



SJVN/CS/93/2016-

Date: 24/09/2016

NSE Symbol: SJVN-EQ

BOLT SCRIP ID: SJVN  
SCRIP CODE: 533206

**National Stock Exchange of India Limited**  
Exchange Plaza  
Bandra Kurla Complex,  
Bandra East, Mumbai-400051, India.

**The Bombay Stock Exchange Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001, India.

**Sub: Annual Report**

Sir

In compliance with the provisions of Regulation **34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** we enclose herewith a Copy of the Annual Report approved and adopted by the Members in the 28<sup>th</sup> Annual General Meeting of the Company held on Thursday, 22<sup>nd</sup> September, 2016 at Hotel Peterhoff, Shimla – 171004.

Kindly take the above information on record and oblige.

Thanking you,

Yours faithfully,

(Soumendhra Das)  
Company Secretary

**Encl: As above.**

वार्षिक रिपोर्ट  
Annual Report  
2015-16



# एसजेवीएन

संकल्पबद्ध है सभी को ऊर्जा....

## SJVN

Committed to Provide Power to All....





## BOARD OF DIRECTORS



**Ramesh Narain Misra**  
Chairman & Managing Director

### Functional Directors



**Amarjit Singh Bindra**  
Director (Finance)



**Nand Lal Sharma**  
Director (Personnell)



**Rakesh Kumar Bansal**  
Director (Electrical)



**Kanwar Singh**  
Director (Civil)

### Govt. Nominee Directors



**Archana Agrawal**  
Nominee Director, GOI



**Tarun Shridhar**  
Nominee Director, GOHP

### Independent Directors



**Ganesh Dutt**  
Independent Director



**Parvinbhai Patel**  
Independent Director



**Shamsher Singh Uppal**  
Independent Director



**Dr. Rajni Sarin**  
Independent Director



## THE BOARD OF DIRECTORS - BRIEF PROFILES

### CHAIRMAN & MANAGING DIRECTOR

**Shri Ramesh Narain Misra** is associated with SJVN Limited since 21st May 2010 when he joined as the Director (Civil). He holds M. Tech. Degree in Water Resources Engineering from IIT, Delhi and a Masters in Business Administration from IGNOU, in addition to dual Bachelor Degrees in Civil Engineering and Science. He has more than 37 years of experience in Power Sector. Prior to joining SJVN, he was Executive Director in NHPC Limited. His areas of specialization include Project Planning & Appraisal, Environmental Issues, Project Management, Project Monitoring, Contract Management and Execution of large hydropower projects including commercial aspects and policy issues related to Power Sector.

As Chairman & Managing Director, he is overall in-charge of company's affairs. His most significant achievement as Director (Civil) is the successful completion, commissioning and commercial operation of 412 MW Rampur HEP. He brought perceptible and innovative improvements in systems, contract management and progress of all activities of Rampur HEP which resulted in upgradation of rating of the Rampur HEP by World Bank twice during his tenure as Director (Civil). He ensured implementation of highest standards for environment management and measures for mitigation of likely adverse effects. Under his guidance and directions, a system of standardized Schedule of Rates and bidding document for Infrastructural Works and Model Technical Specifications for Major Civil Works were evolved and adopted; resulting in major systematic improvements. As an avid and keen Board member, he was instrumental in shaping and guiding Company's future strategies and policies. He has actively contributed in diversification of SJVN into Thermal, Wind and Solar energy and also in bagging of various cross border projects in Bhutan and Nepal.

Shri Misra has contributed more than 35 papers on wide range of subjects like Technology, Environment, Social Issues, Contracts, Project Management and Hydropower Policy in various Journal and National / International Conferences and Seminars.

### FUNCTIONAL DIRECTORS

**Shri Amarjit Singh Bindra** is on our Board as Director (Finance) since 9th December 2010. Prior to joining the company, he was General Manager (Finance) in Delhi Metro Rail Corporation Limited. He has about 33 years of experience in NHPC, THDC and DMRC. Shri Bindra has wide experience in Financial planning, appraisal, getting clearances, Budgetary monitoring, contract management including commercial aspects and policy issues.

**Shri Nand Lal Sharma** is on our Board as Director (Personnel) since 22nd March 2011. Prior to the Board level appointment, Shri Sharma was working on deputation with the Company as the Executive Director (Human Resources) since July 2008. Shri Sharma holds a Masters Degree in Agriculture from HP Agriculture University, Palampur, Himachal Pradesh and Masters in Business Administration (MBA) from the University of Ljubljana, Slovenia. Prior to joining our Company, he was holding the position of Special Secretary (General Administration Department and Health) and Director Ayurveda with GoHP. As Director (Personnel), Shri Sharma is in charge of Human Resources functions including Personnel & Administration, Rehabilitation & Resettlement, Legal, Procurement, Corporate Communications etc.

**Shri Rakesh Kumar Bansal** is on our Board as Director (Electrical) since 31st Oct, 2012. Shri Bansal, is a graduate from the National Institute of Technology, Allahabad in Mechanical Engineering Degree and a Postgraduate Degree Holder in Marketing, Production and Development Studies from Indian Institute of Management, Kolkata. Prior to the Board level appointment, Shri Bansal had been holding the charge of Executive Director of the country's largest 1500 MW Nathpa Jhakri Hydro Power Station owned and operated by SJVN Limited, since Oct. 2011. Sh. Bansal was also posted in Quality Assurances and Inspection Department, Corporate Planning & Monitoring Deptt. and Commercial & System Operation Deptt in SJVN Corporate Office at Shimla. He has also served in Uttarakhand Power Corporation for 7 months as Executive Director and involved in Commercial set up in Uttarakhand Power Corporation. Before joining SJVN, he has rendered his 13 years services in various posts in BHEL Haridwar.

**Shri Kanwar Singh** is on our Board as Director (Civil) since 17th November 2015. He holds a Bachelor's degree in Civil Engineering (honours) from NIT, Kurukshetra. He has over 33 years of experience in Hydro Sector. Shri Singh joined NHPC in 1982 as Trainee Engineer, worked in various positions and rose to level of Executive Director. Before joining SJVN, he was Executive Director (Contracts, Arbitration) Division of NHPC Limited. He was involved in Construction of Dulhasti and Dhauliganga HE Projects of NHPC Ltd. at various levels. He was closely associated with award of works for various projects on packages as well as turnkey mode of implementation. He has rich experience of formulation of Conditions of Contract, evaluation of Bids, administration of Contracts and resolution of disputes through Dispute Board/Arbitration. As HoD of Consultancy and Joint Venture Division, Shri Singh was responsible for providing consultancy to other organisations and all inputs/support to JV/subsidiary companies having equity stake of NHPC. He was conferred with "Outstanding Public Officer" for the year 2010, by Construction Industry Development Council (CIDC).

### GOVERNMENT NOMINEE DIRECTORS

**Smt. Archana Agrawal**, Joint Secretary (Hydro), Ministry of Power, has been appointed as Nominee Director of Government of India on our Board, in place of Sh. Annirudh Kumar w.e.f. 29-02-2016. Smt. Agrawal, is a 1990 batch, Indian Administrative Services Officer of Uttar Pradesh cadre. She holds a Post Graduate Degree in Political Science, Master Degree in Business Administration with specialization in Financial Management and Bachelor Degree in Arts in History, Public Administration and Political Science. In addition, she has been well trained in diverse areas of Public administration and Management in a number of reputed National and International institutions. During her illustrious career of 26 years as an IAS officer, she has held various key administrative positions in Uttar Pradesh Government like - Secretary - Infrastructure & Investment, Industries, Taxation, Co-ordination, Food & Civil Supplies, Transport and Food & Drugs Departments., Special Secretary - Education and Industrial Development Departments, Vice Chairman - Varanasi Development Authority, Distt. Magistrate - Sultanpur, Bareilly, Aligarh, Ayodhya, Faizabad etc., Development Officer - Faizabad, Agra, Mainpuri etc.



**Shri Tarun Shridhar**, Additional Chief Secretary (MPP & Power), has been appointed as Nominee Director of Govt. of Himachal Pradesh on the Board of SJVN Limited w.e.f. 06.11.2015. Shri Shridhar, is a 1984 batch, Indian Administrative Services Officer of Himachal cadre. He holds M.Phil and Master's Degrees in English. In addition, he has acquired training and experience in diverse areas of Management from various prestigious educational and administrative Institutions of the country and abroad. Shri Shridhar has a vast experience of over 31 years and has served on many important administrative positions like - Financial Commissioner (Appeals), Principal Secretary - Forest, Industries, Revenue, Horticulture & Fisheries, Joint Secretary- Ministry of Agriculture, Gol, Secretary Town & Country Planning, Urban Development & Animal Husbandry in Himachal Pradesh, Managing Director- State Tourism Corporation, HP, Director - Ministry of Petroleum & Gas, District Magistrate I, DC Mandi and Bilaspur etc.

## INDEPENDENT DIRECTORS

**Shri Ganesh Dutt** has been appointed as an Independent Director on the Board of our Company w.e.f. 27-11-2015. Sh. Dutt, holds a Post Graduate Diploma in Journalism & Mass Communication. He is Editor-in-Chief of Monal Times published from Shimla and also Chief Editor Deepkamal Sandesh Monthly Magazine. He is a renowned and respected Public Activist and Social Worker from the State of Himachal Pradesh who has led and participated in a number of campaigns for a Public cause. He has nearly 40 years experience in Social, Government and Public Service. Some of his noteworthy stints include- Vice Chairman with State Minister Level rank in Himachal Housing & Urban Development Authority from 1999 to 2003 & 2008 to 2012, Councillor of Municipal Corporation, Shimla 1986-1991, Member State Level Press Advisory Committee of Himachal Pradesh, Member State Level Press Accreditation Committee of Himachal Pradesh, President Upphogata Sanrakshan Parishad Himachal Pradesh, Patron of Manas Kalyan Bahu-udashiya Society (NGO).

**Shri Parvinbhai Patel** has been appointed as an Independent Director on the Board of our Company w.e.f. 01-12-2015. Shri Patel holds a Bachelor's Degree in Electrical Engineering from Bhagalpur College of Engineering with a Gold Medal. Immediately after completion of his education, he joined the Bokaro Steel Plant where he was engaged in testing and commissioning of large electrical machinery in the steel plant. He joined CEA in 1975 and his field of experience included Thermal Power Planning, Regional Grid Operation, Enforcement of Electricity Rules and Monitoring of Hydro Power Projects. He was attached with Planning and Techno-economic appraisal of Thermal Power Plants. He was associated with site selection for Super Thermal Power Stations and World Bank appraisal team for the first Super Thermal Power Station at Singruli (U.P.). He also worked in the Regional Inspectorial Organization of CEA and was responsible for enforcement of Electricity Rules and according approval for energisation of HT equipment. He worked in various capacities in the Regional Electricity Boards discharging key assignments. He also worked in Narmada Control Authority, overseeing implementation of Canal Head & River Bed Power Houses of Sardar Sarovar Project as well as monitoring of progress of other Hydel Projects in Narmada basin. He also initiated work of establishment of Energy Management Centre of NCA at Indore. During his 34 years of service in CEA, he had visited a number of foreign countries on study tours. He led a group of engineers from CEA and other Power Utilities to U.S., Canada and European Countries on a study tour of Commercial and Regulatory aspects of electricity industry in these countries. After completing about 34 years of service in the CEA, he joined the Gujarat Electricity Regulatory Commission (GERC) in 2009, initially as Technical Member and later as the Chairperson of the Commission. Apart from other regulatory functions, during his tenure in the Commission, he took keen interest in promotion of Renewable Sources of Energy such as Wind and Solar Power, encouraging competition in the electricity sector and Efficient use of electricity.

**Sh. Shamsher Singh Uppal** has been appointed as an Independent Director on the Board of our Company w.e.f. 03-12-2015. Sh. Uppal, is a retired IAS Officer. He holds a Bachelor's Degree in Mechanical Engineering and his areas of specialization include Urban Development and rehabilitation of Dam oustees. He has been well trained in diverse areas of Public Administration and Management in a number of reputed national and international institutions like LBSNAA, Mussoorie, IIM, Bangalore, IIM Ahmedabad, Birmingham University etc. During his 21 years of service as an IAS Officer he served on a number of key administrative positions in Government of Madhya Pradesh, including:- Managing Director - MP Agriculture Produce Marketing Board, MP Handicrafts Development Corporation, Secretary - Housing & Environment Department, Human Rights Commission, Home Department, Secretary to Chief Minister, Registrar of Cooperative Societies, Director Narmada Valley Urban Development Authority, Commissioner Municipal Corporation of Bhopal, Collector, District Magistrate, Administrator etc. in various Districts/ Department. For his distinguished services he was awarded for planned development in New Bhopal as Administrator Capital Project Bhopal and for best Rehabilitation of Sardar Sarovar Dam oustees as Director (rehabilitation) Narmada Valley Development Authority Madhya Pradesh.

**Dr. Rajni Sarin** has appointed as an Independent Director on the Board of our Company w.e.f. 03-12-2015. Dr. Sarin is doctor (MBBS, DGO, FICMCH) by qualification; however her areas of service and experience extend far beyond her professional qualifications. A widely travelled person and a prolific writer, she happens to be a distinguished social activist and worker. As a Chairperson, Member, Patron of numerous State level and National Level Social Service organizations, she has dedicated a greater part of life and career for Social Welfare and upliftment. She has been ex-member in Medical Benefit Council of ESI, Member advisory Committee of Governor of U.P., Member Jila Vidhik Sewa Pradhikaran etc. She also has administrative experience as Head of various Social Welfare organization. She has not only excelled her Medical profession but has also received numerous National and International distinctions, awards and accolades in recognition of her distinguished services to the Society. Some of her noteworthy achievements include - Recipient of Highest National Award for Family Planning, Child Welfare and Community Service 1998-99 from IMA; Vishishta Chikitsa Medal From Association of college of Chest Physician in Hyderabad 1996 for organizing free health checkup; Best state Co-Ordinator award from Indian Health Mission Madras, Tamilnadu 1991, Bharat Excellence Award for outstanding services to society by Friendship Forum; at New Delhi in year 2015, Certificate of appreciation -for providing quality services at urban poor By - Geeta Pillai, Director U.H.I, team U.P. Government 2014; "Gold Record of Achievement Award" from International Society of America; Many Awards received from I.M.A. for various activities & social service; Biography published in "Who is Who" Asia, England & America. Present position in I.M.A. as International Co-Ordinator



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## REFERENCE INFORMATION

<b>Company Secretary</b>	: Soumendra Das
<b>Statutory Auditors</b>	: M/s Soni Gulati & Co., Chartered Accountants
<b>Cost Auditors</b>	: M/s Chandra Wadhwa & Co., Cost Accountants
<b>Secretarial Auditors</b>	: M/s Agarwal S. & Associates, Company Secretaries
<b>Registered &amp; Corporate Office</b>	: SJVN Corporate Office Complex, Shanan, Shimla - 171 006 Himachal Pradesh
<b>Shares Listed at</b>	: National Stock Exchange Limited Bombay Stock Exchange Limited
<b>Depositories</b>	: National Securities Depository Limited Central Depository Services (India) Limited
<b>Bankers</b>	: State Bank of India Yes Bank Central Bank of India IDBI Bank Oriental Bank of Commerce AXIS Bank Punjab National Bank



## SELECTED FINANCIAL INFORMATION\*

(₹crore)

	2015-16	2014-15#	2013-14	2012-13	2011-12
<b>A. Revenue</b>					
Revenue from operations(net)	2498.49	2817.53	1873.58	1682.10	1927.50
Other Income	409.72	438.39	237.14	234.52	209.29
Total Revenue	2908.21	3255.92	2110.72	1916.62	2136.79
<b>B. Expenses</b>					
Employees Benefits Expense	216.40	199.57	123.75	109.54	111.15
Other Expenses	228.19	184.13	145.38	121.77	137.37
Profit before deprecation, finance cost , exceptional items, rate regulated activities and tax	2463.62	2872.22	1841.59	1685.31	1888.27
Depreciation and Amortization Expense	677.16	641.00	474.52	446.67	446.00
Profit before finance cost, exceptional items, rate regulated activities and tax	1786.46	2231.22	1367.07	1238.64	1442.27
Finance Costs	208.95	55.08	28.88	54.06	83.65
Profit before exceptional items, rate regulated activities and tax	1577.51	2176.14	1338.19	1184.58	1358.62
Exceptional Items (+) income (-) loss	-	(132.28)	-	-	(12.73)
Profit before rate regulated activities and tax	1577.51	2043.86	1338.19	1184.58	1345.89
Rate Regulate Income	127.61	3.39	-	-	-
Profit before tax	1705.12	2047.25	1338.19	1184.58	1345.89
Tax (Net)	296.64	370.50	223.56	132.24	277.21
Profit after tax	1408.48	1676.75	1114.63	1052.34	1068.68
Dividend	455.03	434.35	405.39	397.12	388.84
Dividend Tax	92.63	89.71	68.90	67.49	63.08
Retained profit	860.82	1152.69	640.34	587.73	616.76
<b>C. Assets</b>					
Fixed assets(net block)					
Tangible assets	8411.46	9052.16	5668.25	5819.12	6228.89
Intangible assets	0.88	0.22	0.41	0.71	0.93
Capital work-in-progress including Intangible Assets under Development	341.05	252.58	3925.79	2981.54	2022.96
Total Fixed Assets (Net block)	8753.39	9304.96	9594.45	8801.37	8252.78
Investments (Non-current)	470.47	11.38	4.95	4.94	-
Deferred Tax Assets (Net)	352.63	285.37	226.76	169.82	121.77
Long-term loans and advances	207.69	188.84	158.74	147.93	179.94
Other non-current assets including regulatory assets	125.36	5.84	11.03	0.67	0.93
Current assets	5470.42	4798.06	3561.62	3364.61	3561.31
Total Assets	15379.96	14594.45	13557.55	12489.34	12116.73
<b>D. Liabilities</b>					
Long-term borrowings	2464.06	2453.42	2213.51	1876.27	1501.34
Other Long-term liabilities and provisions	953.78	945.31	935.31	1005.12	990.54
Current liabilities	898.26	992.68	1358.38	1197.94	1802.57
<b>E. Net-worth</b>					
Share Capital	4136.63	4136.63	4136.63	4136.63	4136.63
Reserves & surplus	6927.23	6066.41	4913.72	4273.38	3685.65
Net-worth	11063.86	10203.04	9050.35	8410.01	7822.28
Total Liabilities	15379.96	14594.45	13557.55	12489.34	12116.73
<b>F. Number of employees</b>	1750	1819	1869	1792	1822
<b>G. Ratios</b>					
Return on net worth (%)	12.73%	16.43%	12.32%	12.51%	13.66%
Book Value per Share (₹)	26.75	24.67	21.88	20.33	18.91
Earnings per share (₹)	3.40	4.05	2.69	2.54	2.58
Current ratio	6.09	4.83	2.62	2.81	1.98
Debt to equity	0.22	0.24	0.24	0.22	0.19

\* Standalone

# Figures regrouped as per guidance note of ICAI on Rate Regulated Activities



Annual Report 2015 - 16

## SJVN LIMITED

CIN: L40101HP1988GOI008409

**Registered Office:** SJVN Corporate Office Complex, Shanani, Shimla - 171 006, Himachal Pradesh

**Telephone:** +91 177 2660075, **Fax:** +91 177 2660071

**Email:** [investor.relations@sjvn.nic.in](mailto:investor.relations@sjvn.nic.in), **Website:** [www.sjvn.nic.in](http://www.sjvn.nic.in)

### NOTICE

NOTICE is hereby given that the **28th Annual General Meeting** of the Members of SJVN Limited will be held on **22nd September 2016, Thursday at 1500 HRS** at **Hotel Peterhoff, Chaura Maidan, Shimla - 171004, Himachal Pradesh** to transact the following businesses:-

#### ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the year ended 31st March, 2016 together with the Balance Sheet and Statement of Profit and Loss for the financial year ended as on that date together with Reports of the Board of Directors and Auditors thereon and comments of the Comptroller and Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.
2. To confirm the payment of Interim Dividend of ₹0.63 per share and to declare the final dividend on equity shares for the financial year 2015-16.
3. To appoint a Director in place of **Shri Rakesh Kumar Bansal [DIN 06395552]**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri Amarjit Singh Bindra [DIN 03358160]**, who retires by rotation and being eligible, offers himself for re-appointment.

#### SPECIAL BUSINESS:

##### 5. **Appointment of Shri Ganesh Dutt as Independent Director:**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT**, pursuant to the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there under, the appointment of **Shri Ganesh Dutt (DIN 07352765)** as an Independent Director of the Company w.e.f. 27th November 2015 by the President of India vide Ministry of Power, Government of India's order No. 29/10/2015-H-II dated 17th November 2015 in exercise of powers conferred under Article 32 of the Articles of Association of the Company be and is hereby approved."

##### 6. **Appointment of Shri Pravinbhai Patel as Independent Director:**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT**, pursuant to the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there under, the appointment of **Shri Pravinbhai Patel (DIN 07355838)** as an Independent Director of the Company w.e.f. 1st December 2015 by the President of India vide Ministry of Power, Government of India's order No. 29/10/2015-H-II dated 17th November 2015 in exercise of powers conferred under Article 32 of the Articles of Association of the Company be and is hereby approved."

##### 7. **Appointment of Shri Shamsher Singh Uppal as Independent Director:**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT**, pursuant to the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there under, the appointment of **Shri Shamsher Singh Uppal (DIN 07358375)** as an Independent Director of the Company w.e.f. 3rd December 2015 by the President of India vide Ministry of Power, Government of India's order No. 29/10/2015-H-II dated 17th November 2015 in exercise of powers conferred under Article 32 of the Articles of Association of the Company be and is hereby approved."

##### 8. **Appointment of Dr. Rajni Sarin as Independent Director:**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution:-**

**"RESOLVED THAT**, pursuant to the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there under, the appointment of **Dr. Rajni Sarin (DIN 07358450)** as an Independent Director of the Company w.e.f. 3rd December 2015 by the President of India vide Ministry of Power, Government of India's order No. 29/10/2015-H-II dated 17th November 2015 in exercise of powers conferred under Article 32 of the Articles of Association of the Company be and is hereby approved."





**9. Ratification of remuneration of Cost Auditor for financial year 2016-17**

To consider and, if thought fit, to pass with or without modifications, the following Resolution as an **Ordinary Resolution**:-

**"RESOLVED THAT**, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration of Rs 1,50,000/-plus Service Tax as applicable plus Out of pocket expenses incurred in connection with the cost audit to be paid to M/s Chandra Wadhwa & Co., Cost Accountants, New Delhi, Cost Auditors of the Company for the financial year 2016-17, as approved by the Board of Directors of the Company, be and is hereby ratified."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

By order of the Board of Directors

Regd. Office: Shimla  
Date: 29th July, 2016

(Soumendra Das)  
Company Secretary  
FCS-4833

**NOTES:-**

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e. latest by **(03:00 PM)** on, the **20th September 2016**. Blank proxy form is enclosed.
3. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. With effect from April 01, 2014, inter-alia, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Therefore, the Directors to retire by rotation have been re-ascertained on the date of this notice.
5. As required by Clause 49 of the Listing Agreement(s), the relevant details of **Shri Rakesh Kumar Bansal [DIN 06395552]** and **Shri Amarjit Singh Bindra [DIN 03358160]** retiring by rotation and seeking re-appointment under items no. 3, & 4 of the Notice respectively. In exercise of powers vested under Articles of Association of the Company, the above Directors were appointed by President of India (acting through Ministry of Power) for a period of 5 years from the date of taking over the charge or till date of superannuation or till further orders whichever is earlier.
6. None of the Directors of the Company are anywhere related with each other.
7. Members are requested to:
  - (i) Note that copies of Annual Report will not be distributed at the Annual General Meeting.
  - (ii) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
  - (iii) Deliver duly completed and signed Attendance Slip and hand them over at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending Annual General Meeting.
  - (iv) Polling Slips/ Forms, if required, shall be provided at the venue of the Meeting.
  - (v) Quote their Folio No. or Client ID & DP ID Nos. in all correspondence.
  - (vi) Note that due to strict security reasons, mobile phones, eatables and other belongings are not allowed inside the Auditorium.
  - (vii) Note that no gifts/coupons will be distributed at the Annual General Meeting.
8. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed from **16th September 2016 (Friday) to 22nd September 2016 (Thursday)** (both days inclusive).



10. **The Board has recommended a Final Dividend @ ₹0.47 per share at its 246th meeting held on 27th May 2016. The dividend, if declared, at the Annual General Meeting will be paid to those Members, whose names appear on the Register of Members of the Company at the closure of business hours of 15th September 2016 (Thursday).**
11. Subject to the provisions of Section 126 of the Companies Act, 2013, the Final Dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after **27th September 2016**.
12. Pursuant to Section 125 of the Companies Act, 2013, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education & Protection Fund of the Central Government, Therefore, Members are advised to encash their Dividend warrants immediately on receipt.
13. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the company to make remittance by means of ECS. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those holding shares in physical form may obtain and send the ECS mandate form to **Alankit Assignments Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi - 110055**, (the Registrar & Transfer Agent of the company), if not done earlier.
14. The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Alankit Assignments Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants,
15. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Transfer Agent along with relevant Share Certificates.
16. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday), between 11.00 AM to 5.00 PM up to one day prior to the date of AGM
17. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form (Form SH-13 in duplicate) of the Companies Share Capital and Debentures Rules, 2014. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
18. Annual Listing fee for the year 2016-17 has been paid to the Stock Exchanges wherein shares of the Company are listed.
19. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and bank account to the Company's Registrar at the address given in Note No.13 above.
20. Members are requested to notify immediately any change of address:
  - (i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
  - (ii) to the Company at its Registered Office or its Registrar & Transfer Agent, Alankit Assignments Limited in respect of their physical shares, if any, quoting their folio number.
21. **Members desirous of getting any information on any item of business of this meeting are requested to address their queries to the Company Secretary at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.**
22. The annual report for 2015-16 along with the notice of Annual General Meeting, Attendance Slip and Proxy Form is being sent by electronic mode to all the shareholders who have registered their Email IDs with the depository participants/ registrar and share transfer agent unless where any member has requested for the physical copy.
23. Members who have not registered their Email IDs, physical copies of the annual report 2015-16 along with the notice of Annual General Meeting, Attendance Slip and Proxy Form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website [www.sjvn.nic.in](http://www.sjvn.nic.in) and at [www.cdslindia.com](http://www.cdslindia.com) for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor Email Id viz. [investor.relations@sjvn.nic.in](mailto:investor.relations@sjvn.nic.in).
24. Members who do not wish to vote through electronic means can cast their vote in person or through proxy via Ballot facility provided at the venue of the Annual General Meeting.

#### **VOTING THROUGH ELECTRONIC MEANS AND BALLOT**

1. Pursuant to Section 108 and corresponding Rules of Companies Act, 2013 as well as Regulation 44 of SEBI (LODR) Regulations, 2015, the Company will provide e-voting facility to the members. All business to be transacted at the annual general meeting can be transacted through the electronic voting system.
2. The notice of annual general meeting will be sent to the members, whose names appear in the register of members/ depositories as at closing hours of business, on **19th August 2016**.



3. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/client Id, irrespective of the number of joint holders.
4. The Company has appointed **Mr. D.P. Gupta**, Practicing Company Secretary, as the scrutinizer for conducting the e-voting and ballot process in the fair and transparent manner.
5. The scrutinizer will submit his final report on votes casted through Ballot & e-voting to Chairman of the Company within 48 hours of the conclusion of e-voting period.
6. The results of Annual General Meeting shall be declared by the Chairman or his authorized representative or anyone Director of the Company on/ or after Annual General Meeting within the prescribed time limits.
7. The result of the e-voting will also be placed at the website of the Company viz. **www.sjvn.nic.in** and also on **www.cdslindia.com**.
8. The scrutinizer's decision on the validity of e-voting and ballot will be final.

**The instructions for shareholders voting electronically are as under:**

- (i) The voting period begins **9.00 a.m** on **19th September 2016** and ends on **5.00 p.m., 21st September 2016**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **15th September 2016**, may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) The shareholders should log on to the remote e-voting website **www.evotingindia.com**.
- (iv) Click on Shareholders.
- (v) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) If you are holding shares in demat form and had logged on to **www.evotingindia.com** and voted on an earlier voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<b>PAN</b>	Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"><li>• Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on a separate slip attached to this notice.</li><li>• In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. e.g. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field</li></ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"><li>• If both the details are not recorded with the depository or company please enter the member Id / folio number in the Dividend Bank details field as mentioned in instruction (v).</li></ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (xi) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for SJVN Limited on which you choose to vote.



- (xiii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- (xx) Note for Non - Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to **www.evotingindia.com** and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to **helpdesk.evoting@cdslindia.com**.
  - After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to **helpdesk.evoting@cdslindia.com** and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (i) (xx) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. 15th September, 2016 may follow the same instructions as mentioned above for remote e-Voting.
- (xxi) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at **www.evotingindia.com**, under help section or write an email to **helpdesk.evoting@cdslindia.com**.
- (xxii) in case of any Grievances connected with facility for voting by electronic means, please contact Mr. Mehboob Lakhani, Assistant Manager, Central Depository Services (India) Limited, 16th Floor, PJ Towers, Dalal Street, Fort, Mumbai-400001. email: **helpdesk.evoting@cdslindia.com**, Tel: 18002005533.



## EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013.

### Item No.5:

**Sh. Ganesh Dutt (DIN : 07352765)** was appointed as an Independent Director of the Company by the President of India acting through the Ministry of Power (MoP) vide Letter No. 29/10/2015-H-II dated 17.11.2015 in exercise of powers conferred under Article 32 of the Articles of Association of the Company. Pursuant to Section 152(3) of Companies Act, 2013 his appointment was taken note of by the Board with effect from 27.11.2015 i.e. date of allotment of Director Identification Number (DIN) to the appointee. As per the appointment order issued by MoP, the appointment shall be effective for a term of 3 years from the date of order (i.e. 17.11.2015) or until further orders, whichever is earlier.

The Company has received from Sh. Ganesh Dutt, (i) Consent to Act as a Director in Form DIR - 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR 8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) A Declaration to the effect that he meets the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

His brief resume, inter alia, giving nature of expertise in specific functional area, shareholding in the Company, other Directorships, Membership/Chairmanship of Committees and other particulars are given below:

<b>Name</b>	Shri Ganesh Dutt
<b>DIN</b>	07352765
<b>Date of Birth</b>	5th December 1954
<b>Date of Appointment</b>	27th November 2015
<b>Qualification</b>	Post Graduate Diploma in Journalism & Mass Communication
<b>Expertise in Specific Functional Area</b>	Shri Ganesh Dutt, 61 years, is on our Board as Independent Director since 27th November 2015. He has nearly 40 years of experience in Social, Government and Public Service. He is a renowned and respected Public Activist and Social Worker from the state of Himachal Pradesh who has led and participated in a number of campaigns for a Public cause.
<b>Directorship held in other Companies</b>	Nil
<b>Membership/ Chairmanship of Committees across all the public companies (as per Regulation 26 of SEBI (LODR) Regulations, 2015)</b>	Nil
<b>Number of Shares Held</b>	Nil

The Resolution seeks the approval of members in terms of Section 149, 152 and other applicable provisions of the Act and the rules made there under for appointment of Shri Ganesh Dutt as an Independent Director of the Company, not liable to retire by rotation.

None of the Directors or Key Management Personnel of the Company or their relatives except Shri Ganesh Dutt, is in any way, concerned or interested financially or otherwise in the resolution.

The Board recommends the Ordinary Resolution set out at item no.5 of the Notice for approval by the shareholders.

### Item No. 6

**Sh. Pravinbhai Patel (DIN : 07355838)** was appointed as an Independent Director of the Company by the President of India acting through the Ministry of Power vide Letter No. 29/10/2015-H-II dated 17.11.2015 in exercise of powers conferred under Article 32 of the Articles of Association of the Company. Pursuant to Section 152(3) of Companies Act, 2013 his appointment was taken note of by the Board with effect from 01.12.2015 i.e. date of allotment of Director Identification Number (DIN) to the appointee. As per the appointment order issued by MoP, the appointment shall be effective for a term of 3 years from the date of order (i.e. 17.11.2015) or until further orders, whichever is earlier.

The Company has received from Sh. Pravinbhai Patel, (i) Consent to Act as a Director in Form DIR - 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR 8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) A Declaration to the effect that he meets the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.



His brief resume, inter alia, giving nature of expertise in specific functional area, shareholding in the Company, other directorships, Membership/Chairmanship of Committees and other particulars are provided below:

<b>Name</b>	Shri Pravinbhai Patel
<b>DIN</b>	07355838
<b>Date of Birth</b>	18th August 1950
<b>Date of Appointment</b>	1st December 2015
<b>Qualification</b>	Bachelor's degree in Electrical Engineering from Bhagalpur College of Engineering with a Gold Medal.
<b>Expertise in Specific Functional Area</b>	Shri Pravinbhai Patel, 66 years, is on our Board as Independent Director since 1st December 2015. He joined CEA in 1975 and his field of experience included Thermal Power Planning, Regional Grid Operation, Enforcement of Electricity Rules and Monitoring of Hydro Power Projects. During his 34 years of service in CEA, he had visited a number of foreign countries on study tours. After completing about 34 years of service in the CEA, he joined the Gujarat Electricity Regulatory Commission (GERC) in 2009, initially as Technical Member and later as the Chairperson of the Commission. Apart from other regulatory functions, during his tenure in the Commission, he took keen interest in promotion of Renewable Sources of Energy such as Wind and Solar Power, encouraging competition in the electricity sector and Efficient use of electricity.
<b>Directorship held in other Companies</b>	Nil
<b>Membership/ Chairmanship of Committees across all the public companies (as per Regulation 26 of SEBI (LODR) Regulations, 2015)</b>	Nil
<b>Number of Shares Held</b>	Nil

The Resolution seeks the approval of members in terms of Section 149, 152 and other applicable provisions of the Act and the rules made there under for appointment of Sh. Pravinbhai Patel as an Independent Director of the Company, not liable to retire by rotation.

None of the Directors or Key Management Personnel of the Company or their relatives except Shri Pravinbhai Patel, is in anyway, concerned or interested financially or otherwise in the resolution.

The Board recommends the Ordinary Resolution set out at item no. 6 of the Notice for approval by the shareholders.

#### Item No.7

**Shri Shamsher Singh Uppal (DIN : 07358375)** was appointed as an Independent Director of the Company by the President of India acting through the Ministry of Power vide Letter No. 29/10/2015-H-II dated 17.11.2015 in exercise of powers conferred under Article 32 of the Articles of Association of the Company. Pursuant to Section 152(3) of Companies Act, 2013 his appointment was taken note of by the Board with effect from 03.12.2015 i.e. date of allotment of Director Identification Number (DIN) to the appointee. As per the appointment order issued by MoP, the appointment shall be effective for a term of 3 years from the date of order (i.e. 17.11.2015) or until further orders, whichever is earlier.

The Company has received from Sh. Shamsher Singh Uppal, (i) Consent to Act as a Director in Form DIR - 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR 8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014 to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) A Declaration to the effect that he meets the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

His brief resume, inter alia, giving nature of expertise in specific functional area, shareholding in the Company, other Directorships, Membership/Chairmanship of Committees and other particulars are given below:

<b>Name</b>	Shri Shamsher Singh Uppal
<b>DIN</b>	07358375
<b>Date of Birth</b>	30th July 1948
<b>Date of Appointment</b>	3rd December 2015
<b>Qualification</b>	Bachelor's Degree in Mechanical Engineering



<b>Expertise in Specific Functional Area</b>	Shri Shamsher Singh Uppal, 68 years, is on our Board as Independent Director since 3rd December 2015. He is a retired IAS Officer. During his 21 year of service as an IAS Officer he served on a number of key administrative positions in Government of Madhya Pradesh. For his distinguished services he was awarded for planned development in New Bhopal as Administrator Capital Project Bhopal and for best Rehabilitation of Sardar Sarovar Dam oustees as Director (Rehabilitation) Narmada Valley Development Authority, M.P.
<b>Directorship held in other Companies</b>	Nil
<b>Membership/ Chairmanship of Committees across all the public companies (as per Regulation 26 of SEBI (LODR) Regulations, 2015)</b>	Nil
<b>Number of Shares Held</b>	Nil

The Resolution seeks the approval of members in terms of Section 149, 152 and other applicable provisions of the Act and the rules made there under for appointment of Shri Shamsher Singh Uppal as an Independent Director of the Company, not liable to retire by rotation.

None of the Directors or Key Management Personnel of the Company or their relatives except Shri Shamsher Singh Uppal, is in anyway, concerned or interested financially or otherwise in the resolution.

The Board recommends the Ordinary Resolution set out at item no. 7 of the Notice for approval by the shareholders.

#### Item No. 8

**Dr. (Smt.) Rajni Sarin (DIN: 07358450)** was appointed as an Independent Director of the Company by the President of India acting through the Ministry of Power vide Letter No. 29/10/2015-H-II dated 17.11.2015 in exercise of powers conferred under Article 32 of the Articles of Association of the Company. Pursuant to Section 152(3) of Companies Act, 2013 her appointment was taken note of by the Board with effect from 03.12.2015 i.e. date of allotment of Director Identification Number (DIN) to the appointee. As per the appointment order issued by MoP, the appointment shall be effective for a term of 3 years from the date of order (i.e. 17.11.2015) or until further orders, whichever is earlier.

The Company has received from Dr. Rajni Sarin, (i) Consent to Act as a Director in Form DIR - 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) Intimation in Form DIR 8 in terms of Companies (Appointment & Qualifications of Directors) Rules, 2014 to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013 and (iii) A Declaration to the effect that she meets the criteria of independence as specified in Section 149(6) of the Companies Act, 2013.

Her brief resume, inter alia, giving nature of expertise in specific functional area, shareholding in the Company, other Directorships, Membership/Chairmanship of Committees and other particulars are given below:

<b>Name</b>	Dr. Rajni Sarin
<b>DIN</b>	07358450
<b>Date of Birth</b>	3rd June 1949
<b>Date of Appointment</b>	3rd December 2015
<b>Qualification</b>	MBBS, DGO, FICMCH
<b>Expertise in Specific Functional Area</b>	Dr Rajni Sarin, 67 years, is on our Board as Independent Director since 3rd December 2015. As a Chairperson, member, patron of numerous State level and National Level Social Service organizations, she has dedicated a greater part of life and career for Social Welfare and upliftment. She has been ex-member in Medical Benefit Council of ESI, Member advisory Committee of Governor of U.P., Member Jila Vidhik Sewa Pradhikaran etc. She also has administrative experience as Head of various Social Welfare Organization.
<b>Directorship held in other Companies</b>	Nil
<b>Membership/ Chairmanship of Committees across all the public companies (as per Regulation 26 of SEBI (LODR) Regulations, 2015)</b>	Nil
<b>Number of Shares Held</b>	Nil



The Resolution seeks the approval of members in terms of Section 149, 152 and other applicable provisions of the Act and the rules made there under for appointment of Dr. Rajni Sarin as an Independent Director of the Company, not liable to retire by rotation.

None of the Directors or Key Management Personnel of the Company or their relatives except Dr. Rajni Sarin, is in anyway, concerned or interested financially or otherwise in the resolution.

The Board recommends the Ordinary Resolution set out at item no. 8 of the Notice for approval by the shareholders.

**Item No. 9**

The Board, on the recommendation of the Audit Committee has, vide its 246th meeting dated 27-05-2016 has approved the appointment and remuneration of M/s. Chandra Wadhwa & Co, Cost Accountants, Registration No. 000239, New Delhi as the Cost Auditors to conduct the audit of the cost accounts and records maintained by the Company for the financial year ending 31st March 2017.

In accordance with Section 148 read with Companies (Audit and Auditors) Rules 2014, the remuneration payable to Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of members is sought for passing an Ordinary Resolution as set out at item no. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2017.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 9 of the Notice.

The Board recommends the Ordinary Resolution set out at item no. 9 of the Notice for approval by the shareholders.

**BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION  
AT THE 28TH ANNUAL GENERAL MEETING.**

Name	Shri Rakesh Kumar Bansal	Shri Amarjit Singh Bindra
DIN	06395552	03358160
Date of Birth	24th July 1960	14th December, 1959
Date of Appointment	31st October, 2012	9th December, 2010
Qualification	Graduate in Mechanical Engineering from the National Institute of Technology, Allahabad and Postgraduate in Marketing, Production and Development Studies from Indian Institute of Management, Kolkata.	Honours Graduate in Commerce and a Member of the Institute of Chartered Accountants of India.
Expertise in Specific Functional Area	<b>Shri Rakesh Kumar Bansal</b> , is on our Board as Director (Electrical) since 31st October, 2012. Prior to board level appointment, Shri Bansal had been holding the charge of Executive Director of Nathpa Jhakri Hydro Power Station owned and operated by SJVN. Shri Bansal was also posted in Quality Assurances and Inspection Department, Corporate Planning & Monitoring Department and Commercial & System Operation Deptt in SJVN Corporate Office at Shimla. Prior to joining our company, he has rendered 13 years service in various posts in BHEL Haridwar.	<b>Shri Amarjit Singh Bindra</b> , is on our Board as Director (Finance) since 9th December 2010. Prior to joining the company, he was General Manager (Finance) in Delhi Metro Rail Corporation Limited. He has about 32 years of experience in NHPC, THDC and DMRC. Mr. Bindra has wide experience in Financial planning, appraisal, getting clearances, Budgetary monitoring, contract management including commercial aspects and policy issues.
Directorship held in other Companies	1. SJVN Arun-3 Power Development Company Private Limited, Nepal 2. SJVN Thermal Private Limited 3. Cross Border Power Transmission Company Limited 4. Bengal Birbhum Coalfields Limited	1. SJVN Thermal Private Limited 2. SJVN Arun-3 Power Development Company Private Limited, Nepal
Membership/ Chairmanship of Committees across all the public companies (as per Regulation 26 of SEBI (LODR) Regulations, 2015)	-	-
Number of Shares Held	NIL	NIL





## CHAIRMAN'S LETTER TO THE SHAREHOLDERS



Dear Shareholders,

It gives me immense pleasure to present the 28th Annual Report of your Company for the financial year 2015-16. I take this opportunity to share the achievements of our company with you.

The Audited Financial Statements of the Company along with the Reports of the Auditors and Directors for the year 2015-16 are presented for your approval.

### HIGHLIGHTS OF THE YEAR 2015-16

I am indeed delighted to inform our Shareholders that, all three operational projects of the company continued their excellent performance during the year. Nathpa Jhakri HPS, Rampur HPS and Khirvire Wind Power Project together generated 9346.128 MU of Power against combined MoU target of 8520 MU under excellent parameters compared to 8136.133 MU generated during the previous year. NJHPS recorded the second highest generation in a year since commissioning of the plant. The highest ever generation of 39.363 MUs in a single day was also achieved on 3rd September, 2015.

It is a matter of great pride and honor that our Hydro Power Plants are amongst one of the best managed plants of the country. Company's flagship plant NJHPS has been constantly achieving NAPA of more than 100% for last 5 years. During FY 2015-16, the plant achieved NAPA of 104.679% against MoU Target of 97%. Similarly, recently commissioned RHPS has achieved NAPA of 99.592%, against MoU Target of 97%. The plant exceeded its design energy in its first year of operations itself which is a spectacular achievement by industry standards and is a testimony of ability, efficiency and unrelenting efforts our operations and maintenance teams.

For its exceptional operational, financial and organizational performance, your company has received **"Excellent"** MoU performance rating for the fourth year in a row.

The physical progress made by the organization has also manifested in the financial health of the company. During FY 2015-16, Revenue from operations stood at ₹2498.49 crore and Profit after Tax at ₹1408.48 crore.

During the year an interim dividend of ₹0.63 per share was paid. In addition your Board has recommended a final dividend of ₹0.47 per share. Thus, a total dividend of ₹1.10 per share (₹455.03 crore) is proposed to be paid for FY 2015-16 against ₹1.05 per share (₹434.35 crore) paid during the previous year.

Your company continues to embark on a journey of growth. A MOU was signed with Solar Energy Corporation of India (SECI) on 19.06.2015 in New Delhi to set up 500 MW grid connected solar power projects. Another MOU was signed with Saurya Urja Company of Rajasthan Limited on 03.12.2015 for allocation of land for development of 300 MW Solar Power Generation Capacity in solar park at Jodhpur and Jaisalmer in the state of Rajasthan being developed by Saurya Urja Company of Rajasthan Limited.

Further, the work of Indian portion of Cross Border Power Transmission Line (86 kms) (CPTC) viz. Muzaffarpur - Sursand was completed and test charged on 09.09.2015. The Nepal portion of Power Transmission Line (42.229 kms) (PTCN) viz. Bhattamod - Dhalkebar was completed and test charged on 17.02.2016. The Power Transmission line was declared commercial from 19.02.2016 and was dedicated to the Nation jointly by Hon'ble Prime Ministers of India and Nepal on 20.02.2016.

I am glad to inform that your company's contribution to the campaign of "Swachh Vidyalaya Abhiyan" under "Swachh Bharat Mission" has received due recognition and commendation from Ministry of Power, Government of India. On 02.11.2015, Hon'ble Union Minister of State for Power, Coal and New & Renewable Energy facilitated CMD, Director (Personnel) and other members of the team for their commendable efforts.

### HIGHLIGHTS OF THE YEAR 2016-17

During the first quarter of the Financial Year 2015-16, ended 30th June 2016, 3113.454 MUs of power has been generated out of which NJHPS generated 2423.974 MU, RHPS 670.796 MU and Khirvire Wind Power Project 18.684 MU.

As per MoU for 2016-17, signed with MoP, SJVN targets to generate 8700 MUs of power under "Excellent" parameters with target revenue realization from sale of energy at ₹2,300 crore from NJHPS, RHPS and KWPP collectively.



### MACRO ECONOMIC SCENARIO AND GOVERNMENT POLICY

Amidst lackluster global economic scenario, Indian economy continues to grow at rapid pace and has emerged as an engine of growth for the World.

The present Government has embarked upon a massive programme to provide 24x7 power across the country by 2019. On the reform and restructuring front, the Cabinet Committee on Economic Affairs (CCEA) approved comprehensive amendments to the National Tariff Policy, 2006 taking a holistic view of the power sector for the first time. Comprehensive State-specific action plans for 24x7 power to all homes are being prepared in partnership with respective states, encompassing generation, transmission and distribution. Capacity addition of 1,18,537 MW (including 88,537 MW conventional and 30,000 MW renewable) has been targeted during the 12th Plan, i.e. by 2016-17.

The amended Tariff policy comprises provisions targeted at promotion of hydro power like - Exemption from competitive bidding till 2022; Allowing distribution licencees to extend long terms PPA beyond 35 years by a further period of 15 years; Time of day tariff allowed for power generators; Exclusion of Hydro from Renewable Purchase Obligation; Allowing developers flexibility in depreciation rates etc. All these measure are bound to benefit the company in the long run.

On the renewables front, India is running the largest renewable capacity expansion programme in the world. The government is aiming to increase share of clean energy through massive thrust in renewables. The Government has up-scaled the target of renewable energy capacity to 175 GW by the year 2022 which includes 100 GW from solar, 60 GW from wind, 10 GW from bio-power and 5 GW from small hydro-power. Stepping up capacity target under the Jawaharlal Nehru National Solar Mission (JNNSM) by five times now India is aiming to generate reaching 1,00,000 MW solar power by 2022. The target will principally comprise of 40 GW Rooftop and 60 GW through Large and Medium Scale Grid Connected Solar Power Projects.

Other policy initiatives include, amendments to the Electricity Act and Tariff Policy for strong enforcement of Renewable Purchase Obligation (RPO) and for providing Renewable Generation Obligation (RGO); Setting up of exclusive solar parks; development of power transmission network through Green Energy Corridor project; Raising tax free solar bonds; providing long tenor loans etc.

According to the Central Electricity Authority data, the total capacity of renewable energy sector increased to 42,849.38 MW, surpassing the total capacity of hydro power sector at 42,783.42 MW for the first time on April 30, 2016. This is indicative of paradigm shift in our Country's Power policy and priorities.

The bold and far-reaching decisions and reforms undertaken by the present Government have placed the Power Sector on a trajectory of exponential growth and prosperity.

### FUTURE BUSINESS STRATEGY

Your company plans to supplement the strategy of rapid growth, expansion and diversification adopted in the recent years with a phase of consolidation and integration. We realize that over diversification and rapid expansion without successful completion and execution of projects could run the company to risk of spreading out thin and losing focus.

Management's top priority would be to bring various Projects under survey and investigation to construction phase and to kick start other ventures acquired / initiated in the past couple of years. We

firmly believe that Hydro Power development and operations remains the core competence of your company and we plan to build the future of the company on this strength. Despite all the euphoria, we have consciously adopted a cautiously optimistic approach for expansion into renewable sector.

However, company remains fully conscious of the changing business environment, global scenario, environmental concerns, National priorities and Government policies and are adapting and aligning the strategies of company on constant basis in the best interest of our stakeholders. The new financial year is all set to usher the Company in to the arena of Solar Energy by commissioning its first 5MW Charnaka Solar Plant which will open the doors for the company to execute larger Wind & Solar Project in times to come.

The Status of ongoing Projects has been amply covered in the Directors' Report 2016 and hence, I would only like to mention that the other projects, namely, Luhri & Dhaulasidh projects in Himachal Pradesh; Devsari, Naitwar Mori & Jakhol Sankri projects in Uttarakhand; Arun-III in Nepal; Kholongchu and Wangchu projects in Bhutan; Doimukh project in Arunachal Pradesh; Buxar Thermal Power Plant in Bihar; Solar Projects in Gujrat and Rajasthan; aggregating more than 4868 MW capacity are in different stages of development.

### CORPORATE GOVERNANCE

As a listed company, your company has been complying with the requirements of Corporate Governance under the listing agreement and also Guidelines issued by Department of Public Enterprises, Government of India in this regard.

Your company has achieved "Excellent" rating for compliance with DPE Guidelines on Corporate Governance during F.Y. 2015-16 under Corporate Governance grading system prescribed by DPE for the fifth year in a row.

### ACKNOWLEDGMENT

I take this opportunity to express my sincere gratitude for the immense support and co-operation received from the Government of India, State Governments of Himachal Pradesh, Uttarakhand, Bihar, Arunachal Pradesh, Maharashtra, Gujarat and Rajasthan, the Governments of Nepal and Bhutan, other Governmental and Non-Governmental agencies, Statutory, Cost, Secretarial and Internal Auditors, our Customers, Business associates who have supported the Company, various Financial Institutions & Bankers, Regulatory authorities for their continued support and above all the Shareholders, Investors and Partners in the growth of the Company for their continued confidence and trust in the Management.

I also convey my thanks and appreciation to my esteemed colleagues on the Board for their valuable support and guidance, to my team of dedicated and hardworking employees which enabled us to achieve all milestones with distinction; and one and all for reposing trust in me and granting me opportunity to steer this wonderful organization.

Thanking you,

Yours Sincerely

(R.N. Misra)

Chairman & Managing Director  
DIN: 03109225

Place: New Delhi  
Date: 29th July, 2016



## DIRECTORS' REPORT 2016

### Dear Members,

Your Directors are pleased to present the 28th Annual Report of the Company for the year ended March 31, 2016 along with the Audited Statement of Accounts, Report of Auditors and Comments of the Comptroller and Auditor General of India.

The following financial highlights for the year ending 31st March, 2016 briefly encapsulate the performance of your company:-

### 1. FINANCIAL HIGHLIGHTS

(₹ in crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2015-16	2014-15	2015-16	2014-15
<b>REVENUE</b>				
Revenue from Operations	2498.49	2817.53	2499.99	2817.44
Other Income	409.72	438.39	409.93	438.41
<b>Total Revenue</b>	<b>2908.21</b>	<b>3255.95</b>	<b>2909.92</b>	<b>3255.85</b>
<b>EXPENSES</b>				
Employees' Benefits Expense	216.40	199.57	220.81	199.57
Finance Costs	208.95	55.08	209.47	55.08
Depreciation and Amortization Expenses	677.16	641.00	677.51	641.00
Other Expenses	228.19	184.13	230.81	184.15
<b>Total Expenses</b>	<b>1330.70</b>	<b>1079.78</b>	<b>1338.60</b>	<b>1079.80</b>
<b>Profit before exceptional items and Tax</b>	1577.51	2176.14	1571.32	2176.05
Exceptional Items	--	132.28	--	132.28
<b>Profit before rate regulated activities and tax</b>	1577.51	2043.86	1571.32	2043.77
Rate Regulated Income	127.61	3.39	127.61	3.39
<b>Profit Before Tax</b>	1705.12	2047.25	1698.93	2047.16
Tax Expenses:				
- Current Tax	336.67	428.40	336.81	428.41
- Tax expenses pertaining to rate regulated activities	27.23	0.71	27.23	0.71
- Deferred Tax	(67.26)	(58.61)	(67.26)	(58.61)
<b>Profit for the Year</b>	<b>1408.48</b>	<b>1676.75</b>	<b>1402.15</b>	<b>1676.65</b>

### 2. GENERATION

Gross Energy Generation from various operational plants of the Company during FY 2015-16 is as under:-

(Million Units (MU))

Plant	Generation Previous Year 2014-15	MOU Targets FY 2015-16 (Excellent)	Generation Current Year 2015-16	Excess over Previous Year	Excess over MoU Targets
NJHPS	6838.125	6980.000	7313.784	+475.659	+333.784
RHPS	1257.520	1500.000	1983.398	+725.878	+483.398
KWPS	40.488	40.000	48.946	+8.458	+8.946
<b>Total</b>	<b>8136.133</b>	<b>8520</b>	<b>9346.128</b>	<b>1209.995</b>	<b>826.128</b>

The Energy Generation not only exceeded the MOU targets under excellent parameters but also the energy generation records of previous year 2014-15. NJHPS recorded the second highest generation in a year since COD.

The Net Annual Plant Availability Factor (NAPAF) of company's Hydro Power Stations exceeded the MoU targets under excellent parameters as under:-

(In Percent)

Plant	MOU Target (Excellent)	Achievement	Excess of Target
NJHPS	97.000	104.679	+7.679
RHPS	97.000	99.717	+2.717

### 3. REVENUE AND PROFITS

The standalone revenue from operation decreased by ₹319.04 crore to ₹2498.49 crore during the financial year 2015-16 compared to ₹2817.53 crore during the previous year. Similarly standalone Profit After Tax (PAT) decreased by ₹268.27 crore to ₹1408.48 crore against ₹1676.75 crore for the previous year. The decrease is mainly because previous year's operation revenue includes ₹571.25 crore on account of NJHEP arrear for the period 2009-14. If same is excluded from previous year's figures, there is increase in operation revenue of ₹252.21 crore during the current year.

Consolidated accounts with the subsidiary & joint venture companies has resulted in decrease in profit of consolidated group by ₹6.33 crore (PY ₹0.10 crore) as compared to SJVN Limited mainly due to proportionate share of loss from KHEL by ₹6.43 crore, profit of ₹0.54 crore from CPTC and elimination of intra group transactions.

### 4. TRANSFER TO RESERVES

During the year, no amount was transferred to Reserves of the Company.

### 5. DIVIDEND

During the year an interim dividend of ₹0.63 per share has been paid in the month of February 2016. In addition your Board has recommended a final dividend of ₹0.47 per share. Thus, subject to your approval, a total dividend of ₹1.10 per share (₹455.03 crore) is proposed to be paid for FY 2015-16 against ₹1.05 per share (₹434.35 crore) paid during the previous year.

### 6. PROJECTS UNDER SURVEY AND INVESTIGATION

#### 6.1 HIMACHAL PRADESH PROJECTS:

#### a) LUHRI HEP (Stage I: 184 MW, Stage II: 143 MW, and Stage III: 339 MW)

Luhri Hydro Electric Project is located on river Satluj in Shimla/ Kullu/Mandi districts of Himachal Pradesh. Govt. of H.P. during March, 2015 advised SJVN to review/explore the possibility of executing the LHEP as multistage project instead of single stage on account of social and environmental/ ecological concerns. Accordingly three stages with Dam toe Power House are being explored to harness the Hydel potential of Satluj river between Rampur and Kol Dam Hydro Electric Projects.

**LHEP Stage-I :** Inception report was submitted to CEA /CWC on 29.05.2015 and first consultation meeting held on 20.07.2015. Out of 9 pre DPR chapters submitted to CEA, CWC, CSMRS and GSI, 3 chapters namely Hydrology, ROR/Storage and International



Aspects have been cleared. Remaining chapters are under examination. TOR for EIA/EMP studies was approved from MOEF on 21.12.2015; work for conducting EIA/EMP studies awarded.

**LHEP Stage-II:** Finalization of project site is under process.

**LHEP Stage-III :** General layout for report of first consultation meeting is under preparation. Hydrological & Power Potential studies being finalized.

**b) DHAULASIDH HEP (66 MW)**

The Dhaulasidh Hydro-electric Project with proposed installed capacity of 66 MW is located on River Beas, in Hamirpur and Kangra Districts of Himachal Pradesh. The Project is designed as run of river (RoR) project with a small live storage that would be utilized for peaking power during the lean season. The Project holds potential of generating 247.25 million units of electric energy in a 90% dependable year. The estimated cost of Project is ₹847.71 crore at October 2015 Price level.

TEC of the Project was accorded on 25.06.2011 by Directorate of Energy, Govt of Himachal Pradesh. The Environment Clearance & Stage-1 Forest Clearance has been accorded by MoEF, Govt. of India.

Cost estimates/ financial viability of the Project is being re-worked in consultation with GoHP and accordingly investment proposal shall be finalized for onward submission to MoP.

The Private land is to be acquired in accordance with LARR Act, 2013. Issue of land acquisition is also under discussion/ settlement with GoHP. Application for fresh SIA studies submitted to GoHP.

**6.2 UTTARAKHAND PROJECTS**

**a) DEVSARI HEP (252 MW)**

A run of river (RoR) scheme with proposed installed capacity of 252 MW is located on River Pinder, a major tributary of river Alaknanda in Chamoli District of Uttarakhand State. The project will generate 936.9 MU of energy in a 90% dependable year. The scheme was cleared by Govt. of Uttarakhand in October, 2007 and by Standing Technical Committee in April, 2012. DPR of the project was concurred by CEA in August, 2012. The estimated cost of the Project is ₹2240.66 crore at January, 2016 price level.

The project was recommended for Environment Clearance by the Expert Advisory Committee (EAC) of MoEF during December, 2011 subject to Stage I Forest Clearance. Forest Advisory Committee (FAC) considered the project in the meeting held on 16.02.2016 wherein FAC recommended the diversion of forest land subject to compliance of some conditions. MoEF&CC has been requested to accord approval for Stage 1 Forest Clearance.

For acquisition of private land, determination of land compensation for private land is under process by State Govt.

**b) NAITWAR MORI HEP (53 MW)**

The Naitwar Mori HEP having proposed installed capacity of 53 MW is located on River Tons, a major tributary of River Yamuna in Uttarkashi District of Uttarakhand. The project is designed as run of river (RoR) project and has the potential to generate 265.5 MU of energy in a 90% dependable year. The estimated cost of the Project is ₹675.00 crore at January, 2016 price level.

The DPR of the project was approved by Govt of Uttarakhand in March, 2010. Stage-I Forest Clearance was accorded on 08.02.2016. The project has been recommended for environmental clearance by the Expert Advisory Committee of MoEF in its meeting held in December 2011. The CAT Plan of the project has been approved by Government of Uttarakhand (GoU).

Possession of private land has been taken and mutation of land has also done.

**c) JAKHOL SANKRI HEP (44 MW)**

The Jakhol Sankri HEP with proposed installed capacity of 44 MW is located on River Supin, a tributary of River Tons in Uttarkashi District of Uttarakhand. The project is designed as run of river (RoR) project and has the potential to generate 166.19 MU of energy in a 90% dependable year. The estimated cost of the Project is ₹442.34 crore at January, 2016 price level.

Revised DPR (44 MW) considering revised e-flows is being prepared. Revised TOR applied on 20.01.2016. EAC agreed to grant approval to TOR in the meeting held on 28.03.2016. For NBWL Clearance, Proposal was reconsidered during 37th meeting of Standing Committee of NBWL on 26.02.2016 at MoEF, GOI, New Delhi. However, the proposal was deferred till the receipt of Eco Sensitive Zones (ESZ) proposals from the State Govt. Ministry of Environment, Forest and Climate change, Government of India has issued new guideline of accepting proposals of Diversion of Forest land online only. Accordingly, for submission of case online, formalities have been carried out as per the new guidelines. Case is to be submitted after NBWL Clearance.

**6.3 ARUNACHAL PRADESH PROJECTS**

**a) DOIMUKH HEP (80 MW)**

The Doimukh HEP with installed capacity of 80 MW is located on River Dikrang in Papum Pare District of Arunachal Pradesh. MOA between SJVN and Govt. of Arunachal Pradesh was signed on 12.08.2014 in the presence of Hon'ble Chief Minister, Arunachal Pradesh. The project is designed to generate 294.54 MU of energy in a 90% dependable year. The estimated cost of the Project is ₹739.58 crore at May, 2012 price level.

The survey and investigation works of the project including topographic survey, drilling, etc. are in progress. Preliminary EIA/EMP report was received on 29.02.2016 and is under examination. 4 NOC's out of 5 from State Govt. stand already obtained.

**6.4 NEPAL PROJECT**

**a) ARUN-3 HEP (900 MW):**

The project is a run-of-river (RoR) scheme located on Arun River in Sankhuwasabha District of Nepal, which is 657 km from Kathmandu via Biratnagar. Letter of intent was issued on 23.05.2010 by GoN to SJVN to carry out infrastructure work at Dam & Power House site.

SJVN Arun-3 Power Development Company Pvt. Ltd (SAPDC) was established & registered on 25.04.2013 as a private limited company under the Nepalese Companies Act 2063 duly floated by single shareholder company SJVN Ltd with an aim to implement Arun-3 Hydro-electric Project. The Registered office of the SAPDC is located at Kathmandu, Nepal and project office is located at Khandbari, District Sankhuwasabha, Nepal.



The survey & investigation works were completed in January, 2011. The Project was techno-economically appraised by CEA on 09.06.2014. Project Development Agreement (PDA) was signed with IBN, GoN on 25.11.2014. EIA report of the project was approved by MoSTE, GoN on 12.08.2015. The MOU between SAPDC and Department of Roads, GoN for construction of roads & bridges was signed on 05.01.2016.

Power Evacuation System: CEA has accorded clearance to the DPR of Transmission Line. Initial Environment Examination (IEE) study report is under examination with MOE, GON. Investment approval is under process.

## 6.5 PROJECTS IN BHUTAN

### a) KHOLONGCHHU HEP (600MW)

Kholongchhu HEP with the proposed installed capacity of 600MW on the river Kholongchu in Bhutan will annually generate 2568MU of energy. The project is being implemented jointly by SJVN and Druk Green Power Corporation (DGPC) Bhutan. The estimated cost of the Project is ₹3976.15 crore at January, 2016 Price Level.

Inter Governmental Agreement between Royal Government of Bhutan (RGoB) and Government of India (GoI) for implementation of 4 hydropower projects including Kholongchhu through Indian PSU and DGPC was signed on 22.04.2014 in Thimpu. The foundation stone was laid by Hon'ble Prime Minister of India on 16.06.2014. Environment clearance was accorded by National Environment Commission (NEC) of RGoB on 21.07.2014.

The Shareholders Agreement for development of 600MW KHEP between DGPC and SJVN was signed on 30.09.2014 at Thimpu.

Joint Venture Company was registered as "Kholongchhu Hydro Energy Ltd" (JV of SJVN & DGPC) in Bhutan on 12th June, 2015. Ground breaking of new Duksum town was held on 13.12.2015.

Work of project roads and bridges started on 19.09.2015, overall 72% Trace cutting & 45% Formation Cutting work has been completed.

### b) WANGCHHU HEP (570MW):

Wangchhu HEP a run of river (RoR) scheme, with the installed capacity of 570MW on the river Wangchhu in Bhutan, will annually generate 1968.55MU of energy. The DPR of the project was appraised by CEA and approved by Royal Government of Bhutan. The estimated cost of the project is ₹4148.57 crore at January, 2016 price Level.

The project is to be implemented by the JV Company of SJVN and Druk Green Power Corporation (DGPC), Bhutan. Inter Governmental Agreement between Royal Government of Bhutan (RGoB) and Government of India (GoI) was signed on 22.04.2014 in Thimpu. Public consultation meetings have already been conducted.

EIA/EMP report submitted to NEC, RGoB for approval on 27.10.2014 and the same is under review in NEC of RGoB.

Forest clearance for project components except roads and mining area were obtained on 24.09.2014. Forest clearance for residential area at Dam site, access roads including dumping yards falling in Chukha Dzonkhang was accorded on 19.10.2015. Forest clearance for access roads in Dagana Dzonkhang was also received on 10.12.2015.

## 6.6 THERMAL PROJECT

### a) BUXAR THERMAL PROJECT (1320 MW)

SJVN had signed an MOU for setting up a Green Field 1320 MW (2x660 MW) Supercritical Technology Thermal Power Project at Chausa village in Buxar district, Bihar in January, 2013 for which Power Purchase Agreement (PPA) stood signed with Bihar State Power Holding Company Limited (BSPHCL) for 85% share of power generation on bus bar rate.

The JV Agreement, MoA, AOA, Term Sheet for JV formation have been signed on 07.01.2015 with six partner states for Deocha Pachami coal block (2102 MT). The certificate of incorporation of JV Company for development of Coal Block was issued by Registrar of Companies, Ministry of Corporate Affairs, GoI, and Kolkata under Companies Act, 2013 on 29.09.2015.

Investment approval for Pre-construction activities for an amount of ₹436.68 Cr. has been accorded by Ministry of Power, GoI on 26.05.2015.

LoA for "Consultancy services for Preparation of DPR & Detailed Engineering for setting up of Rail Infrastructure of BTPP at Chausa, Buxar of STPL" has been issued to M/s RITES Ltd on 16.03.2016.

MoU for coal linkage has been signed with MMTC Ltd on 24.02.2016. The compensation to land owners has been disbursed and possession of land is nearly complete. Erection of Boundary Pillars and barbed wire fencing is in an advanced stage. Additional studies to be carried out as per latest TOR issued for environmental clearance by MoEF has been awarded.

LoA for "Composite supply material & equipments, erection, testing & commissioning of 33kV line" has been issued on 21.03.2016.

## 6.7 SOLAR PROJECTS

SJVN Limited has given a commitment to Government for development of 1000 MW Solar PV Power project (s) during a period of 5 Yrs. i.e. Yr. 2015-2019 in RE-INVEST Summit held on 15-17th February, 2015 in New Delhi.

### a) CHARANKA SOLAR POWER PROJECT:

SJVN has acquired 25 Acre of land in Charanka Solar Park for development of 5MW Solar PV Power Project which will generate approx. 8 MUs annually. Letter of Award for Engineering, Procurement and Construction and comprehensive O&M for five years has been placed on M/s Rays Power Experts on 29.10.2015. Commissioning of the project is expected by September, 2016.

### b) MOU WITH SECI FOR 500 MW GRID CONNECTED PROJECT:

SJVN has signed an MOU with Solar Energy Corporation of India (SECI) on 19.06.2015 in New Delhi to set up 500 MW grid connected solar power projects. SECI shall facilitate for the development of Solar PV Power Project and will arrange land, PPA and Project Management Consultancy assuring at least 12% ROE.

### c) MOU WITH SAURYA URJA COMPANY OF RAJASTHAN LIMITED (SUCRL):

SJVN has signed MOU with Saurya Urja Company of Rajasthan Limited on 03.12.2015 for allocation of land for development of 300 MW Solar Power Generation Capacity in solar park at Jodhpur and Jaisalmer in the state of Rajasthan being developed by Saurya Urja Company of Rajasthan Limited.



## 6.8 TRANSMISSION PROJECTS

Cross-Border Inter State Transmission Link for trade of Power between Nepal & India is being developed by a Joint Venture Company (CPTC), wherein SJVN has 26% equity portion along with IL&FS Energy Development Company Ltd. (38%), POWERGRID (26%) and Nepal Electricity Authority (NEA) (10%). The above transmission link is of 400kV, D/C line (initially to be charged at 220kV) between Muzaffarpur & Dhalkebar. CPTC (JV Company) is executing the portion between Muzaffarpur & Sursand (87 km) at a project cost of ₹210.70 crore with 80:20, debt: equity ratio and debt portion amounting to ₹175.19 crore has been financed by PFC.

Transmission link on the Nepal side of the line between Sursand & Dhalkebar (39 km) is being executed by another JV Company (PTCN) registered in Nepal having partners IL&FS Energy Development Company Ltd.(26%), POWERGRID (26%) and Nepal Electricity Authority (NEA) (48%).

The work of Indian portion (CPTC) viz. Muzaffarpur - Sursand Power Transmission Line (86 kms) has been completed and test charged on 09.09.2016. Further, Nepal portion (PTCN) viz Bhitamod - Dhalkebar Power Transmission Line (42.229 kms) has also been completed and test charged on 17.02.2016. The Power Transmission line has been declared commercial from 00:00 Hrs of 19.02.2016 and dedicated to the Nation jointly by Prime Ministers of India and Nepal on 20.02.2016. A dedicated Arun - III - Dhalkebar-Muzaffarpur 400 kV D/C Transmission Line, total length 310 km planned to evacuate the power from Arun - III HEP has been successfully completed by SJVN.

## 7. ENVIRONMENT

Your company has adopted an Environment Policy in 2006, in response to its commitment and concern for sustainable development. In support to this policy, all projects are being regularly reviewed from legal stipulation angle as well as internal procedure and have shown complete compliance to all conditions stipulated by the Government of India while granting Environment and Forest Clearances.

Your Company's Corporate Objectives also promote conservation and protection of environment as in '*striving clean and green project environment with minimal ecological and social disturbances*'. Towards this end, your company has formulated project specific Environment Management Plans (EMPs) to ameliorate any potential environmental impacts for sustenance of resources over a long term.

The activities undertaken for Environment Management at Nathpa Jhakri Hydro Power Station includes Catchment Area Treatment (CAT) plan, Compensatory Afforestation, Avenue Plantation, reclamation of muck disposal sites, sustenance and enhancement of fisheries, etc.

The EMP for Rampur Hydro Electric Project was approved for ₹45.52 crore and mitigation measures at site are in completion stage. Restoration of muck dumping sites and other muck utilization areas in project was largely done using state of the art Geo-Green Erosion Control Blanket technique which was designed and evolved to provide an integrated solution for slope stabilization. Blanket is made up of bio-degradable coconut fibres and reinforced with high density polyethylene threads, which not

only retains water for longer period but gradually biodegrade naturally to fully blend with the soil conditions. The success achieved in Rampur Hydro Electric Project has prompted us to work toward improving this technique further while implementing it in other projects.

True to our commitment for self regulation and environment protection, your company has also established an Environment Laboratory at Jhakri on the guidelines laid down by Ministry of Environment, Forest & Climate Change, Government of India. The laboratory is first of its kind in the area and has the facility for conducting Water and Wastewater analysis, Microbiological testing, Ambient Air Quality monitoring, Noise monitoring, Meteorological monitoring, Soil/ Sludge/ Sediment, Solid waste testing and Metal analysis.

## 8. CSRand SUSTAINABILITY

An annual report of Corporate Social Responsibility, highlighting the Company's CSR Policy, details of expenditure on CSR and overview of projects/ programs/ activities undertaken by the Company during FY 2015-16 in format prescribed under Companies (CSR Policy) Rules 2014 is annexed as **Annexure-V** and forms an integral part of this Directors Report.

## 9. REHABILITATION AND RESETTLEMENT

SJVN being a responsible corporate citizen is conscious for well being of the families residing around the project area who have been affected due to construction of the projects. Based on the National Policy and Notification of Govt. of India on rehabilitation and resettlement of the project affected families, SJVN has adopted and implemented Rehabilitation and Resettlement Plans in Nathpa Jhakri Hydro Power Station and Rampur Hydro Power Station incurring cumulative expenditure of ₹15.94 Cr. and ₹30.18 Cr. respectively with the objective to raise the socio economic condition of the project affected families (PAFs). Whereas the rehabilitation and resettlement of the PAFs is over in both the projects, a few R&R related issues are still being dealt at the projects as per following details:

**Nathpa Jhakri Hydro Power Station** - Besides, statutory land compensation to all 480 PAFs, 130 landless PAFs have been provided alternative agricultural land, 25 houseless PAFs have been provided constructed houses in rehabilitation colony with all basic civic amenities, 44 houseless PAFs have been provided construction grant of ₹45,000/- each in lieu of house as per their option, 61 landless PAFs have been provided regular employment and 57 PAFs have been provided alternative cash package of ₹ 2 to 3 lakh each in lieu of employment.

Further, considering the demand of local representatives and local government, SJVN has agreed to pay re-determined amount of land compensation to those left out interest holders who could neither approach the Hon'ble Court for enhancement of compensation nor filed any application for redetermination. In first phase during previous year, enhanced land compensation amounting to ₹1.54 Cr. was paid to 190 land owners and during this year enhanced land compensation of ₹2.27 Cr. has been released to other 344 land owners. Thus as of now total enhanced land compensation of ₹3.81 Cr. to 534 land owners has been paid and other cases are being scrutinized for payment.



**Rampur Hydro Power Station** - Besides, statutory land compensation to all 139 PAFs, 57 landless PAFs have been provided rehabilitation grant ranging from ₹45,000/- to ₹65,000/-, 15 houseless PAFs have been provided house plots measuring area 280 sqm. plus construction grant of ₹1.8 lakh each for constructing houses in rehabilitation colony with all basic civic amenities, 03 houseless PAFs have been provided cash package of ₹9.9 lakh for constructing houses on their own, 10 PAFs whose one house was acquired but left with second house have been provided house construction grant of ₹1.8 lakh each, 01 PAF has been provided employment subject to vacancy and suitability of the candidate.

SJVN is concerned about the crop yield of the farmers residing around the project. During this year SJVN paid crop compensation amounting to ₹51.41 Lakh among the farmers of Duttanagar Panchayat in District Shimla. With this payment, the total crop compensation of ₹754.85 lakh has been disbursed among the farmers residing around the project in district Kullu and district Shimla.

Under Local Area Development Fund (LADF) Notification of GOHP, SJVN has so far made cumulative expenditure of ₹30.71 Cr. on various infrastructural and community development works in project area falling under district Kullu and district Shimla. Further, during this financial year SJVN has approved financial assistance of ₹28.16 Lakh for procurement of furniture in Sr. Secondary School, Rampur.

**Social Impact Evaluation of R&R Implementation in NJHPS and RHPS:**

SJVN engaged the services of Agriculture Economic Research Centre, Himachal Pradesh University for Social Impact Evaluation of R&R implementation in both the projects. The SIE Report reveals that the R&R implementation has notably raised the socio-economic standard of the project affected families in all facets of their lives.

**Other Projects** - In Naitwar Mori Hydro Electric Project (Uttarakhand), 7.156 hectare of private land falling in 3 villages comprising 104 land owners have been acquired at compensation amount of ₹11.04 Cr. The Rehabilitation and Resettlement Plan will be shortly implemented in the project.

**10. RESEARCH AND DEVELOPMENT**

In line with the DPE guidelines, SJVN has laid special attention on Research and Development for Process Improvement, Product Development etc. in its area of operation. Specific area in which R&D has been carried out during FY 2015-16 in line with MoU signed with MoP are:

- a) Study to identify measures to recoup the Generation Losses due to dip in plant efficiency at NJHPS.
- b) Study to identify measures for dampening vibration effects during blasting.
- c) Study to identify causes of Gas Generation in the 400 KV Generator Transformer at RHPS.

In addition to the R&D schemes chosen in the MOU, SJVN has also undertaken following additional R&D studies for overall development and system improvement:-

- a) Use of viscosity modifying admixture with high range water reducing admixture for tunnel grouting in rocks such as carbonaceous phyllites, mica schist rock.

- b) Improvement of locally available low abrasion resistance aggregates for use in wearing surface concrete.

All the projects have been successfully completed under the guidance of eminent professionals from various Engineering fields and in collaboration with renowned institutions like IIT, CSIR-CMIFR etc.

**11. HUMAN RESOURCES**

The total manpower on the rolls of SJVN (Direct Recruits and Absorbed employees) was 1533 as on 31.03.2016. The strength of HPSEB / HP Govt. employees on deputation on the above date was 217.

**Representation of Women Employees is as under:-**

Total Employees as on 31.03.2016	Number of Women employees	Percentage of overall staff strength
1533	150	9.78

**Representation of Physically Challenged Employees is as under:-**

Total Employees as on 31.03.2016	Physically Challenged Employees				Percentage of Physically challenged employees
	VH	HH	OH	Total	
1533	06	06	15	27	1.76

**Representation of SC/ST/OBC Employees is as under:-**

Total Employees (as on 31.03.2016)	Representation					
	SCs	SC%	STs	ST%	OBC	OBC%
1533	321	20.94	97	6.33	178	11.61

Your Company gives utmost importance for the enrichment of skills & in-house and external training programmes are organized in all disciplines and at all levels. During the financial year 2015-16, 1612 employees (91.5%) were imparted essential two mandays training thereby achieving 5909 man days through organizations/institutes of national repute like ASCI, ESCI, IIMs, IITs, MDI, IMI etc. The programs were conducted on topics like Design & Analysis of Concrete Gravity Dams, Power System Studies using Mi Power, Current practices in Power System Protection, Analysis of Water & Air Component, Geotechnical Instrumentation, Environmental Protection Awareness, Fault Current Limitation Techniques, AutoCAD 3D Civil, Health & Stress Management, Leadership, Supervisory Development Skills, Self Development & Use of Kaizen, Safety in Plant & Disaster Management, ISO 9001:2008, Risk Management, Project Management, e-learning training courses, Gender Sensitivity, New Companies Act etc.

**12. INDUSTRIAL RELATIONS**

Regular Meetings are held with the representatives of the various Associations/Unions to sort out the local issues as well as policy related matters. Recreational, Cultural and Sports functions on different occasions were also held, thus, resulting better employee-employer relations and cordial industrial relations were maintained during the year.

**13. STATUTORY AND OTHER INFORMATIONS**

The information required to be furnished as per the Companies Act 1956/ 2013, Listing Agreements, Government Guidelines, and Code



of Corporate Governance of your Company, on the following matters is placed at respective annexures and form integral part of Directors Report:-

- a. Management Discussion and Analysis - **Annexure - I**
- b. Report on Corporate Governance - **Annexure - II**
- c. Certificate from Practicing Company Secretary regarding compliance of conditions of Corporate Governance - **Annexure - III**
- d. Information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and out go - **Annexure - IV**
- e. Annual Report on CSR Activities - **Annexure - V**
- f. MGT-9 - Extract of Annual Return - **Annexure-VI**
- g. Secretarial Audit Report - **Annexure-VII**
- h. Management's Replies to the observations of Secretarial Auditor - **Annexure-VIII.**

#### 14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' state that:

- in the preparation of the annual accounts for the year ended March 31, 2016, the applicable accounting standards read with requirements set out under Schedule-III to the Act, have been followed along with proper explanation relating to material departures, if any;
- the Directors have selected such accounting policies and applied them consistently except as disclosed in the Notes on Accounts and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2016 and of the profit of the Company for the year ended on that date;
- the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- the Directors have prepared the annual accounts on a 'going concern' basis;
- the Directors have laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### 15. DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Companies Act, 2013 read with the Schedules and Rules issued thereunder as well as SEBI Regulations.

#### 16. SEXUAL HARASSMENT PREVENTION

SJVN has implemented the Sexual Harassment of Women at Workplace (prevention, prohibition and redressal) Act, 2013 in its entirety.

Internal Complaints' Committees as per the provisions of the act have been constituted at Corporate Office and Projects sites of SJVN.

Summary of Sexual harassment issues raised, attended and dispensed during the year 2015-16:-

No. of complaints received in 2015-16	Nil*
No. of complaints disposed off	-Nil-
No. of cases pending for more than 90 days	-Nil-
No. of workshops or awareness programme against sexual harassment carried out	Four
Nature of action taken by the employer or District Officer	-Nil-

\***Note:-** One complaint received but withdrawn by employee later.

#### 17. SECRETARIAL AUDIT

The Board appointed M/s Agarwal S. & Associates, Company Secretaries to conduct Secretarial Audit for the Financial Year 2015-16. The Report of the Secretarial Auditors for the year ended 31.03.2016 is placed at **Annexure-VII.** Reply of Management to observations of Secretarial Auditor are placed at **Annexure-VIII.**

#### 18. STATUTORY AUDIT

M/s Soni Gulati & Co., Chartered Accountants, Shimla, were appointed by Comptroller & Auditor General as Statutory Auditors of the Company for the financial year 2015-16.

The Report of the Statutory Auditors to the Members on the Standalone and Consolidated Accounts for the year ended 31.03.2016 is placed at **Annexure-IX** and **Annexure-X** respectively. Comments of the Comptroller and Auditor General (C&AG) of India on the Accounts for the year ended 31.03.2016 are placed at **Annexure-XI.** Comments of Statutory Auditors and C&AG being "NIL", hence the reply by the Management thereto is not applicable.

#### 19. COST AUDIT

Pursuant to the Central Government directions to audit Cost Accounting Records as maintained by the Company, your Company appointed M/s Chandra Wadhwa & Co, Cost Accountants, as Cost Auditor for the year 2015-16. The Cost Audit Report for the year 2014-15 was filed with MCA on 29.09.2015.

#### 20. INTERNAL FINANCIAL CONTROLS

The Company has adequate control systems and the transactions/ processes are guided by delegation of powers, documented policies, guidelines and manuals in compliance with relevant laws and regulations. The organisational structure is well defined in terms of the structured authority / responsibility involved at each particular hierarchy / level.

In order to ensure that all checks and balances are in place and internal control systems are in order, regular internal audit is conducted by independent firms of Chartered Accountants in close coordination with company's own Internal Audit Department. The internal audit process includes review and revaluation of effectiveness of the existing processes, controls and compliances. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. The corporation has also engaged an independent





consultant for review of existing Internal Financial Control System, to develop framework/documents for IFC system of the company, to identify control parameters with emphasis on technical, commercial and economical risks and to suggest improvements. The suggestions for improvements in internal financial control system given by independent consultant shall be reviewed and implemented during the year 2016-17.

It is also informed that significant Audit Observations and Action Taken reports are placed before the Audit Committee headed by an Independent Director. The recommendations and directions of the Audit Committee are carried out and complied with.

## 21. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Accounting Standard (AS)-21 on Consolidated Financial Statements read with AS-23 on Accounting for Investments in Associates and AS-27 on Financial Reporting of Interest in Joint Ventures, the Audited Consolidated Financial Statements are provided in the Annual Report. Directors Report / Financial Statements in respect of following Subsidiary Companies are also included in this Annual Report:-

- SJVN Thermal Private Limited
- SJVN Arun-3 Power Development Company Private Limited

## 22. BOARD OF DIRECTORS

The following changes in the Board have occurred during Financial Year 2015-16:-

- Sh. S K. B. S. Negi, ACS (MPP & Power), GoHP, ceased as Part-Time Official Director (GoHP Nominee) on withdrawal of Nomination by appointing authority on 06th November 2015.
- Sh. Arun Kumar Verma, JS (Hydro), MoP, ceased as Part-Time Official Director (Gol Nominee) on withdrawal of Nomination by appointing authority on 19th October 2015.
- Sh. Aniruddha Kumar, JS (Hydro), MoP, was appointed as Part-Time Official Director (Gol Nominee) w.e.f. 19th October 2015 and ceased as Director on withdrawal of Nomination by appointing authority on 29th February 2016.
- Sh. Tarun Shridhar, ACS (MPP & Power), GoHP, was appointed as Part-Time Director w.e.f. 06th November 2015
- Sh. Kanwar Singh was appointed as Whole Time Director (Civil) w.e.f. 17th November 2015
- Sh. Ganesh Dutt was appointed as Part-Time Non-Official Director w.e.f. 27th November 2015
- Sh. Pravinbhai Patel was appointed as Part-Time Non-Official Director w.e.f. 01st December 2015
- Sh. Shamsher Singh Uppal was appointed as Part-Time Non-Official Director w.e.f. 03rd December 2015
- Dr. Rajni Sarin was appointed as Part-Time Non-Official Director w.e.f. 03rd December 2015
- Smt. Archana Agrawal, JS (Hydro), MoP, was appointed as Part-Time Official Director (Gol Nominee) w.e.f. 29th February 2016
- Vide MoP Letter No. 23/25/2009-H-II dated 03rd March 2016, the tenure of Shri Amarjit Singh Bindra as Director (Finance), was extended for a period of five years w.e.f. 9th December 2015, or till the date of superannuation, or until further orders, whichever is the earliest.

The Board welcomes the appointments and wishes to place on record its highest appreciation for the valuable contributions made by the outgoing Directors during their association with SJVN.

## 23. KEY MANAGERIAL PERSONNEL

In compliance with Section 203 of the Companies Act, 2013, following have been designated as Key Managerial Personnel:-

- Sh. R.N. Misra, Chairman & Managing Director
- Sh. A.S. Bindra, Chief Financial Officer
- Sh. Soumendra Das, Company Secretary

## 24. IMPLEMENTATION OF OFFICIAL LANGUAGE

In order to ensure the implementation of the Official Language Policy of the Govt. of India, all possible efforts have been made by the company to achieve the targets as specified by the Department of Official Language. Company has received awards in recognition for these efforts. Under section 3.3(i) of Official Language Act cent percent documents were issued bilingually. All the letters received in Hindi were replied to in Hindi. Company's website is already in bilingual form and it is updated from time to time.

To encourage executives and non-executives to do their entire work in Hindi a number of incentive schemes are under implementation namely 1) Payment of amount equivalent to one increment every month for doing whole office work in Hindi, 2) Honorarium for writing technical papers in Hindi, 3) Cash prize on passing Hindi typing examination and 4) Cash prize for Best write-up published in in-house Hindi journal "Himshakti". Under these schemes 709 executives and non-executives have received prizes amounting to ₹8,50,920/- approximately.

Under the "Rajbhasha Samman" Scheme ₹25,000/- are paid to each employee doing best work in Hindi in different Projects including Corporate Office and "Rajbhasha Uttkrishthta Samman" of ₹30,000/- to the employee doing best work in Hindi at Corporate Level. This year 15 employees were awarded cash prizes of ₹3,80,000/- under the scheme.

Imparting training to the executives and non-executives to do their day-to-day work in Hindi by organising Hindi workshops/seminars is a continuous process in the company. Eleven Hindi workshops/seminars have been organised and 219 no. of executives and non-executives have been trained. Organising of Hindi quiz competitions on national/important occasions is a regular feature and besides this a number of competitions were also organised during "Hindi fortnight". In these competitions 215 no. of employees and 161 no. of students were awarded cash prizes amounting to ₹9,34,391/-.

To popularise Hindi in a big way a Kavi Sanghosthi was also organised on 28.09.2015 & 08.03.2016 at Corporate Office, Shimla.

Half yearly meeting of the Town Official Language Implementation Committee, Shimla (Office-2) constituted for the Central Govt. Offices, CPSUs & Banks etc. under the Chairmanship of SJVN Ltd. was held on 09.02.2016 which was chaired by CMD, SJVN Ltd., In this meeting many decisions were taken to increase use of Hindi in concerned Offices.

To give impetus to the multi-facet talent of employees an in-house bi-annual Hindi magazine "Himshakti" is published and circulated.



Out of total expenditure on purchase of books, 61.94% of amount was spent on purchase of Hindi books.

## 25. AWARDS & ACHIEVEMENTS

During the year, your Company & Directors received commendation for work in form of various Awards and Accolades as under:-

- i. SJVN was honored with 9th ENERTIA Award 2015 - India and South Asia for sustainable Energy & Power in recognition of company's achievements in the Hydro Sector during 2014-15.
- ii. SJVN was conferred with "Excellence Award" by Institute of Economic Studies in recognition of outstanding performance of SJVN and its management in the field of industrial development in the country.
- iii. SJVN was awarded with ABP-News CSR Leadership Award in category of Best Corporate Social Responsibility Practices.
- iv. SJVN was awarded "PSU Award 2015" by Governance Now. SJVN was selected for Best Employee Productivity award under Mini Ratna Category-1 Public Sector Undertaking.
- v. SJVN was also conferred with SCOPE Excellence Awards in Institutional Category (Miniratna I & II PSEs) for the year 2013-14 with Gold Trophy and Citation and for year 2010-11 with Commendation Certificate.
- vi. SJVN was also conferred with Global CSR Excellence Leadership Award by Blue Dart.
- vii. SJVN bagged CIDC Vishwakarma Award - "Achievement Award for Social Development & Impact" and "Partners in Progress".
- viii. SJVN was awarded "Silver Plate Awards" by Help Age India for CSR.
- ix. Sh. R.N. Misra, Chairman & Managing Director, SJVN was honored with "Award for CEO with HR Orientation" by World HRD Congress.
- x. Sh. R.N. Misra, Chairman & Managing Director; SJVN was awarded "Udyog Rattan" by Institute of Economic Studies.
- xi. Sh. N.L. Sharma, Director (Personnel) was conferred with ABP-News CSR Leadership Award in individual category.
- xii. Sh. N.L. Sharma, Director (Personnel) was also conferred with "Most Influential HR Leader" award by World HRD Congress with the aim to recognize and appreciate talented individuals in the industry.

## 26. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE GUARANTEES GIVEN AND SECURITIES PROVIDED

Particulars of loans given, investments made, guarantees given and securities provided along with the purpose for which the loan or guarantee or security is proposed to be utilized by the recipient are as under:-

Particulars	Details
Loans given	Refer Note 2.15 and 2.19 to standalone financial statements
Investments made	Refer Note 2.13 to standalone financial statements
Guarantees given	Nil
Securities provided	Nil

## 27. GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. The Company has not accepted any deposits during the year under review.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
4. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
5. There have been no Material Changes and Commitments subsequent to the Balance sheet.
6. There are no Companies which have become or ceased as subsidiaries, joint ventures or associate Companies during the Year.
7. The company has not made any buy back of shares during the year under review.

## 28. ACKNOWLEDGMENT

The Board of Directors acknowledge with deep appreciation, the co-operation and guidance extended by various Ministries/ Departments of the Government of India, particularly, Ministry of Power, Coal & Renewable Energy, Ministry of Finance, Ministry of External Affairs, Ministry of Environment & Forest, Central Electricity Authority, Central Water Commission, Geological Survey of India, the Government of Nepal, the Government of Bhutan, the Government of Himachal Pradesh, particularly, the Departments of Power, Finance and Forests, the Pollution Control Board, State Governments of Bihar, Uttarakhand, Arunachal Pradesh, Gujarat and Maharashtra, the State Electricity Boards and the World Bank.

Your Directors also convey their gratitude to the shareholders, various international and Indian banks and financial institutions for the confidence reposed by them in the Company. The Board also acknowledges and appreciates the contribution made by Contractors, Vendors, Consultants and other Stakeholders for achieving the planned goals of the Company.

The Board also places on record its deep appreciation of valued cooperation extended by the Office of the Comptroller and Auditor General of India and the Auditors. Last but not least, the Board commends the hard work and dedicated efforts put in by the employees of the Corporation including the employees on deputation at all levels.

For and on behalf of Board of Directors

(R.N. Misra)  
Chairman and Managing Director  
DIN: 03109225

Place: New Delhi  
Date: 29th July, 2016



## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. INDUSTRY OVERVIEW / INDUSTRY STRUCTURE AND DEVELOPMENT

The all India installed power generation capacity as on 31.03.2016 is 298059.97 MW which includes 42783.42 MW of hydro power, the rest from the thermal and renewable energy sources. To fulfil the objectives of the National Electricity Policy, a capacity addition of 23976.6 MW has been achieved against the target of 16894.1 MW during the FY 2015-16. Capacity addition of 88,537 MW is envisaged in 12th Plan which includes share of Hydro as 10,897 MW besides that of thermal and Nuclear of 72,340 MW and 5,300 MW respectively. 15,000 MW has also been targeted from renewable energy sources like wind, solar etc. for development during 12th plan period. As regards hydro potential, India has an estimated hydro potential of about 1,50,000 MW out of which only about 42783.42 MW (as on 31.03.2016) has been commissioned so far. The bulk of the unharnessed potential is located in the hill states of Himachal, Uttarakhand, Arunachal Pradesh and Sikkim. The above industry scenario signifies that there is ample opportunity for consistent growth of business in hydro, thermal and renewable energy sector in the times to come.

### 2. SWOT ANALYSIS

#### A. STRENGTHS:

SJVN has the following strengths:

- SJVN has gained wide experience and expertise in development of large hydro power projects from concept to commissioning including operation & maintenance and management of silt during project operation. 'State of art' hard coating facility has been installed at project site and being operated in-house.
- SJVN has in house capability for complete design of hydro power projects, large value contract award, its management and project management.
- SJVN has stable revenue stream through long term power purchase agreements with state electricity boards and distribution licensees. The allocation of power from its power station is made by the Ministry of Power, Government of India.
- SJVN has a competent and committed workforce. SJVN fully recognize that the contribution of its employees is integral to the achievement of SJVN's ambitious plans and have thus adopted an organizational philosophy which acknowledges and rewards their contributions.
- Historical financial performance and steady cash flows over the years make SJVN believe that existing operation are capable of funding the equity contribution portion for our existing pipeline of projects.

#### B. OPPORTUNITIES:

- India has an estimated hydro potential of about 1, 50,000 MW

out of which only about 42783.42 MW (as on 31.03.2016) has been commissioned so far. The bulk of the unharnessed potential is located in the hill states of Himachal, Uttarakhand, Arunachal Pradesh and Sikkim.

- SJVN is diversifying into alternate energy sources such as Wind & Solar Energy and Power Transmission. SJVN is constantly striving to expand its base both in National and International arena.

#### C. WEAKNESS:

- NJHPS and RHPS are cascade schemes and operating in tandem. Any difficulties faced in the operation of NJHPS will have direct consequences on power generation of RHPS and shutdown of NJHPS results into loss of total revenue.
- Stringent norms and cumbersome procedures for getting environment clearance, forest clearance and clearance from National Board for Wild Life (where ever applicable) delays the commencement of construction of projects.
- Increase in cost of land after introduction of new Land Acquisition Act are making hydro power projects more cost intensive and thus higher tariff.

#### D. THREATS:

- In spite of extensive survey and investigations, the probability of geological surprises in various components of hydro-electric projects in young Himalayan ranges pose great technical challenge involving extremely cost intensive and time consuming measures.
- Most of the hydro-electric projects are located in the remote locations and are prone to natural calamities such as cloud burst, land slide, road block etc. These natural calamities also contribute to delays.

### 3. OUTLOOK

Measures adopted by SJVN in Operation and Maintenance of 1500 MW NJHPS and 412 MW RHPS have improved its capability in efficient Operation and Maintenance of Power Stations.

### 4. RISKS AND CONCERNS

Hydro Power Projects are capital intensive and have long gestation period. The rising cost of Hydro Projects on account of land compensation & delays leads to higher power tariff and has resulted into shift of emphasis from Hydro to cheaper alternate energy sources. Water being a state subject, State Governments are demanding more free power and other incentives, resulting in higher tariff.

### 5. FINANCIAL DISCUSSION AND ANALYSIS

A detailed financial discussion and analysis is furnished below on the Audited Financial Statements of the company for the fiscal 2016 vis-à-vis fiscal 2015. Figures of previous years have been regrouped/rearranged wherever necessary.



## A. RESULTS OF OPERATIONS

### 1. INCOME:

	F.Y. 2015-16	F.Y. 2014-15
<b>Units of Electricity Generated including Wind Power (Million Units)</b>	<b>9346.13</b>	<b>8136.14</b>
<b>INCOME</b>	<b>₹ in Crore</b>	
1. Energy Sales	2495.81	2816.97
2. Consultancy works	2.68	0.56
3. Other income		
a) Interest		
- On deposits	307.73	230.83
- On advances to employees & Contractors	3.93	3.59
- From Customers	85.65	183.07
<b>Total interest</b>	<b>397.31</b>	<b>417.49</b>
b) Foreign currency fluctuation adjustment	1.87	1.87
c) Others	10.54	19.03
<b>Total Income</b>	<b>2908.21</b>	<b>3255.92</b>

The income of the Company comprises of income from sale of electricity, consultancy, interest earned on investment of surplus funds & interest from Customers etc. The gross income for fiscal 2016 is ₹2908.21 crore as compared to ₹3255.92 crore in the previous year registering a decrease of 10.68%. The decrease in gross income was due to inclusion of arrear billing and interest on determination of provisional tariff of Nathpa Jhakri Hydro Power Station (NJHPS) for the period 2009-14 amounting to ₹571.25 crore and ₹178.21 crore in the previous fiscal as against ₹ nil and ₹71.10 crore respectively during current fiscal.

#### Tariff

The sale of Hydro Power by the Company is governed by the tariff fixed by the Central Electricity Regulatory Commission (CERC) pursuant to the tariff policy issued by the Govt. of India. The Central Electricity Regulatory Commission (CERC) has notified the Tariff Regulations, 2014 containing inter-alia the terms & conditions for determination of tariff, applicable for a period of five years with effect from 01.04.2014. Tariff is determined with reference to Annual Fixed Charges (AFC) which comprises of Return on Equity (ROE), Depreciation, Interest on Loan, Interest on Working Capital and Operation & Maintenance Expenses. ROE is grossed up with reference to effective income tax rate of the respective financial year so as to recover income tax incidence. The effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Act. For the purpose of recovery, AFC is bifurcated into two equal parts i.e. Energy Charges and Capacity Charges. Recovery of Energy Charges is dependent upon energy generated and full recovery is ensured when schedule design energy level is achieved. Generation over and above design energy entitles for additional revenue in the form of secondary energy charges. Recovery of capacity charges is dependent on the actual availability of plant for generating power with reference to Normative Annual Plant Availability Factor (NAPAF), which has been fixed at 90% for NJHPS & 82% for RHPS for the fiscal 2016. Company is entitled to receive incentives for achieving higher Plant Availability Factor against

NAPAF. The sale of Wind Power is from the wind power project in Maharashtra and is regulated as per the Tariff rates notified by Maharashtra Electricity Regulatory Commission (MERC).

#### Sales

Company sells electricity to bulk customers comprising mainly of Electricity Utilities owned by State Governments. Sale of electricity is based on long term Power Purchase Agreements (PPA) entered with such Utilities. Sales for the fiscal 2016 has been provisionally recognized at ₹2495.81 crore as compared to ₹2816.97 crore during the fiscal 2015.

Sales of NJHPS is accounted /billed for on the basis of tariff approved and applicable as on 31.03.2014 as provided in Tariff regulation 2014.

Sales includes an amount of ₹248.75 Crore (previous year ₹190.91 crore) on account of incentive billing in respect of hydro power stations due to achievement of higher Gross Annual Generation of 9297.18 MUs (previous year 8095.65 MUs) as compared to design energy of 8490 MUs (previous year 8029 MUs). The gross generation during the fiscal has increased by 14.84% over previous year. The increase is mainly due to full year operation of Rampur Hydro Power Station (RHPS) during the year as compared to part operation during previous year and achievement of higher Plant Availability Factor (PAF) of RHPS 99.59% (Previous year 95.49%) against Normative Annual Plant Availability Factor (NAPAF) of 82%.

Sales also includes Unscheduled Interchange (UI) Charges amounting to ₹29.38 crore (previous year ₹21.32 crore) for the positive deviation in generation with respect to schedule, payable (or receivable) at rates notified by CERC from time to time.

During the year, the Company has regulated the power of BRPL, BYPL and J&K (previous year BYPL) after these beneficiaries failed to pay outstanding dues and sold the power allocated to these companies through PTC as per CERC (Regulations of Power Supply) Regulations, 2010. Accordingly, 348.334 MUs (previous year 156.278 MUs) of power was sold through PTC amounting to ₹97.64 Crore (previous year ₹55.50 Crore) and included in Energy Sales. An amount of ₹44.23 Crore (previous year ₹30.66 Crore) excess realised as compared to regulated energy charges has been adjusted as Margin from Trade receivables and Sales after adjusting the regulating expenses of ₹7.30 Crore (previous year ₹2.97 Crore) on Sale through PTC.

Sales include an amount of ₹32.62 crore (previous year ₹23.48 crore) from sale of 48.95 MUs (previous year 40.49 MUs) of energy generated from wind power project. Sale of current year also includes an amount of ₹4.37 crore on account of Generation Based Incentive (GBI).

#### Consultancy

Consultancy income of the company is ₹2.68 crore during current fiscal as against ₹0.56 crore during previous year. The increase is mainly due to accounting/billing of consultancy assignments in Bhutan.

#### Other Income

Other income mainly comprises of interest income on short term deposits, interest and surcharge on late payment from customers. Other income during the year was ₹409.72 crore as compared to ₹438.39 crore during previous year.



Major components of other income is as under: (₹ in Crore)

Income	Financial Year 2015-16	Financial year 2014-15
Interest from Banks	307.73	230.83
Interest From Beneficiaries	71.10	178.21
Surcharge on Late Payment	14.55	4.86
Other Miscellaneous Income (Including interest on income tax refund, sale of scrap, receipt of maintenance of ICF & Interest from Employees & Contractors)	16.34	24.49
<b>Total Income</b>	<b>409.72</b>	<b>438.39</b>

Interest from banks has increased by ₹76.90 crore mainly due to increase in corpus of investable funds. Decrease in interest from beneficiaries amounting to ₹107.11 crore is on account of receipt of interest on arrear billing made to beneficiaries subsequent to provisional determination of tariff of NJHPS for the period 2009-14 during previous financial year. The surcharge on late payment increased mainly due to receipt of outstanding dues from State of Jammu & Kashmir along with surcharge. Other Miscellaneous income reduced by ₹8.15 crore during the current financial year mainly due to interest on income tax refund of ₹6.51 crore received during previous year.

## 2. Expenditure

(₹ in Crore)

Expenditure	Fiscal 2016	Fiscal 2015
Employee Benefits Expense (Note 2.26)	216.40	199.57
Finance Costs (Note 2.27)	208.95	55.08
Depreciation (Note 2.28)	677.16	641.00
Other Expenses (Note 2.29)	228.19	184.13
<b>Total Expenditure</b>	<b>1330.70</b>	<b>1079.78</b>

The total expenditure of the Company has increased by 23.24 % to ₹1330.70 crore in the fiscal 2016 from ₹1079.78 crore in Fiscal 2015 mainly due to chargeability of the expenditure to Statement of Profit and Loss for full year on commissioning of Rampur Hydro Power Station (RHPS) as compared to proportionate expenditure charged to statement of Profit & Loss in the previous year & higher allocation of corporate expenses to operational projects.

### Employee Benefits Expense

The Employee Benefits Expense includes Salaries and Wages, Allowances, Incentives, Contribution to Provident Funds & Other Funds and Welfare Expenses. These Expenses accounted for 16.26% of total expenditure in Fiscal 2016 as compared to 18.48% in Fiscal 2015.

The Employee Benefits Expense during the year was ₹216.40 crore (previous Year ₹199.57 crore) which is ₹16.83 crore (i.e. 8.43%) higher than the previous year. Increase in expenses is mainly due to normal increase in DA & Annual Increment. The increase is also due to charging of Employee Benefits Expense of RHPS for full year during 2015-16 to statement of Profit & Loss as compared to proportionate charges in the previous year.

### Finance Costs

The Finance Cost mainly consist of interest on Term Loans, Short Term Loans, Foreign Currency Loans, and Guarantee Fees etc. The

borrowings are denominated in rupees, including those in foreign currencies, for accounting purposes.

During the current fiscal, finance costs increased by ₹153.87 crore to ₹208.95 crore in comparison to ₹55.08 crore during previous year. The increase is mainly due to increase in foreign exchange rate variation on restatement of foreign currency loans from World Bank as on 31.03.2016 by ₹126.45 crore. However, there is no impact on profitability of the company as the same has been accounted for as rate regulated income. The increase is also due to charging of finance cost for full year on commissioning of RHPS as compared to proportionate finance cost charged to statement of Profit and Loss in the previous year.

Finance costs represents approx. 15.70 % of our total expenditure during fiscal 2016 in comparison to approx. 5.10 % during fiscal 2015.

### Depreciation and Amortisation Expense

As per the Accounting Policy of the Company, depreciation is charged on straight line method following the rates & methodology notified by Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time, except for some items for which depreciation is charged at the rates assessed by the company.

The depreciation cost has increased by ₹36.16 crore to ₹677.16 crore during the fiscal 2016 as compared to ₹641.00 crore during previous year. The reason for increase in depreciation is mainly due to charging of depreciation for full year on commissioning of RHPS as compared to proportionate depreciation charged to statement of Profit & loss in the previous year.

Depreciation represents approx. 50.89 % of our total expenditure during fiscal 2016 in comparison to approx. 59.36 % during fiscal 2015.

### Other Expenses

Other Expenses comprises primarily of Repair & Maintenance to Buildings, Roads, Electromechanical works and Plant & Machinery, Insurance, CSR Expenses and other administrative expenses.

Other Expenses represents 17.15 % of our total expenditure during fiscal 2016 in comparison to 17.05 % during fiscal 2015. In absolute terms the expenses were ₹228.19 crore in fiscal 2016 as compared to ₹184.13 crore during previous year. The increase is mainly due to increase of Repair & Maintenance expenditure by ₹18.43 crore, CSR expenditure by ₹4.68 crore, Insurance by ₹4.08 crore, Security expenses by ₹4.33 crore and FERV by ₹5.75 crore etc.

### Rate Regulated Income

Rate Regulated Income is the exchange difference arising from settlement/translation of monetary items denominated in foreign currency, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations. The institute of Chartered Accountants of India (ICAI) has issued a "Guidance Note on Accounting for Rate Regulated Activities" which is applicable w.e.f. 1st April, 2015 to entities that provide goods or services whose prices are subject to cost of service regulations and Tariff determined by the regulator is binding on the customers (beneficiaries). Accordingly an amount of ₹127.61 crore has been accounted as Rate Regulated Income during the year.



### Profit before Tax

Profit before tax decreased by 16.71 % to ₹1705.12 crore during fiscal 2016 as against ₹2047.25 crore during previous fiscal due to the reasons explained above.

### Provision for Taxation

The Company provides for tax computed in accordance with provisions of Income Tax Act. During the year, the Company is liable to pay tax equivalent to Minimum Alternate Tax (MAT) @21.34% after adjusting MAT credit under Section 115 JAA. The Current Tax for the year is ₹363.90 crore as compared to ₹429.11 crore during previous year. Decrease in current tax is due to decrease in profit for the year by ₹342.13 crore to ₹1705.12 crore as compared to ₹2047.25 crore.

### Provision for Deferred Tax

The deferred tax asset arisen during the year mainly on account of timing difference in Book Depreciation and Tax Depreciation. Provision for deferred tax asset for the fiscal 2016 is ₹67.26 crore as against the provision of ₹58.61 crore made in fiscal 2015, an increase of ₹8.65 crore.

## B. FINANCIAL POSITION

Assets and liabilities in the Balance Sheet have been classified under head 'Current' and 'Non-Current' categories as per Schedule-III to the Companies Act, 2013.

The items of the Balance Sheet are as under:

### 1. Net Worth

Net Worth of the Company at the end of fiscal 2016 increased to ₹11063.86 crore from ₹10203.04 crore in the previous year registering an increase of 8.44% due to increase in retained earnings. Correspondingly, the book value of shares has increased to ₹26.75 per share during current fiscal from ₹24.67 per share during previous year.

### 2. Non-Current Liabilities

(₹ in Crore)

	As of March 31,	
	2016	2015
Long Term Borrowings (Note 2.3)	2464.06	2453.42
Other Long Term Liabilities (Note 2.4)	864.26	865.66
Long Term Provisions (Note 2.5)	89.52	79.65

### Long Term Borrowings

Long Term Borrowings as on March 31, 2016 were ₹2464.06 crore as against ₹2453.42 crore as on March 31, 2015. Out of these ₹300.08 crore is Secured (previous year ₹279.65 crore) and ₹2163.98 Crore is Unsecured (previous year ₹2173.77 crore). Secured Loans is borrowed from State Bank of India. Over the last fiscal, Long Term Borrowings have registered an increase of 0.43 % amounting to ₹10.64 crore.

- During the year company has transferred an amount of ₹182.08 crore (Secured ₹44.40 crore and Unsecured ₹137.68 crore) drawn for Rampur Hydro Power Station (RHPS) to Other Current Liabilities being current maturities of long term debts payable during next financial year.

- Unsecured Loans include borrowing from World Bank (IBRD). The Unsecured Loans have registered a decrease of 0.45% amounting to ₹9.79 crore during current fiscal. The decrease is due to repayment of loans from World Bank for Rampur Hydro Power Station (RHPS).
- During the year total borrowings raised was ₹64.83 crore for RHPS. An amount of ₹171.26 crore was repaid during the year.
- The debt to equity ratio at the end of financial year 2015-16 of the company is 0.22 (previous year 0.24).

### Other Long Term Liabilities

Other Long Term Liabilities includes Deposit, Retention Money from Contractors & Others, Advance Against Depreciation and Deferred Foreign Currency Fluctuation Liability. Other Long Term Liabilities have registered a marginal decrease of ₹1.40 Crore to ₹864.26 crore as compared to ₹865.66 crore during previous year.

### Long Term Provisions

Long Term Provisions consists of amount provided towards employee benefits on the basis of Actuarial Valuation and includes Leave Encashment, Post-Retirement Medical and Other Retirement Benefits which are expected to be settled beyond a period of twelve months from the balance sheet date. Long Term provisions increased by ₹9.87 crore to ₹89.52 crore during current fiscal as compared to ₹79.65 crore during previous fiscal.

## 3. Current Liabilities

(₹ in Crore)

	As of March 31,	
	2016	2015
Short Term Borrowings (Note 2.6)	-	-
Trade Payables (Note 2.7)	17.21	14.64
Other Current Liabilities (Note 2.8)	495.78	616.80
Short Term Provisions (Note 2.9)	385.27	361.24
<b>Total</b>	<b>898.26</b>	<b>992.68</b>

The Current Liabilities as at March 31, 2016 and 2015 were ₹898.26 crore and ₹992.68 crore respectively. The Current Liabilities have decreased by 9.51% mainly due to decrease in Other Current Liabilities.

### Trade Payables

Trade payables includes liabilities in respect of amount due on account of goods purchased or services received in normal course of business operations other than liability for Purchase / Construction of Fixed Assets. Trade Payables at the end of current fiscal is ₹17.21 crore as compared to ₹14.64 crore during the previous fiscal.

### Other Current Liabilities

Other Current Liabilities mainly includes Current Maturities of Long Term Debts payable within Twelve Months, Liabilities for Employees Remuneration and Benefits, Liabilities for Purchase / Construction of Fixed Assets and Deposits, Retention Money from Contractors and Others. Other Current Liabilities has decreased by 19.62% to ₹495.78 crore as compared to ₹616.80 crore during the previous fiscal. This is mainly due to decrease in liabilities for construction of fixed assets and Security Deposits, Retention Money from contractors etc. after commissioning of RHPS.



### Short Term Provisions

Short Term Provisions include Unfunded Employees Benefits payable within Twelve Months as per Actuarial Valuation, Dividend, Dividend Tax, Income Tax and Interest on Arbitration Awards etc. Short Term Provisions has increased by 6.65 % in Fiscal 2016 to ₹385.27 crore as compared to ₹361.24 crore during Fiscal 2015, mainly due to increase in provision of proposed Final Dividend & Dividend Tax by ₹23.91 crore, as the company has proposed Final Dividend & Dividend Tax amounting to ₹234.00 crore during the year (previous year ₹210.09 crore).

### 4. Non-Current Assets

(₹ in Crore)

	As of March 31,	
	2016	2015
Tangible Assets (Note 2.10)	8411.46	9052.16
Intangible Assets (Note 2.10)	0.88	0.22
Capital Work-in-progress (Note 2.11)	339.92	252.58
Intangible Assets Under Development (Note 2.12)	1.13	-
Non-Current Investments (Note 2.13)	470.47	11.38
Deferred Tax Assets (Net) (Note 2.14)	352.63	285.37
Long Term Loans and Advances (Note 2.15)	207.69	188.84
Other Non-current Assets (Note 2.16)	0.56	0.98
Other Non-current Assets-Regulatory Assets (Note 2.17)	124.80	4.86
<b>Total</b>	<b>9909.54</b>	<b>9796.39</b>

Non-Current Assets as on March 31, 2016 has increased by 1.16% to ₹9909.54 crore as compared to ₹9796.39 crore as on March 31, 2015.

### Tangible Assets

Tangible Assets consists of Net Block of Fixed Assets after Depreciation. Tangible Assets includes Land, Buildings, Roads & Bridges, Plant & Machinery, Generating Plant & Machinery, Electrical Works, Hydraulic Works (Dams, Tunnels etc.), Vehicles, Electrical / Office Equipments, Furniture / Fixtures, Data Processing Equipments etc. Net Block of Tangible Assets at the end of Current Fiscal decreased by 7.08% to ₹8411.46 crore as compared to ₹9052.16 crore at the end of previous fiscal due to Depreciation charged on Assets during the year.

### Intangible Assets

Intangible Assets includes Software only and Intangible Assets at the end of Current Fiscal is ₹0.88 crore (previous year ₹0.22 crore).

### Capital Work-in-progress

Capital Work-in-progress during Current Fiscal registered an increase of 34.58 % to ₹339.92 crore as compared to ₹252.58 crore during previous Fiscal mainly due to increase in Capital work-in-progress of Corporate Office Building at Shimla.

### Intangible Assets under Development

Intangible Assets under Development at the year end is ₹1.13 crore (previous year - ₹ Nil). Intangible Assets under development includes software for Accounting Package, Payroll and Material Management System.

### Non-current Investments

Non-current Investments at the year end is ₹470.47 crore (previous year ₹11.38 crore). The investment is in the Equity Shares of Subsidiaries & Joint Venture Companies. The increase is mainly due to investment of ₹436.67 crore in SJVN Thermal Pvt Ltd. & ₹20.46 crore in Kholongchu Hydro energy Limited during the year.

### Deferred Tax Assets (Net)

Deferred Tax Assets increased by ₹67.26 crore to ₹352.63 crore during Current Fiscal as compared to ₹285.37 crore during previous Fiscal mainly on account of creation of provision for timing difference in Book Depreciation and Tax Depreciation which has been credited to Statement of Profit and Loss for the year ended March 31, 2016.

### Long Term Loans and Advances

Long Term Loans and Advances mainly consists of Capital Advances given to Contractors and Long Term Loans to Employees. Long Term Loans and Advances at the end of Current Year is ₹207.69 Crore (previous year ₹188.84 crore).

### Other Non-current Assets

Other Non-current Assets includes Capital Stores and Material at Site. Other Non-current Assets at the end of Current year is ₹0.56 Crore (Previous Year ₹0.98 Crore).

### Other Non-current Assets-Regulatory Assets

Other Non-current Assets-Regulatory Assets at the year end is ₹124.80 crore (previous year ₹ 4.86 crore). Regulatory Assets are the exchange differences arising from settlement/translation of monetary items denominated in foreign currency, to the extent recoverable from beneficiaries in subsequent period are accounted as regulatory assets and adjusted from the year in which same becomes recoverable from beneficiaries. This is in line with the opinion of Institute of Chartered Accountants of India (ICAI) which issued a "Guidance Note on Accounting for Rate Regulated Activities" which is applicable w.e.f. 1st April, 2015.

### 5. Current Assets

(₹ in Crore)

	As of March 31,	
	2016	2015
Inventories (Note 2.18)	38.65	36.78
Trade Receivables (Note 2.19)	1132.00	1507.08
Cash and Bank Balances (Note 2.20)	3884.09	2856.32
Short Term Loans and Advances (Note 2.21)	265.52	287.60
Other Current Assets (Note 2.22)	142.22	110.01
Other Current Assets-Regulatory Assets (Note 2.23)	7.94	0.27
<b>Total</b>	<b>5470.42</b>	<b>4798.06</b>

Current Assets as on March 31, 2016 has increased by 14.01% to ₹5470.42 crore as compared to ₹4798.06 crore as on March 31, 2015.

### Inventories

Inventories are valued at lower of cost arrived at on weighted average basis and net realisable value. Inventories were valued at ₹38.65 crore as on 31st March, 2016 as compared to ₹36.78 crore as on 31st March, 2015.



### Trade Receivables

Trade Receivables mainly consists of receivables on account of Sale of Energy. Trade Receivables during the Current Fiscal has decreased by 24.89% to ₹1132.00 crore from ₹1507.08 crore during the previous Fiscal. Decrease is mainly due to recovery of arrear billing of tariff for the period 2009-14 in respect of NJHPS. Trade receivables includes an amount of ₹39.47 crore (previous year ₹257.76 crore) recoverable from Government of Himachal Pradesh on account of arrear billing of NJHPS which is being contested by them in Hon'ble High Court of Himachal Pradesh. Trade receivables are 20.69% of current assets.

### Cash and Bank Balances

Cash and Bank Balances include mainly balances in Term Deposits and Current Accounts. Cash and Bank Balances during the current fiscal increased by ₹1027.77 crore to ₹3884.09 crore as compared to ₹2856.32 crore in the previous fiscal.

Net cash generated from Operating Activities was ₹2208.12 crore during the year 2015-16 as compared to ₹1482.26 crore in the previous year.

Net cash used in investing activities was ₹475.80 crore as compared to ₹277.14 crore in the previous year. Cash flow on investing activities increased mainly due to investment in subsidiary & joint venture companies.

During the year the company used net cash of ₹704.55 crore for financing activities as against ₹764.28 crore in the previous year as detailed below:

In fiscal 2016 an amount of ₹64.83 Crore was raised from borrowings as compared to ₹313.68 Crore during fiscal 2015. Borrowing amounting to ₹171.26 Crore was repaid in fiscal 2016 as compared to ₹237.52 Crore during fiscal 2015. In fiscal 2016, cash outflow on account of payment of dividend and tax thereon including interim dividend and tax thereon was ₹523.68 crore as compared to ₹788.00 crore paid during fiscal 2015. Interest & Finance charges paid during the year was ₹74.44 crore as compared to ₹52.44 crore paid during the previous year.

The cash and bank balances are 71% of current assets.

### Short Term Loans and Advances

Short Term Loans and Advances mainly include Advance Tax & Tax Deducted at Source (net of provisions) and Short Term Advances given to Employees and Contractors. Amount decreased to ₹265.52 crore as compared to ₹287.60 crore during previous year mainly due to decrease in amount recoverable from Subsidiary companies, Government Departments etc.

### Other Current Assets

Other Current Assets includes interest accrued but not due on deposits with Banks, Deferred Foreign Currency Fluctuation Assets and Unbilled Revenue. Other Current Assets increased by 29.28% to ₹142.22 crore during current fiscal as compared to ₹110.01 crore during the previous fiscal mainly due to increase in interest accrued but not due on deposits with banks.

### Other Current Assets-Regulatory Assets

Other Current Assets-Regulatory Assets at the year end is ₹7.94 crore (previous year ₹0.27 crore).

### C. CONTINGENT LIABILITIES

The following are the components of contingent liability as at March 31, 2016 and 2015:

(₹ in crore)

Particulars	As at 31.03.2016	As at 31.03.2015
Capital Works	301.86	320.08
Land Compensation	61.93	61.93
Disputed Service Tax Demand	12.36	12.36
Others	1.65	1.65
<b>Total</b>	<b>377.80</b>	<b>396.02</b>

The above contingent liabilities do not include claims against pending cases in respect of service matters and others where amount cannot be quantified.

Contingent Liabilities decreased by 9.31% from ₹396.02 crore as of March 31, 2015 to ₹377.80 crore as of March 31, 2016 mainly on account of decrease in contingent liabilities relating to Capital Works.

### D. Internal Control Systems

The company has adequate control systems and the transactions/processes are guided by delegation of powers, documented policies, guidelines and manuals in compliance with relevant laws and regulations. The Organizational structure is well defined in terms of the structured authority / responsibility involved at each particular hierarchy / level.

In order to ensure that all checks and balances are in place and internal control systems are in order, regular internal audit & Internal Financial Control system is conducted by independent firms of Chartered Accountants in close coordination with Company's own Internal Audit Department. The internal audit & internal financial control process includes review and reevaluation of effectiveness of the existing processes, controls and compliances. It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. Significant Audit Observations and Action Taken Reports are placed before the Audit Committee headed by an Independent Director. The recommendations and directions of the Audit Committee are carried out and complied with.

During the year an independent firm of Chartered Accountants was assigned the job to review the existing internal financial control system and evaluate the requirements of Companies Act, 2013 as well as Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India from the Management's perspective and to suggest improvements, if any.

### E. BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARY & JOINT VENTURE COMPANIES

#### 1. Subsidiary Companies

Company has two wholly owned subsidiary companies as at 31.03.2016. Presently both the companies are in construction stage. The detailed financial statements of the subsidiaries are included in this Annual Report. The performance of the subsidiaries is as under:





### **SJVN Thermal Pvt. Ltd.**

SJVN Thermal Pvt. Ltd has been formed as 100% subsidiary company of SJVN Ltd. The authorized share capital of SJVN Thermal Pvt. Ltd. is ₹3000 crore. The paid up share capital as on 31.03.2016 is ₹436.68 crore. The Company has taken up the development of 1320 MW Coal based Thermal Power Project located near Chausa village in District Buxar of Bihar.

### **SJVN Arun 3 Power Development Company Pvt. Ltd.**

SJVN Arun 3 Power Development Company Pvt. Ltd. was incorporated in Nepal as a wholly owned subsidiary company of SJVN Ltd. The authorized share capital of the company is NPR 247.50 crore (equivalent to ₹154.69 crore). The paid up share capital as on 31.03.2016 is ₹3.00 Crore. The company has formed to execute the 900MW Arun-3 Hydro-electric Project in Nepal. This project is proposed to be installed in the Sankhuwasabha District of Nepal.

## **2. Joint Venture Companies**

### **Kholongchhu Hydro Energy Limited**

Kholongchhu Hydro Energy Limited (KHEL) was incorporated in Bhutan on June, 12, 2015 under the companies Act of the Kingdom of Bhutan 2000 as joint venture Company of Druk Green power Corporation Ltd, Bhutan (DGPC) and SJVN Ltd. having 50% shareholding each. The Company has been formed for construction of 600MW Kholongchhu Hydro Project on the river Kholongchhu, Bhutan. Groundbreaking Ceremony has been held on 18th September, 2015 which was presided over by his Royal Highness along with Minister of Economic Affairs. SJVN has invested an amount of ₹20.46 Crore as share application money pending allotment of shares as on 31.03.2016.

### **Cross Border Power Transmission Company Limited**

Cross Border Power Transmission Company Limited (CPTC) is a joint venture of SJVN Ltd with IL&FS Energy Development Company Ltd.(IEDCL), Power Grid Corporation of India Ltd.(PGCIL) & Nepal Electricity Authority(NEA) for implementation of Indian portion of the transmission line from Nepal. Equity contribution by SJVNL, PGCIL, IEDCL & NEA shall be 26%, 26%, 38% & 10% respectively in JVC.

As at 31.03.2016, the authorized share capital of the company is ₹75.00 crore. The paid up share capital as on 31.03.2016 is ₹39.69 crore. SJVN has a share of ₹10.32 crore in the paid up share capital. The company commenced operation during current financial year

i.e. 2015-16. The total income during the year 2015-16 was ₹6.28 Crore. The PAT of company as of March 31, 2016 was ₹2.10 Crore.

### **Bengal Birbhum Coalfields Limited**

Bengal Birbhum Coalfields Limited was incorporated on 29th September, 2015. Bengal Birbhum Coalfields Limited is a Joint Venture of SJVN Limited with West Bengal Power Development Corporation Ltd (WBPDC), Karnataka Power Corporation Ltd(KPCL),Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL),Bihar State Power Generation Ltd(BSPGCL), Tamil Nadu Generation & Distribution Corporation Ltd (TANGEDCO), Punjab State Power Corporation Ltd(PSPCL). The paid up share capital as on 31.03.2016 was ₹0.10 crore. The equity contribution by WBPDC, KPCL, BSPGCL, UPRVUNL, PSPCL, TANGEDCO & SJVNL is 27.8%, 18.2%, 15.4%, 11.9%, 10.9%, 8.1% & 7.7% respectively.

## **F. Consolidated Financial Statements of SJVN Ltd.**

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS)-21- 'Consolidated Financial Statements' and Accounting Standard (AS)-27- 'Financial Reporting of Interests in Joint Ventures' and are included in the Annual Report.

A brief summary of the results on a consolidated basis is given below:

(₹ in Crore)

	<b>F.Y. 2015-16</b>	<b>F.Y. 2014-15</b>
Total Revenue	2909.92	3255.85
Profit before Tax	1698.93	2047.16
Profit after Tax	1402.15	1676.65

## **CAUTIONARY STATEMENT**

*Statements in the Directors' Report and Management Discussion & Analysis, describing the Company's objectives, projections and estimates, expectations, predictions etc. may be "forward looking statements" within the meaning of the applicable laws and regulations. Forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Actual results, performances or achievements may vary materially from those expressed or implied, economic conditions, Government policies and other incidental factors such as litigation and industrial relation. Readers are cautioned not to place undue conviction on the forward looking statements.*



## REPORT ON CORPORATE GOVERNANCE

### COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

At SJVN we believe that good governance is a systematic process which enables the Company to operate in a manner that meets with the ethical, legal and business expectations and at the same time fulfills its social responsibility. Your company has established a framework of Corporate Governance, aimed at assisting the management of the company in the efficient conduct of its business and ensuring that we make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company. The company is committed to focus its energy and resources to maximize shareholder wealth while safeguarding and promoting the interests of other stakeholders.

As a listed Public Sector Enterprise, your Company has been complying with the requirements of Corporate Governance as stipulated in the Companies Act, SEBI Listing Obligations and Disclosure Requirements Regulations (LODR) and also the provisions of Guidelines notified by the Department of Public Enterprises (DPE), Government of India in this regard.

SJVN continuously strives to bring the best practices expected by all the stake holders in the conduct of its business. The company was listed on 20th May 2010 with the National Stock Exchange {NSE} & the Bombay Stock Exchange {BSE}.

### 1.0 BOARD OF DIRECTORS

#### 1.1 Size of the Board

SJVN Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. The present shareholding is 65:25:10 between the Government of India, Government of Himachal Pradesh and the Public. As per Articles of Association, the power to appoint Directors vests in the President of India. The Strength of the Board shall not be less than 6 and not more than 15. These numbers include all Executive, Non-Executive and Independent Directors.

#### 1.2 Composition & Tenure of the Board

As on 31st March 2016, the Board comprised of 11 members,

consisting of 5 whole-time Directors including Chairman & Managing Director, 2 Part-Time Government Nominee Directors representing Government of India and Government of Himachal Pradesh and 4 Independent Directors. As per the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, 50% of the Board should consist of Independent Directors. During the 1st and 2nd quarter of FY 2015-16, the Board was short of seven Independent Directors and a Woman Director. Four Independent Directors including a woman Director were appointed during the 3rd quarter. As on 31st March 2016 the Board is short of three Independent Directors.

The Company has sent various requests to the Ministry of Power, Government of India to expedite the process of appointment of Independent Director on the Board of the Company so as to enable the company to comply with the SEBI (LODR), Regulations, 2015. It is understood that the government is in the process of inducting the remaining three (3) Independent Directors on the Board of the Company.

All the Functional Directors are appointed for a period of 5 years or till superannuation or till further instructions whichever event occurs earlier. The age limit of the Functional (whole-time) Directors including Chairman & Managing Director is 60. Government Nominee Directors representing Government of India and Government of Himachal Pradesh cease as Director on withdrawal of nomination by appointing authority or on ceasing to be officials of the Ministry/Administrative Department. Independent Directors are appointed for a period of 3 years or until further order, whichever is earlier.

#### 1.3 Board Meetings

The Board Meetings are held normally at New Delhi to facilitate participation by maximum number of Directors. Meetings are also held at Shimla. During the Financial Year 2015-16, Seven (07) Board Meetings were held on 8th April 2015, 27th May 2015, 30th July 2015, 22nd September 2015, 5th November 2015, 10th December 2015 & 4th February 2016. The maximum interval between any two meetings during this period was 64 days.

#### Details of Board Meetings, attendance of the Directors, etc. for the year are as under:

Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (27th) held on 22.09.2015	No. of other Directorship held on 31.03.2016	No. of Committee memberships in other companies on 31.03.2016	
						As Chairman	As Member
<b>I</b>	<b>EXECUTIVE DIRECTORS</b>						
<b>A</b>	<b>Functional Directors</b>						
1	Shri R.N. Misra, Chairman & Managing Director	07	07	Yes	Nil	Nil	Nil
2	Shri A.S. Bindra Director (Finance)	07	07	Yes	01	Nil	Nil
3	Shri N.L. Sharma Director (Personnel)	07	07	Yes	01	Nil	Nil
4	Shri R.K. Bansal Director (Electrical)	07	07	Yes	03		
5	Shri Kanwar Singh Director (Civil)	02	02	N/A	Nil	Nil	Nil
<b>II</b>	<b>NON-EXECUTIVE DIRECTORS</b>						
<b>B</b>	<b>Part-Time Official Directors (Government Nominee Directors)</b>						
6	Shri Arun Kumar Verma, Joint Secy.(Hydro), Ministry of Power, GOI	03	03	Yes	N/A	Ceased w.e.f. 19.10.2015	
7	Shri Aniruddha Kumar, Joint Secy.(Hydro), Ministry of Power, GOI	03	02	N/A	N/A	Ceased w.e.f. 29.02.2016	
8	Smt Archana Agrawal, Joint Secy.(Hydro), Ministry of Power, GOI	N/A	N/A	N/A	02		
9	Shri S.K.B.S. Negi, Pr. Secy (Power), GoHP	03	02	Yes	N/a	Ceased w.e.f. 06.11.2015	
10	Shri.Tarun Sridhar, Pr. Secy (Power), GoHP	03	03	N/A	10		



Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (27th) held on 22.09.2015	No. of other Directorship held on 31.03.2016	No. of Committee memberships in other companies on 31.03.2016	
<b>C</b>	<b>Part-Time Non-Official Directors (Independent Directors)</b>						
11	Shri Ganesh Dutt	02	02	N/A	Nil	Nil	Nil
12	Shri Pravinbhai Patel	02	02	N/A	Nil	Nil	Nil
13	Dr. Rajni Sarin	02	02	N/A	Nil	Nil	Nil
14	Shri S.S. Uppal	02	02	N/A	Nil	Nil	Nil

## 2.0 Meeting of Independent Directors

The Independent Directors were appointed on the Board earlier in the month of December, 2015. In compliance with the provisions of The Companies Act, 2013 and obligations with respect to Independent Directors prescribed under SEBI (LODR) Regulations, 2015, a separate meeting of the Independent Directors was held on 19th April, 2016 without the attendance of Non-Independent Directors and members of the management.

## 3.0 Familiarization Programme for Board Members

The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. They are also provided training with special emphasis on nature of power industry, business model of the Company and roles & responsibilities of the Independent Directors among others.

The details of such familiarization programmes for Board of Directors are posted on the website of the Company and can be accessed at the following web link:-

[http://www.sjvn.nic.in/writereaddata/Portal/Images/Familiarization\\_ProgforBoD\\_4\\_11\\_16.pdf](http://www.sjvn.nic.in/writereaddata/Portal/Images/Familiarization_ProgforBoD_4_11_16.pdf)

## 4.0 Audit Committee

The scope of work for Audit Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, investigate any activity within its term of reference, seek information from any employee, obtain outside legal or other professional advice and to discharge all such functions and responsibilities of Audit Committee as may be prescribed under:-

1. The Companies Act 2013 and allied Rules and Regulations including any subsequent enactments or amendments thereto.
2. SEBI Listing Obligations and Disclosure Requirements (LODR) Regulations and allied legislations as amended from time to time.
3. DPE Guidelines for Corporate Governance 2010 as amended from time to time.

As on 31st March 2016, the following Directors were the Members of the Audit Committee:

- |    |   |                 |
|----|---|-----------------|
| 1. | <b>Sh. Pravinbhai Patel, Independent Director</b>     | <b>Chairman</b> |
| 2. | <b>Sh. Shamsher Singh Uppal, Independent Director</b> | <b>Member</b>   |
| 3. | <b>Sh. Ganesh Dutt, Independent Director</b>          | <b>Member</b>   |
| 4. | <b>Sh. Tarun Sridhar, GOHP Nominee Director</b>       | <b>Member</b>   |

**Sh. Soumendra Das, Company Secretary, is the Secretary to the Audit Committee.**

During the financial year 2015-16, 4 (Four) Audit Committee meetings were held on 27th May, 2015; 30th July 2015; 5th November, 2015; 3rd February, 2016. The details of attendance in the Audit Committee are as under:-

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri. Arun Kumar Verma	2	2
2	Shri. S.K.B.S Negi	2	1
3	Shri. A.S.Bindra	3	3
4	Shri. Aniruddha Kumar	1	1
5	Shri. R.K.Bansal	1	1
6	Shri. Pravinbhai Patel	1	1
7	Shri. Shamsher Singh Uppal	1	1
8	Shri. Ganesh Dutt	1	1
9	Shri. Tarun Sridhar	1	1

## 5.0 Nomination & Remuneration Committee

SJVN being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. The Scope of work of Nomination & Remuneration Committee shall be to consider and recommend on all HR related issues requiring approval of the Board and to discharge all such functions and responsibilities of Nomination and/or Remuneration Committee as may be prescribed under:-

1. The Companies Act 2013 and allied Rules and Regulations including any subsequent enactments or amendments thereto.
2. SEBI Regulations and Listing Agreements with Stock Exchanges as amended from time to time.
3. DPE Guidelines for Corporate Governance 2010 as amended from time to time.

As on 31st March 2016, the Nomination & Remuneration Committee consists of:-

- |    |   |                 |
|----|---|-----------------|
| 1. | <b>Sh. Shamsher Singh Uppal, Independent Director</b> | <b>Chairman</b> |
| 2. | <b>Dr. Rajni Sarin, Independent Director</b>          | <b>Member</b>   |
| 3. | <b>Sh. Pravin bhai Patel, Independent Director</b>    | <b>Member</b>   |
| 4. | <b>Smt. Archana Agrawal, GOI Nominee Director</b>     | <b>Member</b>   |

No meeting of Nomination and Remuneration Committee was held during FY 2015-16.

In compliance with provisions of Companies Act, 2013 and SEBI (LODR) Regulations, 2015, the Nomination & Remuneration has formulated a "Policy Statement on Nomination, Remuneration, Succession and Diversity of Board" which is effective from 1st December 2015.

Being a CPSE, the performance evaluation of Functional Directors & Government Nominee Directors is being done by the respective



appointing authorities as per applicable rules & procedures. Vide a notification dated 05.06.2015, the Ministry of Corporate Affairs has granted exemption to Government Companies under Section 134(3)(p) of the Companies Act, 2013 in case the Directors are evaluated by the Administrative Ministry or Department of Central Government or State Government.

### 6.0 Stakeholder Relationship Committee

The Scope of work of Stakeholders Relationship Committee shall be to consider and resolve the grievances of security holders of the company and to discharge all such functions and responsibilities of Stakeholders Relationship Committee as may be prescribed under:-

1. The Companies Act 2013 and allied Rules and Regulations including any subsequent enactments or amendments thereto.
2. SEBI Regulations and Listing Agreements with Stock Exchanges as amended from time to time.
3. DPE Guidelines for Corporate Governance 2010 as amended from time to time.

As on 31st March 2016, the Committee consists of the following Members:

- |    |  |                 |
|----|--|-----------------|
| 1. | <b>Dr. Rajni Sarin, Independent Director</b> | <b>Chairman</b> |
| 2. | <b>Sh. A.S. Bindra, Director (Finance)</b>   | <b>Member</b>   |
| 3. | <b>Sh. Kanwar Singh, Director(Civil)</b>     | <b>Member</b>   |

Sh. Soumendra Das, Company Secretary, is the Investor Relations Officer.

During the Financial Year 2015-16, there was 1 (one) meeting held on 03rd February, 2016. The details of attendance in the Stakeholder Relationship Committee are as under:

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Dr. Rajni Sarin	1	1
2	Shri A.S. Bindra	1	1
3	Shri Kanwar Singh	1	1

### 7.0 Status of Investors Complaints:

Status of Investors' complaints for the financial year 2015-16 is as under:-

Particulars	Opening	Received during the year	Resolved during the year	Pending (31.03.2016)
Complaints	00	101	100	01

### 8.0 Committee for Allotment and Post-Allotment Activities

As on 31st March 2016, the Committee consists of Chairman & Managing Director and one of the whole time Directors. The scope of work of the Committee is to address Share Allotment, issue of certificates, letter of allotment, transfer, transmission, rematerialisation, issue of duplicate certificates, consolidation, split and any other related functions.

During F.Y. 2015-16, 01 (One) Meeting of the Committee was held.

### 9.0 Corporate Social Responsibility, Sustainable Development and Research & Development Committee

The Committee was constituted by the Board for formulation and

implementation of SJVNs CSR Policy as per DPE & MCA Guidelines. The Committee has also been assigned additional responsibilities of Sustainable Development and Research & Development as envisaged in annual Memorandums of Understanding with Ministry of Power.

As on 31st March 2016, the Committee consists of:-

- |    |  |                 |
|----|--|-----------------|
| 1. | <b>Sh. Ganesh Dutt, Independent Director</b> | <b>Chairman</b> |
| 2. | <b>Sh. N.L. Sharma, Director(Personnel)</b>  | <b>Member</b>   |
| 3. | <b>Sh. R.K. Bansal, Director(Electrical)</b> | <b>Member</b>   |

During the Financial Year 2015-16, 2 (Two) meetings were held on 10th September, 2015 and 3rd February, 2016. The details of attendance in the Corporate Social Responsibility, Sustainable Development and R&D Committee are as under:

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri S.K.B.S Negi	1	1
2	Shri Arun Kumar Verma	1	1
3	Shri N.L.Sharma	2	2
4	Shri R.K.Bansal	2	2
5	Shri Ganesh Dutt	1	1

### 10.0 Investment Committee

As on 31st March 2016, the Committee consisted of CMD, Director (Finance) and Director (Personnel) as its members. The scope of work of the Committee is to invest surplus money as may be available with the Company from time to time as short-term investments as per DPE/Ministry of Finance guidelines and place the status of investments including short-term loans availed, if any, before the Board on quarterly basis.

### 11.0 Empowered Committee

As on 31st March 2016, the Committee consists of all whole time Directors only. The scope of work of the Committee is to exercise the powers on specified items as approved by the Board of Directors in its 174th Meeting held on 15th September 2008.

### 12.0 Remuneration details of Directors and Key Managerial Personnel

The remuneration details of Executive/ Functional Directors and Key Managerial Personnel for the Financial year 2015-16 are as under:-

(Amount ₹)

Sr. No.	Name	Salary	Benefits	PRP	Total
1	Shri R.N. Misra CMD	46,66,722	2,21,894	15,02,412	63,91,028
2	Shri A.S. Bindra Director (Finance)& CFO	46,18,552	1,29,093	14,28,958	61,76,603
3	Shri N.L. Sharma Director (Personnel)	37,43,537	9,07,687	14,16,883	60,68,107
4	Shri R.K. Bansal Director (Electrical)	31,79,428	1,43,814	13,51,482	46,74,724
5	Shri Kanwar Singh Director (Civil)	12,39,626	57,083	0	12,96,709
6	Shri Soumendra Das Company Secretary	17,39,044	39,394	2,45,171	20,23,609
	<b>Total</b>	<b>1,91,86,909</b>	<b>14,98,965</b>	<b>59,44,906</b>	<b>2,66,30,780</b>



### 13.0 Sitting Fee

The Sitting Fee paid to Independent Directors for meetings attended during the financial year 2015-16 is as under:-

#### No. of Meetings Attended:

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total
1	Shri Ganesh Dutt	2	1	1	4
2	Shri Pravinbhai Patel	2	1	0	3
3	Shri S.S. Uppal	2	1	0	3
4	Dr. Rajni Sarin	2	0	1	3

#### Amount (₹)

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total
1	Shri. Ganesh Dutt	40,000	20,000	20,000	80,000
2	Shri. Pravinbhai Patel	40,000	20,000	0	60,000
3	Shri. S.S.Uppal	40,000	20,000	0	60,000
4	Dr. Rajni Sarin	40,000	0	20,000	60,000

Note:-The amount of sitting fees stated herein above is excluding the amount of Service Tax paid by company on sitting fee under Full Reverse Charge Mechanism prescribed under Section 68(2) of Chapter V of the Finance Act, 1994.

### 14.0 CODE OF CONDUCT

The Board of Directors has laid down Code of Conduct for Board Members and Senior Management above the level of Deputy General Manager. The purpose of this code is to enhance ethical and transparent process in managing the affairs of the company and thus to sustain the trust and confidence reposed in the Management by the stakeholders and business partners. The Code of Conduct has been comprehensively amended in lines with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations. The revised version of this Code has come into force with effect from 1st October, 2014. In this regard, the declaration given by the Chairman & Managing Director is reproduced below:

**All the Members of the Board and Senior Management personnel have affirmed compliance of the Code of Conduct for the financial year ended 31st March 2016**

**(Ramesh Narain Misra)**  
**Chairman & Managing Director**  
**DIN: 03109225**

### 15.0 CODE FOR PREVENTION OF INSIDER TRADING

The Board has laid down "Code of Conduct for Regulating & Reporting Trading by Insiders and For Fair Disclosure, 2015" with the objective of preventing purchase and sale of shares by the Insider on the basis of unpublished price sensitive information. The Code of Conduct has been laid down by the Board of Directors of your Company in line with the requirements of The Companies Act, 2013 and SEBI (Prohibition of Insider Trading) Regulations, 2015 as approved by the Board of Directors of the Company in its 239th Meeting held on 27th May, 2015. The revised version of the Code has come into force with effect from 15th May, 2015.

The Code of Conduct for Regulating & Reporting Trading by Insiders and for Fair Disclosure, 2015 has been duly disclosed on the website of the company and may be accessed at the following web link:

<http://www.sjvn.nic.in/writereaddata/Portal/Images/SJVNInsiderTradingCode2015.pdf>

### 16.0 WHISTLE BLOWER POLICY

Board of Directors in its 208th meeting held on 30.11.2011 approved and adopted the Whistle Blower Policy for Directors and Employees to report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy. This mechanism provides for adequate safeguard against victimization of Director(s)/Employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The identity of complainant/whistle blower is kept confidential. The mechanism enforces transparency, ethical practices and governance. Further, it is affirmed that no personnel has been denied access to Chairman of Audit Committee.

The Whistle Blower Policy has been duly disclosed on the website of the Company and may be accessed at the following web link:

[http://www.sjvn.nic.in/writereaddata/Portal/Images/whistle\\_blower\\_policy\\_2014.pdf](http://www.sjvn.nic.in/writereaddata/Portal/Images/whistle_blower_policy_2014.pdf)

Status of Whistle Blower Complaints during FY 2015-16:-

No. of complaints pending at the beginning of the year	0
No. of complaints received during the year	2
No. of complaints disposed off during the year	2
No. of complaints pending at the end of the year	0

### 17.0 GENERAL BODY MEETINGS

#### 17.1 Annual General Meeting

Date, time and location where the last three Annual General Meetings were held are as under:

- 27th Annual General Meeting was held on 22rd September 2015 at 1500 hrs in Hotel Peter Hoff, Shimla, Himachal Pradesh.
- 26th Annual General Meeting was held on 09th September 2014 at 1500 hrs in Hotel Peter Hoff, Shimla, Himachal Pradesh.
- 25th Annual General Meeting was held on 12th September 2013 at 1500 hrs in Hotel Peter Hoff, Shimla, Himachal Pradesh.

#### 17.2 Special Resolution

No special resolution has been passed in the last three Annual General Meetings.

#### 17.3 Postal Ballot

No resolution has been passed through Postal Ballot during the year.

No special resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

### 18.0 Disclosures

It is certified that during the Financial Year 2015-16:-



- a) The Company has not entered in to any transaction of material nature with the Directors of the Company that may have potential conflict with the interests of the Company.
- b) In view of the Management, all applicable accounting standards are being followed in the preparation of Financial Statements. Where there is any deviation from the Accounting Standards, proper disclosure has been given in the notes to accounts.
- c) All the mandatory requirements under the SEBI Listing Obligations and Disclosure (LODR) Requirements, 2015 are being complied except for those stated in this report and the non-mandatory requirements are being adopted to the extent possible.
- d) Company is in receipt of notices from both the Stock Exchanges i.e., the National Stock Exchange(NSE) and Bombay Stock Exchange(BSE) imposing fine for Non - Appointment of woman Director on the Board of the Company in accordance with Clause 49 (II) (A) (1) of the Listing Agreement.

#### 19.0 CEO/CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (LODR) Regulations, 2015, the Certificate duly signed by Shri R.N. Misra, Chairman & Managing Director and Shri A.S.Bindra, Director (Finance) was placed before the Board of Directors at the Meeting held on 29th July 2016 which is reproduced as under:-

We, R.N. Misra, Chairman & Managing Director and A.S. Bindra, Director (Finance) & CFO to the best of our knowledge and belief, certify that:

- a) We have reviewed the Financial Statements and the Cash flow statement for the year ended 31st March 2016 and to the best of our knowledge and belief:
  - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;
- c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take, to rectify these deficiencies;
- d) We have indicated to the company's auditors and the Audit Committee

- (i) Significant changes, if any, in internal control over financial reporting during the year;
- (ii) Significant changes, if any in accounting policies during the year and the same have been disclosed in the notes to the financial statements, and
- (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

**(Amarjit Singh Bindra)**  
Director (Finance) & CFO  
DIN: 03358160

**(Ramesh Narain Misra)**  
Chairman & Managing Director  
DIN: 031909225

#### 20.0 MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings, issue based correspondence and disclosures through website.

The Company also communicates with its institutional shareholders through a combination of analysts briefing and individual discussions as also participation at investor conferences from time to time. Financial results are discussed by way of conference calls after the close of each quarter.

The financial results of the company for the year ending 31st March 2016 were published on 28th May 2016 in The Tribune, Mail Today, Financial Express, The Pioneer, Dainik Jagran, Punjab Kesari, Apka Faisala, Himachal Dastak, Ajit Samachar etc..

#### 21.0 SUBSIDIARY MONITORING FRAMEWORK

The Company has two subsidiary Companies, the list of which is furnished in the Directors Report. All subsidiaries of the Company are Board managed with their Boards having the rights and obligations to manage such Companies in the best interest of the stakeholders. As a majority shareholder, the Company nominates its representatives on the Board of subsidiary Companies and monitors the performance of such Companies periodically.

Performance of the subsidiary Companies is reviewed by the Board of the Company as under:

- (i) Minutes of the meetings of the Board of Directors of the subsidiaries are placed before the Company's Board periodically.
- (ii) A statement of all significant transactions and arrangements entered into by the subsidiary Companies are also reviewed by the Company.
- (iii) A Report on Business Activities of Subsidiary which, inter-alia, includes investments made in the subsidiary is presented to the Board of SJVN.
- (iv) Subsidiary Companies sign an annual Memorandum of Understanding with SJVN in the beginning of the year setting the targets with weightages in consultation with SJVN, which is submitted to DPE. At the end of the financial year, the actual performance vis-à-vis the targets set is evaluated by DPE.



(v) The Budget of the subsidiary Companies are being approved by the Committee on Management controls of SJVN.

## 22.0 RISK MANAGEMENT FRAMEWORK

Risk Management Policy of SJVN has been approved by BOD on September 12, 2013. The Risk Management Policy has been duly supplemented with separate and comprehensive Risk Management Plans for each project duly approved by the Board.

The main objective of risk management is to first identify all the business related activities followed by activity related potential risks, further followed by identification of various triggers and other factors associated with risks and their mitigation measures to overcome them with minimum affects to business.

The Risk Management Policy has been disclosed on the website of the company and may be assessed at the following web link:

[http://www.sjvn.nic.in/writereaddata/Portal/Images/SJVN\\_RMP\\_final\\_07\\_04\\_2014.pdf](http://www.sjvn.nic.in/writereaddata/Portal/Images/SJVN_RMP_final_07_04_2014.pdf)

## 23.0 RELATED PARTY TRANSACTIONS & POLICY

In compliance with the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) 2015, the company has formulated a Policy on Materiality of Related Party Transactions and dealing with Related Party Transaction, duly approved by the Board of Directors and the same has come into force with effect from 1st October 2015.

All contracts/ arrangements/ transactions entered by the company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year the company had not entered into any contract/ arrangement/ transaction with related parties which could be considered material in accordance with the policy of the company on materiality of related party transactions. Your attention is drawn to the Financial Statements which sets out the Related Party Disclosures under Note 2.42 to 2.44.

The Policy on Materiality of Related Party Transactions and dealing with Related Party Transaction has been disclosed on website of the Company and may be accessed at following web link:

[http://www.sjvn.nic.in/writereaddata/Portal/Images/related\\_pay\\_policy\\_19\\_06\\_15.pdf](http://www.sjvn.nic.in/writereaddata/Portal/Images/related_pay_policy_19_06_15.pdf)

## 24.0 POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In compliance with the provisions of Clause 49 V (D) of amended Listing Agreement (subsequently incorporated as Regulation 16(1)(c) of SEBI (LODR) Regulations, 2015), the company has formulated a Policy for Determining Material Subsidiaries, duly approved by the Board of Directors and the same is effective from 1st October 2015. The Policy has been disclosed on website of the Company.

Presently, the company does not have any Subsidiaries which could be considered "Material Subsidiary Company" in accordance with the said policy of the company.

The Policy for Determining Material Subsidiaries has been disclosed on website of the Company and may be accessed at following web link:

[http://www.sjvn.nic.in/writereaddata/Portal/Images/POLICY\\_DETERMINING\\_19\\_6\\_15.pdf](http://www.sjvn.nic.in/writereaddata/Portal/Images/POLICY_DETERMINING_19_6_15.pdf)

## 25.0 SHAREHOLDERS' INFORMATION

i. **28th Annual General Meeting** **Date** : 22nd September 2016  
**Time** : 1500 HRS

**Venue** : Hotel Peterhoff  
Chaura Maidan,  
Shimla - 171004

ii. **Financial Calendar:**

Particulars	Date
Accounting Period	1st April 2016 to 31st March 2017
Unaudited Financial Results for the first three quarters	Announcement within 45 days of each quarter
Fourth Quarter Results	Announcement of Audited results - on or before 28th May 2017
AGM (Next year)	September 2017 (tentative)

iii. **Dates of Book Closure:** 16th September 2016 to 22nd September 2016 (both days inclusive)

iv. **Dividend Payment Date:** 27th September 2016 onwards

v. **Listing on Stock Exchanges:** The Equity Shares of the Company are listed on the following Stock Exchanges:-

Stock Exchange Name	National Stock Exchange (NSE)	Bombay Stock Exchange (BSE)
Scrip Code	SJVN-EQ	533206
ISIN	INE002L01015	INE002L01015
Listing Date	20th May 2010	20th May 2010

The Annual Listing Fee for the Financial Year 2016-17 was paid to both National Stock Exchange of India Limited and BSE Limited before April 30, 2016. Also, the Annual Custodian Fee for the Financial Year 2016-17 has been paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited within respective due dates.

vi. **Dividend History: (Since Listing)**

Financial Year	Interim Dividend			Final Dividend			Total Dividend Paid (₹ in crore)
	Date of Declaration	Rate	Dividend per share	Date of Declaration	Rate	Dividend per share	
2015-16	04-02-2016	6.3%	0.63	To be declared at 28th AGM			
2014-15	05-02-2015	6.3%	0.63	22-09-2015	4.2%	0.42	434.35
2013-14	--	--	--	09-09-2014	9.8%	0.98	405.39
2012-13	--	--	--	12-09-2013	9.6%	0.96	397.12
2011-12	--	--	--	03-09-2012	9.4%	0.94	388.84
2010-11	--	--	--	26-08-2011	8%	0.80	330.93
2009-10	04-08-2009	1.9%	0.19	15-09-2010	6%	0.60	326.27

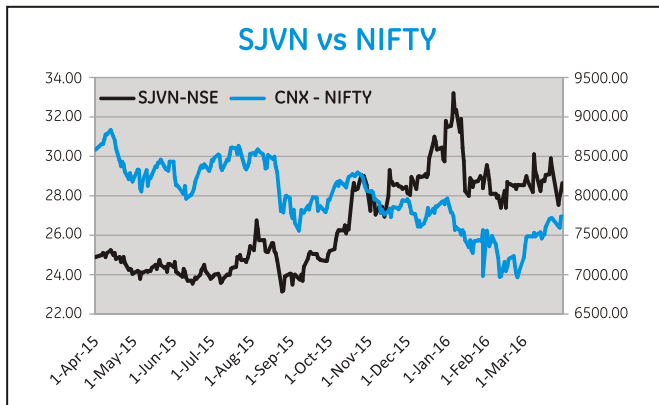
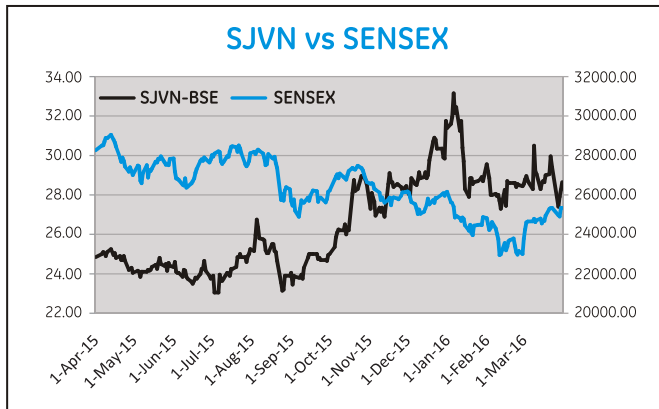
vii. **Stock Code & Market Price Data**

Stock Code	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)		
	High	Low	Close	High	Low	Close
	SJVN-EQ			533206		
Month	High	Low	Close	High	Low	Close
Apr-15	25.50	23.65	24.05	25.45	23.65	24.05
May-15	25.90	23.70	24.55	25.00	23.75	24.40
Jun-15	25.20	23.50	23.80	25.10	23.35	23.75
Jul-15	26.05	23.45	25.45	26.00	23.50	25.25



	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)		
Stock Code	SJVN-EQ			533206		
Month	High	Low	Close	High	Low	Close
Aug-15	27.35	22.55	24.05	27.30	22.10	23.90
Sep-15	25.40	23.05	25.05	25.35	23.30	24.95
Oct-15	29.90	24.75	28.55	29.80	24.70	28.55
Nov-15	30.25	26.25	28.45	30.25	26.10	28.45
Dec-15	32.00	27.85	31.80	31.45	27.90	30.35
Jan-16	34.40	27.35	28.80	34.45	27.25	28.70
Feb-16	30.25	26.55	28.40	30.30	26.50	28.45
Mar-16	31.00	26.65	28.65	30.85	26.75	28.65

viii. Performance in comparison to broad based indices NSE NIFTY and BSE SENSEX during F.Y. ended 31st March 2016.



ix. Registrar and Share Transfer Agent  
M/s Alankit Assignments Limited,

Alankit House,  
4E/2 Jhandewalan Extension  
New Delhi, Pincode-110055  
Telephone: +91 11 42541201  
Fax No. : +91 11 42541201  
Email ID: info@alankit.com  
Website: www.alankit.com

x. Share Transfer System

Entire share transfer activities under physical segment are being carried out by Alankit Assignments Limited and are

approved by Sub-Committee of Board for Allotment and Post-Allotment activities.

xi. Distribution of Shareholding as on 31st March 2016

As on 31st March 2016, the shareholding of the Company was held by the Government of India, Government of Himachal Pradesh and the Public in the ratio 65:25:10.

xii. Changes in Shareholding Pattern during FY 2015-16

Category	As on 31st March, 2016		As on 31st March, 2015		Change (%)
	Total Shares	% to Equity	Total Shares	% to Equity	
<b>A) Shareholding of Promoter and Promoter Group</b>					
Central Government/ State Government	3721626500	89.97	3721626500	89.97	0.00
<b>B) Public Shareholding</b>					
<b>1) Institutions</b>					
Mutual Funds	39545940	0.96	42778978	1.03	-0.07
Financial Institutions/ Banks	20028328	0.48	20898613	0.51	-0.03
Central Government/ State Government(s)	10747	0.00	10747	0.00	0.00
Insurance Companies	126846903	3.07	137065301	3.31	-0.24
Foreign Portfolio Investors	105476204	2.55	69341762	1.68	0.87
<b>(2) Non Institutions</b>					
Body Corporate	26706240	0.65	38389318	0.93	-0.28
Individual shareholders holding nominal share capital up to ₹2 lakh	67813468	1.64	69110511	1.67	-0.03
Individual shareholders holding nominal share capital in excess of ₹2 lakh	23630431	0.57	32783350	0.79	-0.22
Trust & Foundations	1218320	0.03	1235417	0.03	0.00
Cooperative Societies	0	0	12000	0.00	0.00
Non Resident	3178469	0.08	3374003	0.08	0.00
<b>Total</b>	<b>4136626500</b>		<b>4136626500</b>		

xiii. Dematerialization of Shares and liquidity as on 31st March 2016

The equity shares held by the President of India comprising 74.5% as on 13th April 2010 of the paid up capital were dematerialized with effect from 09th April 2010. In compliance with SEBI directions, the equity shares held by the Governor of Himachal Pradesh were also dematerialized w.e.f. September 2011. Thus, 100% of promoter / promoter group shareholdings in SJVN Limited now stand in dematerialized form. Reconciliation of Share Capital Audit Report of the company obtained from Practicing Company Secretary quarterly for the financial year 2015-16 has been submitted to Stock Exchanges within the stipulated time.





**xiv. Demat Suspense Account**

Details of shares in the suspense account opened and maintained after Initial Public Offering of Equity Shares of SJVN Limited as on 31st March, 2016 is as under:-

Description	No. of Cases	No. of Shares
Aggregate number of shareholders and outstanding shares in the suspense account at the beginning of the year	11	3026
Number of shareholders who approached the Company for transfer of shares from the suspense account during the year	0	0
Number of shareholders to whom shares were transferred from the suspense account during the year	0	0
Aggregate number of shareholders and outstanding shares in the suspense account at the end of the year	11	3026

*Note: Voting rights on these shares shall remain frozen till the rightful owners of such shares claim them.*

**xv. Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity - NIL**

**xvi. Number of Shares held by Directors as on 31st March, 2016:**

Sr. No	Name of Director	No. of Shares held
i.	Shri R.N.Misra, CMD	Nil
ii.	Shri A.S.Bindra, Director (Finance)	Nil
iii.	Shri N.L.Sharma, Director (Personnel)	2518
iv.	Shri R.K. Bansal, Director (Electrical)	1000
v.	Shri Kanwar Singh, Director (Civil)	1750
vi.	Smt. Archana Agrawal, GOI Nominee Director	Nil
vii.	Shri Tarun Sridhar, GoHP Nominee Director	Nil
viii.	Shri Ganesh Dutt, Independent Director	Nil
ix.	Shri Pravinbhai Patel, Independent Director	Nil
x.	Dr. Rajni Sarin, Independent Director	Nil
xi.	Shri S.S. Uppal, Independent Director	Nil

**xvii. Plant/ Project Office locations:**

1.	<b>Nathpa Jhakri Hydro Power Station</b> - Post Office Jhakri, District Shimla, Himachal Pradesh, Pincode - 172 201
2.	<b>Rampur Hydro Electric Power Station</b> - Post Office Jhakri, Tehsil Rampur Bushahr, District Shimla, Himachal Pradesh, Pincode - 172 201
3.	<b>Luhri Hydro Electric Project</b> - VPO Sunni, Tehsil Sunni, District Shimla, Himachal Pradesh, Pincode - 172 301
4.	<b>Devsari Hydro Electric Project</b> - Tharali, District Chamoli, Uttarakhand, Pincode - 246 481
5.	<b>Naitwar-Mori and Jakholsankri Hydro Electric Projects</b> - Mori, Uttarkashi, Uttarakhand, Pincode - 249 185
6.	<b>Dhulasidh Hydro Electric Project</b> - House No. 113, Ward No. 1, Krishna Nagar, Hamirpur - 177 001, District Hamirpur, Himachal Pradesh
7.	<b>Arun - III Hydro Power Project Office</b> - Red Cross Building, Khandbari, District Sakhwasabha, Nepal
8.	<b>Kholongchu &amp; Wangchhu Hydro Electric Project Office</b> - Village Zangpozor, P.O. Duksum, District Trashiyangtse, Bhutan
9.	<b>Bihar Projects Liaison Office</b> - Plot No. 192, Ward No. 02, Circle No.06, Talpatra Lane, BudhMarg, Patna - 800001 (Bihar)
10.	<b>Khivire Wind Power Project Office</b> - Agaman Bunglow, Plot No. 51, Shivaji Nagar, Sinnar, Distt. - Nashik, Maharashtra-422103
11.	<b>Arunachal Pradesh Projects Office</b> - The Mai House, "A" Sector, Model Village, Near Helipad, Naharlagun Distt. Papum Pare, Arunachal Pradesh - 791110
12.	<b>Charnaka Solar Project</b> - Gujrat Solar Park, VPO Charanka, Santalpur Taluk, District Patan, Gujrat - 385350
13.	<b>Transmission Line Office</b> - Singh Complex, 1st Floor, Hajipur Road, Bhikhanpura, Ramdayalu, Muzaffarpur - 842001 (Bihar)
14.	<b>SJVN Liasion Office</b> - BL-162, Salt Lake, Sector -2, Kolkata - 700091 (West Bengal)

**xviii. Address for Correspondence:**

Company Secretary, SJVN Limited,  
 SJVN Corporate Office Complex, Shanani,  
 Shimla - 171 006, Himachal Pradesh  
 Tel: +91 177 2660075, Fax: +91 177 2660071.  
 E-mail: cs.sjvn@sjvn.nic.in , Website: www.sjvn.nic.in.

**CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE**

To  
The Members,  
SJVN Limited.

- I have examined the compliance of conditions of Corporate Governance by SJVN Limited for the year ended on 31st March 2016 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Clause 49 of the Listing Agreements in respect of Equity Shares of the said company with Stock Exchanges, Companies Act, 2013 and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 issued by Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India.
- The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statement of the Company.
- In my opinion and to the best of my knowledge and information and according to the explanations given to me, I certify that the Company has complied with the mandatory conditions of Corporate Governance as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Clause 49 of the Listing Agreements in respect of Equity Shares of the said company with Stock Exchanges, Companies Act, 2013 and Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 except to the extent of non-compliance stated by the Company in the Corporate Governance Report.
- I further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For SGS & Associates  
Company Secretaries

(D.P. Gupta)  
Proprietor  
FCS 2411  
CP No. 1509

Place: New Delhi  
Date: 29th June, 2016

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

Conservation of Energy and Technology Absorption refers to reducing energy consumption through using less of an energy service. Energy conservation differs from efficient energy use, which refers to using less energy for a constant service. Energy conservation and efficiency are both energy reduction techniques.

Even though energy conservation reduces energy services, it can result in increased environmental quality, security, personal health and higher savings. It is at the top of the sustainable energy hierarchy. It also lowers energy costs by preventing future resource depletion.

**A. CONSERVATION OF ENERGY:****1. The steps taken by the company for utilizing alternate source of Energy:**

- Installation of Two Solar Photovoltaic panels of 6KW capacity at New Office Building.
- Possibility has been explored to set up a 200KW, Grid connected, Ground Mounted Solar Power Plant at Surge Shaft of 1500MW NJHPS located in its vicinity which is expected to be commissioned by March, 2017 - a step towards use of solar power for internal purpose at NJHPS.
- To utilize the waste water from HRT of NJHPS, a 200 KW Mini captive Hydro Plant has been proposed for which In-principle approval had been given by Govt of HP on 10.08.2015.
- Replacement of 200W/400W HPSV lamp with energy efficient 120W/160W LED Lamp (96 Nos.) in Power House Service Bay area in January, 2016.

- Replacements of high power consuming street lights with Energy Efficient 4X24 Watt T-5 Light fitting at various sites of NJHPS.
- Installation of AVRs, static meters, star rated electrical equipments, energy awareness programmes, scheduled & predictive maintenance of transformers and substations.

**2. Impact on conservation of energy:**

The steps taken by NJHPS for conservation of energy resulted in annual saving to the tune of ₹84.21 Lac (19.36 Lac unit x ₹4.35) during FY 2015-16 as per normal tariff charged by HPSEB Ltd for bulk consumers.

**3. The capital investment on energy conservation equipments:**

The capital investment on energy conservation equipments during 2015-16 is to the tune of ₹39.27 Lac.

Rampur HE Project is also contributing towards energy conservation through technology absorption by adopting the latest techniques viz LEDs and Solar lights/Solar heating. By way of adopting new technologies, Project/SJVN are achieving power saving and also reducing power consumption.

In this regards following measures have been adopted/ implemented by RHPS for utilizing alternate source of energy:

- Firstly conventional street lights have been replaced with LED lights resulting in Annual energy savings of 37,595 Kwhr i.e. 47% annually after installation of LED street lights.
- Secondly Solar Street lights and Semi-High Mast have been installed at various locations, which is saving precious energy to the tune of 8,377 kwhr i.e. 77% annually.





(c) Manner in which the amount spent during the financial year is detailed below:

(₹ Lakhs)


(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
SN	CSR project or activity identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or program wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads	Cumulative expenditure upto the reporting period	Amount spent: Direct or through implementing agency
1	Health and hygiene	Health	Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Solan, Uttarkashi, Chamoli, Patna, Buxar, Ahmednagar etc.	569.00	340.69	340.69	HelpAge India, Indian Association of Muscular Dystrophy (IAMD), SJVN (Departmentally).
2	Education and Skill Development	Education	Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Uttarkashi, Chamoli, Buxar etc.	396.00	321.48	321.48	Himachal Consultancy Organization (HIMCON), Earthling Habitat Society, Vidhita Education Society, BIT Education Society, Construction Industry Development Council (CIDC), Swavalamban, Ujjwal Bharat, Rampur, Education departments of HP.
3	Infrastructural Development and Community Development	Community Development	Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Uttarkashi, Chamoli, Patna, Buxar, etc.	619.00	327.41	327.41	SJVN (Departmentally), community based organizations(CBOs), MC, Shimla
4	Preservation and promotion of culture, Melas, Sports etc.	Culture Development	Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, etc.	60.00	17.88	17.88	CBOs, local govt. Panchayats., DRDA, Govt of Arunachal Pradesh, BEPC, Govt. of Bihar, Himachal Pradesh Irrigation & Health Department( HP IPH), Sarv Shiksha Abhiyan (Govt of HP), etc.
5	Sustainable Development	Sustainability	Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Sirmaur, Lahul&Spiti, Uttarkashi, Chamoli, Rudraprayag, Nainital, Patna, Buxar, Vaishali, Kaimur, Sitamarhi, Bhojpur, Papumpare, Ahmednagar	1271.00	1666.04	1666.04	
6	Assistance to the victims natural disasters/ calamities	Natural disaster	Bihar	75.00	25.00	25.00	CM Relief Fund (Bihar)
7	Miscellaneous CSR activities& Administrative Exp.	Misc	Bliaspur, Shimla, Rudrapur, etc.	56.68	189.09	189.09	Chetna, Sewa Prakalp, MC, Shimla etc.
	<b>Total</b>			<b>3046.68</b>	<b>2887.59</b>	<b>2887.59</b>	


6. Reasons for not spending the amount

The entire amount has been transferred by SJVN to SJVN Foundation account which is non-lapsable/ non-transferable fund. The budget allocated on long term programs couldn't be utilized fully. However, the unspent amount will be utilized fully in next financial years.

7. Responsibility Statement

"The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company."

  
 (N.L. Sharma)  
 Director (Personnel)  
 DIN: 03495554

  
 (Ganesh Dutt)  
 Chairman CSR, SD and R&D Committee  
 DIN: 07352765



**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2016**

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

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	L40101HP1988GOI008409
ii.	Registration Date	24/05/1988
iii.	Name of the Company	SJVN Limited
iv.	Category/Sub-Category of the Company	Company Limited By Share / Union Government Company
v.	Address of the Registered office and contact details	SJVN Corporate Office Complex, Shanan, Shimla - 171 006, Himachal Pradesh, Tel : 0177-2660075, Fax : 0177-2660071
vi.	Whether listed company	Yes
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	ALANKIT ASSIGNMENTS LIMITED, Alankit House, 4E/2 Jhandewalan Extension, New Delhi - 110055. Ph. 011- 42541201, Fax : 011-42541201

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

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

Sr. No.	Name and Description of main products/ services	NIC Code of the Product/ service	% to total turnover of the company
1	Power Generation	35101	99%

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

Sr No	Name and Address of The Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
1.	SJVN Thermal Private Limited	U31908BR2007PTC017646	Subsidiary	100%	2(87)
2.	SJVN Arun-3 Power Development Company Private Limited	Not Applicable	Subsidiary	100%	2(87)
3.	Cross Border Power Transmission Company Limited	U40102DL2006PLC156738	Associate (Joint Venture)	26%	2(6)
4.	Bengal Birbhum Coalfields Limited	U10300WB2015SGC207911	Associate (Joint Venture)	7.7%	2(87)
5.	Kholongchhu Hydro Energy Limited	Not Applicable	Associate (Joint Venture)	50%	2(87)

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

**i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) --Individual/HUF	0	0	0	0	0	0	0	0	0
b) Central Govt	2666611700	0	26666117700	64.46	26666117700	0	26666117700	64.46	0
c) State Govt(s)	1055014800	0	1055014800	25.51	1055014800	0	1055014800	25.51	0
d) Bodies Corp	0	0	0		0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	3721626500	0	3721626500	89.97	3721626500	0	3721626500	89.97	0



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Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2015)				No. of Shares held at the end of the year (As on 31-03-2016)				% Change during The year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2) Foreign</b>									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	42778978	0	42778978	1.03	39545940	0	39545940	0.96	-0.07
b) Banks / FI	20898613	0	20898613	0.51	20028328	0	20028328	0.48	0.03
c) Central Govt/ State Govt(s)	10747	0	10747	0	10747	0	10747	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	0
e) Insurance Companies	137065301	0	137065301	3.31	126846903	0	126846903	3.07	-0.24
f) FIs	69341762	0	69341762	1.68	105476204	0	105476204	2.55	0.87
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h) Others (specify)	0	0	0	0	0	0	0	0	0
<b>Sub-total(B)(1)</b>									
<b>2. Non Institutions</b>									
a) Bodies Corp.									
(i) Indian	38389318	0	38389318	0.93	26706240	0	26706240	0.65	-0.28
(ii) Overseas									
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹1 lakh	69104700	5811	69110511	1.67	67813468	10761	67802707	1.64	-0.9
(ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	32783350	0	32783350	0.79	23630431	0	23630431	0.57	-0.22
c) Others(Specify)									
i) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
ii) Cooperative Societies	12000	0	12000	0	0	0	0	0	0
iii) Non Resident Individual	3374003	0	3374003	0.08	3178469	0	3178469	0.08	0
iv) Trust and Foundations	1235417	0	1235417	0.03	1218320	0	1218320	0.03	0
<b>Sub-total(B)(2)</b>	<b>144898788</b>	<b>5811</b>	<b>144904599</b>	<b>3.5</b>	<b>123081117</b>	<b>10761</b>	<b>123091878</b>	<b>2.98</b>	<b>-0.7</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>414994189</b>	<b>5811</b>	<b>415000000</b>	<b>10.03</b>	<b>414989239</b>	<b>10761</b>	<b>415000000</b>	<b>10.03</b>	<b>0</b>
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0	0	0	0	0	0
<b>Grand Total (A+B+C)</b>	<b>4136620689</b>	<b>5811</b>	<b>4136626500</b>	<b>100</b>	<b>4136615739</b>	<b>10761</b>	<b>4136626500</b>	<b>100</b>	<b>0</b>



ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Government of India	2,66,66,11,700	64.46	0	2,66,66,11,700	64.46	0	Nil
2.	Government of Himachal Pradesh	1,05,50,14,800	25.51	0	1,05,50,14,800	25.51	0	Nil
	<b>Total</b>	<b>3721626500</b>	<b>89.97</b>	<b>0</b>	<b>3721626500</b>	<b>89.97</b>	<b>0</b>	<b>Nil</b>

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

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3721626500	89.97	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc):	Nil	Nil	-	-
	At the End of the year	3721626500	89.97	-	-

iv. Shareholding pattern of top ten Shareholders (other than Directors, Promoters and holders of GDRs and ADRs)

S. No.	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-15 to 31-03-16)		Category
				No of Shares at the Beginning (31-03-15) / last Benpos (31-03-16)	% of total shares of the Company				Shares	% of total shares of the Company	
1	IN30016710007299	ICICI PRUDENTIAL LIFE INSURANCE COMPANY LTD	AAACI7351P	91610107	2.21	31-Mar-15					Other Insurance
						10-Apr-15	494404	Purchase	92104511	2.23	
						15-May-15	-14589	Sale	92089922	2.23	
						22-May-15	-12839	Sale	92077083	2.23	
						26-Jun-15	-5100	Sale	92071983	2.23	
						03-Jul-15	-7650	Sale	92064333	2.23	
						17-Jul-15	-7650	Sale	92056683	2.23	
						24-Jul-15	-391186	Sale	91665497	2.22	
						31-Jul-15	-568000	Sale	91097497	2.20	
						07-Aug-15	-971362	Sale	90126135	2.18	
						28-Aug-15	26235	Purchase	90152370	2.18	
						04-Sep-15	280	Purchase	90152650	2.18	
						18-Sep-15	-4754230	Sale	85398420	2.06	



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S. No.	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-15 to 31-03-16)		Category
				No of Shares at the Beginning (31-03-15) / last Benpos (31-03-16)	% of total shares of the Company				Shares	% of total shares of the Company	
						09-Oct-15	-6000000	Sale	79398420	1.92	
						23-Oct-15	-45470	Sale	79352950	1.92	
						30-Oct-15	-670826	Sale	78682124	1.90	
						06-Nov-15	-46957	Sale	78635167	1.90	
						30-Nov-15	-322592	Sale	78312575	1.89	
						11-Dec-15	-375785	Sale	77936790	1.88	
						18-Dec-15	-1170774	Sale	76766016	1.86	
						25-Dec-15	-1412364	Sale	75353652	1.82	
						31-Dec-15	-60000	Sale	75293652	1.82	
						08-Jan-16	-3222500	Sale	72071152	1.74	
				72071152	1.74	31-Mar-16					
2	IN30081210000012	LIFE INSURANCE CORPORATION OF INDIA	AAACL0582H	39316341	0.95	31-Mar-15			39316341	0.95	Insurance Companies
						08-Jan-16	-1314885	Sale	38001456	0.92	
						15-Jan-16	-338446	Sale	37663010	0.91	
						22-Jan-16	-216462	Sale	37446548	0.91	
						29-Jan-16	-370	Sale	37446178	0.91	
						05-Feb-16	-311075	Sale	37135103	0.90	
				37135103	0.90	31-Mar-16	0		37135103	0.90	
3	IN30378610000949	SBI MAGNUM BALANCED FUND	AABTS6407Q	4861989	0.12	31-Mar-15					Mutual Funds Promoted By Banks / Inst.
						17-Apr-15	613895	Purchase	5475884	0.13	
						24-Apr-15	23416	Purchase	5499300	0.13	
						08-May-15	111500	Purchase	5610800	0.14	
						15-May-15	473130	Purchase	6083930	0.15	
						22-May-15	2500000	Purchase	8583930	0.21	
						29-May-15	1509093	Purchase	10093023	0.24	
						05-Jun-15	5198376	Purchase	15291399	0.37	
						26-Jun-15	556493	Purchase	15847892	0.38	
						30-Jun-15	9152108	Purchase	25000000	0.60	
						17-Jul-15	307404	Purchase	25307404	0.61	
						11-Sep-15	5852942	Purchase	31160346	0.75	
						20-Nov-15	4515556	Purchase	35675902	0.86	
				35675902	0.86	31-Mar-16			35675902	0.86	
4	IN30016710110143	UTILICO EMERGING MARKETS (MAURITIUS)	AABCU3664Q	17995348	0.44	31-Mar-15					Foreign Financial Institutions
						12-Jun-15	3104652	Purchase	21100000	0.51	
						26-Jun-15	1495000	Purchase	22595000	0.55	
						11-Dec-15	1249887	Purchase	23844887	0.58	
						18-Dec-15	750113	Purchase	24595000	0.59	
						26-Feb-16	1337000	Purchase	25932000	0.63	
						04-Mar-16	623394	Purchase	26555394	0.64	
						11-Mar-16	39606	Purchase	26595000	0.64	
				26595000	0.64	31-Mar-16			26595000	0.64	
5	IN30005410037322	EDGBASTON ASIAN EQUITY TRUST	AAATE3421B	19253090	0.47	31-Mar-15					Foreign Financial Institutions
						10-Apr-15	260087	Purchase	19513177	0.47	
						24-Apr-15	254603	Purchase	19767780	0.48	
						08-May-15	278696	Purchase	20046476	0.48	





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S. No.	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-15 to 31-03-16)		Category
				No of Shares at the Beginning (31-03-15) / last Benpos (31-03-16)	% of total shares of the Company				Shares	% of total shares of the Company	
						05-Jun-15	124772	Purchase	20171248	0.49	
						03-Jul-15	32146	Purchase	20203394	0.49	
						24-Jul-15	334823	Purchase	20538217	0.50	
						07-Aug-15	19564	Purchase	20557781	0.50	
						09-Apr-15	718187	Purchase	21275968	0.51	
						18-Sep-15	142000	Purchase	21417968	0.52	
						25-Sep-15	299414	Purchase	21717382	0.53	
						09-Oct-15	130391	Purchase	21847773	0.53	
						23-Oct-15	290506	Purchase	22138279	0.54	
						15-Jan-16	464472	Purchase	22602751	0.55	
				22602751	0.55	31-Mar-16			22602751	0.55	
6	IN30152430023374	ICICI LOMBARD GENERAL INSURANCE COMPANY LTD	AAACI7904G	6675342	0.16	31-Mar-15					Other Bodies Corporates
						10-Apr-15	34900	Purchase	6710242	0.16	
						10-Jul-15	1000000	Purchase	7710242	0.19	
						11-Sep-15	238496	Purchase	7948738	0.19	
						09-Oct-15	135272	Purchase	8084010	0.20	
						16-Oct-15	6065990	Purchase	14150000	0.34	
				14150000	0.34	31-Mar-16					
7	IN30012611241906	LIC OF INDIA WEALTH PLUS FUND	AAACL0582H	8849787	0.21	31-Mar-15			8849787		Indian Financial Institutions
						08-Jan-16	-100000	Sale	8749787	0.21	
						15-Jan-16	-85958	Sale	8663829	0.21	
				8663829	0.21	31-Mar-16			8663829	0.21	
8	IN30005410042922	THE EDGBASTON ASIAN EQUITY (JERSEY) TRUST	AAATE3902D	4551078	0.11	31-Mar-15					Foreign Financial Institutions
						10-Apr-15	148760	Purchase	4699838	0.11	
						24-Apr-15	170066	Purchase	4869904	0.12	
						08-May-15	91175	Purchase	4961079	0.12	
						05-Jun-15	125479	Purchase	5086558	0.12	
						03-Jul-15	155374	Purchase	5241932	0.13	
						07-Aug-15	195062	Purchase	5436994	0.13	
						04-Sep-15	6651	Purchase	5443645	0.13	
						09-Oct-15	46868	Purchase	5490513	0.13	
						23-Oct-15	145253	Purchase	5635766	0.14	
				5635766	0.14	31-Mar-16					
9	IN30014210698294	AP INVEST KAPITAL FORENING	AAAAF1324K	0	0.00	31-Mar-15					Foreign Financial Institutions
						26-Jun-15	0	Purchase	247289	0.01	
						30-Jun-15	1752697	Purchase	1999986	0.05	
						03-Jul-15	333219	Purchase	2333205	0.06	
						10-Jul-15	365039	Purchase	2698244	0.07	
						17-Jul-15	621974	Purchase	3320218	0.08	
						24-Jul-15	220	Purchase	3320438	0.08	
						18-Sep-15	93630	Purchase	3414068	0.08	
						25-Sep-15	81306	Purchase	3495374	0.08	
						30-Sep-15	67260	Purchase	3562634	0.09	
						09-Oct-15	61241	Purchase	3623875	0.09	
						16-Oct-15	568519	Purchase	4192394	0.10	
						23-Oct-15	47688	Purchase	4240082	0.10	



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S. No.	Folio No	Name	PAN	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (31-03-15 to 31-03-16)		Category
				No of Shares at the Beginning (31-03-15) / last Benpos (31-03-16)	% of total shares of the Company				Shares	% of total shares of the Company	
						25-Dec-15	164797	Purchase	4404879	0.11	
						29-Jan-16	89253	Purchase	4494132	0.11	
						05-Feb-16	137567	Purchase	4631699	0.11	
						11-Mar-16	108720	Purchase	4740419	0.11	
						18-Mar-16	237761	Purchase	4978180	0.12	
						25-Mar-16	110000	Purchase	5088180	0.12	
				5088180	0.12	31-Mar-16			5088180		
10	IN30012611241922	LIC OF INDIA PROFIT PLUS GROWTH FUND	AAACL0582H	4000000	0.10	31-Mar-15			4000000		Indian Financial Institutions
						08-Jan-16	-200000	Sale	3800000	0.09	
				3800000	0.09	31-Mar-16			3800000	0.09	
11	IN30005410012179	OLD MUTUAL GLOBAL INVESTORS SERIES PUBLIC LIMITED COMPANY	AAJCS3493H	1801587	0.04	31-Mar-15					Foreign Financial Institutions
						24-Jul-15	79155	Purchase	1880742	0.05	
						07-Aug-15	1369918	Purchase	3250660	0.08	
						14-Aug-15	102622	Purchase	3353282	0.08	
						21-Aug-15	166012	Purchase	3519294	0.09	
						04-Sep-15	100934	Purchase	3620228	0.09	
						11-Sep-15	64476	Purchase	3684704	0.09	
						18-Sep-15	161443	Purchase	3846147	0.09	
						30-Oct-15	76992	Purchase	3923139	0.09	
						22-Jan-16	192897	Purchase	4116036	0.10	
				4116036	0.10	31-Mar-16			4116036		
12	IN30005410024174	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	AABTT4862E	3766585	0.09	31-Mar-15					Foreign Financial Institutions
						31-Mar-16	NIL	NIL			
				3766585	0.09	31-Mar-16					
13	IN30009510033578	VIC Enterprises Private Limited	AAACV0132B	3224074	0.08	31-Mar-15					Other Bodies Corporates
						10-Jul-15	75926	Purchase	3300000	0.08	
						31-Mar-16					
				3300000	0.08	31-Mar-16					
14	IN30012611218292	ICICI PRUDENTIAL TAX PLAN	AAAAI0038F	22849044	0.55	31-Mar-15					Mutual Funds Promoted By Banks/ Inst.
						22-May-15	-2819809	Sale	20029235	0.48	
						29-May-15	-264049	Sale	19765186	0.48	
						05-Jun-15	-5316294	Sale	14448892	0.35	
						12-Jun-15	-2342196	Sale	12106696	0.29	
						26-Jun-15	-10346710	Sale	1759986	0.04	
						03-Jul-15	-63552	Sale	1696434	0.04	
						10-Jul-15	-1696434	Sale	0	0.00	
						31-03-2015					
15	IN30012611252556	ICICI PRUDENTIAL VALUE FUND SERIES 3	AAAAI0038F	5000000	0.12	31-03-2015					Mutual Funds Promoted By Banks/ Inst.
						11-09-2015	-5000000	Sale	0	0.00	



**v. Shareholding of Directors and KMPs**

Sr. No.	Name	Shareholding		Date	Increase / Decrease in Shareholding	Reason	Cumulative Shareholding during the year (01-04-15 to 31-03-16)	
		No. of shares at the beginning (01-04-15)/ end of the year (31-03-16)	% of total shares of the company				No. of shares	% of total shares of the company
<b>A. DIRECTORS</b>								
1.	Sh. R.N. Misra, Chairman & Managing Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	Sh. A.S. Bindra, Director (Finance)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sh. N.L. Sharma, Director (Personnel)	2518						
		2518						
4.	Sh. R.K. Bansal, Director (Electrical)	1000						
		1000						
5.	Sh. Kanwar Singh, Director (Civil)	1750						
		1750						
6.	Sh. Arun Kumar Verma Part-Time Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7.	Sh. Aniruddha Kumar Part-Time Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8.	Smt. Archana Agrawal Part-Time Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9.	Sh. S.K.B.S. Negi Part-Time Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10.	Sh. Tarun Sridhar Part-Time Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
11.	Sh. Ganesh Dutt Part-Time Non-Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
12.	Sh. Pravinbhai Patel Part-Time Non-Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
13.	Dr. Rajni Sarin Part-Time Non-Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
14.	Sh. Shamsher Singh Uppal Part-Time Non-Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>B. KEY MANAGERIAL PERSONNEL</b>								
1	Sh. Soumendra Das, Company Secretary	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**V. INDEBTEDNESS**

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

(₹ in lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount (including current maturities)	32405	229664	NIL	262069
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	373	NIL	373
<b>Total (i+ii+iii)</b>	<b>32405</b>	<b>230037</b>	<b>NIL</b>	<b>262442</b>
Change in Indebtedness during the financial year				
- Addition	6483	13163*	NIL	19646*
- Reduction	(4440)	(12661)	NIL	(17101)
<b>Net Change</b>	<b>2043</b>	<b>502</b>	<b>NIL</b>	<b>2545</b>
Indebtedness at the end of the financial year				
i) Principal Amount	34448	230166	NIL	264614*
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	661	NIL	661
<b>Total (i+ii+iii)</b>	<b>34448</b>	<b>230827</b>	<b>NIL</b>	<b>265275</b>

\*NOTE: - Unsecured Loan by IBRD (World Bank) is a Foreign currency loan in USD and hence addition ₹13163 lacs is on account of FERV (Foreign Exchange rate variation) during FY 2015-16.



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Amount in ₹)

Sl. No.	Particulars of Remuneration	R.N. Misra CMD	A.S. Bindra D(F)	N.L. Sharma D(P)	R.K. Bansal D(E)	Kanwar Singh D(C)	Total Amount
1.	Gross Salary						
	(a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	55,13,391	54,19,859	42,39,592	40,31,268	10,18,028	2,02,22,138
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	1,23,613	1,10,542	4,87,318	1,55,323	83,437	9,60,233
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4.	Commission						
	- as % of profit	Nil	Nil	Nil	Nil	Nil	Nil
	- others, specify...						
5.	Others, please specify	7,54,024	6,46,202	13,41,197	4,88,133	1,95,244	34,24,800
6.	Total (A)	63,91,028	61,76,603	60,68,107	46,74,724	12,96,709	2,46,07,171
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

### B. Remuneration to other Directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Ganesh Dutt	Rajni Sarin	Pravinbhai Patel	Shamsher Singh Uppal					
1.	<b>Independent Directors</b>									
	• Fee for attending board committee meetings	80,000	60,000	60,000	60,000					
	• Commission	NIL	NIL	NIL	NIL					
	• Others, please specify.	NIL	NIL	NIL	NIL					
2.	<b>Total (1)</b>	80,000	60,000	60,000	60,000					
3.	<b>Other Non-Executive Directors</b>	-	-	-	-	<b>Arun Kumar Verma</b>	<b>Aniruddha Kumar</b>	<b>Archana Agrawal</b>	<b>S.K.B.S. Negi</b>	<b>Tarun Sridhar</b>
4.	• Fee for attending board committee meetings	-	-	-	-	NIL	NIL	NIL	NIL	NIL
	• Commission					NIL	NIL	NIL	NIL	NIL
	• Others, please specify									
5.	<b>Total (2)</b>					NIL	NIL	NIL	NIL	NIL
6.	<b>Total (B) = (1+2)</b>	80,000	60,000	60,000	60,000	0	0	0	0	0
7.	Total Managerial Remuneration									
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.



**C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD**

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	15,50,919	-	15,50,919
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	1,35,369	-	1,35,369
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-		-	
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission				
	- as % of profit	-	-	-	-
	- others, specify...	-	-	-	-
5.	Others, please specify	-	3,37,321	-	3,37,321
6.	Total		20,23,609		20,23,609

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

Type	Section of the companies Act	Brief description	Details of Penalty/Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made. If any (give details)
<b>A. Company</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>B. Directors</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
<b>C. Other Officers In Default</b>					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil



## SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016

{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

To,  
The Members,  
SJVN Limited.

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SJVN Limited** (hereinafter called SJVN/the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the SJVN's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **NOT APPLICABLE**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulation, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **NOT APPLICABLE**
  - (f) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **NOT APPLICABLE**
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **NOT APPLICABLE** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **NOT APPLICABLE**
- (vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of bi-annually certificate submitted to the Board of Directors of the Company.

I have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India - Applicable w.e.f. 1st July, 2015-Generally complied with.
- (ii) Equity Listing Agreement and the Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 with NSE & BSE.
- (iii) DPE Guidelines on Corporate Governance for CPSE (DPE Guidelines)-Generally complied with.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above, subject to the following observations:

1. Regulation 17 (1) of Securities Exchange Board of India (Listing Obligation & Disclosure Requirements) Regulations, 2015 (erstwhile Clause 49 (III) (A) & (B) of the Listing Agreement) and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. composition of the Board of Directors of the Company.
2. Section 149(8) read with Schedule IV (VIII) of Companies Act, 2013 and Regulation 17 (10) & 25 (4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, w.r.t. performance evaluation of the directors.
3. Clause 8.2.1 of the DPE Guidelines on Corporate Governance w.r.t. obtaining a certificate from either the auditors or practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in these Guidelines and Annexures.

**I further report** that in the absence of requisite number of independent Directors, the Company has not complied with the requirement pertaining to the composition of the Board of Directors to be constituted as per the Companies Act, 2013, DPE Guidelines and SEBI (Listing Obligation & Disclosure Requirements) Regulations.

Generally, adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All the decisions made in the Board/Committee meeting(s) were carried out with unanimous consent of all the Directors/Members present during the meeting and dissent, if any, have been duly incorporated in the Minutes.

**I further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.



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I further report that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

For Agarwal S. & Associates,  
Company Secretaries,

(Sachin Agarwal)  
Partner

FCS No. : 5774, C.P No. : 5910

Place: Shimla

Date: 15th June, 2016

This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.

"Annexure A"

To,  
The Members,  
SJVN Limited.

Our report of even date is to be read along with this letter.

- Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
- We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
- We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
- Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
- The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
- The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Agarwal S. & Associates,  
Company Secretaries,

(Sachin Agarwal)  
Partner

FCS No. : 5774, C.P No. : 5910

Place: Shimla

Date: 15th June, 2016

Annexure-VIII

**REPLY OF MANAGEMENT TO OBSERVATIONS OF SECRETARIAL AUDITOR**

Sr. No.	Observation of Secretarial Auditor	Management Reply
1.	As per Regulation 17 (1) (b) of SEBI (LODR) 2015 (Clause 49 (II) of erstwhile Listing agreement) & Para 3.1.4 of DPE Guidelines on Corporate Governance, the Company does not have requisite number of Independent directors on its Board.	SJVN is a Central Public Sector Undertaking (CPSU) and as per Articles of Association of the Company, Powers to appoint Directors vests with President of India (acting through Ministry of Power. The Company or its Board is not vested with any powers in the matter and hence the matter is being followed up rigorously with the Administrative Ministry of Government of India i.e. Ministry of Power.
2.	As per Regulation 17(10) & 25(4) of SEBI (LODR) 2015, the Company has not carried out the performance evaluation of the Directors.	SJVN is a Central Public Sector Undertaking (CPSU) and as per Articles 35A of Articles of Association of the Company, the Company is bound to adhere to any such directives, stipulations, guidelines, notifications and circulars issued by DPE or any other Department of Government. Rules and procedures for evaluation of performance of Functional Directors have been prescribed by DPE and those for Government Nominee Directors by the Central/ State Government. Accordingly, the performance evaluation of Functional Directors & Government Nominee Directors is being done by the respective appointing authorities as per applicable rules & procedures. Vide a notification dated 05.06.2015, the Ministry of Corporate Affairs has granted exemption to Government Companies under Section 134(3)(p) of the Companies Act, 2013 in case the Directors are evaluated by the Administrative Ministry or Department of Central Government or State Govt.
3.	As per Clause 8.2.1 of the DPE Guidelines on Corporate Governance, the company shall obtain a certificate from either the auditors or practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in these Guidelines and Annexes.	DPE Guidelines prescribe that, as far as listed CPSEs are concerned, they have to follow the SEBI Guidelines on Corporate Governance and most of the Compliances under DPE Guidelines and Listing Agreement are common. The Company is a listed Company and is obtaining a Certificate of Compliance of Corporate Governance under Clause 49 of Listing Agreement. However, it shall be ensured that in future the compliance with DPE Guidelines is specifically mentioned in the aforesaid Compliance Certificate.



## INDEPENDENT AUDITOR'S REPORT

**To**  
**The Members of SJVN Limited**  
**Report on the Standalone Financial Statements**

We have audited the accompanying standalone financial statements of SJVN Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2016, the Statement of Profit and Loss, Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such

controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

**Opinion**

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

**Emphasis of Matter**

"We draw attention to Note No. 2.24 to the financial statements in respect of accounting of sales on provisionally approved tariff for 2009-14 period, arrear billing being contested by HP Govt. and Note no. 2.33 regarding contingent liability which describes the uncertainty related to the outcome of the claims/arbitration proceedings and cases filed in courts by/ against the Company on/by contractors and others".

Pending approval of tariff by CERC in respect of Nathpa Jhakri Hydro Power Station, Sales have been booked in accordance with the tariff approved & applicable as on 31.03.2014 as provided in Tariff Regulations, 2014.

GoHP has contested the arrear billing of NJHPS for the period 2009-14 on the basis that the tariff is provisional & not finally determined. However, it is expected that the final tariff will not be less than the provisional tariff.

The contingent liability, will be dealt in accordance with the outcome of the cases, if required.

Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1**, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2** on the directions issued by Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
  - c) The Balance Sheet, Statement of Profit and Loss and





- Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) With respect to adequacy of Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure-3" in our opinion the internal financial controls system is adequate but the operating effectiveness of such controls need be improved.
- f) This being government company, Section 164 (2) of the Act is not applicable.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note 2.33 to the financial statements;
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
- iii. There were no amounts as at 31.03.2016 which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For Soni Gulati & Co.**  
Chartered Accountants  
Firm Regn.No.008770N

**(Suresh Chand Soni)**  
Partner  
M.No. 083106

Place: Shimla  
Date: 27th May, 2016

## ANNEXURE 1 TO THE AUDITORS' REPORT

### Annexure referred to in our report of even date to the members of S.J.V.N LIMITED on the accounts for the year ended 31st March 2016.

- (i) The company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) As explained to us all the assets were got physically verified by the management from outside agency during the year. We were informed that no material discrepancies were noticed on such verification.
- (c) Title deed of immovable properties were not shown to us except those which were acquired through acquisition order of Govt. At RHEP neither any conveyance deed nor any lease deed has been executed for forest land. At NJHPS some Land was decapitalised last year being disputed, but no conveyance deeds were available.
- (ii) The inventory of the company consisting of stores and spare parts. We were informed that these have been physically verified by the management through outside agency during the year. However, in our opinion this need be strengthen, during audit we have observed that certain items which were shown as consumption in accounts were actually lying in stores during May 2016 and were in stores even on 31.03.2016.
- (iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013. In view of above, the clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.
- (iv) In respect of loans, investments, guarantees and security, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013.
- (v) The company has not accepted any deposits from the public in terms of section 73 to 76 or any provisions of the Companies Act, 2013 and rules there under.
- (vi) We have broadly reviewed the accounts and cost records maintained by the company under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (vii) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues applicable to it, and there are no undisputed dues outstanding as on 31st March 2016 for a period of more than six months from the date they became payable. We are informed that the provisions of Employees' State Insurance Act are not applicable to the company.  
(b) According to the information and explanations given to us, dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues that have not been deposited on account of any dispute are given below:

Name of the Statute	Nature of the Dues	Amount (₹ in Lakh)	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty Penalty	1.00	CESTAT
Finance Act, 1994	Service Tax	1236.00	Commissioner, Excise & Service Tax, Chandigarh

- (viii) The Company has not defaulted any repayment of loans or borrowing to any financial institution or bank or Government or dues to debenture holders.



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- (ix) No money was raised by way of initial public offer or further public offer during the year.
- (x) As per information provided to us no fraud by the company or any fraud by officers and employees of the company has been noticed/ reported during the year.
- (xi) This being a government company Section 197 of the Act is not applicable.
- (xii) Company is not a Nidhi Company.
- (xiii) As per information available to us all transactions with related parties are in compliance with Section 177 & 188 of the Companies act 2013, wherever applicable and the details have been disclosed in the Financial Statements etc as required by the applicable Accounting Standards.
- (xiv) As informed to us, the company has not made any preferential allotment to private placement of shares or fully convertible debentures during the year under review.
- (xv) As informed to us the company has not entered in to any non-cash transaction with directors or persons connected with him.
- (xvi) Section 45-IA of the Reserve Bank of India Act, 1934 is not applicable to the company.

**For Soni Gulati & Co.  
Chartered Accountants  
Firm Regn.No. 008770N**

**(Suresh Chand Soni)  
Partner  
M.No. 083106**

**Place: Shimla  
Date: 27th May, 2016**

Dated: 27.05.2016

**Annexure-2**

## COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of "SJVN LIMITED" for the year ended 31st March, 2016 in accordance with the directions/sub-directions issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

**For Soni Gulati & Co.  
Chartered Accountants  
Firm Regn.No.008770N**

**(Suresh Chand Soni)  
Partner  
M.No. 083106**



## ANNEXURE 2 TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of SJVN LIMITED on the accounts for the year ended 31st March 2016

Sl. No.	Directions	Action Taken	Impact on financial statement
1	Whether the company has clear title / lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deed are not available.	No lease deed for diverted land to RHEP has been entered, however, lease rent notice was received & paid during September 2014. Later during audit this amount was shown as Advance. The area of the same not provided by the management. Similarly, at NJHPS land diverted by HP Govt. has been disputed and case is in Court. Details not made available to us.	NIL
2	Whether there are any cases of waiver off of debts/loan/ interest etc. if yes, the reason there for and the amount involved.	No such case found during the audit	NIL
3	Whether proper records are maintained for inventories laying with third parties & assets received as gift from Government or other authorities.	Yes	NIL

## ANNEXURE - 3 TO THE AUDITORS' REPORT

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

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

### Management's Responsibility for Internal Financial Controls

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

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing,

issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

### Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the



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

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

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial

reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

#### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. However, company needs to further strengthen the control system for payment to contractors in some areas such as hydro allowance and inventory control & accounting.

**For Soni Gulati & Co.  
Chartered Accountants  
Firm Regn.No. 008770N**

**(Suresh Chand Soni)  
Partner  
M.No. 083106**

**Place: Shimla  
Date: 27th May, 2016**

#### **Annexure-XI**

### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SJVN LIMITED FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of SJVN Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of SJVN Limited for the year ended 31 March 2016. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on behalf of the  
Comptroller & Auditor General of India**

**(Ritika Bhatia)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board - III,  
New Delhi**

**Place: New Delhi  
Date: 19th July, 2016**



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## BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016

(₹ Lakh)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	4,13,663	4,13,663
Reserves and Surplus	2.2	6,92,723	6,06,641
		<b>11,06,386</b>	<b>10,20,304</b>
<b>Non-current Liabilities</b>			
Long Term Borrowings	2.3	2,46,406	2,45,342
Other Long Term Liabilities	2.4	86,426	86,566
Long Term Provisions	2.5	8,952	7,965
		<b>3,41,784</b>	<b>3,39,873</b>
<b>Current Liabilities</b>			
Short Term Borrowings	2.6	-	-
Trade Payables	2.7	1,721	1,464
Other Current Liabilities	2.8	49,578	61,680
Short Term Provisions	2.9	38,527	36,124
		<b>89,826</b>	<b>99,268</b>
<b>Total</b>		<b>15,37,996</b>	<b>14,59,445</b>
<b>ASSETS</b>			
<b>Non-current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	2.10	8,41,146	9,05,216
Intangible Assets	2.10	88	22
Capital Work-in-progress	2.11	33,992	25,258
Intangible Assets under Development	2.12	113	-
		<b>8,75,339</b>	<b>9,30,496</b>
Non-current Investments	2.13	47,047	1,138
Deferred Tax Assets (Net)	2.14	35,263	28,537
Long Term Loans and Advances	2.15	20,769	18,884
Other Non-current Assets	2.16	56	98
Other Non-current Assets- Regulatory Assets	2.17	12,480	486
		<b>9,90,954</b>	<b>9,79,639</b>
<b>Current Assets</b>			
Inventories	2.18	3,865	3,678
Trade Receivables	2.19	1,13,200	1,50,708
Cash and Bank Balances	2.20	3,88,409	2,85,632
Short Term Loans and Advances	2.21	26,552	28,760
Other Current Assets	2.22	14,222	11,001
Other Current Assets- Regulatory Assets	2.23	794	27
		<b>5,47,042</b>	<b>4,79,806</b>
<b>Total</b>		<b>15,37,996</b>	<b>14,59,445</b>

Significant Accounting Policies 1

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

This is the Balance Sheet referred to in our report of even date

**For Soni Gulati & Co.**  
Chartered Accountants

**(Suresh Chand Soni)**

Partner  
M.No. 083106

Place: Shimla

Date: 27th May, 2016

For and on behalf of the Board of Directors

**(Soumendra Das)** **(Amarjit Singh Bindra)** **(Ramesh Narain Misra)**  
 Company Secretary Director(Finance) cum CFO Chairman & Managing Director  
 FCS-4833 DIN:03358160 DIN:03109225

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016**

(₹ Lakh)

	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>REVENUE</b>			
Revenue from Operations	2.24	2,49,849	2,81,753
Other Income	2.25	40,972	43,839
<b>Total Revenue</b>		<b>2,90,821</b>	<b>3,25,592</b>
<b>EXPENSES</b>			
Employee Benefits Expense	2.26	21,640	19,957
Finance Costs	2.27	20,895	5,508
Depreciation and Amortization Expense	2.28	67,716	64,100
Other Expenses	2.29	22,819	18,413
<b>Total Expenses</b>		<b>1,33,070</b>	<b>1,07,978</b>
<b>Profit before exceptional, extraordinary items, Rate Regulated Activities and tax</b>		<b>1,57,751</b>	<b>2,17,614</b>
Exceptional Items	2.30	-	13,228
<b>Profit before extraordinary items, Rate Regulated Activities and tax</b>		<b>1,57,751</b>	<b>2,04,386</b>
Extraordinary items		-	-
<b>Profit Before Rate Regulated Activities and Tax</b>		<b>1,57,751</b>	<b>2,04,386</b>
Rate Regulated Income	2.31	12,761	339
<b>Profit Before Tax</b>		<b>1,70,512</b>	<b>2,04,725</b>
Tax Expenses:			
- Current Tax		33,667	42,840
- Tax expense pertaining to rate regulated activities		2,723	71
- Deferred Tax	2.14	(6,726)	(5,861)
		29,664	37,050
<b>Profit for the Year</b>		<b>1,40,848</b>	<b>1,67,675</b>
<b>Earnings Per Equity Share (Par Value ₹10/- each)</b>			
- Basic and Diluted (₹)	2.32	<b>3.40</b>	<b>4.05</b>
Significant Accounting Policies	1		

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

For and on behalf of the Board of Directors

  
(Soumendra Das)  
Company Secretary  
FCS-4833

  
(Amarjit Singh Bindra)  
Director(Finance) cum CFO  
DIN:03358160

  
(Ramesh Narain Misra)  
Chairman & Managing Director  
DIN:03109225

This is the Statement of Profit and Loss referred to in our report of even date

**For Soni Gulati & Co.**  
Chartered Accountants

  
(Suresh Chand Soni)  
Partner  
M.No. 083106

Place: Shimla  
Date: 27th May, 2016



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	1,70,512	2,04,725
<b>Adjustment for:</b>		
Depreciation	67,716	64,100
Interest & Finance Charges	20,895	5,508
Unbilled Revenue	(174)	(126)
Loss on Disposal/Write off of Fixed Assets	87	4
Interest on Term Deposits	(30,773)	(23,083)
Write off of expenses on Survey & Investigation Project	-	13,228
<b>Operating Profit before Working Capital Changes</b>	<b>2,28,263</b>	<b>2,64,356</b>
<b>Adjustment for:</b>		
Trade Receivables	37,508	(1,13,261)
Inventories	(187)	(294)
Trade Payables and Other Liabilities ( Current & Non-current)	1,832	802
Provisions (Long Term/Short Term)	999	2,818
Loans and Advances	4,887	(5,060)
Other Current Assets	(12)	42,823
Regulatory Asset	(12,761)	-
	32,266	(72,172)
<b>Cash generated from operations</b>	<b>2,60,529</b>	<b>1,92,184</b>
<b>Income Tax paid</b>	<b>(39,717)</b>	<b>(43,958)</b>
<b>Net Cash Flow from Operating Activities-A</b>	<b>2,20,812</b>	<b>1,48,226</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Expenditure on Fixed Assets & CWIP, Advance for Capital Works & Capital Stores/Spares etc.	(29,409)	(46,525)
Investment in Subsidiary/Joint Venture Companies	(45,909)	(643)
Interest on Term Deposits	27,738	19,454
<b>Net cash used in Investing Activities - B</b>	<b>(47,580)</b>	<b>(27,714)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(17,126)	(23,752)
Interest & Finance Charges Paid	(7,444)	(5,244)
Proceeds from Borrowings	6,483	31,368
Dividend	(43,428)	(66,574)
Tax on Dividend	(8,940)	(12,226)
<b>Net Cash Flow from Financing Activities - C</b>	<b>(70,455)</b>	<b>(76,428)</b>
<b>Net Increase/Decrease in Cash and Cash equivalents (A+B+C)</b>	<b>1,02,777</b>	<b>44,084</b>
<b>Cash and cash equivalents -Opening balance (see Note 1 below)</b>	<b>2,85,632</b>	<b>2,41,548</b>
<b>Cash and cash equivalents Closing balance ( see Note 1 below)</b>	<b>3,88,409</b>	<b>2,85,632</b>



## CASH FLOW STATEMENT FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Notes:</b>		
<b>1. Cash and cash equivalents consists of cash, bank balances and cheques &amp; drafts in hand.</b>		
Cash and cash equivalents included in the cash flow statement comprises of following balance sheet amounts as per Note 2.20		
Cash and cash equivalents	1,21,747	48,610
Deposits having original maturity of more than 3 months	2,66,480	2,35,666
Other Bank Balances*	182	1,356
Cash and cash equivalents as restated (Note 2.20 - Cash and Bank Balances)	3,88,409	2,85,632
* Amounts which are not available for use:		
i) Unpaid Dividend account balance	54	47
ii) Margin Money for BG/Letter of Credit and Pledged deposits	128	1,309
	182	1,356

2 Previous year figures have been regrouped/re-arranged/re-casted wherever necessary.

This is the cash flow statement referred to in our report of even date

**For Soni Gulati & Co.**

Chartered Accountants

**(Suresh Chand Soni)**

Partner

M.No. 083106

Place: Shimla

Date: 27th May, 2016

For and on behalf of the Board of Directors

**(Soumendhra Das)**  
Company Secretary  
FCS-4833

**(Amarjit Singh Bindra)**  
Director(Finance) cum CFO  
DIN:03358160

**(Ramesh Narain Misra)**  
Chairman & Managing Director  
DIN:03109225

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>st</sup> MARCH, 2016

### 1. Significant Accounting Policies

#### 1.1 System of Accounting

The financial statements are prepared according to the historical cost convention on accrual basis in line with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013, including accounting standards notified thereunder as amended from time to time.

#### 1.2 Fixed Assets

- Fixed Assets are stated at historical cost less accumulated depreciation and any impairment in value. Where final settlement of bills with contractors is pending/under dispute, capitalization is done on estimated/provisional basis subject to necessary adjustment in the year of final settlement.
- Fixed Assets created on land not belonging to the company where the company is having control over the use and access of such assets are included under Fixed Assets.
- Capital expenditure incurred on assets not owned by the Company is charged to Statement of Profit & Loss in the year of incurrence of such expenditure.
- Payments made provisionally towards compensation and other expenses relating to land in possession are treated as cost of land.

- Expenditure incurred for compensatory afforestation, soil conservation and re-forestation towards forest land is shown as "Intangible Assets-Expenditure on compensatory afforestation" and is amortized pro-rata through depreciation over the period of likely use.
  - Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.
  - Assets/Equipments declared surplus are shown at lower of book value and net realisable value.
- #### 1.3 Machinery Spares
- Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized and depreciated fully over the residual useful life of the related plant and machinery except as stated in para 1.3(b).
  - Cost / WDV of Machinery Spares is fully charged to revenue in the year in which such spares are replaced except in cases where retrieved spares have useful life after repairs.
  - Other spares forming part of inventory are expensed when consumed.





#### 1.4 Capital Work-in-progress

- a) In respect of supply-cum-erection contracts, the value of supplies received at site/construction store and accepted is treated as Capital Work-in-progress.
- b) Administration and Other General Overhead expenses at the Corporate Office and Projects under Construction / Survey & Investigation attributable to construction of fixed assets are identified and allocated on systematic basis on major immovable assets other than land, infrastructure facilities and bought out items on commissioning of Projects. However, no allocation of such expenses pertaining to Corporate Office is made on projects taken on BOOT (Build, Own, Operate & Transfer) basis till the date of grant of generation license.
- c) Expenditure on Survey and Investigation of the Projects is carried as capital work in progress and capitalized as cost of Project on completion of construction of the Project or the same is expensed in the year in which it is decided to abandon such project.
- d) Expenditure against "Deposit Works" is accounted for on the basis of statement of account received from the concerned agency and acceptance by the Company. However, provision is made wherever considered necessary.
- e) Claims for price variation /exchange rate variation in case of contracts are accounted for on acceptance.

#### 1.5 Depreciation and Amortisation

- a) Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time, except in case of:
  - i) Mobile phones which are depreciated @ 25% p.a.
  - ii) Computers & Peripherals which are to be Depreciated fully (100%) in three years.
- b) Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.
- c) Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.
- d) Assets costing ₹5,000/- or less are depreciated fully in the year of procurement.
- e) Expenditure on software is recognized as 'Intangible Asset' and amortized fully over three years on Straight Line Method or over a period of its legal rights to use whichever is less.
- f) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liability on account of exchange fluctuation, change in duties or similar factors, the revised unamortized balance of such assets is depreciated prospectively over the residual life. Depreciation on increase/decrease in the value of existing assets on account of settlement of disputes is charged retrospectively.
- g) Leasehold land is amortized pro-rata through depreciation over the period of lease or 35 years, whichever is lower, following the rates & methodology notified by CERC for the purpose of fixation of Tariff as amended from time to time.
- h) Expenditure on Catchment Area Treatment (CAT) Plan during construction is capitalized along with dam/civil works. Such expenditure during O&M stage is charged to revenue in the year of incurrence of such expenditure.

#### 1.6 Rate Regulated Activities

Where an item of expenditure or income (including Exchange difference arising from settlement/ transaction denominated in foreign currency) is charged/credited to statement of profit & loss i.e. not allowed to be adjusted as part of cost of relevant fixed asset in accordance with the Accounting Standards, but permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be adjusted in future tariff, such amount is accounted as Regulatory Asset/ Regulatory liability and corresponding Regulatory income/ expenses, as per the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI).

#### 1.7 Investments

- a) Non Current Investments are valued at cost less provision for permanent diminution in value.
- b) Current Investments are valued at lower of cost and fair value.

#### 1.8 Inventories

- a) Inventories and Carbon Credit are valued at the lower of cost arrived at on weighted average basis and net realizable value.
- b) Loose tools issued during the year are charged to consumption.
- c) Stores issued for operation and maintenance but lying unused at site are treated as part of inventory.
- d) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.
- e) Scrap is accounted for as and when sold.

#### 1.9 Foreign Currency Transactions

- a) Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
- b) Monetary items denominated in foreign currency are restated at exchange rates prevailing on the Balance Sheet date. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
- c) Exchange differences, except to the extent considered as adjustment to borrowing cost as per AS-16 read with ASI-10, are recognized as income or expense in the period in which they arise in case of operating projects and to EDC in case of projects under construction. However, the differences relating to Fixed Assets/Capital Works-in-progress arising out of transactions entered into prior to 01.04.2004 over & above those considered as borrowing cost are adjusted to the carrying cost of Fixed Assets/Capital Work-in-progress.

#### 1.10 Borrowing Costs

Borrowing costs attributable to fixed assets during construction /renovation and modernization are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 1.11 Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized, but are disclosed in the notes. Contingent assets are neither recognized, nor disclosed in the financial statements.



### 1.12 Impairment of Assets

The carrying amount of cash generating unit is reviewed at each Balance Sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognized in the Statement of Profit & Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

### 1.13 Income

- Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) except for sale of wind power energy which is accounted for on the basis of tariff rates notified by Electricity Regulatory Authorities of respective states as amended from time to time. Recovery/refund towards foreign currency variation in respect of foreign currency loans as per CERC notification is accounted for on year to year basis.
- The incentives /disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.
- Advance against depreciation, forming part of tariff upto 31.03.2009 to facilitate repayment of loans, is reduced from sales and considered as deferred revenue to be included in the sales in subsequent years.
- The Interest/surcharge on late payment/overdue sundry debtors for sale of energy is accounted for on receipt basis or when there is reasonable certainty of realisation.
- Interest recoverable on advances to contractors/suppliers and other claims from contractors/suppliers under dispute are accounted for on receipt/acceptance.
- Income from consultancy services is accounted for on the basis of actual progress / technical assessment of work executed or costs reimbursable, in line with the terms of respective consultancy contracts.
- Income arising from carbon credit is recognized on transfer/sale of carbon credits i.e. when there is certainty regarding ultimate collection.

### 1.14 Employee Benefits

- Provision for gratuity, leave encashment and other post retirement benefits as defined in Accounting Standard (AS) - 15 is made on the basis of actuarial valuation at the end of financial year.
- Provident fund liability is accounted for on accrual basis.
- Company's contribution towards defined contribution pension scheme for employees is accounted for on accrual basis.

### 1.15 Miscellaneous

- Insurance claims are accounted for in the year of receipt/ acceptance by the insurer / certainty of realisation.
- Prepaid and prior period expenses/income of items of ₹50,000/- and below are charged to natural heads of accounts in the year of payment/receipt.
- Liability for claims against the Company is recognized on acceptance by the Company / receipt of award by the Arbitrator and the balance claim, if disputed /contested by the contractor is shown as contingent liability. The claims prior to Arbitration award stage are disclosed as contingent liability.
- Minimum two percent of average Profit before Tax of three immediately preceding financial years is transferred to CSR Trust for incurring expenditure towards Corporate Social Responsibility (CSR) and Sustainable Development (SD).

### 1.16 Taxes on Income

- Taxes on income are determined on the basis of taxable income under the Income Tax Act, 1961.
- Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

### 1.17 Cash Flow Statement

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) - 3 'Cash Flow Statements'.

## 2 Notes on Accounts

The amounts in Financial Statements are presented in Indian Rupees and all figures have been rounded off to the nearest rupees lakh except when otherwise stated. The previous year figures have also been reclassified/regrouped/rearranged wherever necessary to conform to this year's classification.

### 2.1 Share Capital

(₹ Lakh)

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>AUTHORISED</b>				
Equity Shares of par value ₹10/- each	7,00,00,00,000	7,00,000	7,00,00,00,000	7,00,000
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
Equity Shares of par value ₹10/- each fully paid up	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663
<b>Total</b>		<b>4,13,663</b>		<b>4,13,663</b>

The Company has only one class of equity shares having par value of ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.

During the year, the Company has paid interim dividend @ ₹0.63 (P.Y.: ₹0.63) per equity share of par value ₹10/- each. Further, the Company has proposed final dividend for the year 2015-16 @ ₹0.47 (P.Y.: ₹0.42) per equity share of par value ₹10/- each. Thus, the total dividend (including interim dividend) for the financial year 2015-16 is ₹1.10 (P.Y.: ₹1.05) per equity share of par value ₹10/- each.



### 2.1.1 Details of shareholders holding more than 5% shares in the Company:

Name of the Shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	%	No. of shares	%
Government of India (GoI)	2,66,66,11,700	64.46	2,66,66,11,700	64.46
Government of Himachal Pradesh (GoHP)	1,05,50,14,800	25.51	1,05,50,14,800	25.51

### 2.1.2 The reconciliation of the number of shares outstanding is set out below:

(₹ Lakh)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663
No. of shares issued during the year	-	-	-	-
Number of shares at the end	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663

### 2.2 Reserves and Surplus

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>A Security Premium Account</b>	<b>1,313</b>	<b>1,313</b>
<b>B Surplus</b>		
Opening Balance	6,05,328	4,90,059
Add: Profit for the Year as per Statement of Profit and Loss	1,40,848	1,67,675
<b>Total Profit available for Appropriations</b>	<b>7,46,176</b>	<b>6,57,734</b>
<b>Appropriations</b>		
<b>Dividend</b>		
Interim	26,061	26,061
Final Proposed	19,442	17,374
<b>Tax on Dividend</b>		
Interim	5,305	5,336
Final Proposed	3,958	3,635
<b>Total Appropriation</b>	<b>54,766</b>	<b>52,406</b>
<b>Surplus - Closing Balance</b>	<b>6,91,410</b>	<b>6,05,328</b>
<b>Total Reserves and Surplus (A + B)</b>	<b>6,92,723</b>	<b>6,06,641</b>

During the year, the Company has paid interim dividend @ ₹0.63 (P.Y.: ₹0.63) per equity share of par value ₹10/- each. Further, the Company has proposed final dividend for the year 2015-16 @ ₹0.47 (P.Y.: ₹0.42) per equity share of par value ₹10/- each. Thus, the total dividend (including interim dividend) for the financial year 2015-16 is ₹1.10 (P.Y.: ₹1.05) per equity share of par value ₹10/- each.

### 2.3 Long Term Borrowings

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Term Loans</b>		
<b>From Other Parties:</b>		
<b>A Secured #</b>		
State Bank of India	30,008	27,965
(Repayable in quarterly instalments from March 2015 to December 2023, carrying interest @ Base Rate + fixed spread of 0.65% p.a. payable monthly)		
<b>Total (A)</b>	<b>30,008</b>	<b>27,965</b>

#Secured by equitable mortgage/hypothecation of all present and future fixed assets and book debts as first charge of RHPS.



### 2.3 Long Term Borrowings

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>B Unsecured:</b>		
<b>Foreign Currency Loans</b>		
(Guaranteed by Govt of India)		
- World Bank (IBRD)	2,16,398	2,17,377
(Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)		
<b>Total (B)</b>	<u>2,16,398</u>	<u>2,17,377</u>
<b>Total Long term borrowings (A + B)</b>	<u>2,46,406</u>	<u>2,45,342</u>

There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.

### 2.4 Other Long Term Liabilities

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Deposits, Retention Money from Contractors and Others	312	63
Less: Investments held as Security	<u>231</u>	<u>29</u>
	81	34
Income Received in Advance:		
- Advance Against Depreciation	84,935	84,935
Deferred Foreign Currency Fluctuation Liability	1,410	1,597
<b>Total</b>	<u>86,426</u>	<u>86,566</u>

### 2.5 Long Term Provisions

(₹ Lakh)

Particulars	As at 01.04.2015	For the year			As at 31.03.2016
		Additions	Write Back	Utilization	
<b>Unfunded Employee Benefits</b>					
Leave Encashment	4,313	857	-	418	4,752
Post Retirement Medical	3,474	554	-	15	4,013
Other Retirement Benefits	178	20	-	11	187
<b>Total</b>	<u>7,965</u>	<u>1,431</u>	<u>-</u>	<u>444</u>	<u>8,952</u>
<b>Previous Year</b>	6,742	1,405	-	182	7,965

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.39.

### 2.6 Short Term Borrowings

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Secured Loans:</b>		
<b>Short Term Loans from Banks</b>	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.

### 2.7 Trade Payables

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Micro and Small Scale Enterprises	16	23
Others	1,705	1,441
<b>Total</b>	<u>1,721</u>	<u>1,464</u>

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.53.



## 2.8 Other Current Liabilities

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term debt		
Secured		
- Rupee Term Loans	4,440	4,440
Unsecured		
- Foreign Currency Loans (Guaranteed by GOI)	13,768	12,287
	<u>18,208</u>	<u>16,727</u>
Interest Accrued but not due on:		
- Foreign Currency Loans : World Bank	661	373
- Rupee Term Loans	<u>-</u>	<u>-</u>
	661	373
Advance Against Consultancy	15	15
Unpaid Dividend	54	47
Others Payables:		
-Liability for Employees' Remuneration and Benefits	3,740	2,723
Liability for Purchase/Construction of Fixed Assets:		
- Micro and Small Scale Enterprises	68	96
- Others	11,715	18,418
	<u>11,783</u>	<u>18,514</u>
Deposits, Retention Money from Contractors and Others	14,469	22,940
Less : Investments held as Security	<u>297</u>	<u>456</u>
	14,172	22,484
Amount Payable to Gratuity Trust	199	371
TDS and Other Taxes Payable	574	222
Others	172	204
<b>Total</b>	<b><u>49,578</u></b>	<b><u>61,680</u></b>

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.53.

Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term debt indicated above are disclosed in Note 2.3.

## 2.9 Short Term Provisions

(₹ Lakh)

Particulars	As at 01.04.2015	For the year			As at 31.03.2016
		Additions	Write Back	Utilization	
<b>(A) Unfunded Employee Benefits</b>					
Leave Encashment	277	402	-	277	402
Post Retirement Medical	73	81	-	73	81
Other Retirement Benefits	7	9	-	7	9
<b>Total (A)</b>	<b>357</b>	<b>492</b>	<b>-</b>	<b>357</b>	<b>492</b>
<b>(B) Others:</b>					
Proposed Dividend	17,374	19,442	-	17,374	19,442
Tax on Proposed Dividend	3,635	3,958	-	3,635	3,958
Wage Revision	18	46	-	8	56
Performance Related Pay	2,661	1,401	-	2,156	1,906
Interest on Arbitration Awards	8,443	948	-	-	9,391
Others	3,636	74	-	428	3,282
<b>Total (B)</b>	<b>35,767</b>	<b>25,869</b>	<b>-</b>	<b>23,601</b>	<b>38,035</b>
<b>Total (A) + (B)</b>	<b>36,124</b>	<b>26,361</b>	<b>-</b>	<b>23,958</b>	<b>38,527</b>
<b>Previous Year</b>	<b>60,949</b>	<b>25,352</b>	<b>-</b>	<b>50,177</b>	<b>36,124</b>

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.39.



2.10 Fixed Assets		Gross Block				Depreciation		Net Block	
		As at 01-04-2015	Additions during the year	Deductions/ Adjustments	As at 31-03-2016	Upto 01-04-2015	For the year	Upto 31-03-2016	As at 31-03-2016
1	Land (including development expenses)	557	18	-	575	22	18	40	535
2	Land (including development expenses) #	13,258	21	13	13,266	-	-	-	13,266
3	Buildings*	1,30,313	1,779	2,547	1,29,545	26,912	4,393	31,226	98,319
4	Roads and Bridges	6,468	25	7	6,486	1,442	246	1,688	4,798
5	Plant and Machinery	1,493	1,45	-	1,638	694	78	772	866
6	Generating Plant and Machinery	3,47,842	1,429	512	3,48,759	1,01,186	19,194	1,20,297	2,28,462
7	Hydraulic Works(Dams, Tunnel, etc.)	8,05,084	2,267	(209)	8,07,560	2,73,608	43,283	3,16,881	4,90,679
8	Vehicles	342	148	28	462	190	25	205	257
9	Furniture, Fixture and Equipments	1,162	48	-	1,210	420	69	489	721
10	Electrical Works	2,447	408	-	2,855	828	139	967	1,888
11	Electrical Equipments	249	53	2	300	94	19	112	188
12	Office Equipments	1,588	111	10	1,689	548	115	655	1,034
13	Data processing Equipments	1,300	68	23	1,345	943	286	1,212	133
14	Capital Assets not owned by Company	9,672	-	-	9,672	9,672	-	9,672	-
	<b>Total</b>	<b>13,21,775</b>	<b>6,520</b>	<b>2,933</b>	<b>13,25,362</b>	<b>4,16,559</b>	<b>67,865</b>	<b>208</b>	<b>8,41,146</b>
	<b>Intangible Assets</b>								
	Software	342	99	-	441	320	33	353	88
	<b>Total:</b>	<b>342</b>	<b>99</b>	<b>-</b>	<b>441</b>	<b>320</b>	<b>33</b>	<b>353</b>	<b>88</b>
	<b>Total Fixed Assets</b>	<b>13,22,117</b>	<b>6,619</b>	<b>2,933</b>	<b>13,25,803</b>	<b>4,16,879</b>	<b>67,898</b>	<b>208</b>	<b>8,41,234</b>
	<b>Previous Year :</b>	<b>9,21,604</b>	<b>4,04,348</b>	<b>3,835</b>	<b>13,22,117</b>	<b>3,54,738</b>	<b>64,191</b>	<b>2,050</b>	<b>9,05,238</b>
						Current Year		Previous Year	
						16		20	

Fixed Assets costing ₹5000 or less procured and depreciated fully during the year.  
# Possession of freehold land measuring 0-05-22 hectare (Previous Year: 0-05-22 hectare) is still to be handed over to the Company.  
\*Title deeds/ title in respect of buildings costing ₹ 15 lakh (Previous Year: ₹ 15 lakh) are yet to be executed / passed in favour of the company. Expenses on stamp duty etc. shall be accounted for on registration.  
\*Buildings include ₹127 lakh (Previous Year: ₹8 lakh) being damaged assets for which provision has been made.

2.11 Capital Work-in-progress		As at 01-04-2015		Additions during the year		Transfers / Adjustments		Total WIP as at 31-03-2016		Capitalised during the year		As at 31-03-2016	
1	Building		6,656		7,127	(31)		13,814	1,598		15,412	12,216	
2	Civil Works		104		2,084	286		1,902	1,888		3,790	14	
3	Roads, Bridges & Culverts		8		135	30		113	25		138	88	
4	Plant and Machinery		27		3	-		30	30		60	-	
5	Electrical Works		859		122	17		964	426		1,390	538	
6	Capital Asset with Contractors (Electro Mechanical) *		1,597		855	254		2,198	1,230		3,428	968	
7	Preliminary		3,367		179	25		3,521	-		3,521	3,521	
8	Expenditure during construction (Note 2.11.1)		12,640		3,982	(25)		16,647	-		16,647	16,647	
	<b>Total</b>		<b>25,258</b>		<b>14,487</b>	<b>556</b>		<b>39,189</b>	<b>5,197</b>		<b>44,386</b>	<b>33,992</b>	
	<b>Previous Year</b>		<b>3,92,579</b>		<b>46,355</b>	<b>12,541</b>		<b>4,26,393</b>	<b>4,01,135</b>		<b>8,27,528</b>	<b>25,258</b>	

\* Capital Assets with contractors (Electro Mechanical) has been adjusted by Nil (PY: ₹1008 lakh) on account of sale of infirm power during trial run.



### 2.11.1 Expenditure During Construction

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>EXPENSES</b>		
<b>Employees' Remuneration and Benefits:</b>		
Salaries, Wages, Allowances and Benefits	2,724	5,094
Contribution to Provident and Other Funds	182	298
Leave Salary and Pension Contribution	142	131
Welfare Expenses	184	498
	<b>3,232</b>	<b>6,021</b>
<b>Other Expenses</b>		
<b>Repair and Maintenance:</b>		
Roads and Buildings	2	49
Plant & Machinery	2	11
Office Equipments & Furnitures	6	11
Vehicles	7	18
Others	49	66
	<b>66</b>	<b>155</b>
Rent	<b>56</b>	180
Rates & Taxes	<b>1</b>	1
Insurance	<b>1</b>	2
Security Expenses	<b>75</b>	140
Electricity Charges	15	56
Less: Recovered from Employees & Contractors	-	6
	<b>15</b>	<b>50</b>
Research & Development Expenses	<b>3</b>	-
Travelling & Conveyance	<b>92</b>	131
Training and Recruitment Expenses	<b>9</b>	71
Legal Expenses	<b>18</b>	5
Professional and Consultancy Charges	<b>69</b>	5
Communication Expenses	<b>33</b>	49
Printing & Stationery	12	27
Less: Receipts from Sale of Tenders	1	4
	<b>11</b>	<b>23</b>
Payment to Auditors	-	3
Advertisement & Publicity	<b>3</b>	13
EDP Expenses	<b>7</b>	16
Entertainment Expenses	<b>4</b>	9
Expenses on Transit Camps	<b>75</b>	119
Books & Periodicals	<b>1</b>	2
Hiring of Vehicles	<b>129</b>	203
Depreciation	<b>78</b>	91
Loss on Disposal/Write off of Fixed Assets	-	1
Exchange Rate Variation	-	8,842
Directors Sitting Fees	-	2
Business Promotion Expenses	-	6
Fees and subscription	<b>3</b>	25
Environment & Ecology Expenses	<b>1</b>	13
Safety Expenses	-	2
Miscellaneous Expenses	<b>14</b>	27
	<b>3,996</b>	<b>16,207</b>
<b>Interest &amp; Finance Charges:</b>		
On Loan from World Bank (IBRD)	-	609
Term Loans	-	540
	-	1,149
Less: Allocated to CWIP	-	609
	-	540
<b>Total Expenses</b>	<b>3,996</b>	<b>16,747</b>
<b>LESS: RECEIPTS AND RECOVERIES</b>		
Interest from:		
Banks	1	2
Employees	9	21
Contractors	-	6
	10	29
Miscellaneous Income	4	22
	<b>14</b>	<b>51</b>
<b>Net Expenditure - Transferred to CWIP (Note No. 2.11)</b>	<b>3,982</b>	<b>16,696</b>



## 2.12 Intangible Assets Under Development

							(₹ Lakh)
Sl.No.	Particulars	As at 01-04-2015	Additions during the year	Transfers/ Adjustments	Total WIP as at 31-03-2016	Capitalised during the year	As at 31-03-2016
1	Software	-	113	-	113	-	113
	<b>Total</b>	<u>-</u>	<u>113</u>	<u>-</u>	<u>113</u>	<u>-</u>	<u>113</u>
	Previous Year	-	-	-	-	-	-

## 2.13 Non-current Investments

			(₹ Lakh)
		As at 31st March, 2016	As at 31st March, 2015
<b>Non Trade-Unquoted (at cost)</b>			
<b>Investment in Equity Instruments</b>			
<b>(a) Subsidiary Companies</b>			
436680000 (P.Y: 10000) Equity shares of ₹10/- each in SJVN Thermal Pvt. Ltd.		43668	1
480000 (P.Y: 480000) Equity Shares of ₹62.50/- each in SJVN Arun-3 Power Development Company Pvt. Ltd.		300	300
<b>(b) Joint Venture Companies</b>			
10322000 (P.Y: 4940000) Equity Shares of ₹10/- each in Cross Border Power Transmission Company Ltd.		1032	494
Share Application Money Pending Allotment in Cross Border Power Transmission Company Ltd.		-	343
Share Application Money Pending Allotment in Kholongchhu Hydro Energy Ltd.		2,046	-
7707 (P.Y: Nil) Equity Shares of ₹10/- each in Bengal Birbhum Coal Fields Ltd.		1	-
<b>Other Non-current Investments</b>			
60 Fully Paid up Ordinary shares of ₹50/-each in NJP Employees Consumer Co-operative Store, Jhakri (₹3000/-)		-	-
<b>Total</b>		<u>47,047</u>	<u>1,138</u>

## 2.14 Deferred Tax Assets (Net)

				(₹ Lakh)
	As at 01.04.2015	Additions/(Adjustments) during the year	As at 31.03.2016	
<b>Deferred Tax Assets</b>				
Difference of Book Depreciation and Tax Depreciation	26,704	6,416	33,120	
Provisions/Expenses disallowed for Tax purpose	1,833	310	2,143	
<b>Total</b>	<u>28,537</u>	<u>6,726</u>	<u>35,263</u>	
<b>Previous Year</b>	22,676	5,861	28,537	

Net increase during the year in Deferred Tax Assets (Net) of ₹6726 Lakh (Previous Year: ₹5861 Lakh) has been adjusted in the tax expenses in the statement of Profit and Loss.





## 2.15 Long Term Loans and Advances

	(₹ Lakh)	
	As at 31st March, 2016	As at 31st March, 2015
<b>Capital Advances</b>		
Secured by hypothecation of Equipment/Material	166	928
Unsecured considered good		
- Covered by Bank Guarantees	436	790
- Others	14,187	11,834
	<u>14,623</u>	<u>12,624</u>
<b>Total</b>	<b>14,789</b>	<b>13,552</b>
Security Deposits - Unsecured considered good	33	33
Loans and Advances to Related Parties #		
- Secured considered good	4	9
- Unsecured considered good	2	5
- Interest accrued	7	5
	<u>13</u>	<u>19</u>
<b>Other Loans and Advances*</b>		
<b>Loans to Employees</b>		
- Secured considered good	3,094	3,084
- Unsecured considered good	871	660
	<u>3,965</u>	<u>3,744</u>
Advances to Employees-Unsecured considered good	158	92
<b>Others-Unsecured considered good</b>		
Prepaid Expenses	2	3
Interest Accrued on Staff Advances		
- Secured considered good	1,544	1,198
- Unsecured considered good	265	243
	<u>1,809</u>	<u>1,441</u>
<b>Total</b>	<b>20,769</b>	<b>18,884</b>
# Loans and advances to related parties are due from Directors and Key Managerial Personnel of the company.		
* Loans and Advances include dues from other officers (General Manager and above).	25	30

## 2.16 Other Non - current Assets

	(₹ Lakh)	
	As at 31st March, 2016	As at 31st March, 2015
Capital Stores (At Cost) (As certified by Management)		
Steel	53	53
Cement	1	1
Others	2	35
Material at Site	-	9
<b>Total</b>	<b>56</b>	<b>98</b>

## 2.17 Other Non - current Assets- Regulatory Assets

	(₹ Lakh)			
Particulars	As at 1st April, 2015	Addition	Recoverable/Adjusted during the year	As at 31st March, 2016
Foreign Exchange Rate Variation	486	11,994	-	12,480
<b>Total</b>	<b>486</b>	<b>11,994</b>	<b>-</b>	<b>12,480</b>
Previous Year	-	486	-	486



## 2.18 Inventories

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Loose Tools	21	11
Stores and Spares*	3,848	3,671
	3,869	3,682
Less : Provision for Shortage of store and Obsolescence	4	4
<b>Total</b>	<b>3,865</b>	<b>3,678</b>

\* Stores and Spares includes Material in Transit Nil (Previous Year: ₹5 Lakh).

Inventories are valued at the lower of cost arrived at on weighted average basis and net realizable value.

## 2.19 Trade Receivables

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Unsecured considered good:		
- Outstanding for a period exceeding six months from due date of payment	49,691	33,979
- Others	63,509	1,16,729
<b>Total</b>	<b>1,13,200</b>	<b>1,50,708</b>

Trade receivables and Sales include an amount of ₹12928 lakh (Previous Year: ₹13400 lakh) towards bills raised after the end of the financial year.

Trade receivables includes an amount of ₹3947 lakh (Previous Year: ₹25776 lakh) recoverable from Government of Himachal Pradesh (GoHP) on account of arrear billing on determination of provisional tariff for the period 2009-14 by CERC which is being contested by them in the Hon'ble High Court of Himachal Pradesh. However, GoHP has paid ₹21829 lakh upto 31.03.2016.

Trade receivables due from Related Parties : Nil (P.Y.: Nil)

## 2.20 Cash and Bank Balances

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Cash and Cash Equivalents		
Balances with Banks		
- Current Deposits	2,886	3,665
- Term Deposits (having original maturity upto 3 months)	1,18,859	44,945
Cheques & Drafts in hand	2	-
Cash on Hand (Nil, P.Y.: ₹31,105/-)	-	-
Other bank balances		
- Earmarked Balance (Unpaid Dividend)	54	47
- Margin Money for BG/Letter of Credit and Pledged deposits	128	1,309
- Other Term Deposits(having original maturity of more than 3 months)	2,66,480	2,35,666
	2,66,662	2,37,022
<b>Total</b>	<b>3,88,409</b>	<b>2,85,632</b>



## 2.21 Short Term Loans and Advances

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Loans and Advances to Related Parties		
Loans and Advances to Directors & Key Managerial Personnel :		
- Secured considered good	5	5
- Unsecured considered good	5	4
	10	9
Amount Recoverable from Subsidiaries/Joint Venture		
- Unsecured considered good	9389	13,834
Loans to Employees		
- Secured considered good	693	645
- Unsecured considered good	138	137
	831	782
Advances to Contractor & Suppliers		
- Secured considered good	-	17
- Unsecured considered good	63	46
- Considered doubtful	10	10
	73	73
Less : Provision for doubtful advances	10	10
	63	63
Advances to Employees (unsecured considered good)	292	278
Deposits - Unsecured considered good:		
- Government Departments	91	92
- Deposits for Works	96	921
- Others	12	18
	199	1,031
Less: Provision for expenses	88	791
	111	240
Others		
Unsecured considered good:		
- Prepaid Expenses	3,170	2,601
- Amount recoverable from Govt departments #	1,304	1,217
- Advance to Others	37	1,712
	4,511	5,530
Considered doubtful		
- Amount Recoverable from Government Department	1,273	1,273
	5,784	6,803
Less : Provision	1,273	1,273
	4,511	5,530
Advance Tax Deposit and Tax deducted at Source	1,42,389	1,02,672
Less: Provision for Tax	1,31,073	94,683
	11,316	7,989
Others - Unsecured considered doubtful		
Advance to Ex-employees	7	7
Less : Provision for doubtful advances	7	7
	-	-
Interest Accrued on Staff Advances:		
-Secured considered good	19	30
-Unsecured considered good	10	5
	29	35
<b>Total</b>	<b>26,552</b>	<b>28,760</b>

Includes due from other officers (General Manager and above).

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# Includes an amount of ₹1144 lakh (P.Y.: ₹1144 lakh) paid to Govt of Himachal Pradesh (GoHP) during F.Y. 2014-15 towards lease rent for diverted forest land of RHPS which has been protested by the company and included in amount recoverable from Government Departments. As per letter no F.NO II-79/2005-FC dated 01.06.2006 and F.NO II-306/2014-FC dated 08.08.2014 of Ministry of Environment and Forest (FC Division) GOI, no fresh conditions can be imposed by the States without the prior approval of the Central Government subsequent to the approval granted by the Central Government under the Forest (Conservation) Act 1980. As no fresh condition imposed by the Central Government to charge the lease amount and execute the lease deed, the amount has been shown as Recoverable.



## 2.22 Other Current Assets

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Amount recoverable from Contractors, Suppliers Others	1,589	1,578
Interest Accrued but not due on deposits with Banks	12,025	8,990
Unbilled Revenue	300	126
Surplus Stores/Equipments	1,462	1,438
Less: Provision for Shortage/Obsolescence	1,154	1,131
	<u>308</u>	<u>307</u>
<b>Total</b>	<b>14,222</b>	<b>11,001</b>

## 2.23 Other Current Assets-Regulatory Assets

(₹ Lakh)

Particulars	As at 1st April, 2015	Addition	Recoverable/Adjusted during the year	As at 31st March, 2016
Foreign Exchange Rate Variation	27	794	27	794
<b>Total</b>	<b>27</b>	<b>794</b>	<b>27</b>	<b>794</b>
<b>Previous Year</b>	<b>174</b>	<b>27</b>	<b>174</b>	<b>27</b>

## 2.24 Revenue from Operations

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Sales		
Energy Sales	2,50,940	2,82,542
Less:		
Regulated Power Adjustment- Margin	4,423	3,066
Regulated Power Adjustment- Expenses	730	297
	<u>2,45,787</u>	<u>2,79,179</u>
UI Charges	2,939	2,132
RLDC Charges	207	206
Exchange Rate Variation recoverable from beneficiaries	440	180
Revenue from Sales	<b>2,49,373</b>	<b>2,81,697</b>
Prior Period Sales	208	-
<b>Total Revenue from Sales</b>	<b>2,49,581</b>	<b>2,81,697</b>
Other operating revenues:		
Consultancy Income	268	56
<b>Total Revenue from Operations</b>	<b>2,49,849</b>	<b>2,81,753</b>

The Central Electricity Regulatory Commission (CERC) vide notification dated 21.02.2014 has notified the Tariff Regulations, 2014 containing inter-alia the terms & conditions for determination of tariff, applicable for a period of five years with effect from 01.04.2014. Pending approval of tariff by CERC in respect of Nathpa Jhakri Hydro Power Station (NJHPS), sales/billing to the beneficiaries have been made in accordance with the tariff approved & applicable as on 31.03.2014 as provided in Tariff Regulations, 2014.

Further, for the purpose of recognition of sales, return on equity (one of the component of the Tariff) has been grossed up using the Minimum Alternate Tax (MAT) rate for the F.Y. 2015-16.

During the year, the Company has regulated the power of BRPL, BYPL and J&K (P.Y. BYPL) after these companies failed to pay outstanding dues and sold the power allocated to these companies through PTC as per CERC (Regulations of Power Supply) Regulations, 2010. Accordingly 348.334 MUs (P.Y. 156.278 MUs) of power was sold through PTC amounting to ₹9764 lakh (P.Y. ₹5550 lakh) and included in Energy Sales. An amount of ₹4423 lakh (P.Y. ₹3066 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹730 lakh (P.Y. ₹297 lakh) on Sale through PTC.

Sales includes an amount of ₹59988 lakh (P.Y. ₹39232 lakh) from sales of energy generated from RHPS on the basis of provisional tariff approved for the period by CERC.

Sales include an amount of ₹3262 lakh (P.Y. ₹2348 lakh) from sale of energy generated from wind power project.



## 2.25 Other Income

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest From:		
Banks	30,773	23,083
Employees	388	344
Contractors	5	15
Beneficiaries	7,110	17,821
	38,276	41,263
Interest on Income Tax Refund	-	651
Surcharge on late payment from customers	1,455	486
Receipt of Maintenance of ICF	294	229
Sale of Scrap	17	28
Miscellaneous Income #	743	995
Foreign Currency Fluctuation Adjustment (Credit)	187	187
<b>Total</b>	<b>40,972</b>	<b>43,839</b>
<b># Details of Miscellaneous Income:</b>		
Hire Rental Charges from Contractor	5	10
Rent Recovery from Staff/Others	71	76
Excess Provision Written Back	65	57
Liquidated Damages recovered	124	119
Claims Received from Insurance Company	380	675
Other Misc. Receipts	98	58
<b>Total</b>	<b>743</b>	<b>995</b>

## 2.26 Employee Benefits Expense

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages, Allowances and Benefits	18,057	16,428
Contribution to Provident and Other Funds	1,086	905
Leave Salary and Pension Contribution	643	643
Welfare Expenses	1,854	1,981
<b>Total</b>	<b>21,640</b>	<b>19,957</b>

Disclosure required by AS 15 in respect of provisions made towards various employees benefits is made in Note 2.39.

## 2.27 Finance Costs

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Interest Expenses on:</b>		
Foreign Currency Loans	1,435	382
Rupee Term Loans	3,633	2,468
	5,068	2,850
<b>Other Borrowing Costs</b>		
Finance Charges	2,664	2,140
Exchange differences regarded as adjustment to interest cost	13,163	518
	15,827	2,658
<b>Total</b>	<b>20,895</b>	<b>5,508</b>

## 2.28 Depreciation and Amortization Expense

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Depreciation for the year	67,898	64,191
<b>Less :</b>		
Transfer to Expenditure During Construction (Note.2.11.1)	78	91
Depreciation Written back	104	-
<b>Depreciation charged to Statement of Profit and Loss</b>	<b>67,716</b>	<b>64,100</b>



## 2.29 Other Expenses

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Repair and Maintenance:</b>		
Buildings	817	647
Roads	984	240
Plant & Machinery	619	252
Office Equipments & Furnitures	27	29
Civil Works	867	614
Electro Mechanical Works	2,339	2,073
Vehicles	96	95
Others	207	163
	<b>5,956</b>	<b>4,113</b>
Rent	840	661
Rates & Taxes	9	2
Insurance	4,420	4,012
Security Expenses	2,004	1,571
Electricity Charges	976	1,316
Less: Recovered from Employees & Contractors	52	60
	<b>924</b>	<b>1,256</b>
Research and Development	276	192
Travelling & Conveyance	407	381
Training and Recruitment Expenses	232	338
Less: Cost of Application Forms Received	-	1
	<b>232</b>	<b>337</b>
Legal Expenses	172	59
Professional and Consultancy Charges	255	155
Communication Expenses	193	168
Printing & Stationery	116	101
Less: Receipts from Sale of Tenders	21	15
	<b>95</b>	<b>86</b>
Payment to Auditors	27	19
Advertisement & Publicity	162	85
EDP Expenses	106	80
Hiring of Vehicles	721	702
Entertainment Expenses	38	28
Expenses on Transit Camps	311	264
Books & Periodicals	13	5
C.S.R./ Sustainable Development Expenses	3,047	2,579
Stores Written Off	25	-
Loss on Disposal/Write off of Fixed Assets	13	4
Provision for Shortage/Damage to Fixed Assets	74	-
Directors Sitting Fees	3	9
Business Promotion Expenses	74	40
Fees and subscription	388	406
Environment & Ecology Expenses	77	90
Safety Expenses	382	240
Miscellaneous Expenses	165	92
Exchange Rate Variation	215	(360)
Interest on Arbitration Awards	948	948
Wealth Tax	-	1
Rebate to Customers	245	182
Expenses on Regulated Power	730	297
Less: Regulated Power Adjustment - Sales	(730)	(297)
	<b>-</b>	<b>-</b>
Prior Period Expenses	2	6
<b>Total</b>	<b>22,819</b>	<b>18,413</b>
Stores Consumption Included in Repairs and Maintenance	1,182	1,302



### 2.30 Exceptional Items

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Expenses:</b>		
Write off of expenses on Survey & Investigation Projects	-	13,228
<b>Total</b>	<b>-</b>	<b>13,228</b>

### 2.31 Rate Regulated Income

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Regulatory Asset on account of Exchange Rate Variation during the year	12,761	339
<b>Total</b>	<b>12,761</b>	<b>339</b>

### 2.32 Earnings per Share (EPS) - Basic and Diluted:

	Year ended 31.03.2016	Year ended 31.03.2015
Net Profit after Tax used as numerator (₹lakh)	140848	167675
Weighted Average number of equity shares used as denominator	4,136,626,500	4,136,626,500
Earnings Per Share - Basic & Diluted (₹)	3.40	4.05
Face value per share (₹)	10	10

### 2.33 Contingent Liabilities:

a. Claims against the Company not acknowledged as debt: (₹ Lakh)

Particulars	As at 31.03.2016	As at 31.03.2015
Capital Works *	30186	32008
Land Compensation	6193	6193
Disputed Service Tax Demand	1236	1236
Others	165	165
<b>Total</b>	<b>37780</b>	<b>39602</b>

\* Includes ₹19148 lakh (Previous Year: ₹18984 lakh) representing the amount of basic claims by the contractors of NJHPS. As the amounts recommended by the Dispute Review Boards (DRBs)/Additional Dispute Review Boards (ADRBs) are much less than the amounts claimed by the contractors, the claims on account of further interest and escalation, if any, have not been considered.

- b. The above contingent liabilities do not include claims against pending cases in respect of service matters and others where the amount cannot be quantified.
- c. It is not practicable to work out the outflow and possibilities of any reimbursement.

### 2.34 1. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 10957 lakh (Previous Year: ₹ 20651 lakh).

### 2. Other Commitments:

The amount of commitments on account of plant repair and supply of related spares/ components (net of advances) and other commitments not provided for is ₹2230 lakh (Previous Year: ₹2188 Lakh).

- 2.35 The Institute of Chartered Accountants of India (ICAI) has issued a 'Guidance Note on Accounting for Rate Regulated Activities' which is applicable w.e.f. 1st April, 2015 to entities that provide goods or services whose prices are subject to cost of service regulations and the Tariff determined by the regulator is binding on the customers (beneficiaries). Since, the company is primarily engaged in the business of generation and sale of power which is subject to cost of service regulation as it meets the criteria set out in the guidance note; hence it is applicable to the company. Accordingly, new accounting policy no. 1.6 on rate regulated activities is introduced during the year. Consequently, exchange differences arising from settlement/translation of monetary items denominated in foreign currency, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations, which were hitherto accounted as deferred foreign currency asset/liability in line with an opinion of the Expert Advisory Committee of the ICAI, are accounted as 'Regulatory asset/liability' and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries through regulatory income/expense.

- 2.36 Balances of trade receivables, advances, deposits, trade payables are reconciled periodically. However, as on 31.03.2016 out of ₹137411 lakh trade receivables, deposits, material lying with third parties etc., an amount of ₹122300 lakh has been confirmed and balance amount of ₹15111 lakh are subject to confirmation and consequential adjustment. Further trade payables amounting to ₹1721 lakh which includes provisions/estimated liabilities are yet to be



confirmed, which in the opinion of the management will not have a material impact.

**2.37** In the opinion of the management, the value of all the assets other than Fixed Assets and Non-current Investments, have a realizable value in the ordinary course of business which is not less than the value at which these are stated in the Balance Sheet.

**2.38** The effect of foreign exchange fluctuation during the year:

		(₹ Lakh)	
		Year ended 31.03.2016	Year ended 31.03.2015
(i)	Amount charged to Statement of Profit and Loss excluding depreciation. - As FERV - As Borrowing cost	215 13163	(360) 518
(ii)	Amount charged to Expenditure During Construction - As FERV - As Borrowing cost	- -	- -
(iii)	Amount adjusted by addition to carrying amount of fixed assets	-	8842

**2.39 Disclosure under the provisions of Accounting Standard (AS)-15 'Employee Benefits':-**

General description of various defined employee benefits are as under:

**a) Defined Contribution plans:**

**(i) Employers contribution to Provident Fund:**

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. The contribution of ₹ 1086 lakh (Previous Year: ₹ 905 lakh) and ₹ 182 lakh (Previous Year: ₹ 298 lakh) is recognized as expense and charged to the Statement of Profit and Loss and Expenditure During Construction (EDC) respectively. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI.

**(ii) Pension:**

The company has Defined Contribution Pension Scheme as approved by Ministry of Power (MOP). The liability for the same is recognized on accrual basis. The scheme is funded by company and managed by separate trust created for this purpose.

**b) Defined benefit plans:**

**(i) Gratuity:**

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation.

**(ii) Leave Encashment:**

The Company has a defined benefit leave encashment plan for its Employees. Under this plan they are entitled to encashment of earned leaves and medical leaves subject to limits and other conditions specified for the same. The liability towards leave encashment has been provided on the basis of actuarial valuation.

**(iii) Retired Employee Health Scheme:**

The Company has a Retired Employee Health Scheme, under which retired employee, spouse and eligible parents of retired employee are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. The liability towards the same has been provided on the basis of actuarial valuation.

**(iv) Baggage Allowance:**

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Company. The liability towards the same has been provided on the basis of actuarial valuation.

**(v) Service Reward on Retirement:**

Gift at the time of retirement is given to the employee as per the rules of the Company. The liability towards the same has been provided on the basis of actuarial valuation.

**1. Key Actuarial assumptions for Actuarial Valuation:**

Particulars	As at 31.03.2016	As at 31.03.2015
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate	8.00%	8.00%
Future Salary Increase	6.00%	6.00%

**2. Change in Present Value of Obligations (PVO):**

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
PVO at Beginning of Year	CY	4365	4590	3547	185
	PY	3795	4329	2540	152
Acquisition Adjustment	CY	24	-	-	-
	PY	-	-	-	-
Interest Cost	CY	349	367	284	14
	PY	323	368	216	13
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Current Service Cost	CY	412	567	264	18
	PY	391	534	228	18
Benefit paid	CY	(202)	(707)	(112)	(54)
	PY	(129)	(335)	(89)	(19)
Actuarial (Gain)/Loss	CY	(213)	337	111	33
	PY	(15)	(306)	652	21
PVO at end of year	CY	4735	5154	4094	196
	PY	4365	4590	3547	185





**3. Amount Recognized in Balance Sheet:**

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
PVO at end of year	CY	4735	5154	4094	196
	PY	4365	4590	3547	185
Fair Value of Plan Assets at the end of year	CY	4536	-	-	-
	PY	3994	-	-	-
Funded Status	CY	(199)	(5154)	(4094)	(196)
	PY	(371)	(4590)	(3547)	(185)
Excess of actual over estimated	CY	(31)	-	-	-
	PY	(17)	-	-	-
Unrecognized actuarial gain/loss	CY	-	-	-	-
	PY	-	-	-	-
Net (Liability)/Asset recognized in Balance Sheet	CY	(199)	(5154)	(4094)	(196)
	PY	(371)	(4590)	(3547)	(185)

**4. Amount recognized in the Statement of Profit and Loss / EDC Account:**

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
Current Service Cost	CY	412	567	264	18
	PY	391	534	228	18
Interest Cost	CY	349	367	284	15
	PY	323	368	216	13
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Expected return on Plan Assets	CY	(381)	-	-	-
	PY	(332)	-	-	-
Net Actuarial(gain)/loss recognized for the year	CY	(181)	337	111	33
	PY	2	(306)	652	21
Expense recognized in Profit & Loss/EDC for the year	CY	199	1271	659	66
	PY	384	596	1096	52

**5. The Effect of one percent point increase/decrease in the medical cost of PRMF will be as under:**

(₹ Lakh)

Particulars	Increase by	Decrease by
Service & interest Cost	131	(97)
Present Value of obligation	865	(654)

**2.40 Disclosure as per Accounting Standard-16 on Borrowing Costs:**

Borrowing Costs capitalized during the year are ₹ NIL (P.Y.: ₹ 1149 lakh).

**2.41 Segment reporting:**

As the company is primarily engaged in only one segment viz. 'Generation and sale of power', there are no reportable segments as per Accounting Standard - 17.

**2.42 Related Party Disclosures:**

'Related party disclosures' as required by Accounting Standard (AS) - 18 is given as under:-

a) List of Related Parties -

i) **Directors & Key Management Personnel:**

Shri Ramesh Narain Misra	Chairman and Managing Director (CMD)
Shri Amarjit Singh Bindra	Director (Finance)
Shri Nand Lal Sharma	Director (Personnel)
Shri Rakesh Kumar Bansal	Director (Electrical)
Shri Kanwar Singh	Director (Civil) from 17.11.2015 onwards
Shri Soumendra Das	Company Secretary

**ii) Subsidiaries: Wholly Owned**

- 1) SJVN Arun-3 Power Development Company Pvt. Ltd (Incorporated in Nepal)
- 2) SJVN Thermal Pvt. Ltd (Incorporated in India)

**iii) Joint Ventures:**

- 1) Cross Border Power Transmission Company Ltd.
- 2) Kholongchhu Hydro Energy Limited (Incorporated in Bhutan on June 12, 2015)
- 3) Bengal Birbhum Coalfields Limited (Incorporated in India on 29th September, 2015)

Transactions with the related parties at 2.42 (a)(ii & iii) are as follows.

(₹ Lakh)

Particulars	Subsidiary Companies		Joint Venture Companies	
	Current Year	Previous Year	Current Year	Previous Year
<b>A. Transactions During the Year</b>				
<b>1. Investment in Share Capital</b>				
a) SJVN Arun-3 Power Development Company Pvt. Ltd.	-	300	-	-
b) SJVN Thermal Pvt. Ltd.	43667	-	-	-
c) Cross Border Power Transmission Company Ltd.	-	-	538	-
d) Bengal Birbhum Coalfields Limited	-	-	1	-
<b>2. Share Application Money.</b>				
a) Cross Border Power Transmission Company Ltd.	-	-	-	343
b) Kholongchhu Hydro Energy Limited	-	-	2046	-
<b>3. Consultancy Fee Received</b>				
a) Cross Border Power Transmission Company Ltd.	-	-	33	33
<b>B. Outstanding Balances at the year end.</b>				
<b>1. Amount Recoverable</b>				
a) SJVN Arun-3 Power Development Company Pvt. Ltd.	8353	7485	-	-
b) SJVN Thermal Pvt. Ltd.	956	6327	-	-
c) Cross Border Power Transmission Company Ltd.	-	-	29	22
d) Kholongchhu Hydro Energy Ltd.	-	-	51	-

Remuneration to Directors & Key Managerial personnel is ₹ 269 lakh (Previous Year: ₹ 305 lakh), and amount of dues outstanding to the company as on 31.03.2016 is ₹ 23 lakh (Previous Year: ₹ 28 lakh).

**2.43 Remuneration to Directors & Key Managerial Personnel (excluding Group Insurance Premium)**

(₹ Lakh)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
i) Salaries and allowances	223	257
ii) Contribution to provident fund and family pension fund.	22	22
iii) Gratuity	6	5
iv) Other benefits	15	10
v) Directors' Sitting Fees	3	11



Whole time Directors are allowed the use of staff cars including for private journeys on payment in accordance with DPE guidelines.

**2.44** The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guest houses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable by mutual consent on mutually agreeable terms. The Schedule of Employee Benefits Expense include ₹697 lakh (Previous Year: ₹647 lakh) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices, guest houses & transit camps are shown as Rent under other expenses / Expenditure during Construction (EDC).

**2.45** Disclosure as per Accounting Standard -27 on 'Financial Reporting of Interests in Joint Ventures'

Name of Company	Proportion of Ownership Interest as on (Including share application money)	
	31.03.2016 (%)	31.03.2015 (%)
Cross Border Power Transmission Company Ltd.	26	26
Kholongchhu Hydro Energy Limited	50	-
Bengal Birbhum Coalfields Limited	7.7	-

The company's share of the assets and liabilities as on 31st March 2016 and income and expenses for the financial year ended 31.03.2016 in respect of joint venture entity based on Unaudited accounts is given below:

(₹ Lakh)

Particulars	As at 31.03.2016	As at 31.03.2015
<b>I. Assets</b>		
Non-current Assets	6819	3912
Current Assets	1173	133
<b>II. Liabilities</b>		
Non-current Liabilities	4000	2812
Current Liabilities	1521	659
<b>III. Contingent Liabilities</b>	1	1
<b>IV. Capital Commitments</b>	4116	1123
	<b>For the Year 31.03.2016</b>	<b>For the Year 31.03.2015</b>
<b>V. Income</b>	165	2
<b>VI. Expenses</b>	750	1

**2.46** Impairment of Assets - Accounting Standard - 28

In the opinion of the management, there is no indication of any significant impairment of assets during the year.

**2.47** Quantitative details in respect of energy generated & sold: (As certified by the management)

**a) Hydro Power:-**

Sr. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1912	1912
iii)	Actual Generation (Million Units)	9297.18	8095.65

**b) Wind Power:-**

Sr. No.	Particulars	Year ended 31.03.2016	Year ended 31.03.2015
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	47.60	47.60
iii)	Actual Generation (Million Units)	48.95	40.49

**2.48 Other disclosures as per Schedule III of the Companies Act, 2013:**

(₹ Lakh)

(A)	Expenditure in foreign currency	Year ended 31.03.2016	Year ended 31.03.2015
i)	Consultancy	5	-
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	-	2
iv)	Interest on World Bank Loan.	1435	380
v)	Dividend Paid	-	-
vi)	Other Miscellaneous Matters	219	3
(B)	Earnings in foreign currency	-	-
(C)	Value of Import calculated on CIF basis		
i)	Capital Goods	288	-
ii)	Spare Parts	-	-
(D)	Value of components, stores and spare parts consumed		
i)	Imported	-	125 (9.60%)
ii)	Indigenous	1182 (100%)	1177 (90.40%)

**2.49 Payment to Auditors includes:**

(₹ Lakh)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
As Auditors		
- Statutory Audit	10	8
- Tax Audit	3	2
- Limited Review	8	6
For other services (Certificates etc.)	1	2
Reimbursement of Expenses	2	2
Reimbursement of Service Tax	3	2
<b>Total</b>	<b>27*</b>	<b>22</b>

\*Includes ₹ 4 lakh (Previous Year: ₹ nil) for earlier years.

**2.50 Foreign currency exposure not hedged by a derivative instrument or otherwise:**

(₹ Lakh)

Particulars	Currency	As at 31.03.2016	As at 31.03.2015
Borrowings, including Interest Accrued but not due thereon.	USD	230827	230037



**2.51** During the year, following significant accounting policies have been reworded/modified/introduced/deleted to have a better disclosure and compliance of Companies Act 2013. The change in policy along with financial impact is as below.

Policy No.	Policy for 2014-15	Revised Policy for 2015-16	Financial Impact	Reason for change / introduction of policy
1.2 (c)	Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress / Fixed Assets	Capital expenditure incurred on Assets not owned by the company is charged to Statement of Profit & Loss in the year of incurrence of such expenditure.	Nil	Policy is changed in line with the opinion given by the Expert Advisory Committee of ICAI.
1.5 (g)	Capital Expenditure referred to in Policy No. 1.2 (c) is fully depreciated and charged to Profit & Loss A/c in the year in which such Asset is capitalized and ready for use.	Deleted	Nil	
1.5 (a)	Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time, except as referred in Policy No. 1.5(g) and in case of computers & peripherals, and mobile phones which are depreciated @ 25% p.a.	Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time except in case of: (i) Mobile phones which are depreciated @ 25% p.a. (ii) Computers & peripherals which are to be depreciated fully (100%) in three years.	Profit is reduced by ₹147 lakh & Expenditure During Construction (EDC) is increased by ₹10 lakh and Net Block is reduced by ₹157 lakh.	Change is made in view of Schedule II of the Companies Act, 2013 and also due to change in CERC regulations.
1.5 (e)	Expenditure on software is recognized as 'Intangible Asset' and amortized fully over four years on straight line method or over a period of its legal rights to use, whichever is less.	Expenditure on software is recognized as 'Intangible Asset' and amortized fully over three years on straight line method or over a period of its legal rights to use, whichever is less.	Profit is reduced by ₹ 17 lakh & Expenditure During Construction (EDC) is increased by ₹1 lakh and Net Block is reduced by ₹18 lakh	Change in view of modification in policy no 1.5 (a).
1.6		Where an item of expenditure or income (including Exchange difference arising from settlement/ transaction denominated in foreign currency) is charged/credited to statement of profit & loss i.e. not allowed to be adjusted as part of cost of relevant fixed asset in accordance with the Accounting Standards, but permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be adjusted in future tariff, such amount is accounted as Regulatory Asset/ Regulatory liability and corresponding Regulatory income/ expenses, as per the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI).	Nil	Introduction of new policy in view of guidance note on accounting for rate regulated activities issued by the ICAI applicable w.e.f. 01.04.2015.



**2.52** As per the Companies Act, 2013, the company is required to spend at least two per cent of the average net profits of the company made during the three immediately preceding financial years, in pursuance of its Corporate Social Responsibility Policy. During the year an amount of ₹3047 lakh [2% of Average Profit Before Tax of immediately previous three years (P.Y: ₹2579 lakh, 2% of Average Profit Before Tax of immediately previous three years)] to be spent on CSR during the year and the same has been booked to CSR expenses as per Accounting Policy 1.14(d). The Company has paid an amount of ₹3047 lakh (P.Y: ₹2579 lakh) to the CSR trust formed to manage the CSR activities.

Break-up of CSR expenditures incurred as intimated by CSR Trust under various heads during the year 2015-16 is as below:

(₹ Lakh)

S.N.	Activities	Amount
1	Health and hygiene	341
2	Education and Skill Development	322
3	Infrastructural Development and Community Development	327
4	Preservation and promotion of culture, Melas, Sports etc.	18
5	Sustainable Development	1666
6	Assistance to the victims of natural disasters/ calamities	25
7	Miscellaneous CSR activities & Administrative Exp.	189
	<b>Total</b>	<b>2888</b>

**2.53** Information in respect of micro and small enterprises as at 31st March 2016 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a) Amount remaining unpaid to any supplier:		
Principal amount	84	119
Interest due thereon	-	-
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23 of MSMED Act.	-	-

For and on behalf of the Board of Directors

**(Soumendra Das)**  
Company Secretary  
FCS-4833

**(Amarjit Singh Bindra)**  
Director(Finance) cum CFO  
DIN:03358160

**(Ramesh Narain Misra)**  
Chairman & Managing Director  
DIN:03109225

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.

**For Soni Gulati & Co.**  
Chartered Accountants

**(Suresh Chand Soni)**  
Partner  
M.No.083106

**Place: Shimla**  
**Date: 27th May, 2016**



## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures**

### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakh)

1	Sl. No.	1	2
2	Name of the subsidiary	SJVN Thermal Private Ltd.	SJVN Arun-3 Power Development Company Pvt. Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 1st April 2015 to 31st March, 2016	From 15th July 2015 to 14th July, 2016
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A. (Indian Company)	NPR (Incorporated in Nepal). Exchange Rate Fixed ₹1=1.6 NPR
5	Share capital	43668	300
6	Reserves & surplus	(2)	(27)
7	Total Assets	44808	8845
8	Total Liabilities	1142	8572
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	-	(25)
12	Provision for taxation	-	-
13	Profit after taxation	-	(25)
14	Proposed Dividend	-	-
15	% of shareholding	100	100

1. **SJVN Thermal Private Ltd. & SJVN Arun-3 Power Development Company Private Ltd.** is yet to commence business.
2. Names of associates or joint ventures which have been liquidated or sold during the year. - NIL
3. Above Figures of SJVN Arun-3 Power Development Company Private Ltd. is as per Unaudited Balance Sheet of 31.03.2016.

### Part "B": Associates and Joint Ventures

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

(₹ Lakh)

Name of Associates/Joint Ventures	Cross Border Power Transmission Company Limited	Kholongchhu Hydro Energy Limited	Bengal Birbhum Coalfields Limited
<b>1. Latest audited Balance Sheet Date</b>	Audited up to 31.03.2015 (Unaudited as on 31.03.2016)	Unaudited As on 31.03.2016 (Company formed on 12th June 2015)	Unaudited As on 31.03.2016 (Company formed on 29th Sept. 2015)
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>	26%	50%	7.7%
No. of shares	103,22,000 shares of ₹ 10 each	Share Application money paid for 20,45,750 Shares of ₹ 100 each	7,707 shares of ₹ 10 each
Amount of Investment in Associates/Joint Venture	1,032	2,046	1
Extent of Holding %	26%	50%	7.7%
<b>3. Description of how there is significant influence</b>	-	-	-
<b>4. Reason why the associate/joint venture is not consolidated</b>	Consolidated	Consolidated	Consolidated
<b>5. Net Worth attributable to Shareholding as per latest Unaudited Balance Sheet</b>	1,078	1,402	(9)
<b>6. Profit / (Loss) for the year (After Tax)</b>	210	(1,274)	(119)
i. Considered in Consolidation	54	(643)	(10)
ii. Not Considered in Consolidation	-	-	-

1. **Kholongchhu Hydro Energy Limited & Bengal Birbhum Coalfields Limited** is yet to commence business.
2. Names of associates or joint ventures which have been liquidated or sold during the year. - NIL



# Indian Subsidiary Company

## SJVN Thermal Private Limited

(A wholly owned subsidiary of SJVN Limited)

### DIRECTORS REPORT, 2016

#### DEAR MEMBERS,

Your Directors are pleased to present the 9th Annual Report of the Company for the year ended March 31, 2016 along with the Audited Statement of Accounts, Report of Auditors and Comments of the Comptroller and Auditor General of India.

#### FINANCIAL HIGHLIGHTS

##### A. PERFORMANCE

(₹ Lakh)

Particulars	For the year ended 31st March, 2016	For the year ended 31st March, 2015
<b>Total Revenue</b>	<b>15.21</b>	-
Total Expenses	15.57	0.86
<b>Profit before Tax</b>	<b>(0.36)</b>	<b>(0.86)</b>
Tax Expenses	-	-
<b>Profit for the Year</b>	<b>(0.36)</b>	<b>(0.86)</b>

##### B. POSITION

(₹ Lakh)

Particulars	As at 31st March 2016		As at 31st March 2015	
<b>NON CURRENT ASSETS:</b>				
<b>A. Fixed Assets</b>		<b>36172.20</b>		<b>92.96</b>
<b>B. Capital Work-in-Progress</b>				
i) Preliminary	4733.22	<b>7843.97</b>	4230.19	<b>6073.49</b>
ii) IEDC	3110.75		1843.30	
<b>C. Capital Advances</b>		<b>Nil</b>		<b>337.73</b>
<b>CURRENT ASSETS:</b>				
Cash and Cash Equivalents	414.70	<b>791.54</b>	2.52	<b>2.52</b>
Short term Loans and Advances	374.41		Nil	
Other Current Assets	2.43		Nil	
<b>Total</b>		<b>44807.71</b>		<b>6506.70</b>

#### PROJECT REVIEW

##### MOU:

MoU for extension of five years was signed between SJVN, Bihar State Power Holding Company Ltd. (BSPHCL) and Bihar Power Infrastructure Company (BPIC) on 20.11.15.

##### STATUTORY CLEARANCE:

**Environment:** The Terms of Reference (TOR) had been approved by MOEF, Govt. of India. Public hearing had already been conducted by Bihar Pollution Control Board. EIA & EMP report of the project and Minutes of Public Hearing was submitted with the Ministry of Environment and Forest on 12th March 2013. One more season base line data of project site have been collected and incorporated in EIA/EMP report. District Magistrate, Buxar informed that no major industry has been established near the project area after conducting EIA study of BTTP.

**Civil aviation clearance for Chimney:** NOC from Airport Authority of India obtained on 10.07.2009 for the chimney height of 275 m above the ground level for seven years. The same is being expired on 09.07.2016. Application for renewal/fresh NOC has been submitted on 09.06.2016 to Airport Authority of India.

**Water availability:** Allocation for utilization of 55 cusec has been obtained from Water Resource Department, Govt. of Bihar and CWC, Govt. of India. Draft MOU had been obtained from Water Resource Dept., Govt. of Bihar. The same has been finalized.

##### LAND ACQUISITION

1064.69 Acres of land (Private land -1048.69 Acres & Govt. land-16 Acres) for the development of the project has been identified.

**Govt. land-** The approval of Bihar Govt. for 16 Acres of Govt. land has been obtained.

**Private land-** Payment amounting to ₹360.6 Crore towards land compensation has been released on 25.11.2015 to Bihar State Power Generation Company Ltd. (BSPGCL). 90% amount has been disbursed to land owners and boundary pillars have been erected.

##### COAL BLOCK

Ministry of coal, Govt. of India vide notification dated-03.07.2013 has allocated Deocha Pachami coal block (2102 MT) located in Birbhum district of West Bengal to SJVN for Buxar Thermal Power Plant along with Six State Power Utilities. In this regard, Ministry of Coal has issued a letter to all allocatee company for allocation of



Deocha-Pachami coal block vide letter no. 13016/26/2004-CA-I (PT.) dated 6th September, 2013.

MoU with all these states has been signed on 07.01.2015 for formation of a JV company. Registrar of Companies, Ministry of Corporate Affairs, Govt. of India, Kolkata has approved the name of JV Company as Bengal Birbhum Coal fields limited. Certificate of incorporation of JV company issued by Registrar of Companies, Kolkata on 29.09.2015.

**Coal Linkage:** SJVN has taken up the matter with Ministry of Coal & Power for grant of tapering linkage on lease for a period of 3-4 years so as to match the coal production from Deocha Pachmi coal block.

**Tie-up for Imported Coal:** MoU for the supply of imported coal for initial years of operation of the plant has been signed with MMTCL Ltd. on 24.02.2016.

#### UPDATION OF DPR

The award for updation of DPR along with carrying out site specific studies has been placed on M/s NTPC Limited. Topographical data of the project area was submitted to NTPC on 11.03.2016. Accordingly updation of DPR is in progress.

#### Status of Site Specific Studies:

- 1. Seismic Study:** The work was awarded to IIT Roorkee on 10.12.2014. Preliminary report has been submitted by IIT Roorkee on 05.07.2015.
- 2. Geotechnical Survey:** LOA was issued to M/s Soil Engineering Consultant, New Delhi on 28.07.2015 and the work is under progress.
- 3. Water Drawl study:** The work of carrying out water drawl studies of BTTP was awarded to M/s WAPCOS on 13.05.2015. WAPCOS has submitted final report on 31.03.2016.
- 4. Area Drainage study:** The work was awarded to IIT Roorkee on 17.06.2015. Site contour plan has been submitted to IIT Roorkee for finalization of study.
- 5. Socio Impact Assessment study:** LOA was issued to Indian Institute of Social Welfare and Business Management, Kolkata on 05.06.2015. Report has been finalized on 31.03.2016.

All the above work are planned to be completed by 30.06.2016. Further, updation of DPR is also likely to be completed by the end of July 2016.

As per March, 2014 price level, the updated cost of project is ₹959172 Lakh.

#### TOPOGRAPHICAL SURVEY

Topographical survey of Project land has been completed.

#### BARBED WIRE FENCING OF PROJECT AREA

The work of barbed wire fencing has been awarded. Erection of vertical posts along the boundary and chain link fencing of the project land is in progress.

#### RAILWAY SIDING AND INFRASTRUCTURE

**Feasibility Study Report (FSR):** The work of preparation of FSR has been completed and in-principle approval has been accorded by East Central Railway on 29.09.2015.

**Detailed Project Report (DPR) & Detailed Engineering (DE):** MoU has been signed with M/s RITES Ltd. for work of preparation of DPR for provision of rail infrastructure of BTTP on 23.02.2016.

The LOA for "Consultancy services for Preparation of Detailed Project Report (DPR) and Detailed Engineering for setting up of Rail Infrastructure of Buxar Thermal Power Project (2x660MW) at Chausa, Buxar of STPL (SJVN Thermal Pvt. Ltd.)" has been issued to M/s RITES Ltd. on 16.03.2016.

Survey work at new alignment outside the plant area is in progress.

#### PIB APPROVAL

The investment approval of ₹436.68 crore for pre-construction activities has been accorded by Ministry of Power, GOI vide letter dated 26.05.2015.

#### CONSTRUCTION POWER

Supply of 5 MVA of construction power from Chausa sub-station to the project site through a 33 kV line has been firmed up with South Bihar Power Development Corporation Limited (SBPDCL). For construction of 33KV line from Chausa substation to project area payment of ₹3,23,00,215 was released by STPL in favour of SBPDCL on 31.12.2015 to execute work on deposit basis. Bids were invited by SBPDCL. Accordingly LOA for "Composite supply of material & equipments, erection, testing and commissioning of 33 KV line" was issued on 21.03.2016.

Route Survey of transmission line is in progress.

#### DIVIDEND

As the Company has not earned profit for the financial year under review, the Board of Directors have not recommended any dividend.

#### DEPOSITS

During the year the company, has not accepted any fixed deposit within the meaning of Section 73 of Companies Act, 2013 and the rules made there under.

#### LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans guarantees or investments u/s 186 of Companies Act, 2013 are nil

#### RELATED PARTY TRANSACTIONS

Company has not entered into any related party transactions during the Financial Year 2015-16 except the following:

(₹ Lakh)

Particulars	Holding Company	
	Current Year	Previous Year
Equity infusion from Holding Company in cash	43,667.00	Nil
Others #	(5,371.44)	1,588.01

# Net of amount received from and repaid to SJVN Limited. The fund are being received for day to day establishment expenditure, payment for survey and investigation expenses and other payments.

#### HOLDING COMPANY

SJVN Thermal Private Limited is a subsidiary of SJVN Limited w.e.f. 04th July 2013.

#### CSR ACTIVITIES

All the CSR activities are being done by Holding Company.

#### MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year under review is enclosed as **Annexure - I**.

**AUDITORS REPORT**

M/s B. Gupta & Co., Chartered Accountants, Patna, Bihar, was appointed by Comptroller and Auditor General of India (C&AG) as Statutory Auditors of the Company for Financial Year 2015-16. The Report of the Statutory Auditors to the Members on Accounts for the year ended 31.03.2016 is placed at "Annexure - II".

Statutory Auditor's Comment and Management reply thereof is placed at "Annexure III".

C&AG has decided not to conduct the supplementary audit of financial statements of the company for the year ended 31st March, 2016 under section 143 (6) of the Companies Act, 2013. Letter from C&AG of India on the Accounts for the year ended 31.03.2016 is placed at "Annexure - IV".

**SECRETARIAL AUDIT**

The Board appointed M/s Sachin Gupta and Co., Practicing Company Secretaries, to conduct Secretarial Audit for the Financial Year 2015-16. The Report of the Secretarial Auditor for the year ended 31.03.2016 is placed at Annexure - V.

**FORM No. MGT - 9**

Placed at "Annexure -VI"

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

Considering that the company has not started any commercial operations, the disclosures pertaining to conservation of energy, technology absorption and foreign exchange earnings & outgo as specified under section 134(3)(m) of the companies Act, 2013 are not applicable for the year under review.

**BOARD MEETINGS**

The Board Meetings are held normally at Shimla and New Delhi. During the financial Year 2015-16, 6 nos. of Board Meetings were held on 13th May 2015, 16th June 2015, 21st September 2015, 18th December 2015, 03rd February 2016 and 08th February 2016. The maximum interval between any two meetings during this period was 97 days.

The details of Board Meetings and attendance of the Directors for the year are as under:-

Sr. No.	Name of Director (Shri)	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (08th) held on 26-06-2015	Date of Appointment or Cessation of Director on the Board of Company
1	A. S. Bindra	06	06	Yes	Appointed w.e.f. 09-05-2013
2	N. L. Sharma	06	06	No	Appointed w.e.f. 09-05-2013
3	R. K. Bansal	06	06	Yes	Appointed w.e.f. 09-05-2013

**DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors would like to assure the Members that the financial statements for the year under review, conform in their entirety to the requirements of the Companies Act, 2013.

Further, as required under Section 134(5) of the Companies Act, 2013, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit or loss of the company for that period.
- The Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for providing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

**BOARD OF DIRECTORS**

As on 31st March 2016, the Board of your company comprised following Directors:-

Sr. No.	Name of the Directors	Designation
1	Shri A. S. Bindra	Chairman
2	Shri N. L. Sharma	Director
3	Shri R. K. Bansal	Director

**ACKNOWLEDGEMENTS**

The Board of Directors of the Company wish to place on record, their thanks and appreciation to Ministry of Power, Ministry of Coal, Govt. of Bihar/ BSEB, SJVN Limited, Auditors, Bankers, Contractors and Staff for their necessary support and contribution to the operations of the Company.

The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

For and on behalf of the Board of  
SJVN Thermal Private Limited

(Amarjit Singh Bindra)  
Director  
DIN:03358160

(Ramesh Narain Misra)  
Chairman  
DIN:03109225

Place: New Delhi  
Date: 28th June, 2016



**MANAGEMENT DISCUSSION AND ANALYSIS****Annexure - I****INDUSTRY OVERVIEW**

All India installed power generation capacity as on 31.03.2016 was 2,98,059.97 MW. To fulfil the objectives of National Electricity Policy, a capacity addition of 23,976.6 MW was achieved against the target of 16,894.1 MW from Thermal, Hydro and Nuclear sources during the FY 2015-16. Capacity addition of 88,537 MW is envisaged in 12th Plan which includes share of Thermal, Hydro and Nuclear of 72,340 MW, 10,897 MW and 5300 MW respectively. Besides this, 15,000 MW has been targeted from renewable energy like Wind, Solar etc. for development during 12th Plan period.

Above industry scenario signifies that there is an ample opportunity for consistent growth of the business in thermal, hydro and renewable energy sector in the times to come. Keeping this in view, your company has taken a big leap forward towards the development of 1320 MW super-critical thermal power project at Chausa near Buxar in Bihar for which the Deocha-Pachami coal block has also been allocated by Govt. of India.

**FINANCIAL DISCUSSION AND ANALYSIS**

A detailed financial discussion and analysis is furnished below on the Audited Financial Statements of the company for the fiscal 2016:

(Notes referred herein pertains to the respective Notes forming part of the Financial Statements)

**A. RESULTS OF OPERATIONS****i. INCOME & EXPENDITURE**

As the project(s) of the company are under construction, the Company did not generate any operating revenue during the year. However, interest amounting to ₹15.21 Lakhs (Previous Year Nil) has been earned on short term deposit with Banks and shown as other income. A portion of employee benefit expenses related to Key Managerial Personnel amounting to ₹14.44 Lakhs (Previous Year Nil) in accordance with note no. 2.34(b)(ii), Statutory Audit Fees & Out of Pocket expense and certain filing fees ₹1.13 Lakhs (Previous Year Nil) are charged to the Statement of Profit and Loss. All other expenses during the year are identified as Capital Work-in-Progress, to be allocated on major immovable assets on commissioning of the Project in line with Accounting Policy No. 1.4.1 (b). Company has suffered a loss of ₹0.36 Lakhs (Previous Year ₹0.86 Lakhs) during the year ended 31st March 2016

**B. FINANCIAL POSITION**

Assets and Liabilities in the Balance Sheet have been classified under head 'Current' and 'Non-Current' categories in accordance with Schedule III to the Companies Act, 2013.

The items of the Balance Sheet are as under:

**i. Net Worth**

Net Worth of the company at the end of Fiscal 2016 has increased to ₹43666.22 Lakh (Previous Year: ₹ -0.42 Lakh) mainly due to issue of equity shares amounting to ₹ 43667.00 Lakh to SJVN Limited.

**ii. Non-Current Liabilities**

(₹ Lakh)

Particulars	As of March 31,	
	2016	2015
Long Term Borrowings (Note 2.3)	Nil	Nil
Other Long Term Liabilities (Note 2.4)	Nil	Nil
Long Term Provisions (Note 2.5)	Nil	Nil

**iii. Current Liabilities**

(₹ Lakh)

Particulars	As of March 31,	
	2016	2015
Short Term Borrowings (Note 2.6)	Nil	Nil
Trade Payables (Note 2.7)	Nil	Nil
Other Current Liabilities (Note 2.8)	1012.55	6369.82
Short Term Provisions (Note 2.9)	128.94	137.30
<b>Total</b>	<b>1141.49</b>	<b>6507.12</b>

The Current Liabilities as at March 31, 2016 and March 31, 2015 were ₹1141.49 Lakh and 6507.12 Lakh respectively. This comprises Other Current Liabilities and Short Term Provisions. It has been decreased by 82.45% mainly on account of repayment of ₹7000 Lakh to holding company towards fund received. Further, this year ₹1628.56 Lakh has been received from Holding Company for the payment of expenses relating to preconstruction activities, establishment and to meet day to day requirement of the company.

**iv. Non Current Assets**

(₹ Lakh)

Particulars	As of March 31,	
	2016	2015
Tangible Assets (Note 2.10)	36170.85	92.96
Intangible Assets (Note 2.10)	1.35	Nil
Capital Work-in-Progress (Note 2.11)	7843.97	6073.49
Non-Current Investments (Note 2.12)	Nil	Nil
Deferred Tax Assets (Net) (Note 2.13)	Nil	Nil
Long Term Loans and Advances (Note 2.14)	Nil	337.73
Other Non-Current Assets (Note 2.15)	Nil	Nil
<b>Total</b>	<b>44016.17</b>	<b>6504.18</b>

Non-Current Assets as on March 31, 2016 comprise Tangible Assets, Capital Work-in-Progress and Long Term Loans & Advances and has increased by 576.74% to ₹ 44016.17 Lakh as compared to ₹ 6504.18 Lakh as at March 31, 2015. This has increased due to payment of ₹ 36061 Lakh for acquisition of 1056.85 acres of land, ₹ 308 Lakh to railways for approval of FSR, establishment expenditure and other preliminary expenses.



### Tangible Assets

Tangible Assets consist of Net Block of Fixed Assets after Depreciation. This includes Land- Freehold, Furniture, Fixture and Equipment, Vehicles, Electrical Equipment, Office Equipment and Data Processing Equipment. Net addition in Tangible Assets during the Current Fiscal is ₹36077.89 Lakh (previous year: ₹20.81 Lakh). The increase in net tangible assets is mainly due to payment of ₹ 36060.72 Lakh for acquisition of 1056.85 acres of land for construction of project in Chausa, Buxar district in Bihar and addition of furniture, fixture and office equipment.

### Capital Work-In-Progress

Capital Work-in-Progress during current Fiscal Year registered an increase of 29.15% to ₹ 7843.97 Lakh as compared to ₹ 6073.49 lakh in previous Fiscal Year mainly due to increase in preliminary expenditure amounting to ₹ 503.03 Lakh and Expenditure during Construction (EDC) of ₹ 1267.45 as detailed below.

#### (a) Expenditure During Construction (EDC)

(₹ Lakh)

Expenditure	Fiscal 2016	Fiscal 2015
Employee Benefits Expense (Note 2.11.1)	987.51	1051.75
Finance Costs (Note 2.11.1)	Nil	Nil
Depreciation (Note 2.11.1)	21.15	16.84
Other Expenses (Note 2.11.1)	258.79	267.68
<b>Total Expenditure</b>	<b>1267.45</b>	<b>1336.27</b>

#### (b) Employee Benefits Expense

The Employee Benefits Expense includes Salaries and Wages, Allowances, Incentives, contribution to Provident Fund and other Funds and Welfare Expenses. These expenses accounted for 77.91% of total expenditure in Fiscal 2016 as compared to 78.71% in Fiscal 2015.

#### (c) Depreciation and Amortisation Expenses

Depreciation cost has been increased to ₹ 21.15 Lakh during the Fiscal 2016 as compared to ₹ 16.84 Lakh during Fiscal 2015 because of addition of new assets.

#### (d) Other Expenses

Other Expenses comprise mainly of Rent of offices / TCs, Security, Travelling & Conveyance, Training, Expenses on Transit Camps, Hiring of Vehicles etc.

Other Expenses represents 20.42% of total expenditure during Fiscal 2016 in comparison to 20.03% during Fiscal 2015. In absolute terms the expenses were ₹ 258.79 Lakh in Fiscal 2016 as compared to ₹ 267.68 Lakh during the previous year.

### Long Term Loans and Advances

Long Term Loans and Advances for the current fiscal is Nil in comparison to ₹ 337.73 Lakh in previous fiscal. As the entire advance was falling due for settlement within one year same has been transferred to Short term loans & advances.

#### v. Current Assets

(₹ Lakh)

Particulars	As of March 31,	
	2016	2015
Inventories (Note 2.16)	Nil	Nil
Trade Receivables (Note 2.17)	Nil	Nil
Cash and Bank Balances (Note 2.18)	414.70	2.52
Short Term Loans and Advances (Note 2.19)	374.41	Nil
Other Current Assets (Note 2.20)	2.43	Nil
<b>Total</b>	<b>791.54</b>	<b>2.52</b>

Current Assets as on March 31, 2016 has increased by ₹ 789.02 Lakh mainly due to transfer of long term loans & advances ₹ 337.73 to short term advances and investment of unutilised fund in short term deposit with bank.

#### Cash and Bank Balances

Cash and Cash Equivalents include Balances in Current Accounts and short term deposit with banks. Increase of ₹ 412.18 Lakh in Cash and Cash Equivalents is due to investment of unutilised fund in short term deposit with bank.

#### Short Term Loans and Advances

Short term Advances as at the end of current fiscal 2016 is 374.41 Lakh (Previous year: Nil). This increase is due to transfer of long term loans & advances to short term loans & advances. The above advances comprises of payment of ₹323.51 Lakhs to SBPDCL for 33KV transmission line, ₹41.48 Lakh for site specific studies and balance ₹ 9.42 Lakhs for other short term loans & advances.

### C. INTERNAL CONTROL SYSTEMS

The company has adequate Internal Control System and the transactions / processes are guided by delegation of powers, documented policies, guidelines and manuals in compliance with relevant laws and regulations. The organisational structure is well defined in terms of the authority / responsibility involved at each particular hierarchy / level.

In order to ensure that all checks and balances are in place and internal control systems are in order, regular Internal Audit is conducted by an independent firm of Chartered Accountants. Significant Audit Observations and Action Taken Reports (ATRs) are considered by the Management and recommendations / directions are complied with accordingly.



## INDEPENDENT AUDITOR'S REPORT

### Annexure-II

**TO THE MEMBERS OF  
SJVN THERMAL PRIVATE LIMITED  
(Formerly Buxar Bijlee Company Private Limited)  
(A wholly owned subsidiary of SJVN Limited)**

#### Report on the Financial Statements

We have audited the accompanying financial statements of SJVN Thermal Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March, 2016, Statement of Profit and Loss, Cash Flow Statement for the year then ended and a summary of Significant Accounting Policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

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

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making

those risk assessments, the auditor considers internal financial control relevant to the company's preparation of the financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the company has in place an adequate internal financial control system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of Accounting Policies used and the reasonableness of the accounting estimates made by the Company's Directors as well as evaluating the overall presentation of financial statements.

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

#### Basis for Qualified Opinion

*Land - freehold amounting to ₹36,060.72 lakhs (measuring 1056.85 acres) appearing in the Balance Sheet under Fixed Assets (Note No. 2.10) has been accounted for pending execution of title deeds.*

#### Qualified Opinion

*In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:*

- (a) *in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2016; and*
- (b) *in the case of the Statement of Profit and Loss, of the Loss for the year ended on that date.*
- (c) *in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.*

#### Emphasis of Matter

Without qualifying our report we draw your attention to the following facts:

- (i) The projects of the company are under construction.
- (ii) In line with the accounting policy no. 1.4.1(b) expenses during the year are identified as capital work in progress to be allocated on major immovable assets on commissioning of the project.

#### Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government in terms of section 143(11) of the Companies Act, 2013 we enclose in the **Annexure - 'A'** a statement on the matters specified in paragraphs 3 and 4 of the said order.
2. As required by section 143(3) of the Act, we report that:



- (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) in our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
- (c) the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014;
- (e) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure- B"
- (f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i) The Company does not have any pending litigations which would impact its financial position.
- ii) The Company does not have any long-term contract including derivative contract for which provision would be required for material foreseeable losses.
- iii) There are no amounts as at 31st March, 2016 which need to be transferred to the Investor Education and Protection Fund by the Company.

**Report pursuant to directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013**

Report pursuant to directions issued by Comptroller and Auditor General of India as per section 143(5) of the Companies Act, 2013 has been reported vide Annexure -'C' attached. No action is required on such directions as company is in initial stage and it has no impact on the accounts and financial statement of company.

**For B. Gupta & Co.**  
Chartered Accountants  
(FRN: 000933C)

**(S.P. Sinha)**  
**Partner**  
(M.N:014854)

**Camp: New Delhi**  
**Date: 6th May, 2016**

**ANNEXURE- 'A' TO THE CONSOLIDATED AUDITOR'S REPORT**  
**(Referred to in paragraphs 7 of our Report of even date)**

Sr. No.	Particulars	Auditor's comment
(i)		
(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	It is stated that fixed assets are physically verified by the management every three years. The same were physically verified in the year 2014-15 and the discrepancies noticed were properly dealt with in the books of account.
(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	No title deeds of immovable properties consisting of Land- freehold measuring 1056.85 acres have been executed.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	No inventory is held by the company and therefore, question of physical verification does not arise.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.



Sr. No.	Particulars	Auditor's comment
(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	In view of our comments in paragraph (iii) above, this clause is not applicable.
(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	In view of our comments in paragraph (iii) above, this clause is not applicable.
(c)	If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	In view of our comments in paragraph (iii) above, this clause is not applicable.
(iv)	In respect of loans, investments, guarantees and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Since the company has neither granted any loan to directors (Section 185) nor made any investment (Section 186), question of complying with the provisions of sections 185 and 186 of the Companies Act, 2013 does not arise.
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits and, therefore, directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	The Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 has not specified the maintenance of cost records for the Company.
(vii)		
(a)	Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	According to the records, Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding for a period of more than six months from the date they became payable.
(b)	Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.
(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	The Company has no loans or borrowing from a financial institution, bank, Government or debenture holders. Hence question of default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders does not arise.



Sr. No.	Particulars	Auditor's comment
(ix)	Whether moneys raised by way of initial public offer or further public offer (including debt instruments) and term loans were applied for the purposes for which those are raised. If not, the details together with delays or default and subsequent rectification, if any, as may be applicable, be reported;	The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans and therefore, this clause is not applicable.
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	This being a Government Company, Section 197 is not applicable.
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	The company not being a Nidhi Company this clause is not applicable.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	We are informed that company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

**For B. Gupta & Co.**  
Chartered Accountants  
(FRN: 000933C)

**(S.P. Sinha)**  
Partner  
(M.N:014854)

Camp: New Delhi  
Date: 6th May, 2016



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

We have audited the internal financial controls over financial reporting of SJVN Thermal Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the procedures laid down by the Board of Directors of the Company. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records and the timely preparation of reliable financial information as required under the Companies Act, 2013.

### Auditors' Responsibility

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

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

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

### Meaning of Internal Financial Controls over Financial Reporting

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

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

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

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016 based on the procedures examined by us.

**For B. Gupta & Co.**  
Chartered Accountants  
(FRN: 000933C)

**(S.P. Sinha)**  
Partner  
(M.N:014854)

**Camp: New Delhi**  
**Date: 6th May, 2016**



Annexure-C

**Report pursuant to directions issued by office of C& AG u/s 143(5)  
of the Companies Act, 2013**

Sl. No.	Direction	Remarks
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	The company does not have clear title deed for freehold land appearing in the Balance Sheet under fixed assets (Note No.2.10) measuring 1056.85 acres.
2.	Whether there are any cases of waiver /write off of debts/loan/interest etc., if yes, the reason there for and the amount involved.	We have not come across any cases of waiver/ write off of debts/ loan/interest etc.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	During the year under review the company neither has any inventories lying with any third party nor has the company received any asset as gift from Government or other authorities.

**For B. Gupta & Co.**  
Chartered Accountants  
(FRN: 000933C)

  
**(S.P. Sinha)**  
Partner  
(M.N:014854)

Camp: New Delhi  
Date: 6th May, 2016

Annexure-III

**MANAGEMENT REPLY ON STATUTORY AUDITORS'S QUALIFICATION ON  
ANNUAL ACCOUNTS OF SJVN THERMAL PVT. LIMITED FOR THE YEAR 2015-16**

Statutory Auditor's Qualification	Management Reply
Land-freehold amounting to ₹36,060.72 lakhs (measuring 1056.85 acres) appearing in the Balance Sheet under Fixed Assets (Note No.2.10) has been accounted for pending execution of title deeds.	<p>The Company has paid an amount of ₹36060.72 lakhs as compensation for acquisition of land measuring 1056.85 acres to Bihar State Power Generation Company Ltd. for construction of 1320MW(660 x 2) Buxar Thermal Power Project.</p> <p>Accounting Policy No. 1.2(d) related with Fixed Assets clearly states that "Payment made provisionally towards compensation and other expenses relatable to land shall be treated as cost of land".</p> <p>The entire land is under physical possession of Company. The land has been demarcated by construction of pillars, fencing work has been awarded and work is expected to be completed shortly. The process of mutation of land in favour of Company is under way and same will be completed in due course of time.</p> <p>In view of above and in conformity with the Accounting Policy No. 1.2(d), the Company has capitalized the compensation amount and accounted for under the head Land - Freehold under Fixed Assets (Note No. 2.10) in the Balance Sheet. A suitable discloser has also been made in the note no. 2.10.</p>





**Annexure-IV**

**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA  
UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE  
FINANCIAL STATEMENTS OF SJVN THERMAL PRIVATE LIMITED  
FOR THE YEAR ENDED 31 MARCH 2016**

The preparation of financial statements of SJVN Thermal Private Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 6 May 2016.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of SJVN Thermal Private Limited for the year ended 31 March 2016 under Section 143(6)(a) of the Act.

**For and on behalf of the  
Comptroller & Auditor General of India**

**(Praveer Kumar)**

**Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board -I,  
KOLKATA**

**Place: Kolkata  
Date: 7th June, 2016**

**Annexure - V**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2016**

*{Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies  
(Appointment and Remuneration of Managerial Personnel) Rules, 2014}*

**To,  
The Members,  
SJVN Thermal Private Limited.**

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by SJVN Thermal Private Limited (hereinafter called STPL / the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the STPL's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board- processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) Secretarial Standards issued by the Institute of Company Secretaries of India - Applicable w.e.f. 1st July, 2015-Generally complied with.
- (iii) Compliance to the Department of Public Enterprises (DPE) Guidelines on Corporate Governance for Central Public Sector Enterprises, 2010 as amended from time to time; **(NOT APPLICABLE)**
- (iv) Compliances/processes/systems under any other Law specifically applicable to the Company have been verified on test check basis.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.



**I further report that -**

- i. Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- ii. Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- iii. Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.
- iv. The Company has obtained all necessary approvals under the various provisions of the Act; and
- v. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Companies Act, 2013 and Rules, Regulations and Guidelines framed thereunder against / on the Company, its Directors and Officers.
- vi. There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.
- vii. During the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws.

**For Sachin Gupta & Co.,  
Company Secretaries,**

**(Sachin Gupta)  
Proprietor  
FCS No. : 5313  
C.P No. : 4149**

**Place: Shimla  
Date: 25th June, 2016**

*This report is to be read with our letter of even date which is annexed as "Annexure A" and forms an integral part of this report.*

**"Annexure A"**

**To,  
The Members,  
SJVN Thermal Private Limited**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulation and happening of events etc.
5. The Compliance of the provisions of corporate and other applicable laws, rules, regulations, standards are the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**For Sachin Gupta & Co.,  
Company Secretaries,**

**(Sachin Gupta)  
Proprietor  
FCS No. : 5313  
C.P No. : 4149**

**Place: Shimla  
Date: 25th June, 2016**



**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON 31ST March, 2016  
[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]**

**I. REGISTRATION AND OTHER DETAILS:**

i.	CIN	U31908BR2007PTC017646
ii.	Registration Date	07 May 2007
iii.	Name of the Company	SJVN Thermal Private Limited
iv.	Category / Sub-Category of the Company	Company Limited By Share/ Indian Government Company
v.	Address of the Registered office and contact details	Plot No. 192, Ward No. 02, Circle No. 06, Talpatra Lane, Budh Marg, Patna - 800001, Bihar. Contact No. 0612-2219346
vi.	Whether listed company	No
vii.	Name, Address and Contact details of Registrar and Transfer Agent, if any	NA

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

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

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Thermal Power	40102	NIL

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

Sr. No.	Name And Address of The Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
1.	SJVN Limited, SJVN Corporate Office Complex, Shanani, Shimla - 171 006, Himachal Pradesh	L40101HP1988GOI008409	Holding	100%	2(87)

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

**i. Category-wise Share Holding:-**

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									-
a) Individual (Nominee of SJVN)		1	1	0.01%	-	1	1	0.01%	-
b) Central Govt		-	-	-	-	-	-	-	-
c) State Govt(s)		-	-	-	-	-	-	-	-
d) Bodies Corp		9,999	9,999	99.99%	-	43,66,79,999	43,66,79,999	99.99%	-
e) Banks / FI		-	-	-	-	-	-	-	-
f) Any Other		-	-	-	-	-	-	-	-
Sub-total(A)(1):-		10,000	10,000	100%		43,66,80,000	43,66,80,000	100%	-



Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2) Foreign	-	-	-	-	-	-	-	-	-
<b>B. Public Shareholding</b>	-	-	-	-	-	-	-	-	-
1. Institutions	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>		10,000	10,000	100%		43,66,80,000	43,66,80,000	100%	-

ii. Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	SJVN Limited	9,999	99.99%	-	43,66,79,999	99.99%	-	-
2.	SJVN Limited & R. K. Agarwal	1	0.01%	-	1	0.01%	-	-
	<b>Total</b>	<b>10,000</b>	<b>100%</b>	<b>-</b>	<b>43,66,80,000</b>	<b>100%</b>	<b>-</b>	<b>-</b>

iii. Change in Promoters' Shareholding (please specify, if there is change):-

Sr.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	10,000	100%	10,000	100%
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc) Right issue of Shares allotted on 18th December 2015	43,66,70,000	100%	43,66,70,000	100%
	At the End of the year	43,66,80,000	100%	43,66,80,000	100%



iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

Sr.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	1	0.01%	-	-
	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	1	0.01%	-	-
	At the End of the year	1	0.01%	-	-

v. Shareholding of Directors and Key Managerial Personnel - NIL

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors: NIL

C. Remuneration to Key Managerial Personnel including Company secretary Other Than MD /Manager /WTD - ₹72.58 Lakh (detailed as under)

Sr. No.	KMP	Amount of remuneration (₹ Lakh)
1	CEO	35.69
2	CFO	28.91
3	CS	7.98
	<b>Total</b>	<b>72.58</b>

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL



Annual Report 2015 - 16

**SJVN THERMAL PRIVATE LIMITED**  
(A wholly owned Subsidiary of SJVN Limited)

**BALANCE SHEET AS AT MARCH 31, 2016**

(₹ Lakh)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	43,668.00	1.00
Reserves and Surplus	2.2	(1.78)	(1.42)
		43,666.22	(0.42)
<b>Non-current liabilities</b>			
Long Term Borrowings	2.3	-	-
Other Long Term Liabilities	2.4	-	-
Long Term Provisions	2.5	-	-
		-	-
<b>Current liabilities</b>			
Short Term Borrowings	2.6	-	-
Trade Payables	2.7	-	-
Other Current Liabilities	2.8	1,012.55	6,369.82
Short Term Provisions	2.9	128.94	137.30
		1,141.49	6,507.12
<b>Total</b>		<b>44,807.71</b>	<b>6,506.70</b>
<b>ASSETS</b>			
<b>Non Current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	2.10	36,170.85	92.96
Intangible Assets	2.10	1.35	-
Capital Work In Progress	2.11	7,843.97	6,073.49
		44,016.17	6,166.45
Non Current Investments	2.12	-	-
Deferred Tax Assets ( Net)	2.13	-	-
Long Term Loan and Advances	2.14	-	337.73
Other Non Current Assets	2.15	-	-
		-	337.73
<b>Current Assets</b>			
Inventories	2.16	-	-
Trade Receivables	2.17	-	-
Cash and Cash Equivalents	2.18	414.70	2.52
Short Term Loan and Advances	2.19	374.41	-
Other Current Assets	2.20	2.43	-
		791.54	2.52
<b>Total</b>		<b>44,807.71</b>	<b>6,506.70</b>

Significant Accounting Policies 1  
The accompanying notes form an integral part of the these Financial Statements 2

This is the Balance Sheet referred to in our report of even date.

**For B. Gupta & Co.**  
Chartered Accountants  
(FRN 000933C)

*S.P. Sinha*

(S.P. Sinha)  
M. No. 014854

Place: New Delhi

Date: 6th May, 2016

*Raman K Sharma*  
(Raman K Sharma)  
Company Secretary  
ACS-29662

*A. S. Shukla*  
(A. S. Shukla)  
CFO

*Parveen Gupta*  
(Parveen Gupta)  
CEO

*N. L. Sharma*  
(N. L. Sharma)  
Director  
DIN- 03495554

*A. S. Bindra*  
(A. S. Bindra)  
Director  
DIN- 03358160

For and on behalf of the Board of Directors



Annual Report 2015 - 16

**SJVN THERMAL PRIVATE LIMITED**  
(A wholly owned Subsidiary of SJVN Limited)

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2016**

(₹ Lakh)

	Note no.	Year ended March 31, 2016	Year ended March 31, 2015
<b>REVENUE</b>			
Revenue from Operations	2.21	-	-
Other Income	2.22	15.21	-
<b>Total Revenue</b>		<b>15.21</b>	<b>-</b>
<b>EXPENSES</b>			
Employee Benefits Expense	2.23	14.44	-
Finance Costs	2.24	-	-
Depreciation and Amortisation Expense	2.25	-	-
Other Expenses	2.26	1.13	0.86
<b>Total Expenses</b>		<b>15.57</b>	<b>0.86</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(0.36)</b>	<b>(0.86)</b>
Exceptional items	2.27	-	-
<b>Profit before extraordinary items and tax</b>		<b>(0.36)</b>	<b>(0.86)</b>
Extraordinary items		-	-
<b>Profit Before Tax</b>		<b>(0.36)</b>	<b>(0.86)</b>
Tax Expenses			
- Current Tax		-	-
- Deferred Tax	2.13	-	-
<b>Profit for the Year</b>		<b>(0.36)</b>	<b>(0.86)</b>
Earnings Per Equity Share (Par Value ₹10/- each)			
Basic and Diluted (₹)	2.28	-	-
Significant Accounting Policies	1		
The accompanying notes form an integral part of these financial statements	2		

(Raman K Sharma)  
Company Secretary  
ACS-29662

(A. S. Shukla)  
CFO

(Parveen Gupta)  
CEO

(N. L. Sharma)  
Director  
DIN- 03495554

(A. S. Bindra)  
Director  
DIN- 03358160

This is the statement of Profit & Loss referred to in our report of even date.

**For B. Gupta & Co.**  
Chartered Accountants  
(FRN 000933C)

(S.P. Sinha)  
M. No. 014854  
Place: New Delhi  
Date: 6th May, 2016



Annual Report 2015 - 16

**SJVN THERMAL PRIVATE LIMITED**  
(A wholly owned Subsidiary of SJVN Limited)


**CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2016**

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	(0.36)	(0.86)
Income Tax Paid	-	-
<b>Net Cash Flow from Operating Activities</b>	<b>(0.36)</b>	<b>(0.86)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Expenditure on Fixed Assets	(36,079.24)	(20.81)
Capital Works in Progress (CWIP)	(1,770.48)	(1,437.18)
Advance for Capital Works	337.73	(241.10)
<b>Net Cash Flow from Investing Activities</b>	<b>(37,511.99)</b>	<b>(1,699.09)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Equity Shares	43,667.00	
Increase / (Decrease) in Current Liabilities	(5,357.27)	1,563.65
Increase / (Decrease) in Short Term Provisions	(8.36)	137.30
(Increase) / Decrease in Short Term Loans & Advances	(374.41)	1.10
(Increase) / Decrease in other Current Assets	(2.43)	-
<b>Net Cash from / (Used in) Financing Activities</b>	<b>37,924.53</b>	<b>1,702.05</b>
<b>D. Net Increase / (Decrease) in Cash and Cash equiv. (A+B+C)</b>	<b>412.18</b>	<b>2.10</b>
<b>E. Cash and Cash equivalents (Opening Balance)</b>	<b>2.52</b>	<b>0.42</b>
<b>F. Cash and Cash equivalents (Closing Balance)</b>	<b>414.70</b>	<b>2.52</b>

For and on behalf of the Board of Directors

  
(Raman K Sharma)  
Company Secretary  
ACS-29662

  
(A. S. Shukla)  
CFO

  
(Parveen Gupta)  
CEO

  
(N. L. Sharma)  
Director  
DIN- 03495554

  
(A. S. Bindra)  
Director  
DIN- 03358160

This is the Cash Flow Statement referred to in our report of even date

**For B. Gupta & Co.**  
Chartered Accountants  
(FRN 000933C)

  
(S.P. Sinha)  
M. No. 014854

Place: New Delhi  
Date: 6th May, 2016





**SJVN Thermal Private Limited**  
(A wholly owned Subsidiary of SJVN Limited)

**NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDING 31st MARCH, 2016**

**1. Significant Accounting Policies**

**1.1 Accounting System**

The financial statements are prepared according to the historical cost convention on accrual basis in line with the Generally Accepted Accounting Principles in India and the provisions of the Companies Act, 2013 including Accounting Standards applicable there under.

**1.2 Fixed Assets**

- a) Fixed Assets are stated at historical cost less accumulated depreciation and any impairment in value. Where final settlement of bills with contractors is pending / under dispute, capitalization is done on estimated / provisional basis subject to necessary adjustment in the year of final settlement.
- b) Fixed Assets created on land not belonging to the company shall be included under Fixed Assets.
- c) Capital expenditure incurred on assets not owned by the Company is charged to Statement of Profit & Loss in the year of incurrance of such expenditure
- d) Payments made provisionally towards compensation and other expenses relating to land shall be treated as cost of land.
- e) Expenditure incurred for compensatory afforestation, soil conservation and re-forestation towards forest land shall be shown as "Intangible Assets - Expenditure on compensatory afforestation" and shall be amortized pro-rata through depreciation over the period of likely use.
- f) Assets and systems common to more than one generating unit shall be capitalized on the basis of engineering estimates / assessments.
- g) Construction equipment declared surplus shall be shown at lower of book value and net realisable value.

**1.3 Machinery Spares**

- a) Machinery spares procured along with the Plant & machinery or subsequently and whose use is expected to be irregular are capitalised and depreciated fully over the residual useful life of the related plant & machinery except as stated in para 1.3(b)
- b) Cost / WDV of Machinery Spares is fully charged to revenue in the year in which such spare are replaced except in cases where retrieved spares have useful life after repairs.
- c) Other spares forming part of inventory are expensed when consumed.

**1.4 Capital Work-in-progress**

**1.4.1 General**

- a) In respect of supply-cum-erection contracts, the value of supplies received at site / construction store and accepted is treated as Capital Work-in-progress.

- b) Administration and other general Overhead expenses at the Corporate Office and Projects under Construction / Survey & Investigation attributable to construction of fixed assets are identified and shall be allocated on systematic basis on major immovable assets other than land, infrastructure facilities and bought out items on commissioning of projects. However, no allocation pertaining to Corporate Office shall be made on projects taken on BOOT (Build, Own, Operate and Transfer) basis till the date of grant of generation license.
- c) Expenditure on Survey and Investigation of the Projects shall be carried over as capital work in progress and capitalized as cost of Project on completion of construction of the Project or the same shall be expensed in the year in which it is decided to abandon such project.
- d) Expenditure against "Deposit Works" shall be accounted for on the basis of statement of account received from the concerned agency and acceptance by the company. However, provision shall be made wherever considered necessary.
- e) Claims for price variation / exchange rate variation in case of contracts shall be accounted for on acceptance.

**1.4.2 Development of Coal Mines**

Expenditure on exploration and development of new coal deposit is capitalised as 'Development of Coal Mines' under Capital Work in progress (CWIP) till the mines project is brought to revenue account.

**1.5 Depreciation and Amortisation**

- a) Depreciation is charged on straight line method following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time except in case (i) Mobile phones which are depreciated @ 25% (ii) Computers & peripherals which are depreciated fully (100%) in Three years.
- b) Depreciation is provided on pro-rata basis from the month in which the asset becomes available for use.
- c) Depreciation on assets declared surplus / obsolete shall be provided till the end of the month in which such declaration is made.
- d) Assets costing ₹ 5000/- or less are depreciated fully in the year of procurement.
- e) Expenditure on software is recognised as 'Intangible Assets' and amortized fully over Three years on straight line method or over a period of its legal rights to use whichever is less.
- f) Where the cost of depreciable assets undergoes a change during the year due to increase / decrease in long term liability on account of exchange fluctuation, change in duties or similar factors, revised unamortised balance of such asset



shall be depreciated prospectively over the residual life. Depreciation on increase / decrease in the value of existing assets on account of settlement of disputes shall be charged retrospectively.

- g) Leasehold land shall be amortised pro-rata through depreciation over the period of lease or 25 years, whichever is lower, following the rates and methodology notified by prevailing CERC Tariff regulations.

#### 1.6 Investments

- a) Non-Current Investments are valued at cost less provision for permanent diminution in value.  
b) Current Investments are valued at lower of cost and fair value

#### 1.7 Inventories

- a) Inventories are valued at the lower of cost arrived at on weighted average basis and net realizable value.  
b) Loose tools issued during the year are charged to consumption.  
c) Stores issued for operation and maintenance but lying unused at site are treated as part of inventory.  
d) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.  
e) Scrap is accounted for as and when sold.

#### 1.8 Foreign Currency Transactions

- a) Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.

Monetary items denominated in foreign currency are restated at the year end at exchange rates prevailing on the Balance Sheet date. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

- b) Exchange differences, except to the extent considered as adjustment to borrowing cost as per AS-16 read with ASI-10, are recognised as income or expense in the period in which they arise in case of operating projects and to EDC in case of projects under construction.

#### 1.9. Borrowing Costs

Borrowing costs attributable to fixed assets during construction / exploration, renovation and modernisation are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

#### 1.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised, nor disclosed in the financial statements.

#### 1.11 Impairment of Assets

The carrying amount of cash generating unit is reviewed at each Balance sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognised in the Statement of Profit & Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

#### 1.12 Income

- a) Sale of Energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC).  
b) Interest recoverable on advances to Contractors/ Suppliers and other claims from Contractors/ Suppliers under dispute are accounted for on receipt/ acceptance.  
c) Income from consultancy services is accounted for on the basis of actual progress / technical assessment of work executed or costs reimbursable, in line with the terms of respective consultancy contracts.

#### 1.13 Employee Benefits

The Company does not have any employees and the employees in the company are posted by the holding company on secondment basis. The Salary, Wages, Allowances and Benefits including Retirement Benefits of such employees are paid / payable to the holding company and the same is recognised as an expense, charged to Expenditure during Construction (EDC).

#### 1.14 Miscellaneous

- a) Insurance claims shall be accounted for in the year of receipt/acceptance by the insurer / certainty of realisation.  
b) Pre-paid and prior-period expenses / income of items of ₹50,000/- and below are charged to natural heads of accounts in the year of payment / receipt.  
c) Liability for claims against the company shall be recognised on acceptance by the company / receipt of award by the Arbitrator and the balance claim, if disputed / contested by the contractor shall be shown as contingent liability.

#### 1.15 Taxes on Income

- a) Taxes on Income are determined on the basis of taxable income under the Income Tax Act, 1961.  
b) Deferred tax is recognised on timing difference between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognised and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realised.

#### 1.16 Cash Flow Statement

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) - 3 'Cash Flow Statements'.



## 2. Notes on Accounts

The amounts in Financial Statements are presented in Indian Rupees in Lakh and figures have been rounded off to the nearest two decimals except when otherwise stated. The previous year figures have also been reclassified / regrouped / rearranged wherever necessary to conform to current year classification.

### 2.1 Share Capital

(₹ Lakh)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Authorised Equity Shares of Parvalue ₹ 10 each	300,00,00,000	3,00,000	300,00,00,000	3,00,000
Issued, subscribed and fully paid-up Equity Shares of Parvalue ₹ 10 each	43,66,80,000	43,668.00	10,000	1.00

The company has only one class of equity shares having par value of ₹ 10/- per share. The holders of the equity shares are entitled to receive dividends and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.

#### 2.1.1 Details of shareholders holding more than 5% shares in the Company:

(₹ Lakh)

Name of Shareholders	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
SJVN Limited	43,66,80,000	43,668.00	10,000	1.00

#### 2.1.2 The reconciliation of the number of shares outstanding is set out below:

(₹ Lakh)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	10,000	1.00	10,000	1.00
Number of shares issued during the year	43,66,70,000	43,667.00	Nil	Nil
Number of shares at the end	43,66,80,000	43,668.00	10,000	1.00

## 2.2 Reserves and Surplus

(₹ Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Opening balance	(1.42)	(0.56)
Add : Profit / (Loss) for the year	(0.36)	(0.86)
Total Profit available for appropriation	(1.78)	(1.42)
Appropriation	Nil	Nil
Closing balance	(1.78)	(1.42)

During the year ended 31st March, 2016, the Company has proposed final dividend for the year 2015-16 @ Nil (Previous Year: Nil) per equity share at par value of ₹ 10 each.

- 2.3 Long Term Borrowings : Nil
- 2.4 Other Long Term liabilities : Nil
- 2.5 Long Term Provisions : Nil
- 2.6 Short Term Borrowings : Nil
- 2.7 Trade Payables : Nil

### 2.8 Other Current Liabilities

(₹ Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term Debt	Nil	Nil
Interest Accrued but not due	Nil	Nil
Other Payables		
Payable to Holding Company (including liability for transfer of Fixed Assets Nil Previous Year - ₹ 27.71 lakhs)	955.73	6327.17
Deposits, Retention Money from Contractors and Others	7.84	2.70
Others	48.98	39.95
<b>Total</b>	<b>1012.55</b>	<b>6369.82</b>

Disclosure regarding dues to micro and small enterprises as required by MSMED Act is made in Note no. 2.39

### 2.9 Short Term Provisions

(₹ Lakh)

Particulars	As at 01.04.2015	For the year			As at 31.03.2016
		Additions	Write Back	Utilization	
Provision for Ex-gratia/ Bonus	114.35	55.16	Nil	86.82	82.69
Provision for Leave Salary & Pension contribution	22.95	23.30	Nil	Nil	46.25
<b>Total</b>	<b>137.30</b>	<b>78.46</b>	<b>Nil</b>	<b>86.82</b>	<b>128.94</b>
Previous Year	Nil	137.30	Nil	Nil	137.30

Disclosure required under Accounting Standard (AS) -15 on employee benefits has been made under Note no. 2.31



Sl. No.	Particulars	Gross Block			Depreciation			Net Block		
		As at 01.04.2015	Transfer/ Adjustment during the year*	As at 31.03.2016	As at 01.04.2015	Transfer/Adjustment during the year*	For the Year #	Up to 31.03.2016	As at 31.03.2016	As at 31.03.2015
<b>2.10 Fixed Assets</b>										
<b>Tangible Assets</b>										
1	Land- freehold**	-	-	36060.72	-	-	-	-	36060.72	-
2	Furniture, Fixture and Equipments	32.40	(0.13)	48.16	6.75	(0.13)	2.94	9.56	38.60	25.65
3	Vehicles	12.05	-	12.05	1.43	-	1.15	2.58	9.47	10.62
4	Electrical Equipments	25.93	(0.95)	44.00	3.68	(0.16)	2.76	6.28	37.72	22.25
5	Office Equipments	14.54	(0.56)	17.12	3.10	(0.49)	1.28	3.89	13.23	11.44
6	Data Processing Equipments	35.72	(3.89)	35.45	12.72	(1.13)	12.75	24.34	11.11	23.00
	<b>Total</b>	<b>120.64</b>	<b>(5.53)</b>	<b>36102.39</b>	<b>27.68</b>	<b>(1.91)</b>	<b>20.88</b>	<b>46.65</b>	<b>36170.85</b>	<b>92.96</b>
<b>Intangible Assets</b>										
	<b>Total Fixed Assets</b>	<b>120.64</b>	<b>(5.53)</b>	<b>36219.12</b>	<b>27.68</b>	<b>(1.91)</b>	<b>21.15</b>	<b>46.92</b>	<b>36172.20</b>	<b>92.96</b>
	Previous Year	83.69	(6.50)	120.64	11.54	(0.70)	16.84	27.68	92.96	72.15

\* The Assets transferred by holding company are shown at gross value and Depreciation provided on those assets by holding company are shown under the head Depreciation (Transfer / Adjustment during the year).

\*\* Pending execution of title deed of Land measuring 1056.85 acres (previous year: Nil) in favour of Company amounting to ₹36060.72 Lakh (previous year: Nil) has been capitalised based on payment released to Bihar State Power Generation Company Limited vide their demand letter no. 29/P&D/830/12 (part-I) dated 09.09.2015 and vide LAO, Buxar letter no. 215 dated 31.03.2016.

# Individual assets of value less than ₹5000/-, total amounting to ₹2.14 lakh (Previous Year : ₹5.33 lakh) has been depreciated fully during the year in accordance with Accounting policy No. 1.5 (d).  
# Additional depreciation amounting to ₹9.82 Lakh (Previous Year : ₹2.76 Lakh) has been charged in accordance with Accounting Policy No. 1.5 (a) and 1.5 (d)

Sl. No.	Particulars	As at		Additions during the Year	Transfer/ Adjustment	Total WIP as at 31.03.2016	Capitalised during the Year	As at	
		01.04.2015	31.03.2016					31.03.2016	31.03.2016
1	Preliminary	4230.19	503.03	-	4733.22	-	-	4733.22	-
2	Expenditure during Construction	1,843.30	1267.45	-	3110.75	-	-	3110.75	-
	<b>Total</b>	<b>6073.49</b>	<b>1770.48</b>	<b>-</b>	<b>7843.97</b>	<b>-</b>	<b>-</b>	<b>7843.97</b>	<b>-</b>
	Previous Year	4636.31	1437.18	-	6073.49	-	-	6073.49	-

**2.11 : Capital Work in Progress**



### 2.11.1 Expenditure During Construction:

Since, project of the company is under construction, in line with Accounting Policy No. 1.4.1 (b), following expenses during the year are identified as Capital Work-in-Progress, to be allocated on major immovable assets on commissioning of the Project.

#### Statement of Expenditure During Construction

(₹ Lakh)

Expenses	Year ended 31st March, 2016		Year ended 31st March, 2015	
<b>Employees' Remuneration and Benefits:</b>				
Salaries, Wages, Allowance and Benefits	827.96		880.13	
Contribution to Provident and Other funds	63.14		49.50	
Welfare Expenses	96.41		51.34	
Prior period expense	-	987.51	70.78	1051.75
<b>Finance Costs</b>		-		-
<b>Depreciation and Amortisation Expense</b>		21.15		16.84
<b>Other Expenses:</b>				
Repairs and Maintenance:				
Vehicles	2.04		1.12	
Others	12.56	14.60	8.79	9.91
Rent		69.80		60.97
Insurance		0.54		0.64
Security Expenses		26.67		16.48
Electricity Charges		6.89		4.50
Travelling & Conveyance		37.67		32.33
Training & Recruitment Expenses		11.22		81.26
Professional & Consultancy Charges		3.64		1.71
Communication expenses		10.13		6.06
Printing & Stationery Expenses	4.81		1.71	
Less: Receipt from sale of Tender	0.25	4.56	-	1.71
Fees and Subscription		-		0.16
Advertisement & Publicity		17.01		0.88
EDP Expenses		1.56		2.64
Entertainment Expenses		1.53		1.22
Expenses on Transit Camps		16.83		16.20
Books & Periodicals		0.39		0.40
Hiring of Vehicles		26.45		22.71
Miscellaneous Expenses		9.30		7.90
<b>Expenditure Transferred to CWIP (Note 2.11)</b>		<b>1267.45</b>		<b>1336.27</b>

2.12 Non - Current Investments : NIL

2.13 Deferred Tax Assets (Net) : NIL

2.14 Long Term Loans and Advances (₹ Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Capital Advances - unsecured considered good		
Covered by Bank Guarantees	-	96.63
Others	-	241.10
<b>Total</b>	<b>-</b>	<b>337.73</b>

Loans and Advances to Directors of the Company Nil (Previous Year: Nil)

Loans and Advances to Related Parties Nil (Previous Year: Nil)

Loans and Advances to Officers (General Manager & above) Nil (Previous Year: Nil)

2.15 Other Non - Current Assets : NIL

2.16 Inventories : NIL

2.17 Trade Receivables : NIL



**2.18 Cash and Bank Balances**

(₹ Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Cash &amp; Cash Equivalents</b>		
Balances with Banks		
Current Accounts	24.67	2.52
Term Deposits having maturity upto 3 months	190.03	-
Other Term Deposits having original maturity of more than 3 months	200.00	-
<b>Total</b>	<b>414.70</b>	<b>2.52</b>

**2.19 Short Term Loans and Advances**

(₹ Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
<b>Advances to employees</b>		
Unsecured considered good	1.63	-
<b>Advances to Contractors &amp; Suppliers</b>		
Secured by Bank Guarantee	9.92	-
Unsecured considered good	323.51	-
<b>Advance to Govt. Deptts./ agencies</b>		
Unsecured considered good	31.56	-
<b>Others - unsecured considered good</b>		
Pre-paid Expenses	1.08	-
Advance rent	2.44	-
Advance Tax	2.75	-
TDS	1.52	4.27
<b>Total</b>	<b>374.41</b>	<b>-</b>

Loans and Advances to Directors of the Company Nil (Previous Year: Nil)  
 Loans and Advances to Related Parties Nil (Previous Year: Nil)  
 Loans and Advances to Officers (General Manager & above) Nil (Previous Year: Nil)

**2.20 Other Current Assets**

(₹ Lakh)

Particulars	As at 31st March, 2016	As at 31st March, 2015
Interest accrued but not due on deposits with Banks	2.43	Nil

**2.21 Revenue from Operations : NIL**

**2.22 Other Income**

(₹ Lakh)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest from Banks	15.21	Nil

**2.23 Employee Benefits Expenses**

(₹ Lakh)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages, Allowance and Benefits	11.46	Nil
Contribution to Provident and Other funds	1.52	Nil
Welfare Expenses	1.46	Nil
<b>Total</b>	<b>14.44</b>	<b>Nil</b>

**2.24 Finance Costs**

: NIL

**2.25 Depreciation and Amortisation Expense**

: NIL

**2.26 Other Expenses**

(₹ Lakh)

Particulars	Year ended 31st March, 2016		Year ended 31st March, 2015	
Payment to statutory auditors				
As Audit Fees	0.86		0.56	
Reimbursement of Expenses	0.23	1.09	0.28	0.84
Fees and subscription		0.04		0.02
<b>Total</b>		<b>1.13</b>		<b>0.86</b>

**2.27 Exceptional Items**

: NIL

**2.28 Disclosure as per Accounting Standard (AS)- 20 on 'Earning Per Share'**

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Net Profit after Tax used as numerator (₹ Lakh)	(0.36)	(0.86)
Weighted average no. of Equity Shares used as denominator	12,44,31,041	10,000
Earnings per Share - Basic & Diluted (₹)	Nil	Nil
Face Value per Share (₹)	10	10

**2.29 Contingent Liabilities: NIL**

**2.30 Capital Commitments**

Estimated amount of contracts remaining to be executed on capital account (net of advances), balance payments of Success Fee / Professional Fee to the previous stakeholders and cost of land under acquisition not provided for is ₹ 1474.17 Lakh (Previous Year: ₹ 37,924.90 Lakh).

**2.31 Disclosure under the provisions of Accounting Standard (AS)- 15 'Employee Benefits'**

Employees of the company have been posted by the holding company, SJVN Limited on 'secondment basis' wherein they are governed by all rules, regulations and policies of the holding company and expenses thereto are paid / payable to the holding company. General description of various defined employee benefits are as under:

**a) Defined Contribution plans:**

**(i) Employer's contribution to Provident Fund :**

Fixed contribution to Provident Fund is initially paid by the holding company at a predetermined rate to a separate trust, created by the holding company, which invests the fund in permitted securities. The contribution of ₹ 63.74 Lakh (Previous Year: ₹ 49.50 Lakh) is paid / payable to the holding company for the year and the same is recognised as expense, charged to Expenditure During Construction (EDC) / Statement of Profit & Loss account (refer note 2.34 b (ii))

**b) Defined benefit plans:**

**(i) Gratuity:**

Holding company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is managed by a separate trust, created by the holding company and liability for the same for the year towards employees posted in the company on secondment is ₹ 36.10 Lakh (Previous Year : ₹ 19.28 Lakh) and recognized on



the basis of actuarial valuation. The same is recognised as expense charged to Expenditure during Construction (EDC) / Statement of Profit & Loss account (refer note 2.34 b (iii))

**ii) Pension:**

Holding company has Defined Contribution Pension Scheme as approved by Ministry of Power (MOP) and liability for the same for the year towards employees posted in the company on secondment is ₹ 42.85 Lakh (Previous Year : ₹ 43.96 Lakh) and recognized on accrual basis. The same is recognised as expense, charged to Expenditure during Construction (EDC) / Statement of Profit & Loss account (refer note 2.34 b (iii))

**(iii) Leave encashment:**

Holding Company has a defined leave encashment plan for its Employees. Under this plan they are entitled to encashment of earned leaves and medical leaves subject to certain limits and other conditions specified for the same and liability for the same for the year towards employees posted in the company on secondment is ₹ 35.16 lakh (Previous Year: ₹ 30.32 lakh) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC) / Statement of Profit & Loss account (refer note 2.34 b (iii))

**(iv) Retired Employee Health Scheme :**

Holding Company has a Retired Employee Health Scheme, under which retired employee and the spouse are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. Liability for the same for the year towards employees posted in the company on secondment is ₹ 28.19 lakh (Previous Year: ₹ 16.64 lakh) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC) / Statement of Profit & Loss account (refer note 2.34 b (iii))

**(v) Baggage Allowance:**

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he/she may like to settle after retirement shall be paid in accordance with rules of the holding company and liability for the same for the year towards employees posted in the company on secondment is ₹ 0.84 lakh (Previous Year: ₹ 0.33 lakh) and provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC) / Statement of Profit & Loss account (refer note 2.34 b (iii))

**(vi) Service Reward on Retirement :**

Gift at the time of retirement shall be given to the employee in accordance with rules of the Company and liability for the same for the year towards employees posted in the company on secondment is ₹ 0.44 lakh (Previous Year : ₹ 0.71 lakh) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC) / Statement of Profit & Loss account (refer note 2.34 b (iii))

**(vii) Key Actuarial assumptions for Actuarial Valuation:**

Particulars	As at 31st March, 2016	As at 31st March, 2015
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate	8.00 % per annum	8.00 % per annum
Future Salary increase	6.00 % per annum	6.00 % per annum

**2.32 Disclosure as per Accounting Standard (AS)-16 on 'Borrowing Costs'**

Borrowing Costs capitalised during the year are - Nil (Previous year: Nil)

**2.33 Disclosure as per Accounting Standard (AS)-17 on 'Segment Reporting'**

As the company is primarily engaged in only one segment viz. Thermal Power, there is no reportable segment in terms of Accounting Standard - 17.

**2.34 Disclosure as per Accounting Standard (AS)-18 on 'Related Party Disclosure'**

**a) Related Parties**

- i) Holding Company: M/s SJVN Limited.
- ii) Key Managerial Personnel

Sl. No.	Name	Position Held
01	Shri Parveen Gupta	Chief Executive Officer (CEO)
02	Shri Abhay Shanker Shukla	Chief Financial Officer (CFO)
03	Raman Kant Sharma	Company Secretary (CS)

**b) (i) Transactions with related party at a (i) above during the year are as follows: (₹ Lakh)**

Particulars	Holding Company	
	Current Year	Previous Year
Equity infusion from Holding Company in cash	43,667.00	Nil
Others	(5,371.44)	1,588.01

**(ii) Remuneration to key management personnel: (₹ Lakh)**

Sl. No.	Name	For the year 2015-16	For the year 2014-15
01	Salary	51.08	Nil
02	Contribution to Provident Fund & Family Pension Fund	6.88	Nil
03	Other benefits	14.62	Nil
<b>Total</b>		<b>72.58</b>	<b>Nil</b>

Remuneration to key management personnel has been charged to Statement of Profit & Loss as below:

- a) In case of Chief Executive Officer & Chief Financial Officer- 10% of total remuneration
- b) In case of Company Secretary- 100% of total remuneration.

**2.35 Disclosure as per Accounting Standard (AS)- 19 on 'Accounting for Leases'**

The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and transit camps. They are not non-cancellable, are usually renewable by mutual consent on mutually agreed terms.

The employees benefit expense of ₹ 54.42 Lakh (Previous Year: ₹ 32.85 Lakh) towards lease payments, net of recoveries in respect of premises for residential use of employees is initially paid by the holding company. The same is repaid/ repayable to the holding company for the year and is recognised as expense, charged to Expenditure During Construction (EDC) / Profit & Loss account (refer note 2.34 b (ii)) Lease payments in respect of premises for offices and transit



camps are shown as Rent under Expenditure During Construction (EDC).

### 2.36 Disclosure as per Accounting Standard (AS)-28 on 'Impairment of Assets'

In the opinion of management, there is no indication of any significant impairment of assets during the year.

### 2.37 Other disclosures as per Schedule III of the Companies Act, 2013: (₹ Lakh)


Sr. No.	Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
A	Expenditure in foreign currency	Nil	Nil
B	Earnings in foreign currency	Nil	Nil
C	Import on CIF basis	Nil	Nil
D	Components, stores and spares consumed		
	i) Imported	Nil	Nil
	ii) Indigenous	Nil	Nil

### 2.40 Disclosure as per Accounting Standard (AS) - 5 on 'Change in Accounting Policies'

Sr. No.	Existing Accounting policy	Proposed Accounting Policy	Impact during the Year 2015-16	Reason for change
1.5 (a)	Depreciation is charged on straight line method following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) for tariff regulation from time to time except in case of computers & peripherals and mobile phones which are depreciated @ 25% p.a.	Depreciation is charged on straight line method following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time except in case (i) Mobile phones which are depreciated @ 25% (ii) Computers & peripherals which are depreciated fully (100%) in Three years.	Expenditure During Construction (EDC) is increased by ₹ 4.93 Lakh and net block reduced by ₹ 4.93 Lakh.	Change is required in view of Schedule II of the Companies Act, 2013 wherein, life of end user devices such as desktops, laptops etc. has been defined as three years. Also due to change in CERC regulations wherein salvage value of IT equipment and software has been considered as Nil and 100% value of these assets shall be considered depreciable.
1.5 (e)	Expenditure on Software is recognised as Intangible Assets' and amortised fully over Four years on straight line method or over a period of its legal rights to use, whichever is less.	Expenditure on Software is recognised as Intangible Assets' and amortised fully over three years on straight line method or over a period of its legal rights to use, whichever is less.	Expenditure During Construction (EDC) is increased by ₹ 0.06 Lakh and net block reduced by ₹ 0.06 Lakh	Change in view of modification in policy no. 1.5 (a)
New policy	No policy	Capital expenditure incurred on assets not owned by the Company is charged to Statement of Profit & Loss in the year of incurrence of such expenditure.	Nil	Accounting policy is required to be introduced in line with accounting policy of holding company and with the opinion of Expert Advisory Committee of The Institute of Chartered Accountants of India. However, Accounting policy shall be further reviewed next year as per requirement of Ind-AS.

These are the notes referred to in the Financial Statements.


**For B. Gupta & Co.**  
Chartered Accountants  
(FRN 000933C)

  
(S.P. Sinha)  
M.No. 014854

Place: New Delhi  
Date: 6th May, 2016

For and on behalf of the Board of Directors

  
(Raman K Sharma)  
Company Secretary  
ACS-29662

  
(A. S. Shukla)  
CFO

  
(Parveen Gupta)  
CEO

  
(N. L. Sharma)  
Director  
DIN- 03495554

  
(A. S. Bindra)  
Director  
DIN- 03358160

### 2.38 Payment to Auditors

(₹ Lakh)

Particulars	Year ended 31st March, 2016	Year ended 31st March, 2015
Statutory Audit Fees	0.86	0.56
In other capacity	Nil	Nil
Reimbursement of expenses	0.23	0.28
<b>Total</b>	<b>1.09</b>	<b>0.84</b>

### 2.39 Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small enterprises, to which the Company owes dues, which are outstanding for more than 45 days as on March 31, 2016.





## Foreign Subsidiary Company

### SJVN Arun-3 Power Development Company Private Limited BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2016

(₹ Lakh)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	300	300
Reserves and Surplus	2.2	(27)	(2)
		273	298
<b>Non - current Liabilities</b>			
Long Term Borrowings	2.3	-	-
Other Long Term Liabilities	2.4	-	-
Long Term Provisions	2.5	-	-
		-	-
<b>Current Liabilities</b>			
Short Term Borrowings	2.6	-	-
Trade Payables	2.7	12	18
Other Current Liabilities	2.8	8,560	7,620
Short Term Provisions	2.9	-	-
		8,572	7,638
<b>Total</b>		<b>8,845</b>	<b>7,936</b>
<b>ASSETS</b>			
<b>Non - current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	2.10	120	57
Intangible Assets	2.10	-	-
Capital Work-in-progress	2.11	8,516	7,749
		8,636	7,806
Non-current Investments	2.12	-	-
Deferred Tax Assets (Net)	2.13	-	-
Long Term Loans and Advances	2.14	133	87
Other Non-current Assets	2.15	-	-
		8,769	7,893
<b>Current Assets</b>			
Inventories	2.16	-	-
Trade Receivables	2.17	-	-
Cash and Bank Balances	2.18	57	7
Short Term Loans and Advances	2.19	19	36
Other Current Assets	2.20	-	-
		76	43
<b>Total</b>		<b>8,845</b>	<b>7,936</b>

Significant Accounting Policies 1  
The accompanying notes form an integral part of these financial statements.

  
(Amrita Pradhan)  
Company Secretary

  
(Rajendra Singh)  
HOD (Finance)

  
(Suresh Chandra Agarwal)  
CEO



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## SJVN ARUN-3 POWER DEVELOPMENT COMPANY PVT. LIMITED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(₹ Lakh)

	Note No.	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>REVENUE</b>			
Revenue from Operations	2.21	-	0
Other Income	2.22	-	0
<b>Total Revenue</b>		<b>-</b>	<b>0</b>
<b>EXPENSES</b>			
Employee Benefits Expense	2.23	-	0
Finance Costs	2.24	-	0
Depreciation and Amortization Expense	2.25	-	0
Other Expenses	2.26	25	1
<b>Total Expenses</b>		<b>25</b>	<b>1</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>(25)</b>	<b>(1)</b>
Exceptional Items	2.27	-	0
<b>Profit before extraordinary items and tax</b>		<b>(25)</b>	<b>(1)</b>
<b>Profit Before Tax</b>		<b>(25)</b>	<b>(1)</b>
Tax Expenses:			
- Current Tax	2.28	-	0
- Adjustment Relating to earlier years		-	0
- Deferred Tax	2.13	-	-
		-	0
<b>Profit for the Year</b>		<b>(25)</b>	<b>(1)</b>
<b>Earnings Per Equity Share (Par Value ₹62.50/- each)</b>			
- Basic and Diluted (₹)	2.29	<b>(5)</b>	<b>(0.21)</b>

Significant Accounting Policies

1

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

(Amrita Pradhan)  
Company Secretary

(Rajendra Singh)  
HOD (Finance)

(Suresh Chandra Agarwal)  
CEO



## SJVN ARUN-3 POWER DEVELOPMENT COMPANY PVT. LIMITED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

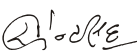
(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax	(25)	(1)
<b>Adjustment for:</b>		
Loss on Disposal/Write off of Fixed Assets	24	-
<b>Operating Profit before Working Capital Changes</b>	<b>(1)</b>	<b>(1)</b>
<b>Adjustment for:</b>		
Trade Payables and Other Liabilities ( Current & Non-current)	920	(402)
Loans and Advances	(29)	(6)
	<u>891</u>	<u>(408)</u>
Cash generated from operations	890	(409)
<b>Net Cash Flow from Operating Activities - A</b>	<b>890</b>	<b>(409)</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Expenditure on Fixed Assets & CWIP, Advance for Capital Works & Capital Stores/Spares etc.	(840)	116
<b>Net cash used in Investing Activities - B</b>	<b>(840)</b>	<b>116</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital including Security Premium	-	300
<b>Net Cash Flow from Financing Activities - C</b>	<b>-</b>	<b>300</b>
<b>Net Increase/Decrease in Cash and Cash equivalents (A+B+C)</b>	<b>50</b>	<b>7</b>
<b>Cash and cash equivalents (Opening balance)</b>	<b>7</b>	<b>-</b>
<b>Cash and cash equivalents (Closing balance)</b>	<b>57</b>	<b>7</b>

**Notes:**

- Cash and cash equivalents consist of cash and bank balances.
- Previous year figures have been regrouped/re-arranged/re-casted wherever necessary.

  
**(Amrita Pradhan)**  
 Company Secretary

  
**(Rajendra Singh)**  
 HOD (Finance)

  
**(Suresh Chandra Agarwal)**  
 CEO

## SJVN ARUN-3 POWER DEVELOPMENT COMPANY PVT. LIMITED

### 2 Notes on Accounts

The amounts in Financial Statements are presented in Indian Rupees and all figures have been rounded off to the nearest rupees lakh except when otherwise stated. The previous year figures have also been reclassified/regrouped/rearranged wherever necessary to conform to this year's classification.

#### 2.1 Share Capital

(₹ Lakh)

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>AUTHORISED</b>				
Equity Shares of par value ₹62.50 each	2,47,50,00,000	1,54,688	2,47,50,00,000	1,54,688
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b>				
Equity Shares of par value ₹62.50 each fully paid up	4,80,000	300	4,80,000	300
<b>Total</b>		<u>300</u>		<u>300</u>

The Company has only one class of equity shares having par value of ₹62.50 per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders. The company is having single shareholder as it's holding company SJVN Limited, India

During the year ended 31st March 2016, no dividend has been proposed or distributed as no commercial operation initiated.



**2.1.1 Details of shareholders holding more than 5% shares in the Company:**

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	%	No. of shares	%
SJVN Ltd	4,80,000	100	4,80,000	100

**2.1.2 The reconciliation of the number of shares outstanding is set out below:**

(₹ Lakh)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	4,80,000	300	-	-
No. of shares issued during the year	-	-	4,80,000	300
Number of shares at the end	4,80,000	300	4,80,000	300

**2.2 Reserves and Surplus**

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>B Surplus</b>		
Opening Balance	(2)	(1)
Add: Profit for the Year as per Statement of Profit and Loss and Earlier Year Loss Adjusted (Note 2.24)	(25)	(1)
<b>Total Profit available for Appropriations</b>	<b>(27)</b>	<b>(2)</b>
Surplus - Closing Balance	(27)	(2)
<b>Total Reserves and Surplus (A + B)</b>	<b>(27)</b>	<b>(2)</b>

<b>2.3 Long Term Borrowings</b>	: NIL
<b>2.4 Other Long Term Liabilities</b>	: NIL
<b>2.5 Long Term Provisions</b>	: NIL
<b>2.6 Short Term Borrowings</b>	: NIL

**2.7 Trade Payables**

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Others	12	18
<b>Total</b>	<b>12</b>	<b>18</b>

**2.8 Other Current Liabilities**

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Others Payables:</b>		
-Liability for Employees' Remuneration and Benefits	117	52
Liability for Purchase/Construction of Fixed Assets:		
- Small Scale Industries	-	-
- Others	15	1
	15	1
Deposits, Retention Money from Contractors and Others	72	79
Less: Investments held as Security	-	-
	72	79
Gratuity Payable to Trust	-	-
Amount Payable to Holding company	8,353	7,485
TDS and Other Taxes Payable	3	3
Others	-	-
<b>Total</b>	<b>8,560</b>	<b>7,620</b>

<b>2.9 Short Term Provisions</b>	: NIL
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2.10 Fixed Assets		Gross Block					Depreciation					Net Block			
		As at 01-04-2015	Additions during the year	Deductions/ Adjustments	As at 31-03-2016	Upto 01-04-2015	Depreciation For the year	Deductions/ transfers	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015				
<b>Tangible Assets</b>															
1	Buildings*	-	78	-	78	-	11	-	11	67	-				
2	Furniture, Fixture and Equipments	34	1	1	34	16	2	1	17	17	18				
3	Electrical Equipments	33	1	4	30	7	2	1	8	22	26				
4	Office Equipments	12	1	1	12	3	1	-	4	8	9				
5	Data processing Equipments	17	4	6	15	13	2	6	9	6	4				
6	Capital Assets not owned by Company	-	-	-	-	-	-	-	-	-	-				
	<b>Total</b>	<b>96</b>	<b>85</b>	<b>12</b>	<b>169</b>	<b>39</b>	<b>18</b>	<b>8</b>	<b>49</b>	<b>120</b>	<b>57</b>				
<b>Intangible Assets</b>															
1	Software	-	-	-	-	-	-	-	-	-	-				
2	Expenditure on Compensatory Afforestation	-	-	-	-	-	-	-	-	-	-				
	<b>Total:</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>				
	<b>Total Fixed Assets</b>	<b>96</b>	<b>85</b>	<b>12</b>	<b>169</b>	<b>39</b>	<b>18</b>	<b>8</b>	<b>49</b>	<b>120</b>	<b>57</b>				
	<b>Previous Year:</b>	<b>117</b>	<b>1</b>	<b>22</b>	<b>96</b>	<b>40</b>	<b>6</b>	<b>7</b>	<b>39</b>	<b>57</b>	<b>-</b>				
Fixed Assets costing ₹5000 or less procured and depreciated fully during the year.															
													Current Year	Previous Year	
													1	2	
2.11 Capital Works-in-progress		As at 01-04-2015					Transfers/Adjustments		Total WIP as at 31-03-2016		Capitalised during the year		As at 31-03-2016		
		As at 01-04-2015	Additions during year	Transfers/Adjustments	As at 31-03-2016	Upto 01-04-2015	Depreciation For the year	Deductions/ transfers	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015				
1	Preliminary	4,088	144	100	4,132	-	-	-	-	4,132	-	4,132			
2	Expenditure during construction (Note 2.11.1)	3,661	723	-	4,384	-	-	-	-	4,384	-	4,384			
	<b>Total</b>	<b>7,749</b>	<b>867</b>	<b>100</b>	<b>8,516</b>	<b>100</b>	<b>8,516</b>	<b>8,516</b>	<b>8,516</b>	<b>8,516</b>	<b>-</b>	<b>8,516</b>			
	<b>Previous Year</b>	<b>7,845</b>	<b>769</b>	<b>865</b>	<b>7,749</b>	<b>865</b>	<b>7,749</b>	<b>7,749</b>	<b>7,749</b>	<b>7,749</b>	<b>-</b>	<b>7,749</b>			



### 2.11.1 Expenditure During Construction

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>EXPENSES</b>		
<b>Employees' Remuneration and Benefits:</b>		
Salaries, Wages, Allowances and Benefits	482	521
Contribution to Provident and Other Funds	13	13
Leave Salary and Pension Contribution	4	3
Welfare Expenses	43	34
	542	571
<b>Other Expenses</b>		
Repair and Maintenance:		
Others	28	10
	28	10
Rent	10	8
Security Expenses	4	2
Electricity Charges	2	-
Less: Recovered from Employees & Contractors	-	-
	2	2
Research & Development Expenses		
Travelling & Conveyance	24	31
Training and Recruitment Expenses	1	1
Professional and Consultancy Charges	33	27
Communication Expenses	4	5
Printing & Stationery	2	3
Less: Receipts from Sale of Tenders	1	-
	1	3
Advertisement & Publicity	1	1
EDP Expenses	1	1
Expenses on Transit Camps	36	25
Hiring of Vehicles	18	15
Depreciation	18	6
Miscellaneous Expenses	5	3
	728	711
<b>LESS: RECEIPTS AND RECOVERIES</b>		
Interest from:		
Banks	-	-
Employees	5	6
	5	6
<b>Net Expenditure (transferred to Sch.-2.11)</b>	<b>723</b>	<b>705</b>

2.12 Non-Current Investments

: NIL

2.13 Deferred Tax Assets (Net)

: NIL

2.14 Long Term Loans and Advances

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Security Deposits - Unsecured considered good	1	1
Loans and Advances	70	-
- Interest accrued	-	-
	70	-
Other Loans and Advances		
Loans to Employees		
- Secured	38	60
- Unsecured considered good	-	-
	38	60
Interest Accrued on Staff Advances:		
- Secured	24	26
- Unsecured considered good	-	-
	24	26
<b>Total</b>	<b>133</b>	<b>87</b>



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2.15 Other Non-current Assets	:	NIL
2.16 Inventories	:	NIL
2.17 Trade Receivables	:	NIL
2.18 Cash and Bank Balances		

	(₹ Lakh)	
	As at 31.03.2016	As at 31.03.2015
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
- Current Account	5	7
Remittance in Transit	52	-
<b>Total</b>	<b>57</b>	<b>7</b>

	(₹ Lakh)	
	As at 31.03.2016	As at 31.03.2015
<b>2.19 Short Term Loans and Advances</b>		
Loans to Employees		
- Secured	12	13
- Unsecured considered good	-	-
	12	13
Advances to Employees (unsecured, considered good)	4	3
Deposits - Unsecured considered good:		
- Others	3	3
Others		
Unsecured considered good:		
- Amount recoverable from Govt departments	-	17
<b>Total</b>	<b>19</b>	<b>36</b>

2.20 Other Current Assets	:	NIL
2.21 Revenue from Operations	:	NIL
2.22 Other Income	:	NIL
2.23 Employee Benefits Expense	:	NIL
2.24 Finance Costs	:	NIL

	(₹ Lakh)	
	As at 31.03.2016	As at 31.03.2015
<b>2.25 Depreciation and Amortization Expense</b>		
Depreciation for the year	18	6
Less :		
Transfer to Expenditure During Construction (Note.2.11.1)	18	6
<b>Depreciation charged to Statement of Profit and Loss</b>	<b>-</b>	<b>-</b>

	(₹ Lakh)	
	As at 31.03.2016	As at 31.03.2015
<b>2.26 Other Expenses</b>		
Payment to Auditors	1	1
Loss on Disposal/Write off of Fixed Assets	24	-
<b>Total</b>	<b>25</b>	<b>1</b>

2.27 Exceptional Items	:	NIL
2.28 Current Tax	:	NIL

	(₹ Lakh)	
	As at 31.03.2016	As at 31.03.2015
<b>2.29 Contingent Liabilities &amp; Commitments</b>		
Contingent Liabilities	-	-
Capital commitments	210	135
<b>Total</b>	<b>210</b>	<b>135</b>



## Schedules forming part of the Accounts for the year ended on 31st March, 2016

### Significant Accounting Policies & Notes to the Accounts

#### Note 1

##### A. General Information:

"SJVN Arun 3 Power Development Company Pvt. Ltd (SAPDC) has been established and registered on 25.04.2013 as a private limited company under the Company Act, 2063 duly floated by single share holder company SJVN Ltd (which is a joint venture of Government of India and Government of Himachal Pradesh) with an aim to plan, promote, organize and execute the Arun-3 Hydroelectric Project. The corporate office of the SAPDC is located at Biratnagar-5, Morang, Nepal and project office is located at Khandbari#1 District Sankhuwasabha, Nepal. The company has established transit offices at Kathmandu, Janakpur & Khandbari.

Memorandum of Understanding (MOU) was signed with the Govt. of Nepal for the execution of 900 MW Arun – III Hydroelectric Project on 02.03.2008. This project is proposed to be installed in the Sankhuwasabha District of Nepal which is approximately 657 Km from Kathmandu via Biratnagar. The Survey license for DPR was issued by Government of Nepal. Application for Electricity Generation License has been filed to GoN.

Letter of intent issued on 23.05.2010 to carry out infrastructure work at Dam & Power House site. Detailed Project Agreement (Project Development Agreement ) has been signed in between GON, represented by the Investment Board of the GON & Management of SJVN Arun-3 Power Development Co. Pvt. Ltd. on dated 25.11.2014. The DPR of project was approved by Central Electricity Authority, India on 09.06.2014 with an estimated cost of projects as INR. 5667.77 Crores (Now revised as a result of separation of transmission line)."

##### B. Significant Accounting Policies:

###### 1) Basis of Preparation:

The financial statements have been prepared in accordance with Nepal Accounting Standards (NAS) adopted by the Institute of Chartered Accountants of Nepal (ICAN), and presentational requirement of the Company Act, 2063. The financial statements are presented in NRs, rounded to the nearest rupee. They are prepared on the historical cost basis unless otherwise stated. The accounting policies are consistently applied by the company.

###### 2) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles and Nepal Accounting Standard requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known/materialized.

###### 3) Going Concern:

The Financial Statements are prepared on the assumption that the company is a going concern.

###### 4) Fixed Assets:

- i) Land is stated at the original cost of acquisition.
- ii) Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and any impairment in value. Where final settlement of bills with contractors is pending/under dispute, capitalization is done on estimated/provisional basis subject to necessary adjustment in the year of final settlement.
- iii) Fixed Assets created on land not belonging to the Company are included under Capital Work-in-progress / Fixed Assets.
- iv) Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-progress/ Fixed Assets.
- v) Construction equipments declared surplus are shown at lower of book value and net realizable value.
- vi) Cost incurred on acquisition, installation and construction of fixed assets during the current financial year which are not yet completed, has been transferred to Capital Work in Progress account. The same shall be capitalized and identified as individual assets only after the completion of construction.

###### 5) Intangible Assets

- i) All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental/attribution to construction of project, borrowing cost incurred prior to the date of commercial operation, expenditure of infrastructure developments and expenditure on Survey, DPR and Investigation of the Projects are shown under Capital Work-in-progress. These expenses are net of recoveries and income (net of tax) if any.
- ii) Expenditure against "Deposit work" shall be accounted for on the basis of statement of account received from the concerned agency and acceptance by the company. However, provision shall be made wherever considered necessary.
- iii) Claim for price variation/exchange rate variation in case of contract shall be accounted for on acceptance.
- iv) Expenses incurred which are not directly related to projects, like Audit Fees expenses, Advertisement Expenses, Business Promotion Expenses and other startup cost if any has been charged to profit and loss account.





**6) Depreciation and Amortization**

- a) Depreciation is charged on straight-line method to the extent of 90% of the Cost of Asset and in case of computers & peripherals, and mobile phones rate of depreciation is taken @ 25% p.a.
- b) Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.
- c) Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.
- d) Assets costing ₹5,000/- or less are depreciated fully in the year of procurement.

**7) Impairment of Assets:**

The Company identifies impairable fixed assets based on cash generating unit concept at the year-end for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged to revenue for the year.

**8) Borrowing Cost:**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expenses in the period in which it is incurred.

**9) Investments:**

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. However, provisions for diminution in value of investments are made to recognize decline, other than temporary, in value of the investments.

Investments other than long term investments, being current investments, are valued at cost or market price whichever is lower, determined on an individual basis.

**10) Subsequent Expenditure:**

Expenditure incurred to replace a component of an item of fixed assets that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of fixed assets. All other expenditure is recognized in the income statement as an expense as incurred.

**11) Employee Benefits:**

Short term employee benefits are recognized in the year during which the services have been rendered. The company does not have appointed any employees & the employees in the company are posted by Promoter Company.

Employees benefits like provident fund, housing facilities, foreign country allowance, Pension, Gratuity, Welfare and other allowances are guided and applied as per the employees policies framed and regulated by parent company. As per the rules and regulation of parent company expenses has been charged.

**12) Foreign currency transaction :**

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of transactions.

Foreign currency denominated assets and liabilities are reported as follows:

Monetary items are translated into rupees at the exchange rates prevailing at the balance sheet date except the liabilities against the purchase of goods. Non-Monetary items such as fixed assets are carried at their historical rupee values.

Gains/(losses) arising on the settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary Items) are recognized in the income statement.

**13) Inventories (As taken, valued & certified by management):**

- i) Inventories are valued at lower of cost arrived at on weighted average basis & net realizable value.
- ii) Loose tool issued during the year are charged to consumption.
- iii) Store issued for operation & maintenance but lying unused at site are treated as part of inventory.
- iv) The diminution in the value of obsolete, unserviceable & surplus store & spare is ascertained on review & provided for.
- v) Scrap is accounted for as and when sold.

**14) Revenue Recognition:**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable net of value added tax, excise, rebates and discount. The following specific criteria are used for the revenue recognition:

**a) Energy Sale**

Revenue from the sale of energy is recognised in the income statement on accrual basis in accordance with the provisions of the Power Purchase Agreement (PPA) after Commercial Operation Date.

**b) Interest Income:**

Interest income (if any) is recognized on a time proportion basis taking into account the principal outstanding and interest rate applicable.

**c) Rental Income:**

Rental income is recognized on accrual basis as per the agreement, if any.

**d) Insurance & Other Claims:**

Insurance and other claims, to the extent considered recoverable, are accounted for in the year of claim. However, claims and refunds, whose recovery can not be ascertained with reasonable certainty, are accounted for on acceptance basis.

**15) Trade and other Receivables:**

Trade Debts and other Receivables are originated by the



Company and are stated at cost less provisions for any uncollectible amount. Provision is made against debts considered doubtful of recovery whereas debts considered irrecoverable are written off.

#### 16) Related party transactions:

All transactions with related parties are carried out by the Company at arm's length prices.

Related party Disclosure

1 Enterprise that Control the Company	SJVN LTD
2 Fellow Subsidiary Companies	None
3 Key Management Personnel	1. Sh. R.N. Misra (Chairman) 2. Sh. A. S. Bindra (Director) 3. Sh. N.L. Sharma (Director) 4. Sh. R.K. Bansal (Director) 5. Sh. Kanwar Singh (Director)
4 Enterprises where key management personnel and their close member of family exercise significant influence	NIL

Summary of transactions with the above related parties is as follows:

(Amount in ₹)

Particulars	For the year ended 31st March, 2016 (INR)	For the year ended 31st March, 2015 (INR)
Payable to SJVN LTD.	83,53,16,669.00	74,85,53,815.00

#### 17) Cash and Bank Balances:

Cash and bank balances comprises cash in hand and balances with Banks as on Balance Sheet date. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are shown as short term loans in current liabilities in the Balance Sheet but the overdraft balances and other demand loans which are regularly utilised by company are shown as non-current liabilities.

#### 18) Provisions, Contingent Liability and Contingent Assets:

Provisions are recognized when the Company has a present obligation as a result of past event; it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates in accordance with Nepal Accounting Standards NAS 12 "Provisions, Contingent Liabilities and Contingent Assets".

A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

#### 19) Leases:

##### a) Financial Lease:

The company does not have any item covered under finance lease which needs disclosure as per Nepal accounting Standards.

##### b) Operating Lease:

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

#### 20) Cash Flow Statements:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement is separately attached with the Financial Statements of the company.

#### 21) Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

The prior period expenses, if any, are charged separately to the Income Statement. There is no change in the accounting policy during the year.

#### 22) Taxation:

##### Current Tax:

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Nepalese Income Tax Act, 2058. Provision for Income Tax has been made as per self assessment by management in accordance with Income Tax Act, 2058(Amended). Provision for current tax is made after taking credit for allowances and exemptions. Benefit of tax holidays is taken as per Power Development Agreement (PDA). In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liability is accepted by the company.

#### 23) Share Based Payments:

Share based payment transaction is a transaction in which entity receives goods and services as consideration for equity instruments (including shares or share options) of the entity (referred to as "equity settled share passed transaction"). There is no share based transactions during the Year.

#### 24) Earnings Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

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

### C. Notes to the Accounts

#### 1) Share Capital

Share issued by the company are recorded as the proceeds received, net of direct costs.

#### 2) Reserves and Surplus

Audit fees & out of pocket expenses for the Naplees year



ending (2071-72) charged to profit and loss account. The loss in Fixed Assets due to fire at Power House site has been charged to Profit & Loss Account amounting to INR 304796/-. The other assets at Power House Site i.e building transferred from NEA & renovation cost incurred thereon charged to Preliminary Expenses due to non transfer of land to SAPDC amounting to INR 2144967/- charged to P&L A/c. The insurance claim for the fixed assets loss due to fire INR 304796/- has been lodged to insurance company & the claim is still awaited.

**3) Committed Cost of Contract**

Details of committed cost of running contracts are as follows :-

Contractor Name	Purpose	Total Value as per Contract (₹)	O/s Value of the Contract (₹)	Remarks
"ARNHEP-01/09 M/s Wapcos Ltd Gurgaon"	RFP for preparation of FSR, DPR, Bid documents, EIA/EMP studies	6,85,63,400	1,16,79,217	
PCD 49 M/s Pumori Engineering Services Pvt Ltd, Kathmandu	Observing discharge & silt Data	30,19,687	4,56,225	
PCD 43 M/s Pumori Engineering Services Pvt Ltd, Kathmandu	Observing discharge & silt Data	31,36,456	3,59,773	
PCD 58A M/s ADMC & M/s Aviyaan Consulting Pvt Ltd	Downstream irrigation project & other studies	68,50,625	68,50,625	
Corporate social responsibility	Earthquake relief towards construction of toilet & red cross building at khandbari	25,00,000	16,66,875	
	<b>Total</b>	<b>8,40,70,168</b>	<b>2,10,12,715</b>	

**4) Comparative Information**

Previous year's figures have been regrouped/rearranged wherever necessary to facilitate comparison.

**5) Rounding Off**

The amounts in Financial Statements are presented in Indian Rupees and all figures have been rounded off to the nearest rupees lakh except when otherwise stated.

(Amrita Pradhan)  
Company Secretary

(Rajendra Singh)  
HOD(Finance)

(Suresh Chandra Agarwal)  
CEO



# Consolidated Financial Statements

## INDEPENDENT AUDITOR'S REPORT

To

**The Members of SJVN Limited**

**Report on the Consolidated Financial Statements**

We have audited the accompanying consolidated financial statements of SJVN Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

**Management's Responsibility for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

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

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

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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and jointly controlled entities as at 31st March 2016, and their consolidated profit and their consolidated cash flows for the year ended on that date.

**Emphasis of Matter**

"Attention to Note No. 2.24 to the financial statements in respect of accounting of sales on provisionally approved tariff for 2009-14 period, arrear billing being contested by HP Govt. and Note no. 2.34 regarding contingent liability which describes the uncertainty related to the outcome of the claims/arbitration proceedings and cases filed in courts by/ against the Company on/by contractors and others".

Pending approval of tariff by CERC in respect of Nathpa Jhakri Hydro Power Station, Sales have been booked in accordance with the tariff approved & applicable as on 31.03.2014 as provided in Tariff Regulations, 2014.

GOHP has contested the arrear billing of NJHPS for the period 2009-14 on the basis that the tariff is provisional & not finally determined. However, it is expected that the final tariff will not be less than the provisional tariff.

The contingent liability, will be dealt in accordance with the outcome of the cases, if required.

In the case of SJVN Thermal Private Limited one of the subsidiary company auditor has qualified his opinion on the issue of Freehold-



land amounting to ₹36060.72 lakh (measuring 1056.85 acres) pending execution of title deeds.

Our opinion is not modified in respect of these matters.

#### Other Matters

a) We did not audit the financial statements/financial information of the following subsidiary whose financial statements/financial information reflect the details given below of total assets as at 31st March 2016, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements.

(₹ Lakh)

Name of the Company	Assets	Revenues	Net Cash Flows
<b>Subsidiaries:</b>			
SJVN Thermal Private Limited	44808	15	412

These financial statements/financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

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

(₹ Lakh)

Name of the Company	Assets	Revenues	Net Cash Flows
<b>Subsidiaries:</b>			
SJVN Arun-3 Power Development Company Pvt. Limited	8845	-	50
<b>Joint Ventures:</b>			
Cross Border Power Transmission Company Limited	6510	163	(60)
Kholongchhu Hydro Energy Limited	1480	1	233
Bengal Birbhum Coalfields Limited	1	-	1

These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary and jointly controlled companies, is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

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

the financial statements/financial information certified by the Management.

#### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;
  - b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) With respect to adequacy of Internal Financial Controls over financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in "Annexure-1" in our opinion the internal financial controls system is adequate but the operating effectiveness of such controls need be improved.
  - f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and the jointly controlled entity - Refer Note 2.34 to the consolidated financial statements;
    - ii. The Group and its jointly controlled entity did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, subsidiary company and jointly controlled entity.

For Soni Gulati & Co.  
Chartered Accountants  
Firm Regn.No.008770N

(Suresh Chand Soni)  
Partner  
M.No.083106

Place: Shimla  
Date: 27th May, 2016



## ANNEXURE 1 TO THE AUDITORS' REPORT

### ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SJVN LIMITED

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2016, We have audited the internal financial controls over financial reporting of SJVN Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and jointly controlled companies, which are companies incorporated in India, as of that date.

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

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

#### Auditor's Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating

effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

#### Meaning of Internal Financial Controls Over Financial Reporting

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

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

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

#### Opinion

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



in some areas such as hydro allowance and inventory control & accounting. Further in case of SJVN Thermal Pvt. Ltd., a subsidiary company incorporated in India we relied upon the report of the auditor and accordingly in our opinion the subsidiary company has in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016.

#### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and the holding company ( other two jointly

controlled entities are unaudited), which are companies incorporated in India, is based on the corresponding report of the auditor of such company incorporated in India.

For Soni Gulati & Co.  
Chartered Accountants  
Firm Regn.No. 008770N

(Suresh Chand Soni)  
Partner  
M.No. 083106

Place: Shimla  
Date: 27th May, 2016

#### Annexure-XI

### COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) READ WITH SECTION 129(4) OF THE COMPANIES ACT, 2013 ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SJVN LIMITED FOR THE YEAR ENDED 31 MARCH 2016

The preparation of consolidated financial statements of SJVN Limited for the year ended 31 March 2016 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) read with Section 129(4) of the Act is responsible for expressing opinion on the financial statements under Section 143 read with Section 129(4) of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 27 May, 2016.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of SJVN Limited for the year ended 31 March 2016. We conducted a supplementary audit of the financial statements of SJVN Limited, but did not conduct supplementary audit of the financial statements of SJVN Thermal Private Limited, Cross Border Power Transmission Company Limited and Bengal Birbhum Coalfield Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to SJVN Arun-3 Power Development Company Private Limited and Kholongchhu Hydro Energy Limited being incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

For and on behalf of the  
Comptroller & Auditor General of India

(Ritika Bhatia)  
Principal Director of Commercial Audit &  
Ex-officio Member, Audit Board - III,  
New Delhi

Place: New Delhi  
Date: 19th July, 2016



## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2016

(₹ Lakh)

	Note No.	As at 31st March, 2016	As at 31st March, 2015
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share Capital	2.1	4,13,663	4,13,663
Reserves and Surplus	2.2	6,92,064	6,06,615
		<b>11,05,727</b>	<b>10,20,278</b>
<b>Non- current Liabilities</b>			
Long Term Borrowings	2.3	2,50,354	2,48,098
Other Long Term Liabilities	2.4	86,478	86,622
Long Term Provisions	2.5	8,952	7,965
		<b>3,45,784</b>	<b>3,42,685</b>
<b>Current Liabilities</b>			
Short Term Borrowings	2.6	-	-
Trade Payables	2.7	1,744	1,483
Other Current Liabilities	2.8	51,353	62,533
Short Term Provisions	2.9	38,621	36,238
		<b>91,718</b>	<b>1,00,254</b>
<b>Total</b>		<b>15,43,229</b>	<b>14,63,217</b>
<b>ASSETS</b>			
<b>Non - current Assets</b>			
<b>Fixed Assets</b>			
Tangible Assets	2.10	8,83,318	9,05,369
Intangible Assets	2.10	512	22
Capital Work-in-progress	2.11	50,676	42,893
Intangible Assets under Development	2.12	113	-
		<b>9,34,619</b>	<b>9,48,284</b>
Non-current Investments	2.13	-	254
Deferred Tax Assets (Net)	2.14	35,263	28,537
Long Term Loans and Advances	2.15	21,071	19,389
Other Non-current Assets	2.16	56	98
Other Non-current Assets - Regulatory Assets	2.17	12,480	486
		<b>10,03,489</b>	<b>9,97,048</b>
<b>Current Assets</b>			
Inventories	2.18	3,865	3,678
Trade Receivables	2.19	1,13,242	1,50,708
Cash and Bank Balances	2.20	3,89,170	2,85,757
Short Term Loans and Advances	2.21	18,326	14,998
Other Current Assets	2.22	14,343	11,001
Other Current Assets - Regulatory Assets	2.23	794	27
		<b>5,39,740</b>	<b>4,66,169</b>
<b>Total</b>		<b>15,43,229</b>	<b>14,63,217</b>

Significant Accounting Policies 1  
The accompanying notes form an integral part of these financial statements.

This is the Balance Sheet referred to in our report of even date  
**For Soni Gulati & Co.**  
Chartered Accountants

**(Suresh Chand Soni)**  
Partner  
M.No. 083106

Place: Shimla  
Date: 27th May, 2016

For and on behalf of the Board of Directors

**(Soumendhra Das)**  
Company Secretary  
FCS-4833

**(Amarjit Singh Bindra)**  
Director (Finance) cum CFO  
DIN:03358160

**(Ramesh Narain Misra)**  
Chairman & Managing Director  
DIN:03109225





## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2016

(₹ Lakh)

	Note No.	Year ended 31 March, 2016	Year ended 31 March, 2015
<b>REVENUE</b>			
Revenue from Operations	2.24	2,49,999	2,81,744
Other Income	2.25	40,993	43,841
<b>Total Revenue</b>		<b>2,90,992</b>	<b>3,25,585</b>
<b>EXPENSES</b>			
Employee Benefits Expense	2.26	22,081	19,957
Finance Costs	2.27	20,947	5,508
Depreciation and Amortization Expense	2.28	67,751	64,100
Other Expenses	2.29	23,081	18,415
<b>Total Expenses</b>		<b>1,33,860</b>	<b>1,07,980</b>
<b>Profit before exceptional, extraordinary items, Rate Regulated Activities and tax</b>		<b>1,57,132</b>	<b>2,17,605</b>
Exceptional Items	2.30	-	13,228
<b>Profit before extraordinary items, Rate Regulated Activities and tax</b>		<b>1,57,132</b>	<b>2,04,377</b>
Extraordinary items		-	-
<b>Profit Before Rate Regulated Activities and Tax</b>		<b>1,57,132</b>	<b>2,04,377</b>
Rate Regulated Income	2.31	12,761	339
<b>Profit Before Tax</b>		<b>1,69,893</b>	<b>2,04,716</b>
Tax Expenses:			
- Current Tax		33,681	42,841
- Tax expense pertaining to rate regulated activities		2,723	71
- Deferred Tax	2.14	(6,726)	(5,861)
		29,678	37,051
<b>Profit for the Year</b>		<b>1,40,215</b>	<b>1,67,665</b>
<b>Earnings Per Equity Share (Par Value ₹10/- each)</b>			
- Basic and Diluted (₹)	2.32	3.39	4.05

Significant Accounting Policies

1

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

For and on behalf of the Board of Directors

  
(Soumendras Das)  
Company Secretary  
FCS-4833

  
(Amarjit Singh Bindra)  
Director(Finance) cum CFO  
DIN:03358160

  
(Ramesh Narain Misra)  
Chairman & Managing Director  
DIN:03109225

This is the Statement of Profit and Loss referred to in our report of even date

**For Soni Gulati & Co.**  
Chartered Accountants



(Suresh Chand Soni)  
Partner  
M.No. 083106

Place: Shimla  
Date: 27th May, 2016



## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax</b>	1,69,893	2,04,716
<b>Adjustment for:</b>		
Depreciation	67,751	64,100
Interest & Finance Charges	20,947	6,456
Unbilled Revenue	(291)	(126)
Loss on Disposal/Write off of Fixed Assets	111	4
Interest on Term Deposits	(30,792)	(23,085)
Write off of expenses of Survey & Investigation Project	-	13,228
<b>Operating Profit before Working Capital Changes</b>	<u>2,27,619</u>	<u>2,65,293</u>
<b>Adjustment for:</b>		
Trade Receivables	37,466	(1,13,261)
Inventories	(187)	(294)
Trade Payables and Other Liabilities (Current & Non-current)	1,946	688
Provisions (Long Term/Short Term)	979	2,932
Loans and Advances	4,747	(5,060)
Other Current Assets	(14)	42,823
Regulatory Asset	<u>(12,761)</u>	<u>-</u>
<b>Cash generated from operations</b>	<u>32,176</u>	<u>(72,172)</u>
<b>Income Tax paid</b>	<u>(39,720)</u>	<u>(43,961)</u>
<b>Net Cash Flow from Operating Activities - A</b>	<u>2,20,075</u>	<u>1,49,160</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Net Expenditure on Fixed Assets & CWIP, Advance for Capital Works & Capital Stores/Spares etc.	(75,397)	(49,587)
Investment in Subsidiary/Joint Venture Companies	254	(254)
Interest on Term Deposits	27,755	19,456
<b>Net cash used in Investing Activities - B</b>	<u>(47,388)</u>	<u>(30,385)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of Borrowings	(17,126)	(23,752)
Interest & Finance Charges Paid	(7,455)	(6,192)
Proceeds from Borrowings	7,675	34,124
Dividend	(43,428)	(66,574)
Tax on Dividend	(8,940)	(12,226)
<b>Net Cash Flow from Financing Activities - C</b>	<u>(69,274)</u>	<u>(74,620)</u>
<b>Net Increase/Decrease in Cash and Cash equivalents (A+B+C)</b>	<u>1,03,413</u>	<u>44,155</u>
<b>Cash and cash equivalents - Opening balance ( see Note 1 below)</b>	<u>2,85,757</u>	<u>2,41,602</u>
<b>Cash and cash equivalents - Closing balance (see note 1 below)</b>	<u>3,89,170</u>	<u>2,85,757</u>

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2016**

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Notes:</b>		
1. Cash and cash equivalents consist of cash, bank balances, remittances in transit and cheques & drafts in hand. Cash and cash equivalents included in the cash flow statement comprises of following Balance Sheet amounts as per Note 2.20		
Cash and cash equivalents	1,22,307	48,734
Deposits having original maturity of more than 3 months	2,66,680	2,35,666
Other Bank Balances*	183	1,357
Cash and cash equivalents as restated (Note 2.20 - Cash and Bank Balances)	<u>3,89,170</u>	<u>2,85,757</u>
* Amounts which are not available for use:		
i) Unpaid Dividend account balance	54	47
ii) Margin Money for BG/Letter of Credit and Pledged deposits	<u>129</u>	<u>1,310</u>
	<u>183</u>	<u>1,357</u>

2. Previous year figures have been regrouped/re-arranged/re-casted wherever necessary.

This is the cash flow statement referred to in our report of even date

**For Soni Gulati & Co.**  
Chartered Accountants

**(Suresh Chand Soni)**

Partner  
M.No. 083106

Place: Shimla

Date: 27th May, 2016

For and on behalf of the Board of Directors

**(Soumendhra Das)**  
Company Secretary  
FCS-4833

**(Amarjit Singh Bindra)**  
Director(Finance) cum CFO  
DIN:03358160

**(Ramesh Narain Misra)**  
Chairman & Managing Director  
DIN:03109225



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2016

### 1. Significant Accounting Policies

#### 1.1 System of Accounting

The financial statements are prepared according to the historical cost convention on accrual basis in line with the generally accepted accounting principles in India and the provisions of the Companies Act, 2013, including accounting standards notified thereunder as amended from time to time.

#### 1.2 Fixed Assets

- a) Fixed Assets are stated at historical cost less accumulated depreciation and any impairment in value. Where final settlement of bills with contractors is pending/under dispute, capitalization is done on estimated/provisional basis subject to necessary adjustment in the year of final settlement.
- b) Fixed Assets created on land not belonging to the Group where the Group is having control over the use and access of such assets are included under Fixed Assets.
- c) Capital expenditure incurred on Assets not owned by the Group is charged to Statement of Profit & Loss in the year of incurrance of such expenditure.
- d) Payments made provisionally towards compensation and other expenses relatable to land in possession are treated as cost of land.
- e) Expenditure incurred for compensatory afforestation, soil conservation and re-forestation towards forest land is shown as "Intangible Assets-Expenditure on compensatory afforestation" and is amortized pro-rata through depreciation over the period of likely use.
- f) Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.
- g) Assets/Equipments declared surplus are shown at lower of book value and net realisable value.

#### 1.3 Machinery Spares

- a) Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized and depreciated fully over the residual useful life of the related plant and machinery except as stated in para 1.3(b).
- b) Cost / WDV of Machinery Spares is fully charged to revenue in the year in which such spares are replaced except in cases where retrieved spares have useful life after repairs.
- c) Other spares forming part of inventory are expensed when consumed.

#### 1.4 Capital Work-in-progress

- a) In respect of supply-cum-erection contracts, the value of supplies received at site/construction store and accepted is treated as Capital Work-in-progress.

- b) Administration and Other General Overhead expenses at the Corporate Office and Projects under Construction / Survey & Investigation attributable to construction of fixed assets are identified and allocated on systematic basis on major immovable assets other than land, infrastructure facilities and bought out items on commissioning of Projects. However, no allocation of such expenses pertaining to Corporate Office is made on projects taken on BOOT (Build, Own, Operate & Transfer) basis till the date of grant of generation license.
- c) Expenditure on Survey and Investigation of the Projects is carried as capital work in progress and capitalized as cost of Project on completion of construction of the Project or the same is expensed in the year in which it is decided to abandon such project.
- d) Expenditure against "Deposit Works" is accounted for on the basis of statement of account received from the concerned agency and acceptance by the Group. However, provision is made wherever considered necessary.
- e) Claims for price variation /exchange rate variation in case of contracts are accounted for on acceptance.

#### 1.5 Depreciation and Amortization

- a) Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time except in case of:
  - (i) Mobile phones which are depreciated @ 25% p.a.
  - (ii) Computers & peripherals which are to be depreciated fully (100%) in three years.Transmission lines are to be depreciated in twenty five years as per Implementation and Transmission Service Agreement (ITSA) dated 13.12.2011 in case of Cross Border Power Transmission Company Ltd.
- b) Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.
- c) Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.
- d) Assets costing ₹ 5,000/- or less are depreciated fully in the year of procurement.
- e) Expenditure on software is recognized as 'Intangible Asset' and amortized fully over three years on straight line method or over a period of its legal rights to use, whichever is less.
- f) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liability on account of exchange fluctuation, change in duties or similar factors, the revised unamortized balance of such assets is depreciated prospectively over the residual life. Depreciation on increase/decrease in the value of existing assets on account of settlement of disputes is charged retrospectively.



- g) Leasehold land is amortized pro-rata through depreciation over the period of lease or 35 years, whichever is lower, following the rates & methodology notified by CERC for the purpose of fixation of Tariff as amended from time to time.
- h) Expenditure on Catchment Area Treatment (CAT) Plan during construction is capitalized along with dam/civil works. Such expenditure during O&M stage is charged to revenue in the year of incurrance of such expenditure.

#### 1.6 Rate Regulated Activities

Where an item of expenditure or income (including Exchange difference arising from settlement/ transaction denominated in foreign currency) is charged/credited to statement of profit & loss i.e. not allowed to be adjusted as part of cost of relevant fixed asset in accordance with the Accounting Standards, but permitted by Central Electricity Regulatory Commission (CERC), the regulator, to be adjusted in future tariff, such amount is accounted as Regulatory Asset/ Regulatory liability and corresponding Regulatory income/ expenses, as per the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI).

#### 1.7 Investments

- a) Non Current Investments are valued at cost less provision for permanent diminution in value.
- b) Current Investments are valued at lower of cost and fair value.

#### 1.8 Inventories

- a) Inventories and Carbon Credit are valued at the lower of cost arrived at on weighted average basis and net realizable value.
- b) Loose tools issued during the year are charged to consumption.
- c) Stores issued for operation and maintenance but lying unused at site are treated as part of inventory.
- d) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.
- e) Scrap is accounted for as and when sold.

#### 1.9 Foreign Currency Transactions

- a) Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction.
- b) Monetary items denominated in foreign currency are restated at exchange rates prevailing on the Balance Sheet date. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
- c) Exchange differences, except to the extent considered as adjustment to borrowing cost as per AS-16 read with ASI-10, are recognized as income or expense in the period in which they arise in case of operating projects and to EDC in case of projects under construction. However, the differences

relating to Fixed Assets/Capital Works-in-progress arising out of transactions entered into prior to 01.04.2004 over & above those considered as borrowing cost are adjusted to the carrying cost of Fixed Assets/Capital Work-in-progress.

#### 1.10 Borrowing Costs

Borrowing costs attributable to fixed assets during construction /renovation and modernization are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

#### 1.11 Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized, but are disclosed in the notes. Contingent assets are neither recognized, nor disclosed in the financial statements.

#### 1.12 Impairment of Assets

The carrying amount of cash generating unit is reviewed at each Balance Sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognized in the Statement of Profit & Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

#### 1.13 Income

- a) Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) except for sale of wind power energy which is accounted for on the basis of tariff rates notified by Electricity Regulatory Authorities of respective states as amended from time to time. Recovery/refund towards foreign currency variation in respect of foreign currency loans as per CERC notification is accounted for on year to year basis.  
  
In the case of Cross Border Power Transmission Company Limited Transmission income is accrued as per tariff based on implementation and transmission service agreement dated 13.12.2011.
- b) The incentives /disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.
- c) Advance against depreciation, forming part of tariff up to 31.03.2009 to facilitate repayment of loans, is reduced from sales and considered as deferred revenue to be included in the sales in subsequent years.
- d) The interest/surcharge on late payment/overdue sundry debtors for sale of energy is accounted for on receipt basis or when there is reasonable certainty of realization.
- e) Interest recoverable on advances to contractors/suppliers



- and other claims from contractors/suppliers under dispute are accounted for on receipt/acceptance.
- f) Income from consultancy services is accounted for on the basis of actual progress / technical assessment of work executed or costs reimbursable, in line with the terms of respective consultancy contracts.
- g) Income arising from carbon credit is recognized on transfer/sale of carbon credits i.e. when there is certainty regarding ultimate collection.

#### 1.14 Employee Benefits

- a) Provision for gratuity, leave encashment and other post retirement benefits as defined in Accounting Standard (AS) - 15 is made on the basis of actuarial valuation at the end of financial year.
- b) Provident fund liability is accounted for on accrual basis.
- c) Group's contribution towards defined contribution pension scheme for employees is accounted for on accrual basis.
- d) In the case of Kholongchhu Hydro Energy Limited employees benefits expenses of the employees on deputation from DGPC (Bhutan) are considered as per National Pension & Provident Fund (Bhutan).

#### 1.15 Miscellaneous

- a) Insurance claims are accounted for in the year of receipt/ acceptance by the insurer / certainty of realization.
- b) Prepaid and prior period expenses/income of items of ₹50,000/- and below are charged to natural heads of accounts in the year of payment/receipt.

- c) Liability for claims against the Group is recognized on acceptance by the Group / receipt of award by the Arbitrator and the balance claim, if disputed /contested by the contractor is shown as contingent liability. The claims prior to Arbitration award stage are disclosed as contingent liability.
- d) Minimum two percent of average Profit before Tax of three immediately preceding financial years is transferred to CSR Trust for incurring expenditure towards Corporate Social Responsibility (CSR) and Sustainable Development (SD).

#### 1.16 Taxes on Income

- a) Taxes on income are determined on the basis of taxable income under the Income Tax Act, 1961.  
In the case of foreign subsidiaries/Joint Ventures, Income Tax is determined on the basis of Income Tax Act/laws of respective Country.
- b) Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

#### 1.17 Cash Flow Statement

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) - 3 'Cash Flow Statements'.

## 2 Notes on Accounts

The amounts in Financial Statements are presented in Indian Rupees and all figures have been rounded off to the nearest rupees lakh except when otherwise stated. The previous year figures have also been reclassified/regrouped/rearranged wherever necessary to conform to this year's classification.

### 2.1 Share Capital

(₹ Lakh)

	As at 31st March, 2016		As at 31st March, 2015	
	No. of Shares	Amount	No. of Shares	Amount
<b>AUTHORISED</b> Equity Shares of par value ₹10/- each	7,00,00,00,000	7,00,000	7,00,00,00,000	7,00,000
<b>ISSUED, SUBSCRIBED AND FULLY PAID UP</b> Equity Shares of par value ₹10/- each fully paid up	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663
<b>Total</b>		<b>4,13,663</b>		<b>4,13,663</b>

#### 2.1.1 Details of shareholders holding more than 5% shares in the Company:

Name of the shareholder	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	%	No. of shares	%
Government of India (GoI)	2,66,66,11,700	64.46	2,66,66,11,700	64.46
Government of Himachal Pradesh (GoHP)	1,05,50,14,800	25.51	1,05,50,14,800	25.51



2.1.2 The reconciliation of the number of shares outstanding is set out below:

(₹ Lakh)

Particulars	As at 31st March, 2016		As at 31st March, 2015	
	No. of shares	Amount	No. of shares	Amount
Number of shares at the beginning	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663
No. of shares issued during the year	-	-	-	-
Number of shares at the end	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663

2.2 Reserves and Surplus

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>A Security Premium Account</b>	1,313	1,313
<b>B Surplus</b>		
Opening Balance	6,05,302	4,90,043
Add: Profit for the Year as per Statement of Profit and Loss	1,40,215	1,67,665
<b>Total Profit available for Appropriations</b>	<b>7,45,517</b>	<b>6,57,708</b>
<b>Appropriations</b>		
<b>Dividend</b>		
Interim	26,061	26,061
Final Proposed	19,442	17,374
<b>Tax on Dividend</b>		
Interim	5,305	5,336
Final Proposed	3,958	3,635
<b>Total Appropriation</b>	<b>54,766</b>	<b>52,406</b>
<b>Surplus - Closing Balance</b>	<b>6,90,751</b>	<b>6,05,302</b>
<b>Total Reserves and Surplus (A + B) #</b>	<b>6,92,064</b>	<b>6,06,615</b>

# Includes ₹(608) lakh (PY: ₹(9) lakh) share of jointly controlled entities.

2.3 Long Term Borrowings

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Term Loans</b>		
<b>From Other Parties:</b>		
<b>A Secured</b>		
Power Finance Corporation Limited (PFC) *	3,948	2,756
(Repayable in 60 equal quarterly instalments from Financial Year 2017-18 carrying interest rate as notified by PFC (currently 12%) and with 25bps rebate on timely payments.)		
State Bank of India ##	30,008	27,965
(Repayable in quarterly instalments from March 2015 to December 2023, carrying interest@ Base Rate + fixed spread of 0.65% p.a. payable monthly)		
<b>Total (A)</b>	<b>33,956</b>	<b>30,721</b>
## Secured by equitable mortgage/hypothecation of all present and future fixed assets and book debts as first charge of RHPS.		
* Secured by first pari passu charge on all fixed assets of Cross Border Power Transmission Company Limited (CPTC) including Lease hold rights of the Land, hypothecation of all movable assets, first charge on current assets of CPTC including book debts and stock.		
<b>B Unsecured:</b>		
<b>Foreign Currency Loans</b>		
(Guaranteed by Govt of India)		
- World Bank (IBRD)	2,16,398	2,17,377
(Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR + variable spread p.a.)		
<b>Total (B)</b>	<b>2,16,398</b>	<b>2,17,377</b>
<b>Total Long term borrowings (A + B) #</b>	<b>2,50,354</b>	<b>2,48,098</b>

# Includes ₹3948 lakh (PY: ₹2756 lakh) share of jointly controlled entities.

There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.



## 2.4 Other Long Term Liabilities

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Interest accrued but not due on borrowings	52	56
Deposits, Retention Money from Contractors and Others	312	63
Less : Investments held as Security	<u>231</u>	<u>29</u>
	81	34
Income Received in Advance:		
- Advance Against Depreciation	84,935	84,935
Deferred Foreign Currency Fluctuation Liability	1,410	1,597
<b>Total #</b>	<b><u>86,478</u></b>	<b><u>86,622</u></b>

# Includes ₹52 lakh (P.Y: ₹56 lakh) share of jointly controlled entities.

## 2.5 Long Term Provisions

(₹ Lakh)

Particulars	As at 01.04.2015	For the year			As at 31.03.2016
		Additions	Write Back	Utilization	
<b>Unfunded Employee Benefits</b>					
Leave Encashment	4,313	857	-	418	4,752
Post Retirement Medical	3,474	554	-	15	4,013
Other Retirement Benefits	178	20	-	11	187
<b>Total #</b>	<b>7,965</b>	<b>1,431</b>	<b>-</b>	<b>444</b>	<b>8,952</b>
<b>Previous Year</b>	6,742	1,405	-	182	7,965

# Includes Nil (P.Y: Nil) share of jointly controlled entities.

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.41

## 2.6 Short Term Borrowings

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Secured Loans:</b>		
Short Term Loans from Banks	-	-
<b>Total #</b>	<u>-</u>	<u>-</u>

# Includes Nil (P.Y: Nil) share of jointly controlled entities.

There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.

## 2.7 Trade Payables

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Micro and Small Scale Enterprises	16	23
Others	1,728	1,460
<b>Total #</b>	<b><u>1,744</u></b>	<b><u>1,483</u></b>

# Includes ₹11 lakh (P.Y: ₹1 lakh) share of jointly controlled entities.

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.54





## 2.8 Other Current Liabilities

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Current Maturities of Long Term debt		
Secured		
- Rupee Term Loans	4,440	4,440
Unsecured		
- Foreign Currency Loans (Guaranteed by GOI)	13,768	12,287
	18,208	16,727
Interest Accrued but not due on:		
- Foreign Currency Loans : World Bank	661	373
- Rupee Term Loans	41	-
	702	373
Advance Against Consultancy	15	15
Unpaid Dividend	54	47
Others Payables:		
- Liability for Employees' Remuneration and Benefits	3,905	2,798
Liability for Purchase/Construction of Fixed Assets:		
- Micro and Small Scale Enterprises	68	96
- Others	13,097	19,052
	13,165	19,148
Deposits, Retention Money from Contractors and Others	14,583	23,022
Less : Investments held as Security	297	456
	14,286	22,566
Amount Payable to Gratuity Trust	199	371
TDS and Other Taxes Payable	588	244
Others	231	244
<b>Total #</b>	<b>51,353</b>	<b>62,533</b>

# Includes ₹1465 lakh (P.Y: ₹652 lakh) share of jointly controlled entities.

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.54

Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term debt indicated above are disclosed in Note 2.3.

## 2.9 Short Term Provisions

(₹ Lakh)

Particulars	As at 01.04.2015	For the year			As at 31.03.2016
		Additions	Write Back	Utilization	
<b>(A) Unfunded Employee Benefits</b>					
Leave Encashment	277	402	-	277	402
Post Retirement Medical	73	81	-	73	81
Other Retirement Benefits	7	9	-	7	9
<b>Total (A)</b>	<b>357</b>	<b>492</b>	<b>-</b>	<b>357</b>	<b>492</b>
<b>(B) Others:</b>					
Proposed Dividend	17,374	19,442	-	17,374	19,442
Tax on Proposed Dividend	3,635	3,958	-	3,635	3,958
Wage Revision	18	46	-	8	56
Performance Related Pay	2,775	1,468	-	2,243	2,000
Interest on Arbitration Awards	8,443	948	-	-	9,391
Others	3,636	74	-	428	3,282
<b>Total (B)</b>	<b>35,881</b>	<b>25,936</b>	<b>-</b>	<b>23,688</b>	<b>38,129</b>
<b>Total (A) + (B) #</b>	<b>36,238</b>	<b>26,428</b>	<b>-</b>	<b>24,045</b>	<b>38,621</b>
<b>Previous Year</b>	<b>60,949</b>	<b>25,466</b>	<b>-</b>	<b>50,177</b>	<b>36,238</b>

# Includes ₹12 lakh (P.Y: Nil) share of jointly controlled entities.

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.41



2.10 Fixed Assets											
Sl.No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 01-04-2015	Additions during the year	Deductions/ Adjustments	As at 31-03-2016	Upto 01-04-2015	For the year	Deductions	Upto 31-03-2016	As at 31-03-2016	As at 31-03-2015
	<b>Tangible Assets</b>										
1	Land (including development expenses)	557	18	-	575	22	18	-	40	535	535
2	Land (including development expenses) ##	13,258	36,082	13	49,327	-	-	-	-	49,327	13,258
3	Buildings*	1,30,313	1,859	2,547	1,29,625	26,912	4,404	79	31,237	98,388	1,03,401
4	Roads and Bridges	6,468	25	7	6,486	1,442	246	-	1,688	4,798	5,026
5	Plant and Machinery	1,493	6,002	-	7,495	694	105	-	799	6,696	799
6	Generating Plant and Machinery	3,47,842	1,429	512	3,48,759	1,01,186	19,194	83	1,20,297	2,28,462	2,46,656
7	Hydraulic Works(Dams, Tunnel, etc.)	8,05,084	2,267	(209)	8,07,560	2,73,608	43,283	10	3,16,881	4,90,679	5,31,476
8	Vehicles	354	148	28	474	191	26	10	207	267	163
9	Furniture, Fixture and Equipments	1,228	94	1	1,321	443	76	1	518	803	785
10	Electrical Works	2,447	408	-	2,855	828	139	-	967	1,888	1,619
11	Electrical Equipments	308	73	7	374	104	24	2	126	248	204
12	Office Equipments	1,615	125	12	1,728	554	118	8	664	1,064	1,061
13	Data processing Equipments	1,353	89	33	1,409	967	303	24	1,246	163	386
14	Capital Assets not owned by Company	9,672	-	-	9,672	9,672	-	-	9,672	-	-
	<b>Total</b>	<b>13,21,992</b>	<b>48,619</b>	<b>2,951</b>	<b>13,67,660</b>	<b>4,16,623</b>	<b>67,936</b>	<b>217</b>	<b>4,84,342</b>	<b>8,83,318</b>	<b>9,05,369</b>
	<b>Intangible Assets</b>										
1	Software	342	101	-	443	320	33	-	353	90	22
2	Land- Right of Use	-	423	-	423	-	2	-	2	421	-
3	Others	-	1	-	1	-	-	-	-	1	-
	<b>Total</b>	<b>342</b>	<b>525</b>	<b>-</b>	<b>867</b>	<b>320</b>	<b>35</b>	<b>-</b>	<b>355</b>	<b>512</b>	<b>22</b>
	<b>Total Fixed Assets #</b>	<b>13,22,334</b>	<b>49,144</b>	<b>2,951</b>	<b>13,68,527</b>	<b>4,16,943</b>	<b>67,971</b>	<b>217</b>	<b>4,84,697</b>	<b>8,83,830</b>	<b>9,05,391</b>
	<b>Previous Year :</b>	9,21,804	4,04,395	3,865	13,22,334	3,54,789	64,213	2,059	4,16,943	9,05,391	5,67,015
	# Includes ₹6302 lakh (PY: ₹1 lakh) in net block as share of jointly controlled entities. Fixed Assets costing ₹5000 or less procured and depreciated fully during the year.								Current Year	Previous Year	
	## Possession of freehold land measuring 0.05-22 hectare (Previous Year: 0.05-22 hectare) is still to be handed over to the Company.								19	25	
	### Pending execution of title deed of land measuring 1056.85 acres (Previous Year: Nil) in favour of SJVN Thermal Pvt. Ltd. (Subsidiary Company) amounting to ₹36061 lakh (Previous Year: Nil) has been capitalised based on payment released to Bihar State Power Generation Company Limited vide their demand letter no. 29/PSD/830/12 (part-II) dated 09.09.2015 and vide LAO, Buxar Letter no. 215 dated 31.03.2016.										
	* Title deeds/ title in respect of buildings costing ₹15 lakh (Previous Year: ₹15 lakh) are yet to be executed/ passed in favour of the company. Expenses on stamp duty etc. shall be accounted for on registration.										
	* Buildings include ₹127 lakh (Previous Year: ₹8 lakh) being damaged assets for which provision has been made.										
<b>2.11 Capital Work-in-progress</b>											
Sl.No.	Particulars	As at 01-04-2015	Additions during the year	Transfers / Adjustments	Total WIP as at 31-03-2016	Capitalised during the year	As at 31-03-2016				
1	Building	6,656	7,127	(31)	13,814	1,598	12,216				
2	Civil Works	104	2,084	286	1,902	1,888	14				
3	Roads, Bridges & Culverts	8	436	30	414	25	389				
4	Plant and Machinery	2,927	1,236	-	4,163	4,158	5				
5	Electrical Works	859	122	17	964	426	538				
6	Capital Asset with Contractors (Electro Mechanical) *	1,597	855	254	2,198	1,230	968				
7	Preliminary	11,685	844	125	12,404	-	12,404				
8	Expenditure during construction (Note 2.11.1)	19,057	6,893	(25)	25,975	1,833	24,142				
	<b>Total #</b>	<b>42,893</b>	<b>19,597</b>	<b>656</b>	<b>61,834</b>	<b>11,158</b>	<b>50,676</b>				
	<b>Previous Year</b>	4,05,597	51,838	13,407	4,44,028	4,01,135	42,893				

# Includes ₹324 lakh (PY: ₹3814 lakh) share of jointly controlled entities.

\* Capital Assets with contractors (Electro Mechanical) has been adjusted by Nil (PY: ₹1008 lakh) on account of sale of infirm power during trial run.



### 2.11.1 Expenditure During Construction

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>EXPENSES</b>		
<b>Employees' Remuneration and Benefits:</b>		
Salaries, Wages, Allowances and Benefits	4,036	6,564
Contribution to Provident and Other Funds	258	361
Leave Salary and Pension Contribution	169	157
Welfare Expenses	323	584
	<b>4,786</b>	<b>7,666</b>
<b>Other Expenses</b>		
<b>Repair and Maintenance:</b>		
Roads and Buildings	2	49
Plant & Machinery	2	11
Office Equipments & Furnitures	6	11
Vehicles	9	19
Others	90	85
	<b>109</b>	<b>175</b>
Rent	<b>136</b>	249
Rates & Taxes	<b>1</b>	1
Insurance	<b>2</b>	3
Security Expenses	<b>106</b>	158
Electricity Charges	24	63
Less: Recovered from Employees & Contractors	-	6
	<b>24</b>	<b>57</b>
Research & Development Expenses	<b>3</b>	-
Travelling & Conveyance	<b>160</b>	196
Training and Recruitment Expenses	<b>21</b>	153
Legal Expenses	<b>18</b>	5
Professional and Consultancy Charges	<b>657</b>	177
Communication Expenses	<b>47</b>	60
Printing & Stationery	19	32
Less: Receipts from Sale of Tenders	2	4
	<b>17</b>	<b>28</b>
Payment to Auditors	-	3
Advertisement & Publicity	<b>21</b>	15
EDP Expenses	<b>10</b>	20
Entertainment Expenses	<b>6</b>	10
Expenses on Transit Camps	<b>128</b>	160
Books & Periodicals	<b>1</b>	2
Hiring of Vehicles	<b>173</b>	241
Depreciation	<b>116</b>	113
Loss on Disposal/Write off of Fixed Assets	-	1
Crop and Other Compensation	-	104
Exchange Rate Variation	-	8,842
Directors Sitting Fees	-	2
Business Promotion Expenses	-	6
Fees and subscription	<b>4</b>	26
Environment & Ecology Expenses	<b>1</b>	13
Safety Expenses	-	2
Miscellaneous Expenses	<b>33</b>	41
	<b>6,580</b>	<b>18,529</b>
<b>Interest and Finance Charges:</b>		
On Loan from World Bank (IBRD)	-	609
Term Loans	-	540
	-	1,149
Less: Allocated to CWIP	-	609
	-	540
Other Finance Charges	<b>336</b>	131
	<b>336</b>	<b>671</b>
<b>Total Expenses</b>	<b>6,916</b>	<b>19,200</b>
<b>LESS: RECEIPTS AND RECOVERIES</b>		
Interest from:		
Banks	2	4
Employees	14	27
Contractors	2	32
Others	1	1
	19	64
Miscellaneous Income	4	22
	<b>23</b>	<b>86</b>
<b>Net Expenditure - Transferred to CWIP (Note No. 2.11) #</b>	<b>6,893</b>	<b>19,114</b>

# Includes ₹920 lakh (P.Y: ₹377 lakh) share of jointly controlled entities.



## 2.12 Intangible Assets Under Development

(₹ Lakh)

Sl.No.	Particulars	As at 01-04-2015	Additions during the year	Transfers/ Adjustments	Total WIP as at 31-03-2016	Capitalised during the year	As at 31-03-2016
1	Software	-	113	-	113	-	113
	<b>Total</b>	-	<b>113</b>	-	<b>113</b>	-	<b>113</b>
	Previous Year	-	-	-	-	-	-

# Includes Nil (P.Y: Nil) share of jointly controlled entities.

## 2.13 Non-current Investments

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Non Trade-Unquoted (at cost)</b>		
<b>Investment in Equity Instruments</b>		
<b>(a) Joint Venture Companies</b>		
Share Application Money Pending Allotment in Cross Border Power Transmission Company Ltd.	-	254
<b>Other Non - current Investments</b>		
60 Fully Paid up Ordinary shares of ₹50/- each in NJP Employees Consumer Co-operative Store, Jhakri (₹3000/-)	-	-
<b>Total #</b>	<b>-</b>	<b>254</b>

# Includes Nil (P.Y: Nil) share of jointly controlled entities.

## 2.14 Deferred Tax Assets (Net)

(₹ Lakh)

	As at 01.04.2015	Additions/(Adjustments) during the year	As at 31.03.2016
<b>Deferred Tax Assets</b>			
Difference of Book Depreciation and Tax Depreciation	26,704	6,416	33,120
Provisions/Expenses disallowed for Tax purpose	1,833	310	2,143
<b>Deferred Tax Assets #</b>	<b>28,537</b>	<b>6,726</b>	<b>35,263</b>
<b>Previous Year</b>	22,676	5,861	28,537

# Includes Nil (P.Y: Nil) share of jointly controlled entities.

Net increase during the year in Deferred Tax Assets (Net) of ₹6726 Lakh (Previous Year: ₹5861 Lakh) has been adjusted in the tax expenses in the statement of Profit and Loss.



## 2.15 Long Term Loans and Advances

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Capital Advances</b>		
Secured by hypothecation of Equipment/Material	166	1,008
Unsecured considered good		
- Covered by Bank Guarantees	436	887
- Others	14,356	12,075
	<u>14,792</u>	<u>12,962</u>
<b>Total</b>	<b>14,958</b>	<b>13,970</b>
Security Deposits - Unsecured considered good	34	34
Loans and Advances to Related Parties ##		
- Secured considered good	4	9
- Unsecured considered good	2	5
- Interest accrued	7	5
	<u>13</u>	<u>19</u>
Other Loans and Advances*		
Loans to Employees		
- Secured considered good	3,132	3,144
- Unsecured considered good	871	660
	<u>4,003</u>	<u>3,804</u>
Advances to Employees - Unsecured considered good	228	92
Others-Unsecured considered good		
Prepaid Expenses	2	3
Interest Accrued on Staff Advances		
- Secured considered good	1,568	1,224
- Unsecured considered good	265	243
	<u>1,833</u>	<u>1,467</u>
<b>Total #</b>	<b>21,071</b>	<b>19,389</b>

# Includes Nil (P.Y.: ₹80 lakh) share of jointly controlled entities.

## Loans and advances to related parties are dues from Directors & Key Managerial Personnel of the company only.

\* Loans and Advances include dues from other officers (General Manager and above).

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## 2.16 Other Non - current Assets

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Capital Stores (At Cost)</b>		
(As certified by Management)		
Steel	53	53
Cement	1	1
Others	2	35
Material at Site	-	9
<b>Total #</b>	<b>56</b>	<b>98</b>

# Includes Nil (P.Y.: Nil) share of jointly controlled entities.

## 2.17 Other Non - current Assets - Regulatory Assets

(₹ Lakh)

Particulars	As at 1st April, 2015	Addition	Recoverable/Adjusted during the year	As at 31st March, 2016
Foreign Exchange Rate Variation	486	11,994	-	12,480
<b>Total</b>	<b>486</b>	<b>11,994</b>	<b>-</b>	<b>12,480</b>
<b>Previous Year</b>	<b>-</b>	<b>486</b>	<b>-</b>	<b>486</b>

# Includes Nil (P.Y.: Nil) share of jointly controlled entities.



## 2.18 Inventories

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Loose Tools	21	11
Stores and Spares*	3,848	3,671
	<u>3,869</u>	<u>3,682</u>
Less : Provision for Shortage of store and Obsolescence	4	4
<b>Total #</b>	<b><u>3,865</u></b>	<b><u>3,678</u></b>

# Includes Nil (P.Y.: Nil) share of jointly controlled entities.

\* Stores and Spares includes Material in Transit Nil (Previous Year: ₹5 Lakh).

Inventories are valued at the lower of cost arrived at on weighted average basis and net realizable value.

## 2.19 Trade Receivables

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Unsecured considered good:		
- Outstanding for a period exceeding six months from due date of payment	49,691	33,979
- Others	63,551	1,16,729
<b>Total #</b>	<b><u>1,13,242</u></b>	<b><u>1,50,708</u></b>

# Includes ₹42 lakh (P.Y.: Nil) share of jointly controlled entities.

Trade receivables and Sales include an amount of ₹12928 lakh (Previous Year: ₹13400 lakh) towards bills raised after the end of the financial year.

Trade receivables includes an amount of ₹3947 lakh (Previous Year: ₹25776 lakh) recoverable from Government of Himachal Pradesh (GoHP) on account of arrear billing on determination of provisional tariff for the period 2009-14 by CERC which is being contested by them in the Hon'ble High Court of Himachal Pradesh. However, GoHP has paid ₹21829 lakh upto 31.03.2016.

Trade receivables due from Related Parties : Nil (P.Y.: Nil)

## 2.20 Cash and Bank Balances

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
<b>Cash and Cash Equivalents</b>		
Balances with Banks		
- Current Deposits	3,185	3,699
- Term Deposits (having original maturity upto 3 months)	1,19,068	45,034
Cheques & Drafts in hand	2	1
Cash on Hand (Nil, P.Y.: ₹31,105/-)	-	-
Remittances in Transit	52	-
<b>Other bank balances</b>		
- Earmarked Balance (Unpaid Dividend)	54	47
- Margin Money for BG/Letter of Credit and Pledged deposits	129	1,310
- Other Term Deposits (having original maturity of more than 3 months but less than 12 months)	2,66,680	2,35,666
	<u>2,66,863</u>	<u>2,37,023</u>
<b>Total #</b>	<b><u>3,89,170</u></b>	<b><u>2,85,757</u></b>

# Includes ₹290 lakh (P.Y.: ₹116 lakh) share of jointly controlled entities.



## 2.21 Short Term Loans and Advances

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Loans and Advances to Related Parties		
Loans and Advances to Directors & Key Managerial Personnel :		
- Secured considered good	5	5
- Unsecured considered good	5	4
	10	9
Amount Recoverable from Joint Venture		
- Unsecured considered good	47	16
Loans to Employees		
- Secured considered good	705	658
- Unsecured considered good	140	137
	845	795
Advances to Contractor & Suppliers		
-Secured considered good	-	17
- Unsecured considered good	1,040	46
-Considered doubtful	10	10
	1,050	73
Less : Provision for doubtful advances	10	10
	1,040	63
Advances to Employees (unsecured considered good)	303	281
Deposits - Unsecured considered good:		
- Government Departments	91	92
- Deposits for Works	96	921
- Others	15	21
	202	1,034
Less: Provision for expenses	88	791
	114	243
Others		
Unsecured considered good:		
- Prepaid Expenses	3,173	2,601
- Amount recoverable from Govt departments ##	1,304	1,234
- Advance to Others	153	1,729
	4,630	5,564
Considered doubtful		
- Amount Recoverable from Government Department	1,273	1,273
	5,903	6,837
Less: Provision	1,273	1,273
	4,630	5,564
Advance Tax Deposit and Tax deducted at Source	1,42,395	1,02,675
Less: Provision for Tax	1,31,087	94,683
	11,308	7,992
Others - Unsecured considered doubtful		
Advance to Ex-employees	7	7
Less : Provision for doubtful advances	7	7
	-	-
Interest Accrued on Staff Advances:		
-Secured considered good	19	30
-Unsecured considered good	10	5
	29	35
<b>Total #</b>	<b>18,326</b>	<b>14,998</b>

# Includes ₹722 lakh (P.Y: ₹20 lakh) share of jointly controlled entities.

Includes dues from other officers (General Manager and above).

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## Includes an amount of ₹1144 lakh (P.Y: ₹1144 lakh) paid to Govt of Himachal Pradesh (GoHP) during F.Y. 2014-15 towards lease rent for diverted forest land of RHPS which has been protested by the company and included in amount recoverable from Government Departments. As per letter no F.NO II-79/2005-FC dated 01.06.2006 and F.NO II-306/2014-FC dated 08.08.2014 of Ministry of Environment and Forest (FC Division) GOI, no fresh conditions can be imposed by the States without the prior approval of the Central Government subsequent to the approval granted by the Central Government under the Forest (Conservation) Act 1980. As no fresh condition imposed by the Central Government to charge the lease amount and execute the lease deed, the amount has been shown as Recoverable.



## 2.22 Other Current Assets

(₹ Lakh)

	As at 31st March, 2016	As at 31st March, 2015
Amount recoverable from Contractors, Suppliers & Others	1,591	1,578
Interest Accrued but not due on deposits with Banks	12,027	8,990
Unbilled Revenue	417	126
Surplus Stores/Equipments	1,462	1,438
Less: Provision for Shortage/Obsolescence	1,154	1,131
	<u>308</u>	<u>307</u>
<b>Total #</b>	<b>14,343</b>	<b>11,001</b>

# Includes ₹119 lakh (P.Y.: Nil) share of jointly controlled entities.

## 2.23 Other Current Assets-Regulatory Assets

(₹ Lakh)

Particulars	As at 1st April, 2015	Addition	Recoverable/Adjusted during the year	As at 31st March, 2016
Foreign Exchange Rate Variation	27	794	27	794
<b>Total</b>	<b>27</b>	<b>794</b>	<b>27</b>	<b>794</b>
<b>Previous Year</b>	<b>174</b>	<b>27</b>	<b>174</b>	<b>27</b>

# Includes Nil (P.Y.: Nil) share of jointly controlled entities.

## 2.24 Revenue from Operations

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Sales		
Energy Sales	2,50,940	2,82,542
Less:		
Regulated Power Adjustment - Margin	4,423	3,066
Regulated Power Adjustment - Expenses	730	297
	<u>2,45,787</u>	<u>2,79,179</u>
UI Charges	2,939	2,132
RLDC Charges	207	206
Exchange Rate Variation recoverable from beneficiaries	440	180
Transmission Service Charge	159	-
Revenue from Sales	2,49,532	2,81,697
Prior Period Sales	208	-
<b>Total Revenue from Sales</b>	<b>2,49,740</b>	<b>2,81,697</b>
Other operating revenues:		
Consultancy Income	259	47
Other Operating Revenue	-	-
<b>Total Revenue from Operations #</b>	<b>2,49,999</b>	<b>2,81,744</b>

Includes ₹159 lakh (P.Y.: Nil) share of jointly controlled entities.

The Central Electricity Regulatory Commission (CERC) vide notification dated 21.02.2014 has notified the Tariff Regulations, 2014 containing inter-alia the terms & conditions for determination of tariff, applicable for a period of five years with effect from 01.04.2014. Pending approval of tariff by CERC in respect of Nathpa Jhakri Hydro Power Station (NJHPS), sales/billing to the beneficiaries have been made in accordance with the tariff approved & applicable as on 31.03.2014 as provided in Tariff Regulations, 2014.

Further, for the purpose of recognition of sales, return on equity (one of the component of the Tariff) has been grossed up using the Minimum Alternate Tax (MAT) rate for the F.Y. 2015-16.

During the year, the Company has regulated the power of BRPL, BYPL and J&K (P.Y.: BYPL) after these companies failed to pay outstanding dues and sold the power allocated to these companies through PTC as per CERC (Regulations of Power Supply) Regulations, 2010. Accordingly 348.334 MUs (P.Y.: 156.278 MUs) of power was sold through PTC amounting to ₹9764 lakh (P.Y.: ₹5550 lakh) and included in Energy Sales. An amount of ₹4423 lakh (P.Y.: ₹3066 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹730 lakh (P.Y.: ₹297 lakh) on Sale through PTC.

Sales includes an amount of ₹59988 lakh (P.Y.: ₹39232 lakh) from sales of energy generated from RHPS on the basis of provisional tariff approved for the period by CERC.

Sales include an amount of ₹3262 lakh (P.Y.: ₹2348 lakh) from sale of energy generated from wind power project.

During the year Cross Border Power Transmission Co. Ltd. (A Joint Venture Company) has commenced commercial operations and accordingly proportionate share of revenue amounting to ₹159 lakh has been recognized in sales.





## 2.25 Other Income

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Interest From:-		
Banks	30,792	23,085
Employees	388	344
Contractors	5	15
Beneficiaries	7,110	17,821
	38,295	41,265
Interest on Income Tax Refund	-	651
Surcharge on late payment from customers	1,455	486
Receipt of Maintenance of ICF	294	229
Sale of Scrap	17	28
Miscellaneous Income ##	745	995
Foreign Currency Fluctuation Adjustment (Credit)	187	187
<b>Total #</b>	<b>40,993</b>	<b>43,841</b>
# Includes ₹5 lakh (P.Y.: ₹2 lakh) share of jointly controlled entities.		
<b>## Details of Miscellaneous Income:</b>		
Hire Rental Charges from Contractor	5	10
Rent Recovery from Staff/Others	71	76
Excess Provision Written Back	65	57
Liquidated Damages recovered	125	119
Claim Received from Insurance Company	380	675
Other Misc. Receipts	99	58
<b>Total</b>	<b>745</b>	<b>995</b>

## 2.26 Employee Benefits Expense

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Salaries, Wages, Allowances and Benefits	18,425	16,428
Contribution to Provident and Other Funds	1,114	905
Leave Salary and Pension Contribution	643	643
Welfare Expenses	1,899	1,981
<b>Total #</b>	<b>22,081</b>	<b>19,957</b>

# Includes ₹427 Lakh (P.Y.: Nil) share of jointly controlled entities.

Disclosure required by AS 15 in respect of provisions made towards various employees benefits is made in Note 2.41.

## 2.27 Finance Costs

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Interest Expenses on:</b>		
Foreign Currency Loans	1,435	382
Rupee Term Loans	3,685	2,468
	5,120	2,850
<b>Other Borrowing Costs</b>		
Finance Charges	2,664	2,140
Exchange differences regarded as adjustment to interest cost	13,163	518
	15,827	2,658
<b>Total #</b>	<b>20,947</b>	<b>5,508</b>

# Includes ₹52 Lakh (P.Y.: Nil) share of jointly controlled entities.



## 2.28 Depreciation and Amortization Expense

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Depreciation for the year #</b>	67,971	64,213
<b>Less :</b>		
Transfer to Expenditure During Construction (Note.2.11.1)	116	113
Depreciation Written back	104	-
<b>Depreciation charged to Statement of Profit and Loss</b>	<b>67,751</b>	<b>64,100</b>

# Includes ₹34 Lakh (P.V.: Nil) share of jointly controlled entity.

## 2.29 Other Expenses

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Repair and Maintenance:</b>		
Buildings	817	647
Roads	984	240
Plant & Machinery	624	252
Office Equipments & Furnitures	27	29
Civil Works	867	614
Electro Mechanical Works	2,339	2,073
Vehicles	96	95
Others	211	163
	5,965	4,113
Rent	847	661
Rates & Taxes	10	2
Insurance	4,420	4,012
Security Expenses	2,004	1,571
Electricity Charges	977	1,316
Less: Recovered from Employees & Contractors	52	60
	925	1,256
Research and Development	276	192
Travelling & Conveyance	462	381
Training and Recruitment Expenses	232	338
Less: Cost of Application Forms Received	-	1
	232	337
Legal Expenses	173	59
Professional and Consultancy Charges	255	155
Communication Expenses	198	168
Printing & Stationery	123	101
Less: Receipts from Sale of Tenders	22	15
	101	86
Payment to Auditors	30	21
Advertisement & Publicity	173	85
EDP Expenses	106	80
Hiring of Vehicles	775	702
Entertainment Expenses	42	28



## 2.29 Other Expenses

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Expenses on Transit Camps	328	264
Books & Periodicals	15	5
C.S.R./Sustainable Development Expenses	3,048	2,579
Stores Written Off	25	-
Loss on Disposal/Write off of Fixed Assets	37	4
Provision for Shortage/Damage to Fixed Assets	74	-
Directors Sitting Fees	4	9
Business Promotion Expenses	111	40
Fees and subscription	389	406
Environment & Ecology Expenses	80	90
Safety Expenses	382	240
Miscellaneous Expenses	184	92
Exchange Rate Variation	215	(360)
Interest on Arbitration Awards	948	948
Wealth Tax	-	1
Rebate to Customers	245	182
Expenses on Regulated Power	730	297
Less: Regulated Power Adjustment - Sales	(730)	(297)
	-	-
Prior Period Expenses	2	6
<b>Total #</b>	<b>23,081</b>	<b>18,415</b>
# Includes ₹237 lakh (P.Y.: ₹1 lakh) share of jointly controlled entities.		
Stores consumption included in repairs and Maintenance	1,182	1,302

## 2.30 Exceptional Items

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
<b>Expenses:</b>		
Write off of expenses on Survey & Investigation Projects	-	13,228
<b>Total #</b>	<b>-</b>	<b>13,228</b>
# Includes Nil (P.Y.: Nil) share of jointly controlled entities.		

## 2.31 Rate Regulated Income

(₹ Lakh)

	Year ended 31st March, 2016	Year ended 31st March, 2015
Regulatory Asset recognised on account of Exchange Rate Variation during the year	12,761	339
<b>Total</b>	<b>12,761</b>	<b>339</b>
# Includes Nil (P.Y.: Nil) share of jointly controlled entities.		



## Notes forming part of Consolidated Financial Statements

### 2.32 Basis of Consolidation

A. The consolidated financial statements (CFS) relate to SJVN Ltd. (the Company), its Subsidiaries and interest in Joint Ventures, together referred to as 'Group'

#### a) Basis of Accounting:

- These financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014.
- The financial statements of the Subsidiary Companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.
- The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21-'Consolidated Financial Statements' and Accounting Standard (AS) 27-'Financial Reporting of Interest in Joint Ventures'.

#### b) Principles of consolidation.

The consolidated financial statements have been prepared as per following principles:

- The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealized profit or losses.
  - The consolidated financial statements include the interest of the Company in Joint Ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.
  - The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the significant accounting policies and in the notes to accounts.
- B. The Subsidiaries and Joint Ventures Companies considered in the financial statements are as follows.

Name of The Company	Country of Incorporation	Proportion of Shareholding/Control	
		As on 31.03.2016	As on 31.03.2015
<b>Subsidiary Companies:</b>			
1. SJVN Arun-3 Power Development Company Pvt. Ltd #	NEPAL	100%	100%
2. SJVN Thermal Pvt. Ltd	INDIA	100%	100%
<b>Joint Venture Companies:</b>			
1. Cross Border Power Transmission Company Ltd *	INDIA	26%	26%
2. Kholongchhu Hydro Energy Limited (Incorporated on 12th June, 2015) \$	BHUTAN	50% (Share Application Money given for 20,45,750 Shares of ₹100 each)	NIL
3. Bengal Birbhum Coalfields Limited (Incorporated on 29th September, 2015) \$	INDIA	7.7%	NIL

# The financial statements are unaudited (Audited up to 16th July, 2015) and certified by the management and have been considered for consolidated financial statements of the group.

\* The financial statements are unaudited (Audited up to 31st March, 2015) and certified by the management and have been considered for consolidated financial statements of the group.

\$ The financial statements are unaudited and certified by the management and have been considered for consolidated financial statements of the group.

### 2.33 Earnings per Share (EPS) - Basic and Diluted:

(₹ Lakh)

	Year ended 31.03.2016	Year ended 31.03.2015
Net Profit after Tax used as numerator (₹ lakh)	140215	167665
Weighted Average number of equity shares used as denominator	4,136,626,500	4,136,626,500
Earnings Per Share - Basic & Diluted (₹)	3.39	4.05
Face value per share (₹)	10	10

### 2.34 Contingent Liabilities:

#### a. Claims against the Company not acknowledged as debt:

(₹ Lakh)

Particulars	As at 31.03.2016	As at 31.03.2015
Capital Works *	30186	32008
Land Compensation	6193	6193
Disputed Service Tax Demand	1236	1236
Bank Guarantees	1	1
Others	165	165
<b>Total</b>	<b>37781</b>	<b>39603</b>

\* This includes ₹ 19148 lakh (Previous Year: ₹ 18984 lakh) representing the amount of basic claims by the contractors of NJHPS. As the amounts recommended by the Dispute Review Boards (DRBs)/Additional Dispute Review Boards (ADRBs) are much less than the amounts claimed by the contractors, the claims on account of further interest and escalation, if any, have not been considered. There is no Contingent Liability in respect of jointly controlled entity.

b. The above contingent liabilities do not include claims against pending cases in respect of service matters and others where the amount cannot be quantified.

c. It is not practicable to work out the outflow and possibilities of any reimbursement.

### 2.35 1. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 16757 lakh (Previous Year ₹ 59834 lakh) which includes an amount of ₹ 4116 lakh (Previous Year: ₹1123 lakh) in respect of jointly controlled entities.

### 2. Other Commitments:

The amount of commitments on account of plant repair and supply of related spares/ components (net of advances) and



other commitments not provided for is ₹ 2230 lakh (Previous Year: ₹ 2188 lakh).

**2.36** The Institute of Chartered Accountants of India (ICAI) has issued a 'Guidance Note on Accounting for Rate Regulated Activities' which is applicable w.e.f. 1st April, 2015 to entities that provide goods or services whose prices are subject to cost of service regulations and the Tariff determined by the regulator is binding on the customers (beneficiaries). Since, the company is primarily engaged in the business of generation and sale of power which is subject to cost of service regulation as it meets the criteria set out in the guidance note; hence it is applicable to the company. Accordingly, new accounting policy no. 1.6 on rate regulated activities is introduced during the year. Consequently, exchange differences arising from settlement/translation of monetary items denominated in foreign currency, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations, which were hitherto accounted as deferred foreign currency asset/liability in line with an opinion of the Expert Advisory Committee of the ICAI, are accounted as 'Regulatory asset/liability' and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries through regulatory income/expense.

**2.37** Balances of trade receivables, advances, deposits, trade payables, are reconciled periodically. However, as on 31.03.2016 out of ₹128281 lakh trade receivables, deposits, material lying with third parties etc an amount of ₹112958 lakh has been confirmed and balance amount of ₹15323 lakh are subject to confirmation and consequential adjustment. Further trade payables amounting to ₹1744 lakh which includes provisions/estimated liabilities are yet to be confirmed, which in the opinion of the management will not have a material impact.

**2.38** In the opinion of the management, the value of all the assets other than Fixed Assets and Non-current Investments, have a realizable value in the ordinary course of business which is not less than the value at which these are stated in the Balance Sheet.

**2.39** Depreciation on fixed assets in Cross Border Power Transmission Company Ltd and Bengal Birbhum Coal Fields Ltd (Joint Venture Companies) has been provided as per Schedule II of the Companies Act, 2013 except for Transmission lines which is charged as per policy no. 1.5 (a) of Significant Accounting Policies.

Depreciation on property, plant and equipment in Kholongchhu Hydro Energy Limited is provided on straight-line method at the rates prescribed in the Schedule B of Tariff Determination Regulation, 2007 of Bhutan Electricity Authority. However, there is no material impact of the same on the financial statements of the group.

**2.40** The effect of foreign exchange fluctuation during the year:

		(₹ Lakh)	
		Year ended 31.03.2016	Year ended 31.03.2015
(i)	Amount charged to Statement of Profit and Loss excluding depreciation. - As FERV - As Borrowing cost	215 13163	(360) 518
(ii)	Amount charged to Expenditure During Construction - As FERV - As Borrowing cost	- -	- -
(iii)	Amount adjusted by addition to carrying amount of fixed assets	-	8842

**2.41 Disclosure under the provisions of Accounting Standard (AS)-15 'Employee Benefits':-**

General description of various defined employee benefits are as under:

**a) Defined Contribution plans:**

**(i) Employers contribution to Provident Fund:**

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. The contribution of ₹1114 lakh (Previous Year: ₹905 lakh) and ₹258 lakh (Previous Year: ₹361 lakh) is recognized as expense and charged to the Statement of Profit and Loss and Expenditure During Construction (EDC) respectively. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI.

**(ii) Pension:**

The company has Defined Contribution Pension Scheme as approved by Ministry of Power (MOP). The liability for the same is recognized on accrual basis. The scheme is funded by company and managed by separate trust created for this purpose.

**b) Defined benefit plans:**

**(i) Gratuity:**

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation.

**(ii) Leave Encashment:**

The Company has a defined benefit leave encashment plan for its Employees. Under this plan they are entitled to encashment of earned leaves and medical leaves subject to limits and other conditions specified for the same. The liability towards leave encashment has been provided on the basis of actuarial valuation.

**(iii) Retired Employee Health Scheme:**

The Company has a Retired Employee Health Scheme, under which retired employee, spouse and eligible parents of retired employee are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the



Company. The liability towards the same has been provided on the basis of actuarial valuation.

**(iv) Baggage Allowance:**

Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Company. The liability towards the same has been provided on the basis of actuarial valuation.

**(v) Service Reward on Retirement:**

Gift at the time of retirement is given to the employee as per the rules of the Company. The liability towards the same has been provided on the basis of actuarial valuation.

**1. Key Actuarial assumptions for Actuarial Valuation:**

Particulars	As at 31.03.2016	As at 31.03.2015
Mortality Table	IALM(2006-08)	IALM(2006-08)
Discount Rate	8.00%	8.00%
Future Salary Increase	6.00%	6.00%

**2. Change in Present Value of Obligations (PVO):**

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
PVO at Beginning of Year	CY	4365	4590	3547	185
	PY	3795	4329	2540	152
Acquisition Adjustment	CY	24	-	-	-
	PY	-	-	-	-
Interest Cost	CY	349	367	284	14
	PY	323	368	216	13
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Current Service Cost	CY	412	567	264	18
	PY	391	534	228	18
Benefit paid	CY	(202)	(707)	(112)	(54)
	PY	(129)	(335)	(89)	(19)
Actuarial (Gain)/Loss	CY	(213)	337	111	33
	PY	(15)	(306)	652	21
PVO at end of year	CY	4735	5154	4094	196
	PY	4365	4590	3547	185

**3. Amount Recognized in Balance Sheet:**

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
PVO at end of year	CY	4735	5154	4094	196
	PY	4365	4590	3547	185
Fair Value of Plan Assets at the end of year	CY	4536	-	-	-
	PY	3994	-	-	-
Funded Status	CY	(199)	(5154)	(4094)	(196)
	PY	(371)	(4590)	(3547)	(185)
Excess of actual over estimated	CY	(31)	-	-	-
	PY	(17)	-	-	-
Unrecognized actuarial gain/loss	CY	-	-	-	-
	PY	-	-	-	-
Net (Liability)/Asset recognized in Balance Sheet	CY	(199)	(5154)	(4094)	(196)
	PY	(371)	(4590)	(3547)	(185)

**4. Amount recognized in the Statement of Profit and Loss / EDC Account:**

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
Current Service Cost	CY	412	567	264	18
	PY	391	534	228	18
Interest Cost	CY	349	367	284	15
	PY	323	368	216	13
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Expected return on Plan Assets	CY	(381)	-	-	-
	PY	(332)	-	-	-
Net Actuarial (gain)/loss recognized for the year	CY	(181)	337	111	33
	PY	2	(306)	652	21
Expense recognized in Profit & Loss/EDC for the year	CY	199	1271	659	66
	PY	384	596	1096	52

In addition an amount of ₹ 1 lakh (Previous Year: Nil) has been charged to Statement of Profit & Loss in respect of proportionate share of employees of Kholongchhu Hydro Energy Limited.

**5. The Effect of one percent point increase/decrease in the medical cost of PRMF will be as under:**

(₹ Lakh)

Particulars	Increase by	Decrease by
Service & interest Cost	131	(97)
Present Value of obligation	865	(654)

**2.42 Disclosure as per Accounting Standard-16 on Borrowing Costs:**

Borrowing Costs capitalized during the year is ₹ 336 lakh (Previous Year: ₹ 1280 lakh).

**2.43 Segment reporting:**

- The Group's principal business is generation & sale of power. Other business viz. transmission of power and providing consultancy do not form a reportable segment as per Accounting Standard-17.
- The operation of the group is mainly carried out within the Country. However, group is also carrying out activities in Nepal & Bhutan which is not a reportable segment as per Accounting Standard-17.

**2.44 Related Party Disclosures:**

Related party disclosures' as required by Accounting Standard (AS) - 18 is given as under:-

- List of Related Parties -
- Directors & Key Management Personnel:

Shri Ramesh Narain Misra	Chairman and Managing Director (CMD)
Shri Amarjit Singh Bindra	Director (Finance)
Shri Nand Lal Sharma	Director (Personnel)
Shri Rakesh Kumar Bansal	Director (Electrical)
Shri Kanwar Singh	Director (Civil) from 17.11.2015 onwards
Shri Soumendra Das	Company Secretary



- ii) Joint Ventures:
- 1) Cross Border Power Transmission Company Ltd.
  - 2) Kholongchhu Hydro Energy Limited (Incorporated in Bhutan on June 12, 2015).
  - 3) Bengal Birbhum Coalfields Limited (Incorporated in India on 29th September, 2015).

Transactions with the related parties at 2.44 (a)(iii) are as follows:

(₹ Lakh)

Particulars	Current Year	Previous Year
<b>A. Transactions during the Year</b>		
<b>1. Investment in Share Capital</b>		
a) Cross Border Power Transmission Company Ltd.	538	-
b) Bengal Birbhum Coalfields Limited	1	-
<b>2. Share Application Money.</b>		
a) Cross Border Power Transmission Company Ltd.	-	343
b) Kholongchhu Hydro Energy Limited	2046	-
<b>3. Consultancy Fee Received</b>		
a) Cross Border Power Transmission Company Ltd.	33	33
<b>B. Outstanding Balances at the year end.</b>		
<b>1. Amount Recoverable</b>		
a) Cross Border Power Transmission Company Ltd.	29	22
b) Kholongchhu Hydro Energy Limited	51	-

Remuneration to Directors & Key Managerial personnel is ₹269 lakh (Previous Year: ₹305 lakh), and amount of dues outstanding to the company as on 31.03.2016 is ₹23 lakh (Previous Year: ₹28 lakh).

#### 2.45 Remuneration to Directors & Key Managerial Personnel (excluding Group Insurance Premium)

(₹ Lakh)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
i) Salaries and allowances	223	257
ii) Contribution to provident fund and family pension fund.	22	22
iii) Gratuity	6	5
iv) Other benefits	15	10
v) Directors' Sitting Fees	3	11

Whole time Directors are allowed the use of staff cars including for private journeys on payment in accordance with DPE guidelines.

- 2.46 The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guest houses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable by mutual consent on mutually agreeable terms. The Schedule of Employee Benefits Expense include ₹759 lakh (Previous Year: ₹680 lakh) towards lease payments, net of recoveries, in respect of premises for residential use of employees. Lease payments in respect of premises for offices, guest houses & transit camps are shown as Rent under other expenses / Expenditure During Construction (EDC).

#### 2.47 Impairment of Assets - Accounting Standard - 28

In the opinion of the management, there is no indication of any significant impairment of assets during the year.

#### 2.48 Other disclosures as per Schedule III of the Companies Act, 2013:

(₹ Lakh)

(A) Expenditure in foreign currency	Year ended 31.03.2016	Year ended 31.03.2015
i) Consultancy	5	-
ii) Financing Charges (ECBs)	-	-
iii) Interest on External Commercial Borrowings (ECBs)	-	2
iv) Interest on World Bank Loan.	1435	380
v) Dividend Paid	-	-
vi) Other Miscellaneous Matters	219	3
<b>(B) Earnings in foreign currency</b>	-	-
<b>(C) Value of Import calculated on CIF basis</b>		
i) Capital Goods	288	-
ii) Spare Parts	-	-
<b>(D) Value of components, stores and spare parts consumed</b>		
i) Imported	-	125 (9.60%)
ii) Indigenous	1182 (100%)	1177 (90.40%)

The above figures do not include expenditure incurred by Foreign Subsidiaries and Joint Ventures in the currency of their respective Country.

#### 2.49 Payment to Auditors includes:

(₹ Lakh)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
As Auditors		
- Statutory Audit	12	10
- Tax Audit	3	2
- Limited Review	8	6
For other services (Certificates etc.)	2	2
Reimbursement of Expenses	2	2
Reimbursement of Service Tax	3	2
<b>Total</b>	<b>30*</b>	<b>24</b>

\*Includes ₹ 4 lakh (Previous Year: ₹ Nil) for earlier years.

#### 2.50 Additional Information as required by Schedule III to the Companies Act, 2013:

(₹ Lakh)

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
<b>A. Parent (SJVN Ltd.)</b>	95.89%	1082717	100.45%	140839
<b>B. Indian Subsidiaries</b>				
1. SJVN Thermal Private Limited	3.87%	43666	-	-
<b>C. Foreign Subsidiaries</b>				
1. SJVN Arun-3 Power Development Company Private Limited.	0.02%	273	-	(25)



<b>D. Indian Joint Ventures</b>				
1. Cross Border Power Transmission Company Limited.	0.10%	1078	-	54
2. Bengal Birbhum Coalfields Limited	-	(9)	-	(10)
<b>E. Foreign Joint Ventures</b>				
1. Kholongchhu Hydro Energy Limited	0.12%	1402	(0.45)%	(643)
<b>TOTAL</b>	<b>100%</b>	<b>1129127</b>	<b>100%</b>	<b>140215</b>

**2.51 Foreign currency exposure not hedged by a derivative instrument or otherwise:**

(₹ Lakh)

Particulars	Currency	As at 31.03.2016	As at 31.03.2015
Borrowings, including Interest Accrued but not due thereon.	USD	230827	230037

**2.52 During the year, following significant accounting policies have been reworded/modified/introduced/deleted to have a better disclosure and compliance of Companies Act, 2013. The change in policy along with financial impact is as below.**

Policy No.	Policy for 2014-15	Revised Policy for 2015-16	Financial Impact	Reason for change / introduction of policy
1.2(c)	Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-progress / Fixed Assets	Capital expenditure incurred on Assets not owned by the company is charged to Statement of Profit & Loss in the year of incurrence of such expenditure.	Nil	Policy is changed in line with the opinion given by the Expert Advisory Committee of ICAI.
1.5(g)	Capital Expenditure referred to in Policy No. 1.2 (c) is fully depreciated and charged to Profit & Loss A/c in the year in which such Asset is capitalized and ready for use.	Deleted	Nil	
1.5(a)	Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time, except as referred in Policy No. 1.5(g) and in case of computers & peripherals, and mobile phones which are depreciated @ 25% p.a.	Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time except in case of: (i) Mobile phones which are depreciated @ 25% p.a. (ii) Computers & peripherals which are to be depreciated fully (100%) in three years.	Profit is reduced by ₹147 lakh & Expenditure During Construction (EDC) is increased by ₹15 lakh and Net Block is reduced by ₹162 lakh.	Change is made in view of Schedule II of the Companies Act, 2013 and also due to change in CERC regulations.
1.5(e)	Expenditure on software is recognized as 'Intangible Asset' and amortized fully over four years on straight line method or over a period of its legal rights to use, whichever is less.	Expenditure on software is recognized as 'Intangible Asset' and amortized fully over three years on straight line method or over a period of its legal rights to use, whichever is less.	Profit is reduced by ₹ 17 lakh & Expenditure During Construction (EDC) is increased by ₹ 1 lakh and Net Block is reduced by ₹18lakh.	Change in view of modification in policy no 1.5 (a).
1.6		Where an item of expenditure or income (including Exchange difference arising from settlement/ transaction denominated in foreign currency) is charged/credited to statement of profit & loss i.e. not allowed to be adjusted as part of cost of relevant fixed asset in accordance with the Accounting Standards, but permitted by Central Electricity Regulatory Commission	Nil	Introduction of new policy in view of guidance note on accounting for rate regulated activities issued by the ICAI applicable w.e.f. 01.04.2015.





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	(CERC), the regulator, to be adjusted in future tariff, such amount is accounted as Regulatory Asset/ Regulatory liability and corresponding Regulatory income/ expenses, as per the Guidance Note on Accounting for Rate Regulated Activities issued by the Institute of Chartered Accountants of India (ICAI).		
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**2.53** During the year an amount of ₹ 3047 lakh (Previous Year: ₹ 2579 lakh) has been paid to CSR Trust formed for carrying out CSR activities in accordance with section 135 of the Companies Act, 2013 and rules thereto.

Break-up of CSR expenditures incurred as intimated by CSR Trust under various heads during the year 2015-16 is as below:

(₹ Lakh)

S.N.	Activities	Amount
1	Health and hygiene	341
2	Education and Skill Development	322
3	Infrastructural Development and Community Development	327
4	Preservation and promotion of culture, Melas, Sports etc.	18
5	Sustainable Development	1666
6	Assistance to the victims natural disasters/ calamities	25
7	Miscellaneous CSR activities & Administrative Exp.	189
	<b>Total</b>	<b>2888</b>

**2.54** Information in respect of micro and small enterprises as at 31st March, 2016 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Year ended 31.03.2016	Year ended 31.03.2015
a) Amount remaining unpaid to any supplier: Principal amount Interest due thereon	84 -	119 -
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23 of MSMED Act.	-	-

For and on behalf of the Board of Directors

**(Soumendra Das)**  
Company Secretary  
FCS-4833

**(Amarjit Singh Bindra)**  
Director(Finance) cum CFO  
DIN:03358160

**(Ramesh Narain Misra)**  
Chairman & Managing Director  
DIN:03109225

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.

**For Soni Gulati & Co.**  
Chartered Accountants

**(Suresh Chand Soni)**  
Partner  
M.No.083106

Place: Shimla  
Date: 27th May, 2016



## Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

### Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

#### Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakh)

1	Sl. No.	1	2
2	Name of the subsidiary	SJVN Thermal Private Ltd.	SJVN Arun-3 Power Development Company Pvt. Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From 1st April 2015 to 31st March, 2016	From 15th July 2015 to 14th July, 2016
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A. (Indian Company)	NPR (Incorporated in Nepal). Exchange Rate Fixed ₹1=1.6 NPR
5	Share capital	43668	300
6	Reserves & surplus	(2)	(27)
7	Total Assets	44808	8845
8	Total Liabilities	1142	8572
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	-	(25)
12	Provision for taxation	-	-
13	Profit after taxation	-	(25)
14	Proposed Dividend	-	-
15	% of shareholding	100	100

1. **SJVN Thermal Private Ltd. & SJVN Arun-3 Power Development Company Private Ltd.** is yet to commence business.
2. Names of associates or joint ventures which have been liquidated or sold during the year. - **NIL**
3. Above Figures of SJVN Arun-3 Power Development Company Private Ltd. is as per Unaudited Balance Sheet of 31.03.2016.

#### Part "B": Associates and Joint Ventures

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

(₹ Lakh)

Name of Associates/Joint Ventures	Cross Border Power Transmission Company Limited	Kholongchhu Hydro Energy Limited	Bengal Birbhum Coalfields Limited
<b>1. Latest audited Balance Sheet Date</b>	Audited up to 31.03.2015 (Unaudited as on 31.03.2016)	Unaudited As on 31.03.2016 (Company formed on 12th June 2015)	Unaudited As on 31.03.2016 (Company formed on 29th Sept. 2015)
<b>2. Shares of Associate/Joint Ventures held by the company on the year end</b>	26%	50%	7.7%
No. of shares	103,22,000 shares of ₹ 10 each	Share Application money paid for 20,45,750 Shares of ₹ 100 each	7,707 shares of ₹ 10 each
Amount of Investment in Associates/Joint Venture	1,032	2,046	1
Extent of Holding %	26%	50%	7.7%
<b>3. Description of how there is significant influence</b>	-	-	-
<b>4. Reason why the associate/joint venture is not consolidated</b>	Consolidated	Consolidated	Consolidated
<b>5. Net Worth attributable to Shareholding as per latest Unaudited Balance Sheet</b>	1,078	1,402	(9)
<b>6. Profit / (Loss) for the year (After Tax)</b>	210	(1,274)	(119)
i. Considered in Consolidation	54	(643)	(10)
ii. Not Considered in Consolidation	-	-	-

1. **Kholongchhu Hydro Energy Limited & Bengal Birbhum Coalfields Limited** is yet to commence business.
2. Names of associates or joint ventures which have been liquidated or sold during the year. - **NIL**





## PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

### SJVN LIMITED

CIN : L40101HP1988GOI008409

Registered Office: SJVN Corporate Office Complex, Shanan, Shimla - 171 006, Himachal Pradesh

Name of the member(s):		Email Id:	
Registered Address:		Folio No/*Client Id : *DP Id:	

I/We, being the member(s) of \_\_\_\_\_ shares of SJVN Limited, hereby appoint:

- 1) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 2) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_ or failing him
- 3) \_\_\_\_\_ of \_\_\_\_\_ having e-mail id \_\_\_\_\_.

and whose signature(s) are proposed below as my / our proxy to vote (on a poll) for me/us and on my/our behalf at the 28th Annual General Meeting of the Company, to be held on **Thursday, September 22nd, 2016 at 1500 HRS** at "**Hotel Peterhoff, Chaura Maidan, Shimla - 171004**" and at any adjournment thereof in respect of such resolutions as are indicated below:

\*\* I wish my above Proxy to vote in the manner as indicated in the box below:-

	Resolutions	For	Against
1.	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the year ended 31st March, 2016 together with the Balance Sheet and Statement of Profit and Loss for the financial year ended as on that date together with Reports of the Board of Directors and Auditors thereon and comments of the Comptroller and Auditor General of India, in terms of Section 143(6) of the Companies Act, 2013.		
2.	To confirm the payment of Interim Dividend of Re.0.63 per share and to declare the final dividend on equity shares for the financial year 2015-16.		
3.	To appoint a Director in place of <b>Shri Rakesh Kumar Bansal [DIN 06395552]</b> , who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of <b>Shri Amarjit Singh Bindra [DIN 03358160]</b> , who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Approval of appointment of Shri Ganesh Dutt as Independent Director		
6.	Approval of appointment of Shri Pravinbhai Patel as Independent Director		
7.	Approval of appointment of Shri Shamsher Singh Uppal as Independent Director		
8.	Approval of appointment of Dr. Rajni Sarin as Independent Director		
9.	Ratification of Remuneration of Cost Auditor for the Financial Year 2016-17.		

Please affix  
₹ 1  
Revenue  
Stamp

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2016.

(Signature of Member)

Signature of  
First proxy holder

Signature of  
Second proxy holder

Signature of  
Third proxy holder

#### Notes:-

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
- \*\* (4) this is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'for' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.





## SJVN LIMITED

CIN : L40101HP1988GOI008409

Registered Office: SJVN Corporate Office Complex, Shanan, Shimla - 171 006, Himachal Pradesh

### ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id	
Client Id	

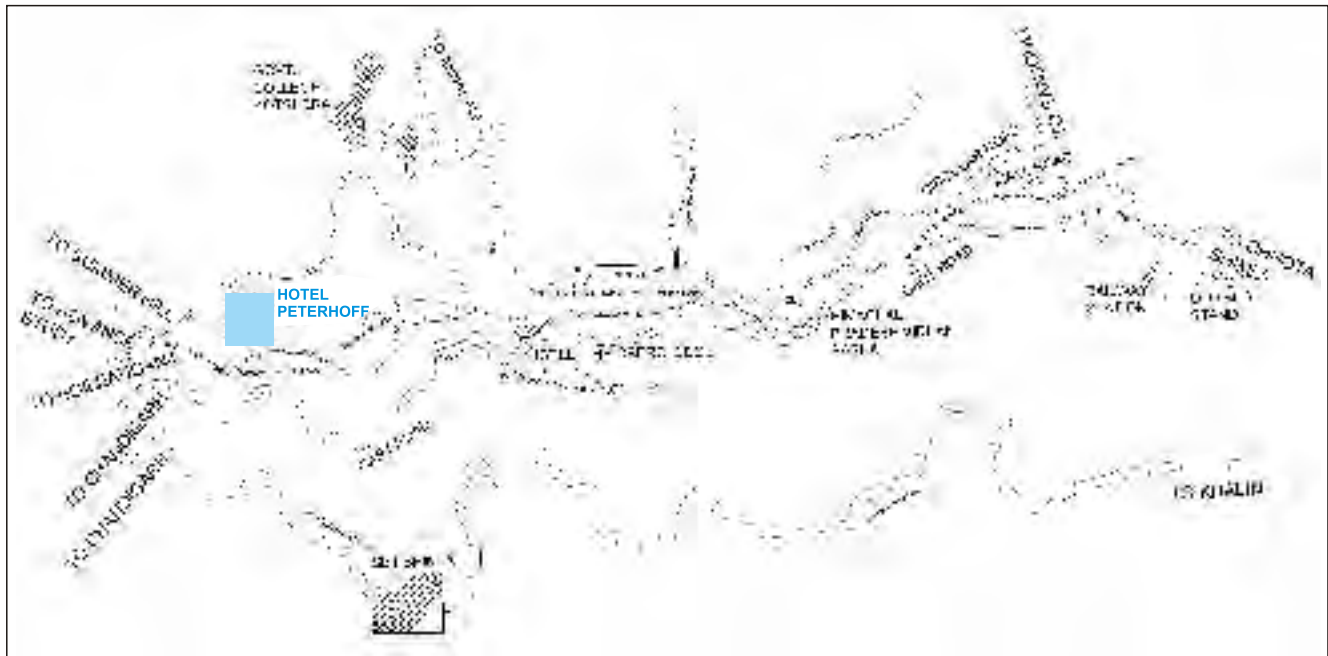
FOLIO No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER.....

I hereby record my presence at the **28TH ANNUAL GENERAL MEETING** of the Company held on **Thursday, September 22nd, 2016 at 1500 HRS at "Hotel Peterhoff, Chaura Maidan, Shimla - 171004"**.

\_\_\_\_\_  
Signature of Shareholder

### ROUTE MAP TO THE VENUE OF THE AGM



## REMINDER

Dear Shareholder,

### Sub: Payment of unpaid Dividend for previous years

During the past financial years, your Company has declared the following dividends since listing of its shares:-

Sr. No.	Financial Year	Interim/ Final	Dividend per Share	Declaration Date	Record Date
1	2015-16	Interim	₹ 0.63	04-02-2016	17-02-2016
2	2014-15	Final	₹ 0.42	22-09-2015	15-09-2015
3	2014-15	Interim	₹ 0.63	05-02-2015	18-02-2015
4	2013-14	Final	₹ 0.98	09-09-2014	02-09-2014
5	2012-13	Final	₹ 0.96	12-09-2013	05-09-2013
6	2011-12	Final	₹ 0.94	03-09-2012	27-08-2013
7	2010-11	Final	₹ 0.80	26-08-2011	19-08-2011
8	2009-10	Final	₹ 0.60	15-09-2010	02-09-2010

All the Shareholders who were on the Register of Members on the respective record dates are entitled to receive the corresponding dividends.

Your company has made multiple attempts to dispatch your dividend. In case you were a member on the above record dates and have still not received any of the dividends declared during the above years, you are requested place a request via post/ email/ Fax to the Investor Relations Department or the R&T Agent for payment of unpaid dividends quoting your full Demat Account number comprising of DP ID and Client ID / Folio No. to enable us take prompt action.

The Contact details are as under:-

Investor Relations Department	Registrar & Share Transfer Agent (R&TA)
Shri Soumendra Das Company Secretary, SJVN Limited SJVN Corporate Office Complex, Shanan, Shimla - 171 006, Himachal Pradesh Tel No.: +91 177 2660075 Fax No.: +91 177 2660071 E-mail Id: investor.relations@sjvn.nic.in	Alankit Assignments Limited Alankit House, 4E/2 Jhandewalan Extension New Delhi, Pincode-110055 Tel No.: +91 11 42541201, Fax No. : +91 11 42541201 Email Id: info2alankit.com

Thanking you  
For **SJVN Limited**



**(Soumendra Das)**  
Company Secretary



## Vision

To be the best-in-class Indian Power Company, globally admired for developing affordable clean power and sustainable value to all stakeholders.

## Mission

To drive socio-economic growth and optimize shareholders and stakeholders interest by:

- Developing and operating projects in cost effective and socio-environment friendly manner.
- Nurturing human resources talent with care.
- Adopting innovative practices for technological excellence.
- Focusing on continuous growth and diversification.

## Objectives

In the pursuit of above mission, the company had set for itself the following Corporate Objectives:-

- Operating and maintaining power stations with maximum performance efficiency.
- Establishing and following sound business, financial and regulatory policies.
- Taking up of other hydro power projects.
- Completion of the new projects allocated to SJVN in an efficient and cost effective manner.
- Use of the best project management practices towards project implementation by applying latest and universally accepted Project Management Techniques, and by enabling its engineers to become certified Project Managers through further training.
- Dissemination of available in-house technical and managerial expertise to other utilities / projects.
- Creating a work culture and work environment conducive to the growth and development of both the organization and the individuals through introduction of participative management philosophy.
- Fulfilling social commitments towards society. Achieving constructive cooperation and building personal relations with stakeholders, peers, and other related organizations.
- Striving for clean and green project environment with minimal ecological and social disturbances.
- To strive for acquiring Nav Ratna Status.





# एसजेवीएन लिमिटेड

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## **SJVN Limited**

(A Joint Venture of Govt. of India & Govt. of H.P.)

A Mini Ratna & Schedule 'A' PSU

CIN No. L40101HP1988GOI008409

Regd. Office : SJVN Corporate Office Complex, Shanan, Shimla - 171 006, H.P (INDIA)

Expediting Office : Ircon Building, C-4, District-Centre, Saket, New Delhi-110 017

Phone: 0177-2660075, Fax: 0177-2660071

Email: [investor.relations@sjvn.nic.in](mailto:investor.relations@sjvn.nic.in), Website: [www.sjvn.nic.in](http://www.sjvn.nic.in)