

# Corporate Information

## **Board of Directors**

Sanjay Kumar Agarwal, *Director*

Rajesh Kumar Agarwal, *Director*

Mangilal Jain, *Director*

## **Auditors**

**S. Bhalotia & Associates**

*Chartered Accountants*

20B, British India Street, East India House

1<sup>st</sup> Floor, Room No. 1F

Kolkata - 700 069

## **Bankers**

Oriental Bank of Commerce

## **Registered & Corporate Office**

'Satyam Towers' 1<sup>st</sup> Floor, Unit No. 9B

3, Alipore Road

Kolkata - 700 027

## **CIN No.**

U40104WB2007PLC116195

## **DIRECTORS' REPORT**

**Dear Shareholders,**

Your Directors are pleased to present the Ninth Annual Report, together with the Audited Financial Statements as at 31<sup>st</sup> March 2016.

### **FINANCIAL RESULTS**

As there was no commercial operation for the period under review, the company has not prepared the Statement of Profit & Loss.

### **DIVIDEND**

In order to conserve resources to meet further expansion plan and to meet operational requirement, your Directors do not recommend any dividend for the year under review.

### **RESERVES**

During the year under review no amount was transferred to reserves.

### **SHARE CAPITAL**

The paid up Equity Share Capital as on 31<sup>st</sup> March, 2016 was Rs. 7.00 lacs. There has not been any change in the Equity Share Capital of the Company during the Financial Year ended 31<sup>st</sup> March, 2016. During the year under review, the Company has neither issued shares with differential voting rights nor issued sweat equity or granted stock options.

### **HOLDING COMPANY**

Your Company continues to be a 100% subsidiary of Cement Manufacturing Company Limited.

### **PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

During the year under review, your company has not given any loan or made any investment or provided guarantee or security in connection with a loan to any person falling under ambit of Section 186 of the Companies Act, 2013.

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

## EXTRACT OF ANNUAL RETURN

In terms of requirement of section 134 (3) (a) of the Companies Act, 2013, the extract of the Annual return in form MGT-9 is annexed herewith and marked **Annexure 1**.

## MEETINGS OF THE BOARD

During the year four (4) Board Meetings were convened and held on 28<sup>th</sup> April, 2015, 22<sup>nd</sup> July, 2015, 02<sup>nd</sup> November, 2015 and 08<sup>th</sup> February, 2016 . The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

Name of the Director	Category	No. of Meeting	
		Held	Attended
Mr. Rajesh Kumar Agarwal	Non - Executive Director	4	4
Mr. Sanjay Kumar Agarwal	Non - Executive Director	4	3
Mr. Mangilal Jain	Independent Director	4	4

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134 (3) (c) read with section 134(5) of the Companies Act, 2013 the Directors hereby confirm and state that:

- That in the preparation of Annual Account, the applicable Accounting Standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such Accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the company for the year under review.
- The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- The Directors have prepared the annual accounts on going concern basis.
- The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

## DIRECTORS

In accordance with the provisions of Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Mr. Sanjay Kumar Agarwal will retire by rotation and being eligible, offers himself for re-appointment. In view of his considerable experience, your Directors recommend re-appointment of Mr. Agarwal as Director of the Company.

## **DECLARATION BY INDEPENDENT DIRECTOR**

The Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as laid down in Section 149(6) of the Companies Act, 2013.

## **AUDITORS & AUDITORS' REPORT**

M/s S. Bhalotia & Associates., Chartered Accountants (Firm Registration no. 325040E), Statutory Auditors of the Company, have been appointed by the members at the previous Annual General Meeting and shall hold office for a period of 2 years from the date of such meeting held on 25th May, 2015. The Board, in terms of Section 139 of the Act, has recommended for the ratification of the appointment of Statutory Auditors from the conclusion of the ensuing AGM till the conclusion of the Tenth Annual General Meeting.

Members are requested to approve and ratify their appointment. Members are also requested to empower the Board for fixation of Auditors' Remuneration. The Auditors' Report to the Shareholders for the year under review does not contain any qualification.

## **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUTGO**

During the year under review, the Company has not undertaken any manufacturing activity and hence particulars of statement under Section 134 (m) of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014 for conservation of energy and technology absorption are not applicable to the Company.

Your Company has neither earned any foreign exchange earnings, nor incurred any foreign exchange outgo during the year under review.

## **DEPOSITS**

The Company has not accepted any deposits during the financial year under review within the meaning of Section 73 of the companies Act, 2013.

## **CHANGES IMPACTING GOING CONCERN STATUS AND COMPANY'S OPERATIONS**

During the year under review, there have been no material orders passed by the Regulators/Courts impacting materially the going concern status or future operations of the Company.

## **POLICY ON PREVENTION OF SEXUAL HARASSMENT**

The Company values the integrity and dignity of its employees. The Company has put in place a 'Policy on Prevention of Sexual Harassment' as per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 ("Sexual

Harassment Act"). We affirm that adequate access has been provided to any complainants who wish to register a complaint under the policy. No complaint was received during the year.

## **RISK MANAGEMENT**

Risk management refers to the practice of identifying potential risks in advance, analysing them and taking precautionary steps to reduce the risk. The Company has evolved a risk management framework to identify, assess and mitigate the key risk factors of the business. The Board of the Company is kept informed about the risk management of the Company.

## **SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## **PARTICULARS OF EMPLOYEES**

The Company has no employee whose remuneration exceeds the limit prescribed under section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

## **ACKNOWLEDGEMENT**

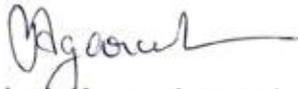
The directors would like to express their grateful appreciations for the assistance and co-operations received from the various Government authorities and Holding Company for their continued guidance and support.

Your Directors would also like to place on record their sincere appreciation for the commitment, dedication and hard work put in by every member of the Company and dedicates the credit for the Company's achievements to them.

**For and on behalf of the Board**

Place: Kolkata  
Date: 02<sup>nd</sup> Day of May, 2016

  
**Sanjay Kumar Agarwal**  
Director  
(DIN: 00232938)

  
**Rajesh Kumar Agarwal**  
Director  
(DIN: 00223718)

**Form No. MGT-9**  
**EXTRACT OF ANNUAL RETURN**  
As on the Financial Year ended on 31st March, 2016

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

**I. REGISTRATION AND OTHER DETAILS:**

CIN	U40104WB2007PLC116195
Registration Date	Company incorporated on 29 <sup>th</sup> May, 2007
Name of the Company	NE Hills Hydro Limited
Category / Sub-Category of the Company	Company limited by Shares/ Non Govt. Company
Address of the Registered Office and contact details	Satyam Towers, 3 Alipore Road, Unit No. 9B, Kolkata-700027
Whether listed company	No
Name, Address and contact details of Registrar & Transfer Agents (RTA), if any	N.A

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

Name and Description of main products /services	NIC Code of the Product/ service	% to total turnover of the company
Not Applicable		

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -**

NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% of shares held	Applicable Section
Cement Manufacturing Company Ltd. Address: Village: Lumshnong, PO: Khaliehriat, Dist.: East Jaintia Hills, Meghalaya - 793210	U26942ML2001PLC006663	HOLDING	100	2(46)





**Annexure 1 to Directors' Report**

			s of the compa ny	/ encumb ered to total shares		of the compa ny	encumbe red to total shares	
1.	Cement Manufacturing Company Ltd.*	70000	100	-	70000	100	-	-

\*Cement Manufacturing Company Ltd. holds shares in the company along with six(6) nominees.

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

Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the Year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change in shareholding during the year			
	At the end of the year				

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

Sl. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	Not Applicable			
	Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.)				
	At the End of the year ( or on the date of separation, if separated during the year)				

## (v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	For Each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	N.A			
	Date wise Increase /Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):				
	At the end of the year				

## V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment  
(₹ in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-
<b>Change in Indebtedness during the financial year</b>				
• Addition	-	-	-	-
• Reduction	-	-	-	-
<b>Net Change</b>	-	-	-	-
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	-	-	-	-

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager :

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	-	-
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under	-	-	-
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify	-	-	-
	Total (A)	-	-	-
	Ceiling as per the Act	-	-	-

## B. Remuneration to other directors:

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of Directors			Total Amount
		Mr. Mangilal Jain	Mr. Sanjay Kumar Agarwal	Mr. Rajesh Kumar Agarwal	
1.	Independent Directors				
	• Fee for attending board / committee meetings	0.20	-	-	0.20
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (1)	0.20	-	-	0.20
2.	Other Non-Executive Directors				
	• Fee for attending board / committee meetings	-	-	-	-
	• Commission	-	-	-	-
	• Others, please specify	-	-	-	-
	Total (2)	-	-	-	-
	Total (B)=(1+2)	0.20	-	-	0.20
	Total Managerial Remuneration				0.20
	Overall Ceiling as per the Act				

## C. Remuneration to Key Managerial Personnel other than MD/Manager/ WTD

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel	Total Amount
1	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961  (b) Value of perquisites u/s 17(2) Income-tax Act, 1961  (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission - as % of profit - others, specify...		
5	Others, please specify		
	Total		

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/ NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NONE		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty			NONE		
Punishment					
Compounding					



## INDEPENDENT AUDITOR'S REPORT

To  
The Members  
NE HILLS HYDRO LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of the **Ne Hills Hydro Limited ("The Company")**, which comprise the Balance Sheet as at 31st March, 2016, cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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

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



### BRANCHES:

Jorhat: Near Star Cement Office, 2nd Floor, Opp. Lalit Hardware Stores, R.M Road, Jorhat-785001 Ph.: + 91 8253895222, E-mail: jrj@sbassociates.co.in  
Raipur: Shop No.: 20 & 21, Pushpak Apartment, Chottapara, Raipur - 492001, Ph.: +91 9329591880, E-mail: rpr@sbassociates.co.in  
Guwahati: 724, Peace Enclave, 4F, Ulubari, Charali, G.S.Road, Guwahati-781 007, Ph.: +91 361 2739921 / 8273, E-mail: ghy@sbassociates.co.in  
Hyderabad: 1-11-240/5/1, Shyam Lal Buliding, Dugar Arcade, Begumpet, Hyderabad - 500016, Ph.: +91 40400751/52, E-mail: hyd@sbassociates.co.in  
Asansol: Ansh Enclave, Ground Floor, Karunamoyee Housing Complex, Asansol - 713305, Ph.: + 91 9830353707, E-mail: asn@sbassociates.co.in



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

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a. in the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2016.
- b. in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account, as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet dealt with by this report, are in agreement with the books of account.
  - d) In our opinion, the Balance Sheet comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies(Accounts) Rules, 2014
  - e) On the basis of written representations received from the directors, as on 31<sup>st</sup> March 2016 and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and



### BRANCHES:

# S. Bhalotia & Associates

CHARTERED ACCOUNTANTS



**HEADOFFICE:**  
1F, EAST INDIA HOUSE  
20B, ABDUL HAMID STREET  
(BRITISH INDIAN STREET)  
KOLKATA - 700069  
PHONE: +91 33 40047183 / 84/ 88  
FAX: +91 33 4004 7016  
E-mail: ho@sbassociates.co.in

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- the Company does not have any pending litigations hence there is no impact of the same on its financial position in its financial statement,
  - the Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts
  - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For S. Bhalotia & Associates  
(Chartered Accountants)  
Firm's Registration no.: 325040E**



*Vikash Kumar*

**CA. Vikash Kumar  
(Partner)  
Membership No: 067471**

**Place: Kolkata  
Date: The 2<sup>nd</sup> Day of May, 2016**

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Asansol: Ansh Enclave, Ground Floor, Karunamoyee Housing Complex, Asansol - 713305, Ph.: + 91 9830353707, E-mail: asn@sbassociates.co.in



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

**The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2016, we report that:**

- (i) According to the information and explanation given to us, the company does not have any fixed asset. Accordingly, paragraph 3(i) of the order is not applicable.
- (ii) Since the Company does not have any inventory, paragraph 3(ii) of the order are not applicable to the company and hence not commented upon.
- (iii) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured, to the party covered in the register maintained under section 189 of the Companies Act, 2013 for the year ended 31st March, 2016 and therefore paragraph 3(iii) of the order are not applicable to the company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) According to the information and explanations given to us, the Company has not received any public deposits during the year.
- (vi) According to information and explanation given by the management, the maintenance of cost records have not been prescribed by the Central Government under section 148(1) of the Act, for any of the activities carried on by the company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, except for professional tax for which the company has not taken registration of.  
  
(b) According to the information and explanations given to us, there were no undisputed amounts payable in respect statutory dues in arrears as at 31<sup>st</sup> March 2016, for a period of more than six months from the date they became payable.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.



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Asansol: Ansh Enclave, Ground Floor, Karunamoyee Housing Complex, Asansol - 713305, Ph: + 91 9830353707, E-mail: asn@sbassociates.co.in

# S. Bhalotia & Associates

CHARTERED ACCOUNTANTS



HEADOFFICE:  
1F, EAST INDIA HOUSE  
20B, ABDUL HAMID STREET  
(BRITISH INDIAN STREET)  
KOLKATA - 700069  
PHONE: +91 33 40047183 / 84/ 88  
FAX: +91 33 4004 7016  
E-mail: ho@sbassociates.co.in

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records, the Company has not paid/provided any managerial remuneration during the year. Accordingly, paragraph 3(xi) of the order is not applicable.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

For S. Bhalotia & Associates  
(Chartered Accountants)  
Firm's Registration no.: 325040E



*Vikash K*

CA. Vikash Kumar  
(Partner)  
Membership No: 067471

Place: Kolkata  
Date: The 2<sup>nd</sup> Day of May, 2016

#### BRANCHES:

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Raipur: Shop No.: 20 & 21, Pushpak Apartment, Chottapara, Raipur - 492001, Ph.: +91 9329591880, E-mail: rpr@sbassociates.co.in  
Guwahati: 724, Peace Enclave, 4F, Ulubari, Charali, G.S.Road, Guwahati-781 007, Ph.: +91 361 2739921 / 8273, E-mail: ghy@sbassociates.co.in  
Hyderabad: 1-11-240/5/1, Shyamlal Buliding, Dugar Arcade, Begumpet, Hyderabad - 500016, Ph.: +91 40400751/52, E-mail: hyd@sbassociates.co.in  
Asansol: Ansh Enclave, Ground Floor, Karunamoyee Housing Complex, Asansol - 713305, Ph: + 91 9830353707, E-mail: asn@sbassociates.co.in



**Annexure - B to the Auditors' Report**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Ne Hills Hydro Limited ("The Company")** as of 31 March 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to 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 the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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



**BRANCHES:**

Jorhat: Near Star Cement Office, 2nd Floor, Opp. Lalit Hardware Stores, R.M Road, Jorhat-785001 Ph.: + 91 8253895222, E-mail: jrh@sbassociates.co.in  
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**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 authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. Bhalotia & Associates**  
**(Chartered Accountants)**  
**Firm's Registration no.: 325040E**



*Vikash K*

**CA. Vikash Kumar**  
**(Partner)**  
**Membership No: 067471**

**Place: Kolkata**

**Date: The 2<sup>nd</sup> Day of May, 2016**

**BRANCHES:**

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**NE HILLS HYDRO LIMITED**  
**Regd. Office: 1st FLOOR, UNIT 9B, SATYAM TOWER, 3 ALIPORE ROAD**  
**KOLKATA-700027**

**Balance Sheet as at 31st March 2016**

(₹) In Hundred

	Note No	31.03.16	31.03.15
<b><u>EQUITY AND LIABILITIES</u></b>			
<b><u>Shareholders' Funds</u></b>			
Share Capital	2.1	7,000.00	7,000.00
<b><u>Current Liabilities</u></b>			
Trade Payables	2.2	334.57	121.18
<b>Total</b>		<b>7,334.57</b>	<b>7,121.18</b>
<b><u>ASSETS</u></b>			
<b><u>Non-current Assets</u></b>			
Fixed Assets			
- Capital Work in Progress	2.3	2,059.56	1,751.90
Non Current Investments	2.4	2,700.00	2,700.00
Long Term Loans and Advances	2.5	750.00	750.00
Other Non Current Assets	2.6	417.08	417.08
		<b>5,926.64</b>	<b>5,618.98</b>
<b><u>Current Assets</u></b>			
Cash and Bank Balances	2.7	1,407.93	1,502.20
<b>Total</b>		<b>7,334.57</b>	<b>7,121.18</b>
Summary of significant accounting policies and notes on account	1 & 2		
The accompanying notes are an integral part of the financial statements			

As per our Report on even date

For & on behalf of Board

For S. Bhalotia & Associates  
 Firm's Registration No.325040E  
 (Chartered Accountants)

*Vikash K*



CA. Vikash Kumar  
 (Partner)  
 Membership No. 067471  
 Date: 2nd Day of May, 2016  
 Place: Kolkata

*Sanjay Kr Agarwal*  
 Sanjay Kr. Agarwal  
 Director  
 Din No.00232938

*Rajesh Kr. Agarwal*  
 Rajesh Kr. Agarwal  
 Director  
 Din No.00223718

**NE HILLS HYDRO LIMITED**

**Regd. Office: 1st FLOOR, UNIT 9B, SATYAM TOWER, 3 ALIPORE ROAD  
KOLKATA-700027**

**Cash Flow Statement for the year ended 31st March, 2016**

**(₹) In Hundred**

	31.03.16	31.03.15
<b>A. Cash Flow From Operating Activities</b>		
Profit Before Tax	-	-
<b>Movements in working capital:</b>		
Increase/(Decrease) in Other Current Liabilities	213.39	(33.56)
<b>Net cash flow before Tax and Extra ordinary Item</b>	213.39	(33.56)
Direct Taxes (Paid) / Refund	-	-
<b>Net cash flow from/ (used in ) operating activities (A)</b>	<b>213.39</b>	<b>(33.56)</b>
<b>B. Cash flows from Investing Activities</b>		
Purchase of fixed assets, including intangible assets, CWIP and capital advances	(307.66)	(248.83)
<b>Net cash flow from/(used in) Investing Activities (B)</b>	<b>(307.66)</b>	<b>(248.83)</b>
<b>C. Cash flows from Financing Activities</b>		
Proceeds/(Repayment) from borrowings	-	-
<b>Net cash flows from/(used in) in Financing Activities (C)</b>	-	-
<b>Net increase / (decrease) in cash and cash equivalent (A+B+C)</b>	<b>(94.27)</b>	<b>(282.39)</b>
Cash and cash equivalent at the beginning of the year	1,502.20	1,784.59
<b>Cash and cash equivalent at the end of the year</b>	<b>1,407.93</b>	<b>1,502.20</b>

Summary of significant accounting policies and notes on account 1 & 2

The accompanying notes are an integral part of the financial statements

As per our Report on even date

**For S. Bhalotia & Associates**  
Firm's Registration No.325040E  
(Chartered Accountants)

*Vishal K*

**CA. Vikash Kumar**  
(Partner)

Membership No. 067471

Date: 2nd Day of May, 2016

Place: Kolkata



**For & on behalf of Board**

*Sanjay Kr. Agarwal*

**Sanjay Kr. Agarwal**

Director

Din No.00232938

*Rajesh Kr. Agarwal*

**Rajesh Kr. Agarwal**

Director

Din No.00223718

**NE HILLS HYDRO LIMITED**

**2. Note to Financial Statement for the year ended 31st March 2016**

(₹) in Hundred

Note - 2.1	31.03.16	31.03.15
<b>Share Capital</b>		
<b>Authorised Capital</b>	10,000	10,000
1,00,000 (1,00,000 as at 31.03.15) Equity Shares of ₹10/- each		
<b>Issued, Subscribed &amp; Paid -up</b>	7,000	7,000
70,000 ( 70,000 as at 31.03.15) Equity Shares of ₹10/- each fully paid up in cash		

a **Terms/Rights attached to equity shares**

The company has only one class of equity shares having par value of ₹ 10/- per share. Each holder of Equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of the equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

b **Reconciliation of No. of shares outstanding at the beginning and at the end of the reporting period**

<u>Equity Share Capital</u>	<u>No. of Shares</u>	<u>No. of Shares</u>
At the beginning of the year	70,000	70,000
Issued during the year	-	-
Outstanding at the end of the year	70,000	70,000

c **Shares held by Holding Company**

	<u>No. of Shares</u>	<u>No. of Shares</u>
Cement Manufacturing Company Ltd.	69,994	69,994

d **Details of Shareholders holding more than 5% of Equity Share capital**

<u>Name of the Shareholder</u>	<u>No. of Shares</u> <u>% of holding</u>	<u>No. of Shares</u> <u>% of holding</u>
Cement Manufacturing Company Ltd.*	70,000 100%	70,000 100%

\* Out of 70,000 shares, 6 shares has been held by other persons as nominee shareholders

e **Shares reserved for issue under options and contracts/commitments for sale of shares/disinvestment, including the terms and amounts: Nil.**

(₹) in Hundred

Note - 2.2	31.03.16	31.03.15
<b>Trade Payables</b>		
-Creditors for expenses	334.57	121.18
	334.57	121.18



**NE HILLS HYDRO LIMITED**

**Note to Financial Statement for the year ended 31st March 2016**

**(₹) in Hundred**

<b>Note -2.3</b>	<b>31.03.16</b>	<b>31.03.15</b>
<b>Capital Work In Progress</b>		
<b>Pre-operative Expenses pending allocation</b>		
Audit Fees	501.56	445.38
Bank Charges	8.86	8.63
Certification Expenses	37.51	37.51
Director Sitting Fees	200.00	200.00
Filing Fees	175.73	142.98
General Expenses	60.50	60.50
Legal Expenses	21.30	21.30
Printing & Stationery	94.99	94.99
Professional & Consultancy	478.00	278.00
Rates & Taxes	440.00	421.50
Travelling & Conveyence	41.11	41.11
	<b>2,059.56</b>	<b>1,751.90</b>



**NE HILLS HYDRO LIMITED****Note to Financial Statement for the year ended 31st March 2016****(₹) in Hundred**

<b>Note - 2.4</b>	<b>31.03.16</b>	<b>31.03.15</b>
<b>Non Current Investments</b>		
<b>Trade Investments (Valued at cost unless stated otherwise)</b>		
<b>Investment in Unquoted Equity Instruments</b>		
Ribhoi Engineering Co. Pvt. Ltd. 27,000 ( 27,000 as at 31.03.15) Equity Shares of ₹ 10/- each fully paid up	2,700.00	2,700.00
	<b>2,700.00</b>	<b>2,700.00</b>

**(₹) in Hundred**

<b>Note - 2.5</b>	<b>31.03.16</b>	<b>31.03.15</b>
<b>Long Term Loans and Advances</b>		
<b>Capital Advances</b>		
-Advances against Capital Works	750.00	750.00
	<b>750.00</b>	<b>750.00</b>



**NE HILLS HYDRO LIMITED**

**Note to Financial Statement for the year ended 31st March 2016**

(₹) in Hundred

<b>Note - 2. 6</b>	<b>31.03.16</b>	<b>31.03.15</b>
<b>Other Non Current Assets</b>		
<b>Others</b>		
-Unammortised Expenses	417.08	417.08
	<b>417.08</b>	<b>417.08</b>

(₹) in Hundred

<b>Note - 2. 7</b>	<b>31.03.16</b>	<b>31.03.15</b>
<b>Cash &amp; Bank Balances</b>		
<b>Bank Balance</b>		
- Balances With Bank in Current Account	1,396.90	1,491.17
Cash In Hand	11.03	11.03
	<b>1,407.93</b>	<b>1,502.20</b>



# NE HILLS HYDRO LIMITED

## Significant Accounting Policies & Notes on Accounts

### 1. Significant Accounting Policies

#### 1.1. Basis of preparation

The financial statements of the company have been prepared in accordance with generally accepted accounting principles in India. The company has prepared these financial statements to comply in all material respects with the accounting standards and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

#### 1.2. Use of Estimates

The preparation of financial statements is in conformity with Indian GAAP (Generally Accepted Accounting Principles) requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring material adjustments to the carrying amounts of assets or liabilities in future periods.

#### 1.3 Fixed Assets

- i) Fixed Assets are stated at cost net of CENVAT/Value Added Tax, rebates, less accumulated depreciation and impairment loss, if any.
- ii) All costs, including financing costs till commencement of commercial production, net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to fixed assets are capitalized.
- iii) Expenses incurred relating to project prior to commencement of commercial production are classified as Pre-operative expenditure and disclosed under Capital Work in Progress (net of income earned during Pre-operative Stage.)

#### 1.4 Depreciation

Depreciation on Fixed Assets is provided on written down value method at the rates and in the manner as prescribed under Schedule II to the Companies Act, 2013.



## **NE HILLS HYDRO LIMITED**

### **1.5 Capital Work In Progress**

Capital work in progress is carried at cost comprising direct cost and pre-operatives expense during construction period to be allocated to the fixed assets on the completion of construction.

### **1.6 Investments**

Current Investments are stated at lower of cost and market/fair value. Long-term investments are stated at cost after deducting provisions for permanent diminution in the value, if any.

### **1.7 Revenue Recognition**

Sale is recognized on passing of title of goods and net of trade discount and rebate and duties in respect of which set-off can be claimed. Expenses to the extent considered payable, unless specifically stated to be otherwise, are accounted on mercantile basis.

### **1.8 Miscellaneous Expenditure**

Preliminary Expenses are written of in the first year of operation.

### **1.9 Taxes on Income**

Tax expenses comprises of current and deferred tax. Provision for the current tax is made on the basis of taxable income for the current accounting year in accordance with the provisions of Income Tax Act, 1961. The deferred tax in respect of timing differences which originate during the tax holiday period and is likely to reverse during the tax holiday period, is not recognized to the extent income is subject to deduction during the tax holiday period as per the requirements of the Income Tax Act, 1961. The deferred tax asset is recognized and carried forward only to the extent that there is reasonable certainty that the assets will be realized in future. Deferred tax assets / liabilities are reviewed as at Balance Sheet date based on developments during the year and available case laws to reassess realization / liabilities.

### **1.10 Provisions and Contingencies**

A Provision is recognized for a present obligation as a result of past events if it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimates of the amount required to settle the obligation at the Balance Sheet date. A contingent liability of an outflow of resources is remote. Contingent assets are neither recognized nor disclosed in the financial statements.



## NE HILLS HYDRO LIMITED

### NOTE -2.8

- i) No Statement of Profit and Loss has been prepared since the Company has not commenced revenue operation. The expenditures incurred during the construction period are classified as 'Pre-operative Expenses' pending capitalization and will be apportioned to the Assets on the completion.

(₹ In hundred)

Sl. No.	Particulars	For the year 2015-16	For the year 2014-15
	<b>Opening Balance</b>	<b>1751.90</b>	<b>1503.07</b>
(i)	Auditors Remuneration	56.18	56.18
(ii)	Bank Charges	0.23	0.22
(iii)	General Expense	-	-
(iv)	Filing Fees	32.75	40.90
(v)	Professional & Cons.	200.00	133.03
(vi)	Printing & Stationary	-	-
(vii)	Rates & Taxes	18.50	18.50
(viii)	Certification Fees	-	-
(ix)	Director Sitting Fees	-	-
(x)	Travelling & Conveyance	-	-
	<b>Total</b>	<b>2059.56</b>	<b>1751.90</b>

- ii) Payment made to the Auditors' during the period is as under:

(₹ In hundred)

Particulars	2015-16	2014-15
As Auditor		
- Audit Fees	56.18	56.18

- iii) The contingent liability of the company is nil.
- iv) The Company does not have dues with respect to the Micro, Small and Medium Enterprises as defined in Micro, Small & Medium Enterprise Development Act, 2006.
- v) Considering the nature of company's business and operations, there are no separate reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard 17-'Segment reporting'.



## NE HILLS HYDRO LIMITED

vi) **Related Party Disclosures**

Names of the transacting related parties and related party relationship

<b>Holding Company</b>	Cement Manufacturing Company Limited (CMCL)
<b>Key Management Personnel</b>	Mr. Sanjay Kumar Agarwal (Director)
	Mr. Rajesh Kumar Agarwal (Director)
	Mr. Mangilal Jain (Director)

Details of transactions between the Company and related parties and the status of outstanding balance as at 31<sup>st</sup> March'2016

Name of Person	Nature of Payment	Amount	Closing Balance at the year End
Mangilal Jain	Reimbursement of Expenses	20,000/-	-

vii) **Previous year figures**

The company has reclassified previous year figures to conform to this year's classification.

viii) All the figures have rounded to the nearest Rupees in Hundred.

For S. Bhalotia & Associates  
(Chartered Accountants)  
Firm's Registration No. 325040E

For and on behalf of the Board

*Vikas K*

CA. Vikash Kumar  
(Partner)  
Membership No - 067471  
Date: 2<sup>nd</sup> Day of May, 2016  
Place: Kolkata



*Rajesh Kumar Agarwal*  
Rajesh Kumar Agarwal  
Director  
(DIN : 00223718)

*Sanjay Kumar Agarwal*  
Sanjay Kumar Agarwal  
Director  
(DIN : 00232938)