

# Audited Project Financial Statements

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Project Number: 44444-013

Loan Numbers: 3225, 3226/Grant Number: 0421

Period covered: For Year Ended 31 December 2015

## BHU: Second Green Power Development Project

Prepared by Tangsibji Hydro Energy Limited

For the Asian Development Bank

Date 13 June 2016

The audited project financial statements are documents owned by the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff. These documents are made publicly available in accordance with ADB's Public Communications Policy 2011 and as agreed between ADB and the Tangsibji Hydro Energy Limited.

# **TANGSIBJI HYDRO ENERGY LIMITED**

STATEMENT OF FINANCIAL POSITION AS AT  
31<sup>ST</sup> DECEMBER, 2015

AND

STATEMENT OF COMPREHENSIVE INCOME,  
STATEMENT OF CHANGES IN EQUITY  
& STATEMENT OF CASH FLOW  
FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER, 2015

**Bansal & Co.**  
**(Chartered Accountants)**

Head Office - - Delhi Branch Office(s) - - Bhopal, Dehradun, Mumbai

## INDEPENDENT AUDITOR'S REPORT

To the Members of Tangsibji Hydro Energy Limited  
Bhutan

### Report On Financial Statements

1. We have audited the accompanying financial statements of Tangsibji Hydro Energy Limited, which comprise the Statement of Financial Position as at December 31, 2015, and the Statement of Comprehensive Income, Statement of Cash Flow, and Statement of change in Equity for the year then Ended and a summary of significant accounting policies and other Explanatory information.

### Management's Responsibility for the Financial Statements

2. Management is responsible for the preparation of these financial Statements that give a true and fair view of the financial position, Statement of Comprehensive Income, Statement of cash flows, and Statement of change in Equity of the Company and In accordance with Bhutanese Accounting Standards for Phase I and other generally accepted principles in Bhutan. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Financial Statements that gives a true and fair view and is free from material misstatement, whether due to Frauds or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial Statements based on our audit. We conducted our audit in accordance with the International Standards on auditing (ISA). Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and Disclosures in the Financial Statements. The procedures selected depend on the auditor's



judgement, 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 presentation of the Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of 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

4. In our opinion, the financial statement gives the information required by the Act in the manner so required and give true and fair view in conformity with the Bhutanese Accounting Standards- Phase-I and provision of the Company Act of Kingdom of Bhutan, 2000:
  - a. In the case of the Statement of Financial Position, of the state of affairs of the company as at December 31, 2015.
  - b. In the case of the Statement of Comprehensive Income, of the total Comprehensive loss for the year ended on that date.
  - c. In case of Statement of Changes in the equity, equity as at December 31, 2015.
  - d. In the case of the Statement of Cash Flow, of the cash flows for the year ended on that date.

### Report on Other Legal and Regulatory Requirement

5. As required by the section 75 of the companies act of the kingdom of Bhutan 2000, read with Part II of schedules XIV thereto (Minimum Audit Examination and Audit reporting requirement issued by the Royal Audit Authority), we enclose in the Annexure A statement on the matter specified therein to the extent applicable to the company.
6. As required by the Section 74(3) of the companies act of Kingdom of Bhutan 2000, we report that:
  - a. We have obtained all the information and explanation, which to the best of our knowledge and beliefs were necessary for the purpose of our audit.





- b. In our opinion, proper books of accounts as required by law have been kept by the company so far as appear from our examination of those books proper returns adequate for the purposes our audit have been received; and
- c. The Statement of Financial Position, Statement of Comprehensive Income, Statement of Change in equity and the Statement of Cash Flow dealt with by this report are in agreement with the books of accounts and returns.

For, Bansal & Co.  
Chartered Accountants  
FRN: 001113N



(D. S. Rawat)  
Partner  
Membership Number: 083030

Place: New Delhi  
Date: 31st May, 2016

**Annexure to Auditors' Report**

1. The Company has maintained proper records to show full particulars including quantitative details and situation of its fixed assets. As per policy of the company, Physical verification of fixed assets is being carried out by the management in a phased manner, so that all items of fixed assets are physically verified in a period of three years.
2. The fixed assets of the company have not been revalued during the year.
3. As the company is an electricity company, there are no finished goods or raw materials.  
As the company is under construction phase there is no Civil, mechanical and Electrical stores and spares. Hence the clause of Physical verification of stores and spares is not applicable.
4. In our opinion and according to information and explanation given to us, the procedures of physical verification of stock (Printing & Stationery) followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
5. On the basis of our examination of the inventory records, in our opinion, the Company has maintained proper records for inventory.
6. In our opinion, the valuation of year-end stocks has been fair and proper in accordance with the normally accepted accounting principles and is on the same basis as in the earlier years.
7. According to the information and explanations given to us, there is no corporation/company/firm under the same management from which a loan or an advance has been taken by the Company.
8. According to the information and explanations given to us, the Company had not granted any unsecured loan to its holding company during the year 2015.
9. There are no parties to whom the loans and advances have been given by the Company which are repayable with interest during the year.
10. Advances granted to officers/staff are generally in keeping with the provisions of service rules and no excessive/ frequent advances are granted and there is no accumulation of large advances against any particular individual.
11. According to information and explanation given to us, in our opinion, internal control systems of the Company are generally commensurate with its size and the volume of business to ensure completeness, accuracy and reliability of accounting records, to carry out the business in an orderly and efficient manner, to safeguard the assets of the Company as well as to ensure adherence to the applicable rules/ regulations, systems and procedures.





12. In our opinion and according to the information and explanations given to us, the company has adequate system of competitive bidding, commensurate with the size of the Company and the nature of its business, for the purchase of goods and services including stores, plant and machinery, equipment and other assets.
13. As the company is under construction phase, The Company has not started its commercial operation hence the clause of selling its electricity is not applicable.
14. As explained to us, the Company has a procedure for determination of unserviceable or damaged stores.
15. As the Company is an electricity company, there is no stock of raw material or finished goods and hence the question of ascertaining unserviceable/damaged raw material and finished goods does not arise.
16. The Company is in construction phase and has not started its commercial operation, maintaining reasonable records for generation of electricity is not applicable.
17. Since the company does not started its commercial operation so there is no scrap which can be realized and hence, Clause does not apply here. Therefore, The Company is not maintaining reasonable records for sale and disposal of realizable scrap and The Company does not generate any by-products.
18. The Company has been generally regular in depositing rates and taxes, duties, provident fund and other statutory dues with the appropriate authorities. In our opinion, the provision for Corporate Tax is adequate and that necessary adjustments have been made to compute amount of tax required under the Rules on the Income Tax Act of the Kingdom of Bhutan – 2001.
19. As explained to us, as on the last day of the financial year, there was no undisputed liability payable in respect of rates, taxes, duties, royalties and other statutory dues except as given in Note 13 of Notes to Accounts.
20. According to the information and explanations given to us, and on the basis of our test checking of the accounts and other books and records, to the best of our knowledge, no personal expenses have been debited to the Profit & Loss account other than those payable under contractual obligations/service rules and/or in accordance with generally accepted business practice.
21. Since the Company is an electricity company, this clause is not applicable to the Company. However, the Company has a reasonable system of recording receipts, issues and consumption of stores and allocating to the respective heads of accounts, which are commensurate with its size and nature of its business.
22. As the company has not started its commercial operation, Quantitative Reconciliation of Energy Reconciliation for accounting year in respect of electricity is not applicable.
23. According to the information and explanations given to us, and on the basis of our test checking of the accounts and other books and records, proper approval of Board / appropriate authority is obtained for writing off amounts due to material loss / discrepancies in physical / book balances of inventories including stores and spares.





24. In our opinion the company is maintaining the proper records regarding the allocation of man hours to the respective jobs.
25. There is a reasonable system of authorization at proper levels and adequate systems of internal control commensurate with the size of the Company and the nature of its business, on issue of stores and allocation of materials to respective cost centers (i.e. job sites).
26. There is no generation of Energy since company has not started its commercial operation. Therefore this clause is not applicable.
27. In our opinion, as the company has not started its operation. As stated above in clause 26 of this Annexure, the question of credit rating of customers does not arise.
28. Since the Company has not started its commercial operation. Hence the Clause of sale of electricity through commission agents is not applicable.
29. As there is no sale of Energy during the period 2015, the clause of reasonable system of continuous follow up with debtors and other parties doesn't apply here.
30. In our opinion and according to the information and explanations given to us, the management of liquid resources particularly cash/bank and short term deposits etc. are adequate and that excessive amounts are not lying idle in non-interest bearing accounts. The Company has not withdrawn any excess amounts as loans leading to avoidable interest burden on the company.
31. In our opinion and to the extent our examination reveals, the business activities carried out by the Company are lawful and intra-vires to its Articles of Incorporation.
32. Investment decisions related with new projects are made with prior approval of the Board. Investments in new projects are made only after ascertaining the technical and economic feasibility of such new ventures.
33. The Company has a suitable budgetary control system.
34. Since the Company is engaged in the generation of hydroelectricity, no input output relationship can be established. The Company does not have a system of standard costing but operational variances are analyzed at periodic intervals against budgeted norms.
35. In our opinion and to the extent revealed by our examination, the details of remuneration, commission and other payments made in cash or in kind to the Board of Directors including the Managing Director or to any of their relatives by the Company, directly or indirectly, are disclosed in Para No. 6 of Note 20 of the Notes to the Accounts.
36. In our opinion and on the basis of examination of books and records, generally the directives of the Board issued have been complied with.





37. According to the information and explanations given to us, the officials of the company have not transmitted any price sensitive information, which are not made publicly available, unauthorized to their relatives / friends / associates or close persons which directly or indirectly benefit themselves. We have however relied on the management assertion on the same and cannot independently verify the same.

**38. Computerized Accounting Environment:**

1. The company has introduced S.A.P. from 1<sup>st</sup> June, 2015 for accounting system along with some other packages in operational fields like accounting, payroll, inventory management system & personal information system. In our opinion, organizational and system development controls and other internal controls are appears to be adequate relative to the size and nature of computer installation of the Company.
2. In our opinion, the Company appears to have adequate measures and back up facilities commensurate with the size and nature of computer installation.
3. The operational controls in the Company are generally adequate to ensure correctness and validity of input data and output information.
4. According to the information and explanations given to us, measures to prevent unauthorized access to the computer installation and files are adequate.



**39. General**

**1. Going Concern Problems**

On the basis of the attached Financial Statements as at 31st December, 2015 and according to the information and explanations given to us, the financial position of the company is healthy and we have no reason to believe that the Company is likely to become sick in the near future.

**2. Ratio Analysis**

Financial and Operational Results of the Company has been given in Exhibits-1-1A to this report.

**3. Compliance with the Companies Act of the Kingdom of Bhutan.**

According to the information and explanations given to us by the management and based on a Compliance Checklist completed by the Company Officials, the Company had complied with the provisions of the Companies Act of the Kingdom of Bhutan, 2000.

**4. Adherence to Laws, Rules and Regulations**

On the basis of our examination of the books and records of the Company and according to the information and explanations given to us, we have neither come across nor have we been informed of any non compliance to the Companies Act of the Kingdom of Bhutan 2000 (except as mentioned above) and the relevant laws under the Bhutan Electricity Act. *In respect of compliance with other Acts prevalent in the Kingdom of Bhutan, we cannot comment on the same in the absence of any information provided to us in this matter. Management of the Company needs to establish proper and comprehensive compliance assurance systems for all such other applicable acts.*

For, Bansal & Co.  
Chartered Accountants  
FRN: 001113N



(D. S. Rawat)  
Partner  
Membership Number: 083030

Place: New Delhi  
Date: 31st May, 2016

# TANGSIBJI HYDRO ENERGY LIMITED

Statement of Financial Position for the year ended on December 31, 2015

Amount in Nu.

Particulars	Note No.	2015	2014
<b>ASSETS</b>			
Non- Current Assets			
Property, Plant & Equipment	1	36,329,664.10	6,337,475.99
Intangible Assets	2	7,021,754.69	-
Capital Work in Progress	3	780,819,952.03	185,735,473.54
Long-Term Loans and Advances	4	4,823,360.00	-
Deferred Tax Asset	5	5,648,436.64	11,030,313.66
<b>Total Non - Current Assets</b>		<b>834,643,167.46</b>	<b>203,103,263.19</b>
Current Assets			
Cash and Bank Balance	6	12,901,793.34	25,902,988.65
Inventories	7	161,441.00	4,917.00
Short Term Loans and Advances	8	94,745,831.06	13,051,217.31
Other Current Assets	9	1,953,692.97	201,952.91
<b>Total Current Assets</b>		<b>109,762,758.37</b>	<b>39,161,075.87</b>
<b>TOTAL ASSETS</b>		<b>944,405,925.83</b>	<b>242,264,339.06</b>
<b>EQUITY AND LIABILITIES:</b>			
Shareholders' Equity			
Share Capital	10	1,019,428,410.86	264,428,410.86
Accumulated Losses	11	(82,395,996.91)	(50,597,640.10)
Accumulated Other Comprehensive Income		87,094.00	-
Un-amortized Origination Fees	12	(36,950,559.14)	-
<b>Total Shareholders' Equity</b>		<b>900,168,948.81</b>	<b>213,830,770.76</b>
Non- Current Liabilities			
Long Term Provisions	13	2,000,898.00	-
<b>Total Non-Current Liabilities</b>		<b>2,000,898.00</b>	<b>-</b>
Current Liabilities			
Short - Term Provisions	14	623,845.00	315,859.03
Other Current Liabilities	15	41,612,234.02	28,117,709.27
<b>Total Current Liabilities</b>		<b>42,236,079.02</b>	<b>28,433,568.30</b>
<b>TOTAL LIABILITIES</b>		<b>44,236,977.02</b>	<b>28,433,568.30</b>
<b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b>		<b>944,405,925.83</b>	<b>242,264,339.06</b>

Significant Accounting Policies

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Notes on Accounts

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Note referred to above form an integral part of the Accounts

This is the Statement of Financial Position referred to in our report of even date

As per our report of event date annexed

For Bansal & Co.

Chartered Accountants

Firm's Registration No. 001138 MoEA

(D.S. Rawat)

Partner

Membership No. 083030

Date:- 31st May, 2016

Place:- New Delhi

(Dasho Yeshe Wangdi)

Chairman, THyE & Secretary, MoEA

(Karma Chhophel)

Managing Director

(Jangchu Dema)

Chief Financial Officer



# TANGSIBJI HYDRO ENERGY LIMITED

Statement of Comprehensive Income for the year ended on December 31, 2015

		Amount in Nu.	
Particulars	Note No	2015	2014
<b>Income</b>			
Other Income	16	3,150,657.10	958,321.00
		3,150,657.10	958,321.00
<b>Expenditure</b>			
Operation and Maintenance Expenses	17	1,055,829.30	60,641.91
Employees' Remuneration and Benefits	18	14,292,715.76	1,888,670.06
Depreciation		3,644,450.48	115,091.41
Environment and Social Impact Management Expenses	19	3,603,044.62	2,116,800.00
Other Expenses	20	6,971,096.73	58,405,071.38
		29,567,136.89	62,586,274.76
<b>Operating Profit (Loss)</b>		(26,416,479.79)	(61,627,953.76)
<b>Profit Before Tax</b>		(26,416,479.79)	(61,627,953.76)
<b>Tax Expenses</b>			
Deferred Tax Asset		5,381,877.02	(11,030,313.66)
<b>Profit (Loss) for the Year</b>		(31,798,356.81)	(50,597,640.10)
<b>Other comprehensive income:</b>			
Actuarial gains (losses) on defined benefit pension plans		87,094.00	-
<b>Total Other Comprehensive income</b>		87,094.00	-
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		(31,711,262.81)	(50,597,640.10)
<b>Basic and Diluted Earnings per Shares</b>		(4.79)	(372.01)

Significant Accounting Policies

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Notes on Accounts

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Note referred to above form an integral part of the Accounts

This is the Statement of Financial Position referred to in our report of even date

As per our report of event date annexed

For Bansal & Co.  
Chartered Accountants  
Firm's Registration No. 0011113N MoEA



(D.S. Rawat)  
Partner  
Membership No. 083030

Date:- 31st May, 2016  
Place:- New Delhi

(Dasho Yeshe Wangdi)  
Chairman, THYE & Secretary, MoEA

(Karma Chhophel)  
Managing Director

(Jangchu Dema)  
Chief Financial Officer

# TANGSIBJI HYDRO ENERGY LIMITED

Statement of Cash Flows for the period ended on December 31, 2015

		Amount in Nu.
Particulars	2015	2014
<b>Cash flows from operating activities</b>		
Profit before taxation	(26,416,479.79)	(61,627,953.76)
Adjustment for:		
Pre-Feasibility Expenses	-	55,136,857.72
Depreciation	3,644,450.48	115,091.41
(Increase)/Decrease in Inventories	(156,534.00)	(4,917.00)
(Increase)/Decrease in Other Current Asset	(1,751,740.06)	(201,952.91)
(Increase)/Decrease in Loans and Advances	(86,517,973.75)	(13,051,217.31)
Increase/(Decrease) in Current Liabilities	13,494,524.75	28,117,709.27
Increase/(Decrease) in Provision	307,985.97	315,859.03
Increase/(Decrease) in Provision(Non-Current)	2,087,992.00	-
<b>Cash generated from Operation</b>	<b>(95,307,764.40)</b>	<b>8,799,476.45</b>
<b>Net Cash from Operating Activities</b>	<b>(95,307,764.40)</b>	<b>8,799,476.45</b>
<b>Cash flows from investing activities</b>		
Proceeds/(Payment) of Property, Plant & Equipment	(33,695,846.97)	-
Proceeds/(Payment) Intangible Assets	(7,817,821.16)	-
Proceeds/(Payment) of Capital work in progress	(591,589,877.99)	(32,896,487.80)
<b>Net Cash used in investing activities</b>	<b>(633,103,546.12)</b>	<b>(32,896,487.80)</b>
<b>Cash flows from financing activities</b>		
Issue/(Redemption) of Share Capital	755,000,000.00	50,000,000.00
Payment of Origination Fees for Loan	(39,589,884.79)	-
<b>Net Cash used in financing activities</b>	<b>715,410,115.21</b>	<b>50,000,000.00</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(13,001,195.31)</b>	<b>25,902,988.65</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>25,902,988.65</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>12,901,793.34</b>	<b>25,902,988.65</b>
<b>Component of cash and cash equivalents:-</b>		
Cash in Hand	34,712.00	50,000.00
Balances in Current Accounts with Banks	12,867,081.34	25,852,988.65
<b>Total</b>	<b>12,901,793.34</b>	<b>25,902,988.65</b>

Note: The above Statement of Cash Flows has been prepared under the "Indirect Method" as set out in the BAS-7  
This is the Cash Flows Statement referred to in our report of even date  
As per our report of event date annexed

For Bansal & Co.  
Chartered Accountants  
Firm's Registration No. 001113N MoEA

(D.S. Rawat)  
Partner  
Membership No. 083030



(Dasho Yeshe Wangdi)  
Chairman, THyE & Secretary, MoEA

(Karma Chhophel)  
Managing Director

(Jangchul Dema)  
Chief Financial Office

Date:- 31.05.2016  
Place:- New Delhi

# TANGSIBJI HYDRO ENERGY LIMITED

Statement of Changes of Equity for the period ended on December 31, 2015

	Number of Share Capital	Equity Share Capital	Actuarial gain on defined benefits	Retained Earnings/(Accumulated losses)	Un-amortized Origination Fees	Amount in Nu.
						Total Equity
Opening Balance	2,644,284.11	264,428,410.86	-	(50,597,640.10)	-	213,830,770.76
Number of share capital	7,550,000.00					
Loss for the period		-	-	(31,798,356.81)	-	(31,798,356.81)
Un-amortized Origination Fees		-	-	-	(36,950,559.14)	(36,950,559.14)
Other comprehensive (loss) income for the period		-	87,094.00	-	-	87,094.00
Issued share capital for the period		755,000,000.00	-	-	-	755,000,000.00
				-	-	-
Balance as at 31st December 2015	10,194,284	1,019,428,410.86	87,094.00	(82,395,996.91)	(36,950,559.14)	900,168,948.81

This is the Statement of Changes in Equity referred to in our report of even date  
As per our report of event date annexed

For Bansal & Co.  
Chartered Accountants  
Firm's Registration No. 001113N MoEA

  
(D.S. Rawat)  
Partner  
Membership No. 083030

Date:- 31st May, 2016  
Place:- New Delhi

  
(Dasho Yeshe Wangdi)  
Chairman, THyE & Secretary, MoEA

  
(Karma Chhophel)  
Managing Director

  
(Jangchu Dema)  
Chief Financial Officer



**TANGSIBJI HYDRO ENERGY LIMITED**

Note 1, 2 & 3: Property, Plant & Equipment, Intangible Assets and Capital Works in Progress

FIXED ASSETS	GROSS BLOCK					DEPRECIATION					NET BLOCK (BEA)
	Opening Balance as at 01.01/2015	Additions	Disposal	Book Adjustments	Gross Block as on 31.12.2015	Opening Balance as at 01.01.2015	During the year (BEA)	Disposal	Adjustments	Closing balance as at 31.12.2015	Net Block As at 31.12.2015
<b>CIVIL STRUCTURES</b>	172,460.00	346,503.81	-	-	518,963.81	1,358.02	8,609.32	-	-	10,167.34	508,796.47
Buildings	-	346,503.81	-	-	346,503.81	-	3,066.42	-	-	3,066.42	343,137.39
Other Civil Structures	172,460.00	-	-	-	172,460.00	1,358.02	5,542.90	-	-	7,100.92	165,359.08
<b>TOOLS &amp; SAFETY EQUIPMENTS</b>	13,600.00	2,781,241.75	-	-	2,794,841.75	22.36	16,599.70	-	-	16,622.06	2,778,219.69
Tool And Plant	13,600.00	2,781,241.75	-	-	2,794,841.75	22.36	16,599.70	-	-	16,622.06	2,778,219.69
<b>OTHER ASSETS</b>	6,266,507.39	30,568,101.41	-	-	36,834,608.80	113,711.05	3,678,349.84	-	-	3,791,960.89	33,042,647.91
Office Equipment	142,510.00	837,427.80	-	-	980,437.80	3,087.33	123,683.10	-	-	126,770.43	853,667.37
Furniture And Fixture	166,264.00	1,149,839.28	-	-	1,316,413.28	4,337.36	91,460.69	-	-	95,818.05	1,220,595.23
Vehicle	4,310,727.99	26,687,698.80	-	-	31,178,426.79	61,904.32	2,973,654.71	-	-	3,035,559.03	28,142,867.76
Information Technology	1,079,175.40	1,644,845.88	-	-	2,724,021.28	41,700.54	334,626.71	-	-	376,321.25	2,347,700.03
General Assets	367,530.00	267,779.63	-	-	635,309.63	2,661.48	154,830.63	-	-	157,492.11	477,817.54
<b>Total Tangible Assets</b>	<b>6,452,567.39</b>	<b>33,695,846.97</b>	<b>-</b>	<b>-</b>	<b>40,148,414.36</b>	<b>115,091.42</b>	<b>3,703,658.86</b>	<b>-</b>	<b>-</b>	<b>3,818,750.28</b>	<b>36,329,664.08</b>
Less: Provision for Losses	-	-	-	-	-	-	-	-	-	-	-
<b>Net Assets</b>	<b>6,452,567.39</b>	<b>33,695,846.97</b>	<b>-</b>	<b>-</b>	<b>40,148,414.36</b>	<b>115,091.42</b>	<b>3,703,658.86</b>	<b>-</b>	<b>-</b>	<b>3,818,750.28</b>	<b>36,329,664.08</b>
<b>INTANGIBLE ASSETS</b>	-	-	-	-	-	-	-	-	-	-	-
Information and Technology	-	7,817,821.16	-	-	7,817,821.16	-	796,066.47	-	-	796,066.47	7,021,754.69
Less: Provision for Losses	-	-	-	-	-	-	-	-	-	-	-
<b>Capital Works in Progress</b>	-	7,817,821.16	-	-	7,817,821.16	-	796,066.47	-	-	796,066.47	7,021,754.69
<b>CAPITAL WORKS IN PROGRESS</b>	-	-	-	-	-	-	-	-	-	-	-
Capital Works in Progress (Tangible Assets)	63,456,728.14	595,084,478.49	-	-	658,541,206.63	-	-	-	-	-	658,541,206.63
Capital Works in Progress (Intangible Assets)	124,278,745.40	-	-	-	124,278,745.40	-	-	-	-	-	124,278,745.40
Less: Provision for Losses	-	-	-	-	-	-	-	-	-	-	-
	185,735,473.54	595,084,478.49	-	-	780,819,952.03	-	-	-	-	-	780,819,952.03
<b>GRAND TOTAL</b>	<b>192,188,040.93</b>	<b>636,598,146.42</b>	<b>-</b>	<b>-</b>	<b>828,786,187.55</b>	<b>115,091.42</b>	<b>4,499,725.33</b>	<b>-</b>	<b>-</b>	<b>4,614,816.75</b>	<b>824,171,370.80</b>

Note: Of the total depreciation, Nu. 855,274.85 was booked to WIP



**TANGSIBJI HYDRO ENERGY LIMITED**  
Note forming part of Accounts

Particulars	Nu. 2015	Nu. 2014
<b>Note 4: Long Term Loans and Advances</b>		
Advances	4,823,360.00	-
	4,823,360.00	-
<b>Note 5: Deferred Tax Assets/(Liability)</b>		
Deferred Tax Asset	5,648,436.64	11,030,313.66
	5,648,436.64	11,030,313.66
<b>Note 6: Cash &amp; Bank Balances</b>		
Cash in Hand	34,712.00	50,000.00
Balances with Banks in Current Accounts:		
Bank of Bhutan	12,867,081.34	25,852,988.65
	12,901,793.34	25,902,988.65
<b>Note 7: Inventories</b>		
Stores & spares	161,441.00	4,917.00
	161,441.00	4,917.00
<b>Note 8: Short Term Loans and Advances</b>		
Staff Advance		60,344.77
Advance to Supplier/Contractor	99,569,191.06	12,990,872.54
	99,569,191.06	13,051,217.31
<b>Note 9: Other Current Assets</b>		
Prepaid Expenses	492,442.21	11,231.00
Deposits- Miscellaneous	205,000.00	60,000.00
Other Receivables	1,256,250.76	130,721.91
	1,953,692.97	201,952.91
<b>Note 10: Share Capital</b>		
Authorized Share Capital		
50,000,000 equity shares@ Nu. 100 per share	5,000,000,000.00	5,000,000,000.00
Subscribed Share Capital		
36,000,000 equity shares @ Nu. 100 per share are subscribed by DGPC but Paid - up Share Capital is 10,194,284 Equity Shares	3,600,000,000.00	3,600,000,000.00
@ Nu. 100 per Share	1,019,428,410.86	264,428,410.86
	1,019,428,410.86	264,428,410.86



**TANGSIBJI HYDRO ENERGY LIMITED**  
Note forming part of Accounts

<b>Note 11: Reserves &amp; Surplus/(Accumulated Losses)</b>		
Group Investment Reserves	-	-
(Addition during the year)		
Accumulated Losses		
Opening Balance	(50,597,640.10)	-
Closing Balance	(50,597,640.10)	-
Add: Transferred from Profit & Loss	(31,798,356.81)	(50,597,640.10)
Less: Appropriation to Group Investment Reserve		
	(82,395,996.91)	(50,597,640.10)

<b>Schedule 12: Un-amortized Origination Fees</b>		
Un-amortized Origination Fees	(36,950,559.14)	-
	(36,950,559.14)	-

<b>Note 13: Long Term Provisions</b>		
Provision for Expenses	65,693.00	-
Provision for Gratuity	951,323.00	
Provision for Leave Encashment	983,882.00	
	2,000,898.00	-

<b>Note 14: Short - Term Provisions</b>		
Provision for Expenses	94,280.00	-
Provision for Gratuity	76,684.00	106,349.95
Provision for Leave Encashment	31,841.00	129,705.75
Provision for LTC	421,040.00	79,803.33
	623,845.00	315,859.03

<b>Note 15: Other Current Liabilities</b>		
Security Deposit- Suppliers & Others	-	1,120,000.00
Sundry Creditors	40,866,978.07	-
Outstanding Liabilities to contractors	-	25,473,577.94
Outstanding Liabilities for expenses	229,382.49	-
Sundry Liabilities	186,902.37	1,523,246.33
Tax Deducted at Source - Payable	328,971.09	885.00
	41,612,234.02	28,117,709.27

<b>Note 16: Other Incomes</b>		
House Rent Recovered- Employee/Others	101,760.00	-
Miscellaneous Receipts	2,911,997.10	2,321.00
Sale of Tender forms	136,900.00	956,000.00
	3,150,657.10	958,321.00





**TANGSIBJI HYDRO ENERGY LIMITED**  
Note forming part of Accounts

<b>Note 17: Operation &amp; Maintenance Expenses</b>		
R&M Civil Structures	11,340.00	-
R&M Electro-Mechanical	6,736.10	-
R&M Vehicles	787,196.19	60,641.91
R&M-Office Equipments	12,462.00	-
R&M-Information Technology	190,222.41	-
Consumption of General Items	47,872.60	-
	<b>1,055,829.30</b>	<b>60,641.91</b>

<b>Note 18: Employees Remuneration &amp; Benefits</b>		
Salaries and Wages	4,963,681.05	697,670.00
Employer's Contribution to Provident Fund	958,489.16	63,524.00
Staff Welfare Expenses	200,850.00	-
Gratuity Expenses	503,711.74	48,253.50
Leave Encashment	566,319.40	63,157.23
Terminal Benefits	37,951.71	-
Professional Training	332,815.60	3,700.00
Liveries	165,525.00	23,220.00
Leave Travel Concession	182,362.50	36,583.33
GPA- Insurance	66,905.12	-
Communication Allowance	94,644.01	20,258.00
Contract Allowance	1,259,659.39	173,244.00
Housing Allowance	1,259,659.39	173,244.00
Project/Deputation Allowance	1,663,199.17	273,383.00
Special Allowance	2,036,942.52	312,433.00
	<b>14,292,715.76</b>	<b>1,888,670.06</b>

<b>Note 19: Environment and Social Impact Management Expenses</b>		
Biodiversity Conservation Program	3,095,185.00	1,826,025.00
Compensation	507,859.62	290,775.00
	<b>3,603,044.62</b>	<b>2,116,800.00</b>



**TANGSIBJI HYDRO ENERGY LIMITED**  
Note forming part of Accounts

<b>Note 20: Other General Administrative Expenses</b>		
Advertisement and Publicity	187,493.50	84,462.75
Audit Fees & Expenses	104,176.00	20,000.00
Bank Charges	19,484.02	2,220.00
Board Meeting Expenses	160,781.00	155,601.00
Books & Periodicals	6,200.00	-
Consultancy Charges	-	1,340,000.00
Corporate Social Responsibility	494,720.00	30,000.00
Directors' Sitting Fees	824,000.00	308,614.00
Entertainment	700,764.00	176,730.00
Hire Charges	277,070.47	572,618.15
License Fee	19,784.93	869.00
Other Expenses	1,235,628.29	115,227.00
Postage and Telegram	69,160.30	300.00
Printing and Stationery	606,362.00	127,652.00
Rent	665,260.00	35,400.00
Telephone and Fax	351,745.95	7,020.00
Travel	1,212,024.49	284,911.00
Utility Charges	36,441.78	6,588.76
Pre-Feasibility Expenses	-	55,136,857.72
	<b>6,971,096.73</b>	<b>58,405,071.38</b>



**TANGSIBJI HYDRO ENERGY LIMITED**  
**Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015**

**Nature of Operations**

Tangsibji Hydro Energy Limited (Herein after referred to as THyE or the Company) is a company formed under the laws of Bhutan on 25<sup>th</sup> April, 2014. THyE is a 100 % subsidiary company of Druk Green Power Corporation Limited, for the implementation of the 118 MW Nikachhu Hydropower Project. The company is engaged in generation of hydro electrical energy and is under construction and no commercial operations have been started by the Company and expected Scheduled Commercial Operation Date is July, 2019.

**Note 21: Significant Accounting Policies**

**1. Basis of Preparation**

These financial statements have been prepared to comply in all material respects with the Bhutanese Accounting Standards (BAS) Phase I to the extent is applicable to the company and the relevant provisions of the Companies Act of the Kingdom of Bhutan, 2000. The financial statements have been prepared under the historical cost convention on an accrual basis except as stated otherwise. The accounting policies have been consistently applied by the corporation in compliance of Bhutanese Accounting Standards.

The preparation of financial statements in conformity with Bhutanese Accounting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current event and actions, actual results ultimately may differ from those estimates.

**2. Offsetting**

Financial assets and financial liabilities or income and expenses are offset and the net amount presented in the Statement of Financial Position when, and only when, the entity has a legal right and is allowed by the standard to offset the amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

**3. Functional and Presentation Currency**

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates the functional currency of THyE is Ngultrum (Nu.) and also for presentation currency.

**4. Use of Estimates**

The preparation of Financial Statements in conformity with BAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, the disclosures of contingent assets and contingent liabilities at the date of financial statements, income and expenses during the period. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are





**TANGSIBJI HYDRO ENERGY LIMITED**  
**Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015**

recognized in the period in which the estimates are revised and in future periods which are affected.

**5. Foreign Currency**

Transactions in foreign currency are initially recognized in the financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the Statement of Comprehensive Income for determination of net profit or loss during the period.

**6. Investments**

The BAS relating to financial instrument are yet to be implemented in Bhutan as per phase wise implementation announced by AASBB. Therefore, generally accepted accounting principal relating to recognition and measurement for the other investment are followed.

The investments intended to be held for not more than one year are classified as current/short term investments and investment other this are classified as long term investment in a separate financial statements. Long-term investments are stated at costs and provision is made to recognize a decline, other than temporary, in the value of long term investments. Current/short term investments are carried at cost or market rates whichever is less, on individual investment basis.



**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

**7. Property, Plant and Equipment**

- a. Property, plant and equipment is stated at cost less accumulated depreciation and where applicable accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials, direct labour and any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

Cost of software that is integral to the functionality of the related equipment is capitalized as part of that equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized net within "other income / other expenses" in statement of income.

**b. Subsequent Expenditure**

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item only when 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. The carrying amount of the replaced part is derecognized. All other costs incurred for the running and maintenance of property, plant and equipment are expensed off in the year in which they are incurred.

**c. Depreciation**

Company provides depreciation on property, plant and equipment on straight-line method at the rates prescribed in the scheduled B of Tariff Determination Regulation, 2007 of Bhutan Electricity Authority considering the useful lives of the assets.

Asset	Rates
Civil Structures	3.33%
Electromechanical Equipments	3.33%, 5%(Diesel Generators), and 20%(Runners)
Fire Fighting and Safety Equipments	10%
General Assets	20%
Information and Technology Equipments	20%
Machineries	15%
Office Equipments	20%
Tools and Plants	10%
Vehicles	15%
Land	0%
Furniture and Fixtures	10%





**TANGSIBJI HYDRO ENERGY LIMITED**  
**Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015**

The depreciation for the property, plant and equipment purchased / constructed during the year is pro-rated on the basis of actual number of calendar days from the date asset has been put to use.

The assets costing Nu. 500 and below is considered as consumables and charged as expenses.

**8. Intangible Assets**

- a. Intangible assets having finite useful lives are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the intangible asset.

**b. Subsequent Expenditure**

Subsequent expenditure is capitalized only when 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. All other expenditure, including expenditure on internally generated goodwill and brands, are expensed off in the year in which they are incurred.

**c. Amortization of Intangible Assets with finite useful lives**

Amortization is recognized in profit or loss on a straight-line basis over the estimated useful lives as per the rates as has been prescribe in the scheduled B of Tariff Determination Regulation, 2007 of Bhutan Electricity Authority for all software.

**9. Capital Work In Progress**

Expenditure on material, labor, contract expenses and directly attributable cost such as employee costs and overheads, project management expenses incurred during construction period is included in CWIP till these are capitalized for executing the particular project.

Indirect expenditure and overheads incurred is expensed off and are not classified as CWIP.

Capital-Work-In-Progress also represents, cost incurred on Design, Engineering and Detailed Project Report and these expenses shall be capitalized upon the commencement of commercial generation of energy.

**10. Leases**

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

**a. Assets on Operating Lease**

Assets on operating lease are not recognized as part of company's asset. Payments made for operating leases are recognized in profit or loss on a straight-line basis over the term of the lease.

Land on lease is classified as operating lease as allowed by the standard.





**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

**11. Impairment - Non-Current Assets**

The carrying amount of the non-current assets, other than long term investment, capital work in progress and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

An impairment loss is recognized if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss.

**12. Employee Benefits**

Employee benefits are accrued in the period in which the associated services are rendered by employees of the company as detailed below:

**a. Defined Contribution Plan (Pension and Provident Fund)**

As required by National Pension & Provident Fund, both the employee and employer make monthly contributions to the provident fund, which is a Defined Contribution Plan, equal to a specified percentage of employee's basic salary. The company has no further obligations under the plan beyond its monthly contributions. The company does not have any legal or constructive obligation to pay further contributions if the Fund does not have sufficient assets to pay all of the employee's entitlements. Obligation for contributions to the plan is recognized as an employee benefit expense in comprehensive income when the contribution to the Fund becomes due.

**b. Defined Benefit Plans (Gratuity)**

In accordance with the TIE service rule, the company provides for gratuity, a defined benefit retirement plan (the Gratuity Plan) covering all employees. The Gratuity Plan provides a lump sum payment to vested employees, at retirement or termination of employment, an amount based on the respective employee's last drawn salary and the years of employment with the company. The company's net obligation in respect of the gratuity plan is calculated by estimating the amount of future benefits that the employees have earned in return for their service in the current and prior period; that benefits is discounted to determine its present value. The calculation is performed by a qualified actuary using the projected Unit Credit Method and amount of obligation is provided in statement of comprehensive income. The defined benefit plans (gratuity) is unfunded.

**c. Short Term Benefits**

The undiscounted amount of short term employee benefits expected to be paid in exchange for the service rendered by employee are recognized as expense during the period when the employee rendered the services. These benefits includes allowances and compensated absences.





**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

d. **Earned Leave Encashment**

The employees of the company are entitled for earned leave. The employees can carry forward a portion of the unutilized earned leave subject to the limit set as per THyE service manual and utilize it in future periods or compensated in cash during retirement or termination of employment for the unutilized accrued earned leave based on the salary at the time. The company recognizes an obligation for earned leave by determining the liability equal to the accrued unutilized earned leave as on the date of reporting based on the salary on the reporting date.

e. **Other Terminal Benefit**

As per company's HR manual, the employee who have rendered minimum five years of service are entitled to one month basic pay as repatriation allowance, transfer grants and carriage charges of personnel effects to the place of destination as specified in THyE Service Rule.

The company recognizes other terminal benefit obligations of the employee provided by a qualified actuary using the projected Unit Credit Method and amount of obligations are provided in statement of comprehensive income.

**13. Provisions**

Provisions are recognized if, as a result of a past event, the entity has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost. A provision for onerous contracts is recognized when the expected benefits to be derived by the entity from a contract are lower than the unavoidable cost of meeting its obligations under the contract.

**14. Revenue**

Revenue from the export of energy is measured at the price at which Power Purchase Agreements (PPA) has been entered into and domestic sale of energy is measured at the tariff rate determined by Bhutan Electricity Authority. These rates have been considered as fair value for the purpose of measuring the revenue.

**15. Other Income**

Other income comprises of revenue from sale of tender documents, liquidated damage and guesthouse room rents.

**16. Borrowing Costs**

Borrowing costs for the purposed of BAS 23 "Borrowing Cost" has been determined as under in compliance with the approved Accounting Policy for the Asset Accounting, pending the implementation of IFRS 9 which is required to be implement in Phase 3; 2018-2019:





## TANGSIBJI HYDRO ENERGY LIMITED

Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

- i) Interest and commitment charges on bank borrowings and other short term and long-term borrowings;
- ii) Amortization of discounts or premiums relating to borrowings;
- iii) Amortization of ancillary costs incurred in connection with the arrangement of borrowings;
- iv) Finance charges in respect of assets acquired under finance leases or under other similar arrangements; and
- v) Exchange differences arising from foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs.

The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset (A qualifying asset is an asset that necessarily takes a substantial period of time to get ready for its intended use or sale) are added to the cost of those assets until such time when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

All other borrowing costs are recognized as an expense in the period in which they are incurred.

### 17. Inventories

- a. Inventories consist of stores and spares held mainly for repair & maintenance and are valued at lower of cost or net realizable value.
- b. Cost is calculated on Weighted Average Price Method and comprises expenditure incurred in the normal course of business in bringing such inventories to its present location and condition.
- c. Obsolete and defective items of inventory are identified at the time of physical verification of inventories and where necessary, adjustment is made for the same.
- d. Stock of salvaged and scrapped materials has been stated at nil value. The amount realized on disposal of such stock is accounted for under Other Income.
- e. As the corporation is engaged in the generation of electricity, there are no finished goods or raw materials.
- f. Net realizable value is the estimated selling price in the ordinary course of business less estimated costs of selling.

### 18. Claims for Escalation/Liquidated Damages

Suppliers' / Contractors' claims for price escalation are accounted for to the extent such claims are accepted by the company. Claims for liquidated damages against the suppliers/contractors are taken as income when these are probable for recovery as per the contractual terms.

### 19. Income Tax

Current Tax is determined in respect of taxable income for the year based on applicable rates and laws under Income Tax Act of the Kingdom of Bhutan 2001 and Rules on the Income Tax 2005. Income tax expense comprises current and deferred tax.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on





**TANGSIBJI HYDRO ENERGY LIMITED**  
**Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015**

the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the tax authority on the taxable entity, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

**20. Contingent Liabilities and Contingent Assets**

Contingent liabilities is not recognized but disclosed for all possible obligations that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity.

Contingent assets is also not recognized but disclosed for all possible assets that arises from past events and whose existence will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity.

**21. Operating Segments**

BFRS 8 Operating Segments requires a disclosure of operating results segment wise, the entity has only one operating segment from where it earns the revenue i.e., sale of energy and therefore no such reporting is applicable to the entity.

**22. Cash and Cash Equivalents**

In the cash flows statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short - term highly liquid investments with original maturities of three months or less.

**23. Earnings Per Shares (EPS)**

Basic and Diluted EPS is calculated in accordance with BAS 33. Basic earnings per share is computed by dividing the profit or loss attributable to equity holders by the weighted average number of equity shares outstanding during the period. Since there is no potential equity, diluted and basic earnings per share are same.

**24. Comparative Information**

Prior year figures have been restated, regrouped or reclassified to comply with BAS.



**TANGSIBJI HYDRO ENERGY LIMITED**  
**Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015**

**Note 22: Notes to Accounts**

1. The authorized share capital of the Company is Nu. 5,000 billion (50,000,000 equity share @ Nu. 100 per share) and 36,000,000 share are subscribed by Druk Green Power Corporation Limited and as on December 31, 2015 the total paid up capital is Nu. 1,019,428 million (10,194,284 equity share @ Nu. 100 per share).
2. DGPC as the project investigator and developer has so far spent Nu. 1,019.428 million on the project and has 100% stake in THyE.
3. The Power Purchase Agreement has been signed with PTC India Limited on November 20, 2014 at New Delhi, India. The take or pay PPA covering 80% of the saleable energy is for a period of 25 years.
4. The Indian Commercial Bank (ICB) has sanctioned a loan of Nu. 3,530,000,000.00 and the company has paid origination fees of Nu. 39,589,884.78 During the year, however the loan has not been disbursed by the lender.
5. The company had, with effect from 1st January, 2015, adopted Bhutanese Accounting Standards (BAS) 19, Employee Benefits for all short terms benefits and long term benefits (Gratuity, earned leave, repatriation allowance, transfer grants and carriage charges).

The valuation in respect of all long term benefits has been carried out by independent actuary, Royal Insurance Corporation of Bhutan, Thimphu, Bhutan. The present value of the defined benefit obligations, and the related current service cost and past cost, were measured using the Projected Unit Credit Method. The amount of obligations is provided in statement of comprehensive income.

6. Defined Benefit Plans

Valuation in respect of Gratuity and other employee benefits has been carried out by a qualified actuary using the projected Unit Credit Method.

The disclosures as provided by the actuary are as given below.

The table below shows a summary of the results for the year ended 31<sup>st</sup> December 2015.





**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

	<i>In Ngultrums</i>
<b>A1. Change in Defined Benefit Obligation (DBO)</b>	<b>31/12/2015</b>
DBO at the beginning of the reporting period	106,350
Current service cost	1,028,007
Interest cost	7,886
Past service cost	-
Benefits paid from plan assets	-
Benefits paid by employer	(27,143)
Actuarial (gain)/loss due to plan experience	(87,094)
Actuarial (gain)/loss due to change in demographic assumptions	-
Actuarial (gain)/loss due to change in financial assumptions	-
<b>DBO at the end of the reporting period</b>	<b>1,028,007</b>
<b>A2. Change in fair value of Plan Assets</b>	<b>31/12/2015</b>
Fair Value of Assets at the beginning of reporting period	-
Interest income on plan assets	-
Employer contributions	-
Benefits paid	-
Return on plan assets greater or (less) than discount rate	-
<b>Assets at the end of the reporting period</b>	<b>-</b>
<b>A3. Statement of Profit or Loss</b>	<b>31/12/2015</b>
Current Service Cost	1,028,007
Past service cost	-
Net interest cost on net DB liability/(asset)	7,886
<b>Net cost for the year recognised in Profit or Loss</b>	<b>1,035,893</b>
<b>A4. Other Comprehensive Income (OCI)</b>	<b>31/12/2015</b>
Actuarial (Gain)/Loss due to liability experience	(87,094)
Actuarial (Gain)/Loss due to liability assumption changes	-
Return on plan assets (Greater) or Less than discount rate	-
<b>Remeasurement (Gain)/Loss recognized in OCI</b>	<b>(87,094)</b>





**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

<b>A5. Defined Benefit Cost</b>	<b>31/12/2015</b>
Current service cost	1,028,007
Past service cost	-
Net interest cost on net DB liability/(asset)	7,886
Remeasurement (Gain)/Loss recognized in OCI	(87,094)
<b>Total Defined Benefit Cost</b>	<b>948,800</b>

<b>A6. Development of Net Financial position</b>	<b>31/12/2015</b>
Defined Benefit Obligation	(1,028,007)
Fair Value of Plan Assets	-
Funded Status - (Deficit)/Surplus	(1,028,007)
<b>Net Defined Benefit Asset/(Liability)</b>	<b>(1,028,007)</b>

<b>A7. Reconciliation of Net Financial position</b>	<b>31/12/2015</b>
Net Defined Benefit liability/(asset) at the beginning of reporting period	106,350
Amount recognized in the profit or loss	1,035,893
Amount recognized in the OCI	(87,094)
Employer contributions	-
Benefits paid by employer	(27,143)
<b>Net Defined Benefit liability/(asset) at the end of reporting period</b>	<b>1,028,007</b>

<b>A8. Expected Benefit Payments for the year ending</b>	<b>Amount</b>
December 31, 2016	76,684
December 31, 2017	128,617
December 31, 2018	186,898
December 31, 2019	406,735
December 31, 2020	315,604
December 31, 2021 to December 31, 2025	3,781,003



**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

**A9. Estimated Term of Liability (Years)** **19.46**

A.10 Sensitivity Analyses	In Nu.	
	Defined Benefit Obligation	Net Effect on DBO
<b>1. Discount Rate</b>		
Base Discount Rate of 8.5%	1,028,007	-
Discount rate of 9% (+0.5%)	947,558	(80,449)
Discount rate of 8% (-0.5%)	1,117,390	89,383
<b>2. Salary Escalation Rate</b>		
Base Salary Escalation Rate of 10%	1,028,007	-
Salary Escalation Rate of 11% (+1%)	1,217,144	189,137
Salary Escalation Rate of 9% (-1%)	871,656	(156,351)
<b>3. Attrition Rate</b>		
Base Attrition Rate of 3.5%	1,028,007	-
Attrition Rate of 4.5% (+1%)	935,923	(92,085)
Attrition Rate of 2.5% (-1%)	1,135,105	107,098

A1. Leave benefit scheme	In Ngultrums
<b>1. Change in Defined Benefit Obligation (DBO)</b>	<b>31/12/2015</b>
DBO at the beginning of the reporting period	129,706
Current service cost	1,015,723
Interest cost	(3,262)
Past service cost	-
Benefits paid from plan assets	-
Benefits paid by employer	(336,168)
Actuarial (gain)/loss due to plan experience	209,724
Actuarial (gain)/loss due to change in demographic assumptions	-
Actuarial (gain)/loss due to change in financial assumptions	-
<b>DBO at the end of the reporting period</b>	<b>1,015,723</b>
<b>2. Statement of Profit or Loss</b>	<b>31/12/2015</b>
Current Service Cost	1,015,723
Past service cost	-
Net interest cost on net DB liability/(asset)	(3,262)
Remeasurement (Gain)/Loss	209,724
<b>Net cost for the year recognised in Profit or Loss</b>	<b>1,222,186</b>



**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

<b>3. Development of Net Financial position</b>	<b>31/12/2015</b>
Defined Benefit Obligation	(1,015,723)
Fair Value of Plan Assets	-
Funded Status - (Deficit)/Surplus	(1,015,723)
Net Defined Benefit Asset/(Liability)	(1,015,723)
<b>4. Reconciliation of Net Financial position</b>	<b>31/12/2015</b>
Net Defined Benefit liability/(asset) at the beginning of reporting period	129,706
Amount recognized in the Profit or Loss	1,222,186
Employer contributions	-
Benefits paid by employer	(336,168)
Net Defined Benefit liability/(asset) at the end of reporting period	1,015,723
<b>5. Expected Benefit Payments for the year ending</b>	<b>Amount</b>
December 31, 2016	31,841
December 31, 2017	33,856
December 31, 2018	36,008
December 31, 2019	51,832
December 31, 2020	40,098
December 31, 2021 to December 31, 2025	298,328
<b>6. Estimated Term of Liability (Years)</b>	<b>15.81</b>

<b>7. Sensitivity Analyses</b>	<b>In Nu.</b>	
	<b>Defined Benefit Obligation</b>	<b>Net Effect on DBO</b>
<b>1. Discount Rate</b>		
Base Discount Rate of 8.5%	1,015,723	-
Discount rate of 9% (+0.5%)	946,250	(69,473)
Discount rate of 8% (-0.5%)	1,092,609	76,886
<b>2. Salary Escalation Rate</b>		
Base Salary Escalation Rate of 10%	1,015,723	-
Salary Escalation Rate of 11% (+1%)	1,179,284	163,561
Salary Escalation Rate of 9% (-1%)	879,744	(135,980)
<b>3. Attrition Rate</b>		
Base Attrition Rate of 3.5%	1,015,723	-
Attrition Rate of 4.5% (+1%)	996,327	(19,397)
Attrition Rate of 2.5% (-1%)	1,038,510	22,786





**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

<b>A2. Repatriation allowance</b>	<i>In Ngultrums</i>
<b>1. Change in Defined Benefit Obligation (DBO)</b>	<b>31/12/2015</b>
DBO at the beginning of the reporting period	-
Current service cost	76,994
Interest cost	-
Past service cost	-
Benefits paid from plan assets	-
Benefits paid by employer	-
Actuarial (gain)/loss due to plan experience	-
Actuarial (gain)/loss due to change in demographic assumptions	-
Actuarial (gain)/loss due to change in financial assumptions	-
<b>DBO at the end of the reporting period</b>	<b>76,994</b>
<b>2. Statement of Profit or Loss</b>	<b>31/12/2015</b>
Current Service Cost	76,994
Past service cost	-
Net interest cost on net DB liability/(asset)	-
Remeasurement (Gain)/Loss	-
<b>Net cost for the year recognised in Profit or Loss</b>	<b>76,994</b>
<b>3. Development of Net Financial position</b>	<b>31/12/2015</b>
Defined Benefit Obligation	(76,994)
Fair Value of Plan Assets	-
Funded Status - (Deficit)/Surplus	(76,994)
<b>Net Defined Benefit Asset/(Liability)</b>	<b>(76,994)</b>
<b>4. Reconciliation of Net Financial position</b>	<b>31/12/2015</b>
Net Defined Benefit liability/(asset) at the beginning of reporting period	-
Amount recognized in the Profit or Loss	76,994
Employer contributions	-
Benefits paid by employer	-
<b>Net Defined Benefit liability/(asset) at the end of reporting period</b>	<b>76,994</b>
<b>5. Expected Benefit Payments for the year ending</b>	<b>Amount</b>
December 31, 2016	44,268
December 31, 2017	47,085
December 31, 2018	50,094
December 31, 2019	91,950
December 31, 2020	54,838
December 31, 2021 to December 31, 2025	443,871



**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

6. Estimated Term of Liability (Years)		15.81
7. Sensitivity Analyses	In Nu.	
	Defined Benefit Obligation	Net Effect on DBO
<b>1. Discount Rate</b>		
Base Discount Rate of 8.5%	76,994	-
Discount rate of 9% (+0.5%)	72,832	(4,162)
Discount rate of 8% (-0.5%)	81,543	4,549
<b>2. Salary Escalation Rate</b>		
Base Salary Escalation Rate of 10%	68,723	-
Salary Escalation Rate of 11% (+1%)	86,693	17,969
Salary Escalation Rate of 9% (-1%)	78,596	9,873
<b>3. Attrition Rate</b>		
Base Attrition Rate of 3.5%	76,994	-
Attrition Rate of 4.5% (+1%)	75,984	(1,010)
Attrition Rate of 2.5% (-1%)	78,166	1,172
<b>A3. Transfer grant</b>		<i>In Ngultrums</i>
<b>1. Change in Defined Benefit Obligation (DBO)</b>		<b>31/12/2015</b>
DBO at the beginning of the reporting period		-
Current service cost		76,994
Interest cost		-
Past service cost		-
Benefits paid from plan assets		-
Benefits paid by employer		-
Actuarial (gain)/loss due to plan experience		-
Actuarial (gain)/loss due to change in demographic assumptions		-
Actuarial (gain)/loss due to change in financial assumptions		-
<b>DBO at the end of the reporting period</b>		<b>76,994</b>
<b>2. Statement of Profit or Loss</b>		<b>31/12/2015</b>
Current Service Cost		76,994
Past service cost		-
Net interest cost on net DB liability/(asset)		-
Remeasurement (Gain)/Loss		-
<b>Net cost for the year recognised in Profit or Loss</b>		<b>76,994</b>
<b>3. Development of Net Financial position</b>		<b>31/12/2015</b>
Defined Benefit Obligation		(76,994)





**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

Fair Value of Plan Assets	-
Funded Status - (Deficit)/Surplus	(76,994)
Net Defined Benefit Asset/(Liability)	(76,994)

<b>4. Reconciliation of Net Financial position</b>	<b>31/12/2015</b>
Net Defined Benefit liability/(asset) at the beginning of reporting period	-
Amount recognized in the Profit or Loss	76,994
Employer contributions	-
Benefits paid by employer	-
Net Defined Benefit liability/(asset) at the end of reporting period	76,994

<b>5. Expected Benefit Payments for the year ending</b>	<b>Amount</b>
December 31, 2016	44,268
December 31, 2017	47,085
December 31, 2018	50,094
December 31, 2019	91,950
December 31, 2020	54,838
December 31, 2021 to December 31, 2025	443,871

<b>6. Estimated Term of Liability (Years)</b>	<b>15.81</b>
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7. Sensitivity Analyses	In Nu.	
	Defined Benefit Obligation	Net Effect on DBO
<b>1. Discount Rate</b>		
Base Discount Rate of 8.5%	76,994	-
Discount rate of 9% (+0.5%)	72,832	(4,162)
Discount rate of 8% (-0.5%)	81,543	4,549
<b>2. Salary Escalation Rate</b>		
Base Salary Escalation Rate of 10%	68,723	-
Salary Escalation Rate of 11% (+1%)	86,693	17,969
Salary Escalation Rate of 9% (-1%)	78,596	9,873
<b>3. Attrition Rate</b>		
Base Attrition Rate of 3.5%	76,994	-
Attrition Rate of 4.5% (+1%)	75,984	(1,010)
Attrition Rate of 2.5% (-1%)	78,166	1,172



**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

<b>A4. Carriage charges</b>	<b><i>In Ngultrums</i></b>
<b>1. Change in Defined Benefit Obligation (DBO)</b>	<b>31/12/2015</b>
DBO at the beginning of the reporting period	-
Current service cost	5,985
Interest cost	-
Past service cost	-
Benefits paid from plan assets	-
Benefits paid by employer	-
Actuarial (gain)/loss due to plan experience	-
Actuarial (gain)/loss due to change in demographic assumptions	-
Actuarial (gain)/loss due to change in financial assumptions	-
DBO at the end of the reporting period	5,985
<b>2. Statement of Profit or Loss</b>	<b>31/12/2015</b>
Current Service Cost	5,985
Past service cost	-
Net interest cost on net DB liability/(asset)	-
Remeasurement (Gain)/Loss	-
Net cost for the year recognised in Profit or Loss	5,985
<b>3. Development of Net Financial position</b>	<b>31/12/2015</b>
Defined Benefit Obligation	(5,985)
Fair Value of Plan Assets	-
Funded Status - (Deficit)/Surplus	(5,985)
Net Defined Benefit Asset/(Liability)	(5,985)
<b>4. Reconciliation of Net Financial position</b>	<b>31/12/2015</b>
Net Defined Benefit liability/(asset) at the beginning of reporting period	-
Amount recognized in the Profit or Loss	5,985
Employer contributions	-
Benefits paid by employer	-
Net Defined Benefit liability/(asset) at the end of reporting period	5,985
<b>5. Expected Benefit Payments for the year ending</b>	<b>Amount</b>
December 31, 2016	5,744
December 31, 2017	5,830
December 31, 2018	5,919
December 31, 2019	10,825
December 31, 2020	5,878
December 31, 2021 to December 31, 2025	39,478





**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

6. Estimated Term of Liability (Years)		12.43
7. Sensitivity Analyses	In Nu.	
	Defined Benefit	Net Effect on
1. Discount Rate	Obligation	DBO
Base Discount Rate of 8.5%	5,985	-
Discount rate of 9% (+0.5%)	5,736	(249)
Discount rate of 8% (-0.5%)	6,254	269
2. Rate of increase in Carriage Charge		
Base Salary Escalation Rate of 5%	5,458	-
Salary Escalation Rate of 6% (+1%)	6,588	1,130
Salary Escalation Rate of 4% (-1%)	5,620	162
3. Attrition Rate		
Base Attrition Rate of 3.5%	5,985	-
Attrition Rate of 4.5% (+1%)	6,167	182
Attrition Rate of 2.5% (-1%)	5,780	(205)

8. Related Party Disclosures

The company is a wholly owned subsidiary company of Druk Green Power Corporation Limited (DGPC).

Related parties and transactions with them as identified by the Management are given below:

- a) Promoter (100% Holding Company) -Druk Green Power Corporation Limited (DGPC)
- b) Fellow Subsidiaries Companies
  - i. Dagachhu Hydropower Corporation Limited (DHPC)
  - ii. DHI Infra Limited
  - iii. Bhutan Hydropower Services Limited (BHSL)



**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

Name of Related Party	Type of Relationship	Nature of Transaction	Amount (Figures in millions)
Druk Green Power Corporation Limited	Holding Company	Investment in Share Capital (Note 10)	1,019,428,400.00
		Receivable (Note 9)	98,568.00
		Payables (Note 15)	23,276.25
Dagachhu Hydropower Corporation Limited	Fellow Subsidiary Company	Payables (Note 15)	67,653.49

c) Key Management Personnel.

The Key Management Personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity. As such Key management personnel of the company for the purpose of disclosure of compensation include Board of Directors and Managing Director.

1. Dasho Yeshe Wangdi (Chairman)
2. Dasho Sonam Rinchen (Director)
3. Ugyen Namgyal (Director)
4. Sonam Wangdi ( Director)
5. Karma Chhophel (Managing Director)

Sl. No	Particular	2015 (Figures in millions)
1	Managing Director's Remuneration	1.398
2	Directors' Sitting Fees	0.824
3	Travelling Expenses (MTD)	0.491
	<b>Total</b>	<b>2.505</b>

The above remuneration is based on the actual payment.

9. Estimated amount of contracts remaining to be executed on capital account and not provided for – Nu. 388.000 million.





**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

10. During the current year, the company has calculated and accounted deferred tax assets / liabilities as below:

SN	Particulars	Carrying Amount of Assets/Liabilities as on 31.12.2015	Tax Base of Assets/Liabilities as on 31.12 2015	Temporary Difference	Deferred Tax Asset/(Liability)
1	Property, Plant & Equipment	43,351,418.79	43,578,711.28	227,292.49	68,187.75
2	Pre-Feasibility Expenses	0.00	18,378,952.57	18,378,952.57	5,513,685.77
3	HRD Expenditure	332,815.60	110,938.53	221,877.07	66,563.12
	<b>Total</b>	<b>43,684,234.39</b>	<b>62,068,602.39</b>	<b>18,828,102.13</b>	<b>5,648,436.64</b>

An amount of Nu. 5,648,436.64 has been accounted as deferred tax income in current year statement of comprehensive income.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

11. Restatement prior period errors

The errors occurred in recognizing the Deferred Tax Assets (DTA) as regards to prefeasibility expenses in the financial statements for the year 2014 of Nu. 5,513,685.77

This has been corrected by restating the Deferred Tax Assets of Nu. 11,030,313.66 in place of Nu. 5,516,627.89 under the head non-current assets in the statement of financial position as on 31/12/2014 as required by BAS-8 "Accounting Policies, changes in accounting estimates and error". Consequently the retained earnings/ (Accumulated loss) in the beginning of the year has also been restated as Nu. 50,597,640.10 in the statement of changes in equity.



**TANGSIBJI HYDRO ENERGY LIMITED**  
Notes forming part of Accounts for the year ended on 31<sup>st</sup> December 2015

The following statutory dues were outstanding and pending to be deposited at respective year ends:

Sl. No	Particulars	2015(Figures in Ngultrum)
1	TDS Payable (Note 15)	328,971.09
	<b>Total</b>	<b>328,971.09</b>

12. Auditors Remuneration:

Sl. No	Particulars	2015 (Figures in millions)
1	Audit Fees (Note 20)	0.055
	<b>Total</b>	<b>0.055</b>

13. Amortized finance cost (origination fees) of Nu. 2,639,325.65 has been capitalized during the year in Capital Work in Progress.



(Dasho Yeshe Wangdi)  
Chairman THyE & Secretary, MoEA



(Karma Chhophel)  
Managing Director





# TANGSIBJI HYDRO ENERGY LIMITED

## RATIO

Exhibit-1A

PARTICULARS	2015	2014
<b>CURRENT RATIO</b>	2.60	1.38
Current asset	109,762,758.37	39,161,075.87
Current liabilities(including provisions)	42,236,079.02	28,433,568.30
<b>DEBT EQUITY RATIO</b>	0.00	0.00
Debt	-	-
Equity	900,168,948.81	213,830,770.76
(Share Capital + Free Reserves)		
<b>LIQUID RATIO</b>	0.23	0.92
Current assets	109,762,758.37	39,161,075.87
Less: Inventories	161,441.00	4,917.00
Less: Prepaid Expenses	492,442.21	11,231.00
Less: Advance to Supplier/Contractor	99,569,191.06	12,990,872.54
	9,539,684.10	26,154,055.33
Current liabilities	42,236,079.02	28,433,568.30
<b>FIXED ASSETS (NB) TO EQUITY</b>	0.92	0.90
Fixed assets	824,171,370.82	192,072,949.53
Equity	900,168,948.81	213,830,770.76
<b>FIXED ASSETS (NB) TURNOVER</b>	0.00	0.00
Fixed assets	824,171,370.82	192,072,949.53
Turnover	-	-
<b>ROCE (%)</b>	-2.93	-28.82
PBIT	(26,416,479.79)	(61,627,953.76)
Capital Employed (including long term loans)	902,169,846.81	213,830,770.76
<b>GENERATION AND MAINTAINENCE EXPENSES TO ELECTRICITY REVENUE</b>	0.00	0.00
Operation & Maintenance expenses (incl cost of Power purchased)	-	-
Electricity Revenue	-	-
<b>DIVIDEND PERCENTAGE</b>	0.00	0.00
Corporate dividend	-	-
Share Capital	900,168,948.81	213,830,770.76
<b>ROE (%)</b>	-3.52	-23.66
PAT	(31,711,262.81)	(50,597,640.10)
Total Shareholders Equity	900,168,948.81	213,830,770.76
<b>EARNINGS PER SHARE</b>	(4.79)	(372.01)
PAT	(31,711,262.81)	(50,597,640.10)
Average Outstanding Equity Shares	6,618,941.64	136,011.74

## CASH FLOW EFFICIENCY RATIOS

<b>CASH FLOW TO TURNOVER</b>	0.00	0.00
Cash from operation	(95,307,764.40)	8,799,476.45
Turnover	-	-
<b>OPERATIONS INDEX</b>	-3.01	-0.17
Cash from operation	(95,307,764.40)	8,799,476.45
PAT	(31,711,262.81)	(50,597,640.10)
<b>CASH FLOW RETURN ON ASSETS</b>	-0.10	0.04
Cash from operation + Tax Paid + Interest Paid	(95,307,764.40)	8,799,476.45
Total Assets	944,405,925.83	242,264,339.06



# TANGSIBJI HYDRO ENERGY LIMITED

## RATIO ANALYSIS

Exhibit-1

Sl.No.	Particulars	2015	2014	Remarks
<b>A.</b>	<b>Ratios for assessing financial health (In numbers)</b>			
I	Debt Equity Ratio	0.00	0.00	The ratio is nil since all the expenses are meet from equity.
II	Current Ratio	2.60	1.38	The percentage increase in current assets are more than the percentage increase in current liabilities.
III	Liquid Ratio	0.23	0.92	The ratio has decreased on account of decrease in current assets and the denominator as current liabilities is increased compared to previous year.
IV	Fixed Assets to Equity	0.92	0.90	The ratio has increased due to increase in fixed assets but increase in fixed assets is more than the increase in equity.
V	Fixed Assets to Turnover	0.00	0.00	The ratio is nil as there is no turnover.
<b>B.</b>	<b>Ratios for assessing profitability( In percentage)</b>			
I	Return on Equity (%)	3.52	-23.66	The ratio has increased due to decrease in loss and increase in equity.
II	Return on Capital Employed (%)	2.93	-28.82	The ratio has increased due to decrease in losses and increase in capital employed in comparison with last year.
III	Generation and Maintenance Expenses to Electricity Revenue (%)	0.00	0.00	As there is no electricity revenue during the year so the ratio is nil.
IV	Dividend to Share Capital (%)	0.00	0.00	As the company is in loss, the ratio is nil.
V	Earnings Per Share	-4.79	-372.01	The increase is due to decrease in profit/(loss) as numerator and increase in average number of equity share as denominator.
<b>C.</b>	<b>Ratios for assessing cash flow efficiency (in numbers)</b>			
I	Cash flow turnover	0.00	0.00	As the company is not generating turnover so the ratio is nil.
II	Operation Index	-3.01	-0.17	The ratio is increasing due to increase in negative cash flows as numerator on the other hand the denominator as PAT is decreasing in comparison with last year.
III	Cash flow return on assets	-0.10	0.04	The increase is due to percentage increase in cash flow from operation before interest and tax is more than the percentage increase in total assets as compared to previous year.





Compliance Checklist : (Extracts from the Companies Act of the Kingdom of Bhutan 2000) Exhibit-4

SL	SECTIONS	Yes	No.	N.A	Remarks
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P-II: INCORPORATION OF COMPANY & MATTERS  
INCIDENTAL THERETO

- 1 7 Alteration of Articles
- 2 8 Changes of name
- 3 9 Increase or consolidation of share capital
- 4 10 Reduction of share Capital

		NA	
		N.A	
		NA	
		N.A	

P-VII: MANAGEMENT & ADMINISTRATION

- 5 54 Registered Office of Company
- 6 55 Publication of name by company
- 7 56 Financial year of Companies
- 8 57 Annual return
- 9 58 Annual General Meeting
- 10 59 Extraordinary General Meeting
- 11 60 Notice for calling General Meeting
- 12 61 Chairman of meeting
- 13 63 Representation of corporation of meetings
- 14 64 Ordinary and special resolutions
- 15 65 Minutes of general meetings and of Board
- 16 66 Declaration and payment of dividend
- 17 67 Books of account to be kept by company
- 18 68 Inspection of books of account
- 19 69 Annual Accounts and Balance Sheets

Yes			Section 54 sub section 2 – N.A
Yes			
Yes			Section 56 sub section 2 – N.A
Yes			
Yes			Section 58 sub section 3 and 4- N.A
		N.A.	
Yes			Section 60 sub section 2 and 4- N.A
Yes			
		NA	
Yes			Section 64 sub section 2- N.A
Yes			
Yes			Section 66 sub section 3- N.A
Yes	No	NA	Section 67 Sub section 4 is Yes, Sub section 1,2,3-No sub section 5-NA
Yes			Section 68 sub section 3 – N.A



**Compliance Checklist : (Extracts from the Companies Act of the Kingdom of Bhutan 2000) Exhibit-4**

SL	SECTIONS	Yes	No.	N.A	Remarks
20	70 Filing of Balance Sheet etc. with the Registrar	Yes			
21	71 Board's Report	Yes			
22	72 Appointment and removal of Auditors	Yes			Section 72 sub section 1 part b, sub section 3, 4, 5 and 6- N.A
23	73 Resignation of Auditors from office			N.A	
24	75 Auditing Standards	Yes			
25	76 Number of Directors	Yes			Section 76 sub section 2- N.A
26	77 Additional Directors			N.A	
27	78 Consent to act as directors			N.A	
28	79 Certain persons not to be appointed as directors	Yes			
29	80 Resignation by Directors			N.A	
30	81 Removal of Directors			N.A	
31	82 Board of meetings	Yes			
32	83 General powers of Board	Yes			Section 83 sub section 2- N.A
33	84 Restrictions of powers of Board			N.A	
34	85 Appointment of Chief Executive Officer	Yes			
35	86 Appointment of selling or buying agents			N.A	
36	87 No loans to directors			N.A	
37	88 Inter-corporate loans and investments			N.A	
38	89 Contracts in which directors are interested	Yes			Section 88 sub section b and c - N.A
39	90 Companies to have secretaries			N.A	
40	91 Standards of care required by directors				





Compliance Checklist : (Extracts from the Companies Act of the Kingdom of Bhutan 2000) Exhibit-4

SL	SECTIONS	Yes	No.	N.A	Remarks
<b>P-IX STATUTORY RECORD AND INSPECTION</b>					
41	97 Statutory record and inspection				
	a. Register of buy-back of shares			N.A	
	b. Register of transfers			N.A	
	c. Register of charges			N.A	
	d. Register of Inter-corporate loans			N.A	
	e. Register of inter-corporate investments			N.A	
	f. Register of contracts in which directors are interested			N.A	
	g. Register of directors	Yes			
	h. Register of director's shareholding			N.A	
<b>OTHERS</b>					
42	98 Inspection of Statutory Registers	Yes			
	32 Register of Shareholders / Members	Yes			Only one shareholder (DGPC)

Place: New Delhi  
Date: 31st May, 2016

For Bansal & Co.  
Firm Registration Number: 001113N  
Chartered Accountants

  
  
 (D.S. RAWAT)  
 Partner  
 Membership No. 083030

**PART VII of the Companies Act of the Kingdom of Bhutan 2000-MANAGEMENT & ADMINISTRATION**  
**-General Provisions**

Section	Sub-section	Clause	Yes	No	N.A	Remarks
54	1	<b>Registered Office of Company</b> Does the company have registered office in which all communications and notices are addressed?	Yes			
	2	If any change in situation of registered office, had the notice of change been intimated to the registrar within 30 days of approved of Board Of Directors?			N.A	
55	1	<b>Publication of name by company</b> Does the company have its name and address of its registered office affixed outside every office or place in which its business is carried on in a conspicuous place? The board should be written in legible Dzongkha and English language.	Yes			
	2	Does the company have its name engraved on its seal?	Yes			
	3	Does the company have its name and address of its registered office mentioned in all its business letters, bills, invoices, notices and other official publications?	Yes			
56	1	<b>Financial year of the company</b> Does the company have a uniform financial year ending on 31 <sup>st</sup> December every year being the period to which its balance sheet and profit & loss account shall relate?	Yes			1 Jan, 2015 to 31 Dec, 2015
	2	Does the first financial year of the company relate to the period beginning from the date of incorporation of the company and ending on 31 <sup>st</sup> December? Thereafter does it exceeds 15 months provided that it may extend to 18 months where special permission has been granted in that behalf the Ministry on payment of fee prescribed in Schedule IV? If extended	Yes			April 25, 2014 Incorporation Date  Fees has been paid in 2014





		to 18 months has permission been granted? Has fee prescribed in Schedule IV been paid?				
57	1	<b>Annual Return</b> Has the company prepared and filed with the registrar the annual return for the period relating to the financial year ended on 31 <sup>st</sup> December containing the particulars specified in Schedule XII.	Yes			Annual return of year ended on 31 Dec 2014 has been filed with ROC on 23/06/2015
	2	If the company is listed, has the company filed the annual return with registrar on or before 31 <sup>st</sup> May if it is <b>unlisted company</b> has it filed the annual return on or before 31 <sup>st</sup> July every year along with balance sheet and profit and loss account for the year ended 31 <sup>st</sup> December along with the Auditor's report and Director's report duly authenticated by at least one director and CEO.	Yes			Yes, it was filed on 23/06/2015. It is unlisted Co. & annual return with B/S, P&L, Auditor's report, Director's report has filed with ROC for period ended 31 Dec, 2014, on 23/06/2015
58	1	<b>Annual General Meeting</b> Has the company held in addition to any other meeting a general meeting as its annual general meeting? Has it been specified as such in notice calling the general meeting?	Yes			
	2	Is the annual general meeting convened on or before 30 <sup>th</sup> April if the company is listed is it convened on or before 30 <sup>th</sup> June if the company is <b>unlisted</b> .	Yes			AGM was held on 06/05/2015.
	3	If the annual general meeting is not held within the time prescribed, is permission of the registrar being taken? In such case the meeting should not be postponed beyond 30 days. Is this being complied with?			N.A	It was held within the prescribed time.
	4	In case of a government company, the business to be transacted in an AGM may be done in a Board meeting within the time framed prescribed. However, the notice calling the meeting shall refer it as Board cum Annual General Meeting.			N.A	
59		<b>Extraordinary general meeting</b>		No		It was held in 28 <sup>th</sup> Aug.



	1	The board of directors may convene an extra ordinary general meeting to transact any special business which may not wait till the annual general meeting is due to be held?			2014 only. There was no EGM in 2015.
	2	On proceeding duly to call an extra ordinary general meeting of the company, has the board of directors made a requisition of 10% of shareholders?		N.A	
	3	Does the requisition set out matters for the consideration of which the meeting is to be called and is it signed by the requisitionists and has it been deposited with the registered office of the company?		N.A	
	4	If the board does not within 21 days from the date of receipts if valid requisition , proceed duly to call a meeting on a day not later than 45 days from the date of requisition. The requisitionists themselves at the registered office shall call the meeting. Is this being followed?		N.A	
	5	Are all the reasonable expense incurred by the requisitionists in calling and holding the meeting being repaid by the company.		N.A	
60	1	<b>Notice calling the general meeting</b> A company may call a general meeting by giving a notice of not less than 21 days in writing. Is it being complied with?	Yes		The invitation letter was sent on 15 <sup>th</sup> April, 2015 and subsequently the AGM was held on May 06, 2015.
	2	If the consent of at least 95% of the sharcholders are taken, a meeting may be called by giving a shorter notice than in 60(1).		N.A	Didn't come across such situations.
	3	Is the notice calling general meeting sent to all the shareholders, auditor(s) of the company?	Yes		Company has only one share holder, DGPC.
	4	Accidental omission to give notice to, or the non-receipt of notice by any shareholder shall not invalidate the proceedings of the meeting.		N.A	



61		<b>Chairman of meeting</b> Is the board of directors of the company appointing as Chairman of the Board of Directors. The Chairman of the Board of Directors shall also be the Chairman of the General meeting, failing him, in the general meeting; the shareholders can elect one amongst themselves as the Chairman shows hands.	Yes			Dasho Yeshe Wangdi, Hon'ble Secretary, MoEA was appointed as Hon'ble Chairman and Board Director on 28.08.2014.
62		<b>Saving provision</b> Nothing in section 60 and 61 shall apply to private company unless otherwise specified in its article in this behalf.			N.A	The Co. is a public and not private Co.
63		<b>Representation of corporation at meetings</b> A body corporate if it is a shareholder of a company may buy resolution of it's board of directors authorized a person as it thinks to fit to act as representative at any meeting of company.			N.A	Company is not a shareholder of a company.
64	1	<b>Ordinary and special resolution</b> A resolution shall be an ordinary resolution when at a general meeting the votes cast whether on show of hands or on a poll in favor of resolution by shareholders who vote in person or by proxy exceed the vote if any cast against the resolutions by shareholders so entitled and voting. Is this being followed for considering ordinary resolutions?			N.A	
	2	A resolution shall be special resolution when the intention to propose the resolution has been duly specified in the general meeting. The vote casts in favor of the resolution by shareholders being entitled so to do vote in person or proxy are not less than three times the number of votes if any cast against the resolution by shareholders. Is this being followed for special resolutions?			N.A	
65	1	<b>Minutes of general meeting and of Board</b> Does the company cause minutes of all proceedings of every meeting of its board of directors or every committee of board to be kept by making within 30 days of the conclusion of every such meeting	Yes			Total 17 <sup>th</sup> Board Meeting are held till date and total of 12 Board Meetings were convened in 2015.

	2	concerned?  Is the entry being recorded at kept for that purpose with their consecutive numbered.	Yes			The Minutes of the Board Meeting are duly signed by the Chairman and Managing Director.
		a) Is each page of such book initialed or signed at last page of the minutes of each meeting? Is it dated and signed in case of minutes of board meeting or a committee thereof by the chairman of the same meeting or the chair of next succeeding meeting?	Yes			
		b) And in case of general meeting by the chairman of the same meeting within 30 days of the meeting.		No		AGM May 06, 2015 and Board Meeting on June 11, 2015.
	3	In case of meeting of board of directors or a committee of board does the minute contain the name of directors present in the meeting and also the name of the directors dissenting from or not concurring in the resolution. Minutes of meeting kept under the section shall be evidence of proceedings recorded therein and unless the contrary is proved the meeting shall be deemed to duly called and held.	Yes			
	4		Yes			
66	1	<b>Declaration and payment of dividend</b> No dividend shall be paid by the company for any financial year, except out of the distributable profits of the company for that year arrived at after providing for depreciation or out the profits for any previous financial year or years.			N.A	This is loss making Co. as of now (F/Y 2015)
	2	Distributable profits for this purpose shall mean accumulated realised profits so far as previously not utilised (by way of dividend or capitalization) less accumulated realised losses so far as previously written off. Unrealized profits i.e. surplus on  For the purpose of section 66, depreciation shall be as prescribed by the department of			N.A	



	3	Revenue & Customs, MoF.	Yes		
	4	No dividend shall be paid except in cash, cheque and warrant. This subsection does not prohibit the capitalization of profits or reserve of a company for the purpose of issuing fully paid up bonus shares.		N.A	
	5	Payment of dividend shall be made within 30 days from the date of its declaration in the AGM.		N.A	
	6	Declare dividend not paid within 30 days shall bear interest 15% per annum. This will not apply if the address of the shareholders is uncertain.		N.A	
	7	A public company shall not pay dividend if it reduces its net assets below the aggregate amount of its called-up share capital and undistributable reserves such as share premium account, capital redemption reserve, unrealized profits (less unrealized losses unless previously written off) and any other reserve which the company is prohibited from distributing by any statute or by its articles of incorporation.		N.A	
67	1	<b>Books of Accounts to be kept by company</b> Every company shall keep at its registered office proper books of accounts with respect to: a) All sums of money received and expended by the company and the matters respect of which the receipt and expenditure take place. b) All sales and purchases of goods by the company. c) The assets and liabilities of the company	No		In 2015, all books of accounts has been kept in THyE Corporate Office, Thimphu and not at registered office.
	2	The above books may be kept at other place as the Board of Directors may decide and such decision shall be intimated to the Registrar within 7 days given full address of such place. Where the company has a branch office, whether in or outside Bhutan, the company shall be deemed to have complied with the provision of subsection	No		Not taken approval from ROC.

		<p>(1) if proper books of account relating to the transactions effected at the branch office are kept at that office and proper summarized returns, made up to dates at intervals of not more three months, are sent by the branch office to the company at its registered office or the other place referred to in sub-section (1)</p> <p>For the purpose of sub-section (1) &amp; (2), proper books of account shall be deemed to be kept with respect to the matters specified therein-</p> <p>a) If such books are not kept as necessary to give a true and fair view of the state of affairs of the company or branch office as the case may be, and to explain its transaction and</p> <p>b) If such books are not kept on accrual basis and according to the double entry system of accounting</p> <p>The books of account and other books and papers shall be open to inspection by any director during business hours.</p> <p>The books of account of every company relating to a period of not less than five years immediately proceeding the current year together with the vouchers relevant to any entry in such books of account shall be preserved in good order.</p>				<p>No</p> <p>Books are kept other than the registered office and books are kept on accrual basis and according to Double entry system.</p> <p>Because of its only 2<sup>nd</sup> year from the incorporation.</p> <p>N.A</p>
68	1	<p><b>Inspection of books of accounts etc. of companies</b></p> <p>The books of accounts and other books of the paper and statutory records of every company shall be open to inspection during business hours by (i) the Registrar or (ii) by any such officer of Government as may be authorized by the Government in this behalf.</p> <p>It shall be the duty of every directors,</p>	Yes			<p>The books of account and other books and papers are open to inspection during business hours by the concerned authorities, however, till date inspection was not done.</p>



	2	other officer or employee of company to produce to the person making inspection under subsection (1) all such books of account and other books and papers of the company in his custody or control and to furnish him with any statement/information or explanation relating to the affairs of the company as the said person may require of him within such time and at such place as he may specify.	Yes			
	3	If default is made in complying with the provision of the section, the Chief Executive Officer and every director of the company shall be punishable with imprisonment according to the law of the land and fine which shall be not less than Nu. 5,000/-.			N.A	
69		<p><b>Annual Account and balance sheet</b> In every Annual General Meeting, does the board of directors lay before the meeting the balance sheet as at the financial year and profit and loss account and cash flow statement for the year ended 31<sup>st</sup> December every year?</p> <p>Is all the above statement being prepared as to give a true and fair view of the state of affairs of the company as at the financial year and the formats as laid out in Schedule XIII A and Schedule XIII B?</p> <p>Are the annual accounts of the company being authenticated by not less than one director and the CEO on behalf of the Board of Directors?</p>	No			<p>Sec 69, comply the F/Y 2014.</p> <p>Financial statements have been prepared as per the BAS implemented in Phase I give the true &amp; fair view as per the principals laid down in these standards. Schedule XIII A &amp; XIII B need to be amended in line with BAS based on the IFRS</p> <p>Chairman &amp; CEO</p>
70		<p><b>Filing of Balance sheet with the Registrar</b> After the Balance Sheet, profit and loss account and the cash flow statements are duly audited and been laid before the annual general meeting a copy thereof as well as director's report shall be file with the registrar along with the annual return under section 57.</p>	Yes			<p>For F/Y 2014</p> <p>Yes it was filed on 23/06/2015</p>

71	1	<p><b>Board's report</b> Does the annual account laid before the annual general meeting include (a) report of it's board of directors with respect to the state of company's affairs.</p> <p>(b) the amount if any which is proposed to transfer any reserve.,</p> <p>(c) the amount if any recommended for payment of dividend and</p> <p>(d) the explanation or information on every reservation qualification for adverse remark contained in the auditor's report.</p>	Yes		N.A	
	2	<p>Is the board report being signed by chairman of board of directors and in absence being signed by director including the CEO, authorized in this behalf by board?</p>	Yes			Report signed by Chairman of BOD, F/Y 2014.
72	1	<p><b>Appointment and removal of Auditors</b> Has the company appointed auditor or joint auditor out of the panel of auditors maintained by RAA to hold office from the conclusion of the meeting till next annual general meeting? The same auditor appointed for more than three consecutive financial years should be with the previous written approval of RAA?</p>	Yes			
	2	<p>In case of government or government control company the Auditor general of Bhutan shall be the ex-officio auditor.</p>			N.A	
	3	<p>Where at an AGM no auditors are appointed or re-appointed the company shall give notice of this fact to the Ministry within 7 days of the meeting where upon the ministry in consultation with RAA shall appoint the auditor and fix his remuneration.</p> <p>Has the first auditors of the company been appointed on the panel of auditors</p>			N.A	





	4	maintained by RAA? And has the remuneration been fixed by board of director until the first annual general meeting?	YES			Remuneration has been fixed by RAA.
	5	If an auditor appointed under this section been removed before expiry of his term only if in the general meeting by a special resolution with prior approval of appointing authority in which the company shall notify the registrar of the removal of the auditors within 15 days of passing of resolution?			N.A	
	6	Has the auditor proposed to be removed been given the right to receive a special notice of the annual general meeting at which solution is to be put up to its shareholder regarding his removal?			N.A	
73	1	<b>Resignation of auditor from office</b> Has a wishing to resign during his term of office given notice in writing and delivered it to the registered office?			N.A	
	2	Is resignation considered to take effect from the date of deposit of his resignation letter to the company unless a later date is specified and is it accompanied by one or two statement leading to its resignation?			N.A	
	3	In case of former, has the auditors been given the right to request the company to convene an extraordinary of 14 days notice to discuss the circumstances leading to its resignation?			N.A	
74	1	<b>Power and duties of auditor</b> Is every auditor of the company being given the right to access to books of accounts and records of company?	Yes			
	2	Has the auditors stated whether he has obtained all the information to the best of his knowledge and believe where necessary for the purpose of his balance sheet, profit and loss account and the cash flow statements are in books of accounts.	Yes			
75		<b>Auditing standard</b> Has the auditor been conducting audit in accordance with generally accepted	Yes			



		auditing standard keeping in mind the general term of reference and minimum audit examination and requirement issued by RAA annexed here to schedule 14 which may be revised and circulated by the said authority time to time?				
76	1	<b>Numbers of Directors</b> Minimum number of directors-- Public Company-three, Private Company-two directors.	Yes			As of now THyE has 5 Board Directors.
	2	Subscribers to the articles shall deem to be the directors of the company until the directors are duly appointed in AGM.			N.A	
	3	1/3 <sup>rd</sup> of directors should retire by rotation, if not mentioned in the article for the retirement of all directors.			N.A	
77		<b>Additional Directors</b> Within the limit fixed for the board by article, the board may appoint additional directors.			N.A	
78		<b>Consent to act as directors.</b> Every person, who has left the office of the company a notice signifying his candidature for the office of the director, shall sign and file his consent in writing act as a directors as set out in schedule II within 30 days of its appointment.			N.A	
79	A	<b>Certain persons not to be appointment directors if:</b> If he/she is involved or declared as insolvent by the court;	Yes			
	B	Has he/she ever convicted by the court of a criminal offence;				
	C	Is he/she of unsound mind declared?				
	D	Is there any outstanding call in respect of shares held by him/her?				
	E	Is he/she a director of more than five companies?				
80		<b>Resignation by a Director</b> Director may resign from his office by giving notice in writing to the company and such resignation shall be effective from the date of receipt thereof except that of executive officer/s salaried working	Yes			Till date one director had resigned and two other directors were replaced by the new.





		director.				
81		<b>Removal of Director ;</b>				
	1	By ordinary resolution before the expiry of the period of his office.			N.A	
	2	By the shareholder at least before the				
	3	General Meeting. Hearing on the resolution on receipt of notice under sub-section (2)				
82		<b>Board Meeting</b>				
	1	Is the meeting of the Board of directors conducted at least once in every three months and at least four such meeting in every year?	Yes			Total of 12 Board Meetings were held in the year 2015.
	2	Whether notice of meeting has been in writing or not? Quorum for board meeting shall be 1/3 <sup>rd</sup> of total strength or two directors whichever is higher other-wise the meeting shall stand adjourned.	Yes			
	3	Whether the decisions are taken at the board meeting by majority of directors voting in favour of any resolution?	Yes			
83		<b>General Powers of the Board</b>				
	1	Whether the board of directors are exercising all powers and do all such acts and things as the company is authorized to exercise and do;	Yes			
	2	Whether the following powers by the directors by means of resolution has been exercised due to : The powers to make calls on shareholders in respect of unpaid money The powers to issue debentures	Yes			
	3	The powers to borrow money The powers to invest the funds of the company The powers to make loans.	Yes			
		Whether the Board has delegated its powers to the committee of directors, the Chief Executive Officer or any principal officer of the company.		No		
84		<b>Restriction on Powers of Board</b>				
		Whether the Board of Directors without				



	A	the consent of the company has; Sold, leased or otherwise disposed off the whole or substantially the whole of the undertakings of the company.			N.A	
	B	Remitted or given time for the repayment any debt due to the director to the company.			N.A	
	C	Borrowed money which together with the company's borrowed money exceeds the aggregate of the paid up share capital and the free reserves of the company.			N.A	
85		<b>Appointment of Chief Executive Officer</b>				
		Whether the CEO has been appointed for a term not exceeding five years and whether is CEO in any other company or not;	Yes			Mr. Karma Chhophel was appointed as the Managing Director of THyE for the term of 3 years and he doesn't hold any other office as CEO.
86		<b>Appointment of selling or buying agents</b>				
		Whether the company has appointed to selling / buying agent who is not a citizen of Bhutan or any foreign company or party or whether it has been with the approval of the government on payment of fees prescribed in schedule IV or not; Company made any loans to or any other person by?		No		
87		<b>No Loans to Directors</b>				
	A	Any director of the lending company?		No		
	B	Any partnership firm in which any such director or his relative is a partner?		No		
	C	Any body corporate at the general meeting of which not less than 25% of the total voting power is exercised or controlled by any such director or two or more directors.		No		
88		<b>Inter-corporate loan and investments</b>				
	A	Has the public company (not being the holding company) Made any loan to any body corporate, given any guarantee, or provide any security, in connection with a loan made by any other person, or To any other person by, anybody corporate.		No		
	B	Acquired by way of subscription, purchase or otherwise the shares or convertible debentures whether fully or partly of any body corporate.				
	C					
89		<b>Contracts in which Directors are</b>				



	1	<b>interested</b> Are the directors entering into contract without the consent of the Board of Directors for the sale or purchase of any goods, materials or services with a director or his relative or with a partnership firm in which such director is a relative?			N.A	
	2	Has any director disclose the nature of his concern interest to enter into a contract in the meeting to the Board of Directors?			N.A	
	3	other than the private company taken part in any discussion or vote on any contract entered into by the company in which he is concerned ? (His presence will not be contracting to form a quorum at any time of any such discussion/ vote and if he does not his vote will be void).			N.A	
90		<b>Companies to have secretaries</b> Has (the companies whose paid up share capital as over Nu. 100 million and listed companies) the company appointed company secretary?	Yes			CS appointed but its unlisted company.
91		<b>Standard of care required of directors</b> Are the directors of the company in the exercise of his powers and discharges of his duties under the provision or Articles acting honestly and in good faith in the best interest of the company or not?	Yes			

For Bansal & Co.  
Firm Registration Number: 001113N  
Chartered Accountants

  
(D.S Rawat)  
Partner  
Membership No. 083030

Place: New Delhi  
Date: 31st May, 2016