borrowings and w.c. loan has been reclassified under "Current liabilities" with the individual short term borrowings and w.c. loan	
9	Borrowings - Current (Note 21)	80769.90	135.35	80905.26	Deferred foreign currency fluctuation liability has been reclassified under "Deferred revenue"	
10	Other financial liabilities - Current (Note 23)	132424.04	(135.35)	132288.69		
11	Other current liabilities (Note 24)	13684.18	(20.74)	13663.44		
12	Deferred revenue (Note 26)	33195.66	20.74	33216.40		

Items of balance sheet before and after reclassification as at 01st April 2019

( ` in lakh)

Sl. No.	Particulars	Amount before reclassification	Reclassification	Amount after reclassification	Remarks	Reason for reclassification
<b>Assets</b>						
1	Property Plant and equipment - Buildings (Note 2)	14947.57	70911.33	85858.9	Main Plant Buildings reclassified under "Buildings"	
2	Property Plant and equipment (Note 2)	590163.03	(70911.33)	519251.70		

3	Other non- current assets (Note 8)	19115.01	(4961.34)	14153.67	Grouped "Current tax Asset/(liability) (net)" (Rs. 3166.86 lakh) and "Deferred foreign currency fluctuation asset" (Rs. 1794.48 lakh) .	Grouping/reclassification made for aligning F. S. with NTPC, the holding company
4	Financial assets - Current - Others (Note 13)	9066.79	1794.48	10861.27	Grouped "Deferred foreign currency fluctuation asset" (Rs.1794.48 lakh) under "Other Non current assets".	
5	Current tax assets/(liability) (Net)	(3052.96)	3052.96	0.00	Grouped under "Other non-current assets/(liabilities)" at note 8 to the F.S. (Rs. 3166.86 lakh) and Tax on OCI (DTL at Note 7) Rs. 113.90 lakh	
<b>Equity and Liabilities</b>						
6	Provisions - non current (Note 19)	15780.51	(10073.45)	5707.06	Employees Leave encashment provision under	
7	Provisions - Current (Note 25)	2218.31	10073.45	12291.76	"Non-current liability" has been reclassified under "Current liability"	
8	Deferred Tax Liabilities (Net) (Note 7)	61850.12	(113.90)	61736.22	Tax on "Other comprehensive income" grouped under " <b>Other non-current asset</b> "	
9	Other current liabilities (Note 24)	16051.36	(20.74)	16030.62	Deferred foreign currency fluctuation liability has been	
10	Deferred revenue (Note 26)	29697.02	20.74	29717.76	reclassified under "Deferred revenue"	

**Note No. 48 Disclosure on Inventories**

(a) Amount of inventories consumed and recognised as expense during the year is as under ` in lakhs

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
Fuel Cost	43645.89	63787.18
Others ( included in Note 33 - Other expenses)	3107.30	2186.52
<b>Total</b>	<b>46753.19</b>	<b>65973.70</b>

**Note No 49 Income Tax related disclosures**

(i) Disclosure as per Ind AS 12 "Income Tax"

(a) Income Tax Expense

i) Income tax recognised in the statement of Profit &amp; Loss ` in lakhs

Particulars	For the year ended 31-Mar-21	For the year ended 31-Mar-20
<b>Current Tax expense</b>		
Current year	559.65	2924.94
Taxes for earlier years	604.77	7447.67
Pertaining to regulatory deferral account balances (A)	1020.78	2367.03
Total current tax expense (B)	2185.20	12739.64
<b>Deferred tax expense</b>		
Origination and reversal of temporary differences ( C)	2115.64	(2035.38)
Less : MAT credit entitlement		
Income Tax Expense ( D= B+C-A)	3280.06	8337.23
Pertaining to regulatory deferral account balances	1020.78	2367.03
Total tax expense including tax on movement in regulatory deferral account	4300.84	10704.26

(ii) Income tax recognised in other comprehensive income

` in lakhs

Particulars	For the year ended					
	31st March 2021			31st March 2020		
	Before Tax	Tax Expense	Net of Tax	Before Tax	Tax Expense	Net of Tax
Net actuarial loss on defined benefit plans	(1258.15)	(439.70)	(818.45)	(488.01)	(170.53)	(317.48)

(iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

in lakhs

Particulars	For the year ended 31 <sup>st</sup> March 2021	For the year ended 31 <sup>st</sup> March 2020
Profit before tax including movement in regulatory deferral account balances	9092.07	30331.07
Tax using the Company's domestic rate of 17.472% ( 31st March 2020 -34.944%	1588.57	10598.89
Tax effect of :		
Non deductible tax expense	(7.86)	(359.08)
Tax free income	0.00	0.00
Deferred Tax Expense	2115.64	(2036.73)
Previous year Tax liability	604.77	7447.67
Minimum alternate tax adjustments		(4947.84)
<b>Total tax expense recognised in the statement of profit &amp; Loss</b>	<b>4301.12</b>	<b>10702.91</b>

**Note no. 50 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. 51 Impairment loss**

Property Plant and Equipment has been tested for impairment where indicators of impairment existed. Based on the assessment, the Company do not recognize any impairment impact during the previous year and also during the year ended March 31, 2021.

**Note No. 52 Previous year figures**

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

	For and on behalf of the Board of Directors	In terms of our report of even Date
Date:		For L K Kejriwal & Co
Place		Chartered Accountants
		F.R.N.001368C
	A. P. Rong Company Secretary	Naresh Kr Poddar Partner
	Anil Kumar Director (Finance)	Membership No-041717
	Vinod Kumar Singh Chairman & Managing Director	

Property Plant & Equipment

( ₹ in lakhs )

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 1 <sup>st</sup> April 2020	Additions	Adjustment	Carrying Amount 31st March 2021	01.04.2020	Depreciation	Adjustment	Upto 31st March 2021	31.03.2021	31.03.2020
A) ASSETS										
I. HYDRAULIC POWER PLANT, GAS PLANT & TRANSMISSION LINES : Building and civil engineering works containing generation plant & equipment, main plant	92947.98	49086.87	23.82	142058.67	23690.87	3959.98		27650.85	114407.82	69257.11
Hydraulic works including Dams Dykes, Reservoirs & Tunnels	365514.46	584175.10	945.55	950635.11	112821.90	36123.22	0.00	148945.12	801689.99	252692.56
Plant & Machinery in Generating Station Transformer having a rating of 100 K.V. ampere and above	116862.13	115346.00	307.54	232515.67	38044.51	7294.86		45339.37	187176.30	78817.62
Sub-station equipment and other fixed apparatus	8449.67	25430.32	40.21	33920.20	3629.99	919.08	(24.86)	4524.21	29395.99	4819.68
Switchgear including cable connections	880.82	0.00	2992.90	3873.72	463.35	189.42	1650.66	2303.43	1570.29	417.47
Transmission Lines	26113.08	22498.12	(220.34)	48390.86	10230.05	1906.71	(160.53)	11976.23	36414.63	15883.03
PV modules including Mounting structures	3408.87	3.23	4286.42	7698.52	1031.58	374.01	2759.11	4164.70	3533.82	2377.29
Inverters including Battery Bank ( O & M )	2906.27	0.00	0.00	2906.27	860.24	169.44		1029.68	1876.59	2046.03
Gas Turbine	270.08	0.00	0.00	270.08	80.00	15.75	(0.01)	95.74	174.34	190.08
Gas Booster Station	162130.66	5545.58	(578.66)	167097.58	92390.86	5859.20	(355.88)	97894.18	69203.40	69739.80
Gas Pipeline	25233.47	295.88	(81.06)	25448.29	16217.30	1592.81	(42.92)	17767.19	7681.10	9016.17
Gas Steam Turbine	36.60	0.00	0.00	36.60	32.94	0.00		32.94	3.66	3.66
Gas Cooling Tower	112152.65	115.13	(352.72)	111915.06	52002.40	4071.66	(21.56)	56052.50	55862.56	60150.25
Make-up Water System	4076.01	99.59	(3.35)	4172.25	2749.54	141.93	(3.01)	2888.46	1283.79	1326.47
	5919.18	0.14	(10.94)	5908.38	2856.71	214.20	(0.02)	3070.89	2837.49	3062.47
<b>Sub -Total</b>	<b>926901.93</b>	<b>802595.96</b>	<b>7349.37</b>	<b>1736847.26</b>	<b>357102.24</b>	<b>62832.27</b>	<b>3800.98</b>	<b>423735.49</b>	<b>1313111.77</b>	<b>569799.69</b>

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 1 <sup>st</sup> April 2020	Additions	Adjustment	Carrying Amount 31 <sup>st</sup> March 2021	01.04.2020	Depreciation	Adjustment	Upto 31 <sup>st</sup> March 2021	31.03.2021	31.03.2020
<b>II GENERAL ASSETS (FOR PROJECTS UNDER OPERATION)</b>										
Buildings	15161.24	712.96	4696.40	20570.60	5584.80	698.55	1297.39	7580.74	12989.86	9576.44
Right to use Leased Asset	13.69			13.69	4.69	4.70		9.39	4.30	9.00
Furniture & Fixtures	902.85	15.24	236.94	1155.03	583.73	37.39	163.31	784.43	370.60	319.12
Roads,Bridges,Culverts & Helipads	4761.09	397.44	1294.59	6453.12	2151.38	173.64	138.98	2464.00	3989.12	2609.71
Vehicles	532.18	0.00	26.59	558.77	352.71	18.44	15.54	386.69	172.08	179.47
Right to use Leased Asset	974.18	230.20	56.88	1261.26	347.30	506.61	(136.64)	717.27	543.99	626.88
Railway Siding	10.65	0.00	0.00	10.65	8.73	0.09	0.01	8.83	1.82	1.92
Electrical Installation	1245.06	47.57	273.07	1565.70	807.15	49.22	113.64	970.01	595.69	437.91
Temporary Buildings/Erections	2956.54	0.00	1482.81	4439.35	2956.54	0.00	1482.81	4439.35	0.00	0.00
Hospital Equipment	40.23	6.76	5.76	52.75	19.26	2.83	3.81	25.90	26.85	20.97
Tools & Plants	5669.29	160.63	1789.72	7619.64	2765.38	250.13	744.29	3759.80	3859.84	2903.91
Office Equipment	517.66	44.74	3.16	565.56	254.63	22.12	(2.99)	273.76	291.80	263.03
I T Equipment	1345.36	157.54	57.65	1560.55	1164.61	115.84	24.47	1304.92	255.63	180.75
Other Equipment	1490.64	164.99	306.47	1962.10	667.83	86.54	135.34	889.71	1072.39	822.81
Water supply, sewerage & drainage	1523.80	73.43	504.03	2101.26	691.38	78.07	129.52	898.97	1202.29	832.42
Plant & Machinery in Generating Station (Diesel Power House)	688.34	40.35	(14.97)	713.72	527.18	9.27	(13.47)	522.98	190.74	161.16
Communication Equipment	259.71	26.82	106.92	393.45	162.43	13.14	73.93	249.50	143.95	97.28
Lightning Arrestor (Pole Type Magazine Building)	186.84	0.00	0.00	186.84	117.02	3.26		120.28	66.56	69.82
Telephone Line	91.91	3.84	(27.49)	68.26	81.63	0.08	(24.74)	56.97	11.29	10.28
Solar Panel	119.86	0.00	0.00	119.86	24.85	6.99		31.84	88.02	95.01
Fixed Assets of Minor value	63.80	2.64	19.74	86.18	63.78	2.64	19.72	86.14	0.04	0.02
Energy Conservation Equipment	4.13	0.00	0.00	4.13	0.64	0.22	(0.01)	0.85	3.28	3.49
Free hold	2099.61	0.00	441.06	2540.67	0.00	0.00		0.00	2540.67	2099.61
Right to Use (Leasehold Land)	8049.03	0.00	0.00	8049.03	2594.13	175.21		2769.34	5279.69	5454.90
Sub -Total	48707.69	2085.15	11259.33	62052.17	21931.78	2254.98	4164.91	28351.67	33700.50	26775.91
<b>TOTAL (A)</b>	<b>975609.62</b>	<b>804681.11</b>	<b>18608.70</b>	<b>1798899.43</b>	<b>379034.02</b>	<b>65087.25</b>	<b>7965.89</b>	<b>452087.16</b>	<b>1346812.27</b>	<b>596575.60</b>

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Carrying Amount 1 <sup>st</sup> April 2020	Additions	Adjustment	Carrying Amount 31 <sup>st</sup> March 2021	01.04.2020	Depreciation	Adjustment	Upto 31 <sup>st</sup> March 2021	31.03.2021	31.03.2020
<b>B) ASSETS (FOR PROJECTS UNDER CONSTRUCTION &amp; OTHER OFFICES)</b>										
Building	7022.02	74.11	(4705.10)	2391.03	2362.37	80.48	(1297.39)	1145.46	1245.57	4659.65
Right to use Leased Asset	102.64	50.49	(102.64)	50.49	82.11	37.06	(105.15)	14.02	36.47	20.53
Furniture & Fixtures	894.71	28.08	(302.18)	620.61	586.14	24.21	(222.96)	387.39	233.22	308.57
Roads,Bridges,Culverts & Helipads	1367.63	0.00	(1294.59)	73.04	146.89	2.48	(138.98)	10.39	62.65	1220.74
Vehicles	178.74	0.00	(32.29)	146.45	89.63	11.63	(21.82)	79.44	67.01	89.11
Right to use Leased Asset	446.70	146.25	(342.50)	250.45	168.44	85.48	(145.01)	108.91	141.54	278.26
Electrical Installations	482.85	1.44	(300.42)	183.87	277.31	1.95	(130.49)	148.77	35.10	205.54
Temporary Buildings/Erections	1487.08	0.00	(1482.81)	4.27	1487.08	0.00	(1482.81)	4.27	0.00	0.00
Hospital Equipment	5.27	0.26	(5.27)	0.26	3.81	0.01	(3.81)	0.01	0.25	1.46
Tools & Plants	1941.05	2.88	(1935.88)	8.05	859.77	0.32	(855.77)	4.32	3.73	1081.28
Office equipment	587.65	6.56	(71.04)	523.17	441.43	14.18	(54.89)	400.72	122.45	146.22
I T Equipment	1434.05	183.30	(248.71)	1368.64	1329.78	76.83	(212.74)	1193.87	174.77	104.27
Water Supply,sewerage & drainage	543.47	0.00	(504.04)	39.43	152.19	1.32	(129.51)	24.00	15.43	391.28
Plant & Machinery in Generating Station (Diesel Power House)	45.02	0.51		45.53	21.52	2.48		24.00	21.53	23.50
Solar panel	7.14	0.00	0.00	7.14	1.83	0.42		2.25	4.89	5.31
Communication Equipment	183.86	4.31	(107.00)	81.17	129.81	2.05	(74.01)	57.85	23.32	54.05
Plant & Machinery	1.16	14.17	0.00	15.33	1.04	0.24	0.01	1.29	14.04	0.12
Transmission Line	4301.59	0.00	(4301.59)	0.00	2772.77	0.00	(2772.77)	0.00	0.00	1528.82
Transformer having a rating of 100 KV & Above	317.91	0.00	(317.91)	0.00	128.48	0.00	(128.48)		0.00	189.43
Substation Equipment	3031.92	0.00	(3031.92)	0.00	1685.38	0.00	(1685.38)	0.00	0.00	1346.54
Freehold	500.64	0.00	(441.06)	59.58	0.00	0.00		0.00	59.58	500.64
Right to Use (Leasehold Land)	758.10	0.00	0.00	758.10	193.74	25.24		218.98	539.12	564.36
Telephone Line	1.19	0.00	0.00	1.19	0.29	0.08	(0.01)	0.36	0.83	0.90
Other Equipment	950.06	4.84	(500.24)	454.66	467.70	26.78	(233.30)	261.18	193.48	482.36
Fixed assets of Minor value	63.54	1.62	(26.96)	38.20	63.51	1.62	(26.93)	38.20	0.00	0.03
<b>TOTAL (B)</b>	<b>26655.99</b>	<b>518.82</b>	<b>(20054.15)</b>	<b>7120.66</b>	<b>13453.02</b>	<b>394.86</b>	<b>(9722.20)</b>	<b>4125.68</b>	<b>2994.98</b>	<b>13202.97</b>
<b>GRAND TOTAL (A + B)</b>	<b>1002265.61</b>	<b>805199.93</b>	<b>(1445.45)</b>	<b>1806020.09</b>	<b>392487.04</b>	<b>65482.11</b>	<b>(1756.31)</b>	<b>456212.84</b>	<b>1349807.25</b>	<b>609778.57</b>

Assets/procured installed, whose individual cost is ₹5000/- or less but more than ₹750/- (hereinafter is called iv. Assets of minor value) and assets (excluding immovable assets) whose written down value is ₹ 5000/- or less at the beginning of the year are full depreciated during the year leaving a nominal balance of ₹ 1/- only. Depreciation is calculated from 01st day of the month following capitalization. For information on Property, Plant and Equipment pledged as security, please refer to note 2 (ii) of the Financial statements.

**L.K.KEJRIWAL & CO.**  
CHARTERED ACCOUNTANTS

## **Independent Auditors' Report**

To the Members of North Eastern Electric Power Corporation Limited

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the accompanying Consolidated 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 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and notes to the Consolidated Financial Statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as 'Consolidated Financial Statements').

In our opinion and to the best of our information and according to the explanation given to us and due consideration of unaudited Financial Statement of the joint venture entity referred to below in the 'Other Matters' paragraph, the aforesaid Consolidated Financial Statements give the information required by the Companies Act 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the Consolidated state of affairs (financial position) of the Company as at 31st March 2021, and its Consolidated profit (financial performance including other comprehensive income), its Consolidated cash flows and the Consolidated changes in equity for the year ended on that date.

#### **Basis for Opinion**

We 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 Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the Consolidated financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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## Emphasis of Matter

We draw attention to the following matters in the Notes to the Consolidated Financial Statements:

1. Note No.7(i) regarding recognizing of Deferred Tax Assets (DTA) Rs.30546.32 lakhs during the FY 2020-21 in respect of " Unabsorbed depreciation".
2. Note No. 27(b) read with Note No. 38 VII and Note No. 47(a) regarding sale of energy includes Rs. 6903.18 lakhs being the revenue for the year recognized and provided for on the basis of provisional rate due to modification in Accounting Policy on "Revenue from Operations- Revenue from sale of Power". Impact of the said modification on revenue from operation during the current financial year is to the tune of Rs. 6903.18 lakhs and previous year Rs. 3826.51 lakhs.
3. Note No. 50 regarding Balances shown under Capital advances to Contractors, Trade payable and materials in transit/ with contractor/ issued on loan, Trade receivables, Other receivable are subjected to confirmation/ reconciliation and consequential adjustment if any.

Our opinion is not modified in respect of these matters.

## Key Audit Matters

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

We have determined the matters described below as the key audit matters to be communicated in our report. The below mentioned Key Audit Matters have been reproduced from the Independent Auditors' Report on the audit of Standalone Financial Statements of the venturer company.

Sl. No	Key Audit Matter	Addressing the Key Audit Matters
1	<p><b><u>Recognition and Measurement of Revenue from sale of energy</u></b></p> <p>The Company records revenue from sale of energy based on tariff approved by the Central Electricity Regulatory Commission (CERC) and where final tariff is yet to be approved by CERC, provisional sale is recognized on the basis of provisional rate considering the Annual Fixed Cost submitted before the CERC through tariff petition. Where neither approved tariff is available nor petition is pending with the CERC, sale of energy is accounted for on the basis of tariff as agreed by the beneficiaries. The Company has also modified its accounting policy during the year for recognition of provisional revenue.</p> <p>(Refer note no. 27 read with significant accounting policy no. 17.1(a).)</p>	<p><b><u>Our Audit Procedure:</u></b></p> <p>We have obtained an understanding of the CERC tariff regulations, orders, circulars, guidelines and the company's internal circulars and procedures in respect of recognition and measurement of revenue from sale of energy comprising of capacity and energy charges and adopted the following Audit Procedures:</p> <ul style="list-style-type: none"><li>- Evaluated and tested the effectiveness of the company's design of internal controls relating to recognition and measurement of revenue from sale of energy.</li><li>- Obtained the required Board resolution for modification in accounting policy.</li><li>- Verified the accounting of revenue from sale of energy as well as accounting of provisional revenue from sale of energy based on provisional tariff computed as per the new modified accounting policy.</li></ul>



		<ul style="list-style-type: none"> <li>- Evaluated the impact of modification in accounting policy and examined its disclosure in the notes to the Consolidated Financial Statements.</li> </ul>
2	<p><b><u>Recognition of other income – Delayed payment surcharge</u></b></p> <p>The Company recognises revenue from other income- delayed payment surcharge for sale of energy when no significant uncertainty as to measurability or collectability exists. Significant amount has been recognized during the year under this head.</p> <p>(Refer Note No. 28 and Significant Account Policy No. 17.2.iv)</p>	<p><b><u>Our Audit Procedure:</u></b></p> <p>We have adopted the following Audit Procedure:</p> <ul style="list-style-type: none"> <li>- Obtained and examined the Company's Accounting Policy in this regard.</li> <li>- Obtained an understanding of CERC regulation/ circular/ orders/ guidelines in this regard.</li> <li>- Obtained the various orders/circular in this regard issued by the Ministry of Power, Govt. of India.</li> <li>- Obtained and examined the Company's communication with beneficiaries and company's directions in this regard.</li> <li>- Evaluated the reasonable certainty to the collectability of delayed payment surcharge and its recognition in the Consolidated Financial Statement.</li> </ul>
3	<p><b><u>Contingent Liability</u></b></p> <p>There are number of litigations/claims against the company pending before various forums. Claims made against the company are significant and the management's judgment is required for their proper disclosure.</p> <p>Disclosure of the same involves a significant degree of Management's judgment in interpreting the cases and assessment of the probability of occurrence of the liability which may be subject to Management bias.</p> <p>(Refer note no. 36 to the Consolidated Financial Statement.)</p>	<p><b><u>Our Audit Procedure:</u></b></p> <p>We have obtained the details of cases/disputes/claims pending before various courts/Arbitration/Quasi-Judicial Forums etc. as on 31.03.2021 from the Management along with the latest status and management's assessment for the same.</p> <p>We have also obtained the Company's Accounting Policy in this regard and their disclosure in notes to the Consolidated financial statements for the same.</p> <p>We understood and tested the design and operating effectiveness of control as established by the Management for obtaining all relevant information for pending litigation/cases.</p> <p>We discussed with Management regarding their basis of assessment and any material development thereto and also possible outcomes of the claims/disputes.</p>



## **Information Other than the Consolidated Financial Statements and Auditors Report thereon**

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

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

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

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

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these Consolidated Financial Statements that give a true and fair view of the Consolidated financial position, Consolidated financial performance including other comprehensive income, Consolidated cash flows and Consolidated 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 and other recognized accounting practices and policies.

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

In preparing the Consolidated Financial Statements, the respective Board of Directors of the venturer Company and its jointly controlled entity are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors are also responsible for overseeing the financial reporting process of the venturer Company and of its jointly controlled entity.

### **Auditors Responsibility for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standard on Auditing (SAs) will always detect a material misstatement when it exists. Our Audit being partially carried out off-site, based on documents /information being procured electronically due to compulsion imposed from outbreak of second wave of Covid-19, our work may have inherent Risk and limitations. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Consolidated financial statements.

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

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



- Materiality is the magnitude of misstatements in the Consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Consolidated financial statements.
- Obtain sufficient appropriate Audit evidence regarding the financial information of the business activities of the venturer company and its joint venture to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the audit of the Financial Statements of only such business activities included in the Consolidated Financial Statements of which we are the independent Auditors. For the business activities included in the Consolidated Financial Statements, which have not been audited, their directors remain responsible for the direction, supervision and performance of it. We remain solely responsible for our audit opinion.

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

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

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

### **Others Matters**

We did not audit the Financial Statements of the jointly controlled entity. The unaudited Financial Statement of jointly controlled entity has been furnished to us by the Management of the venturer company. The Consolidated Financial Statements reflect investments carried at Rs. 445.99 Lakhs in the Consolidated Balance Sheet as at March 31, 2021 and share of profit of joint venture at Rs.1.57 Lakhs on the Consolidated Profit & Loss, based on such unaudited Financial Statements of such joint venture as at 31<sup>st</sup> March, 2021, accounted for under the Equity method. Our opinion on the Consolidated Financial Statements, in so far as it relates to the amounts and disclosure 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 Financial Statements.



Our opinion on the Consolidated Financial Statements and our report on other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the unaudited Financial Statements certified by the Management of jointly controlled entity.

### **Report on Other Legal and Regulatory Requirements**

1. As required by Section 143 (3) of the Act, based on our audit and on the consideration of the unaudited Financial Statement of the jointly controlled entity as noted in the 'Other Matters' paragraph above, we report, to the extent applicable, that:
  - a. we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid Consolidated Financial Statements;
  - b. in our opinion, proper books of account as required by law relating to preparation of the aforesaid Consolidated Financial Statements have been kept by the venturer 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 Flows and the Consolidated Statement of changes in equity dealt with by this Report are in agreement with the relevant Consolidated books of account maintained for the purpose of preparation of the Consolidated Financial Statements;
  - d. In our opinion, the aforesaid Consolidated Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - 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 venturer Company.
  - f. As per Notification No. GSR 463(E) dated 5<sup>th</sup> June, 2015 issued by the Ministry of Corporate Affairs, Govt. of India, Section 197 of the Act, as regards managerial remuneration, is not applicable to the Government Companies. Accordingly, reporting in accordance with requirement of provisions of section 197(16) of the Act is not applicable to the venturer Company.
  - g. With respect to the adequacy of the internal financial controls with reference to Consolidated financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure A; 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 and based on the unaudited Financial Statements of the jointly controlled entity:



- i. The venturer Company has disclosed the impact of pending litigations on its financial position in its Consolidated Financial Statements - Refer Note 36 to the Consolidated 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.

PLACE: MUZAFFARPUR

DATE: 10 June 2021



For L.K. KEJRIWAL & CO.  
Chartered Accountants  
Firm Registration No.: 001368C

[Naresh Kr. Poddar]  
Partner  
Membership No. 041717  
UDIN: 21041717AAAABI5458

**L.K.KEJRIWAL & CO.**  
CHARTERED ACCOUNTANTS

**Annexure A to the Independent Auditors' Report**

(Referred to in Paragraph 1(g) under 'Report on other Legal and Regulatory Requirements' section of Independent Auditors' Report of even date on the Consolidated Financial statements for the year ended 31<sup>st</sup> March 2021)

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**Report on the Internal Financial Control under section 143 (3)(i) of the Act**

In conjunction with our audit of the Consolidated Financial Statements of the company as of and for the year ended 31<sup>st</sup> March, 2021, we have audited the internal financial controls over financial reporting of North Eastern Electric Power Corporation Limited ('the venturer Company') and its jointly controlled entity which is a company incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by ICAI. 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.

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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 valuation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Qualified Opinion**

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at 31st March 2021:

the venturer company has old information technology (IT) application system MATFIN, which is unable to cater the emerging needs and complete information consistent with financial reporting objectives. As informed to us, an ERP SAP Program is under implementation.

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, and to the best of our information and according to explanation given to us, the venturer company has, in all material respects, an adequate internal financial controls over financial reporting as of 31<sup>st</sup> March 2021, based on the internal control over financial reporting criteria established by the venturer 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 venturer Company's internal financial controls over financial reporting were operating effectively as of 31<sup>st</sup> March 2021.

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 Consolidated Financial Statements of the Company as at and for the year ended 31<sup>st</sup> March 2021, 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 Financial Controls with reference to Consolidated Financial Statements in so far as it relates to the jointly controlled entity which is a company incorporated in India, is based on the corresponding unaudited Financial Statements of such Company incorporated in India.

PLACE: MUZAFFARPUR

DATE: 10 June 2021



For L.K. KEJRIWAL & CO.

Chartered Accountants

Firm Registration No.: 001368C

A handwritten signature in blue ink, appearing to read "Naresh Kr. Poddar".

[ Naresh Kr. Poddar ]  
Partner

Membership No. 041717

UDIN: 21041717AAAABI5458