CIN: L40101HP1988GOI008409

एसजेवीएन लिमिटेड
SJVN Limited
(A Joint Venture of GOI & GOHP)
A Mini Ratna & Schedule "A" Company

SJVN/CS/93/2018-

Date: 27/09/2018

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 for the FY 2017-18

Sir / Madam

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 30th Annual General Meeting of the Company held on Tuesday, 25th September, 2018 at Hotel Peterhoff, Shimla – 171004.

Kindly take the above information on record and oblige.

Thanking you,

Yours faithfully,

(Soumendra Das)
Company Secretary
27/09

Encl: As above.

वार्षिक रिपोर्ट | Annual Report

2017-18

MILESTONES MILESTONES...
& BEYOND.

एसजेवीएन लिमिटेड
SJVN Limited

BOARD OF DIRECTORS

Nand Lal Sharma
Chairman & Managing Director

Functional Directors

Amarjit Singh Bindra
Director (Finance)

Rakesh Kumar Bansal
Director (Electrical)

Kanwar Singh
Director (Civil)

Govt. Nominee Directors

Aniruddha Kumar
Nominee Director, GOI

Tarun Kapoor
Nominee Director, GOHP

Independent Directors

Ganesh Dutt
Independent Director

Pravinbhai Patel
Independent Director

Shamsher Singh Uppal
Independent Director

Dr. Rajni Sarin
Independent Director

THE BOARD OF DIRECTORS - BRIEF PROFILES

CHAIRMAN & MANAGING DIRECTOR

Shri Nand Lal Sharma is on our Board as Chairman and Managing Director since 1st December 2017. Prior to this, he was holding the post of Director (Personnel) of the Company since 22nd March 2011. Shri Sharma joined SJVN in July 2008 as Executive Director (HR). Prior to joining SJVN, he served as an officer with the coveted Himachal Pradesh Administrative Services. During his tenure in administrative services, he held various key administrative posts in the State Govt. of Himachal Pradesh namely - Asstt. Commissioner to DC Chamba, Sub-Divisional Magistrate, Deputy Secretary to Chief Minister, Secretary HP State Electricity Board, Land Acquisition Collector, Mandi & Shimla, Special Secretary (GAD), Director, Ayurveda and Special Secretary (Health) to the Govt. of Himachal Pradesh.

Shri Sharma holds MBA and M.Sc degrees. He has vast experience of 28 years in the State Government administration as well as Public Sector Undertakings. As Director (Personnel) of SJVN, he had the overall charge of Human Resources Functions including Personnel, Administration, Rehabilitation & Resettlement, Legal, CSR, Procurement etc. He was the Chairman, SJVN Foundation, responsible for planning and implementation of CSR projects of the Company. Under his leadership, Change Management and Strategic HR in SJVN has been exhibited through the implementation of various innovative HR strategies in SJVN including revisiting the vision, mission and objective of SJVN. He has played a crucial role in the best performance of the company and its re-modelling of business plan. As per his vision, the effective implementation of Balanced Score Card to achieve organizational targets has resulted in Excellent MOU rating for the past five years.

FUNCTIONAL DIRECTORS

Shri Amarjit Singh Bindra is on our Board as Director (Finance) since 9th December 2010. Shri Bindra is a Honours Graduate in Commerce and a Fellow Member of the Institute of Chartered Accountants of India. Prior to joining the company, he was General Manager (Finance) in Delhi Metro Rail Corporation Limited. He has about 36 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 Rakesh Kumar Bansal is on our Board as Director (Electrical) since 31st October 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 October 2011. Shri Bansal was also posted in Quality Assurances and Inspection Department, Corporate Planning & Monitoring Department and Commercial & System Operation Department 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 35 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

Sh. Aniruddha Kumar, Joint Secretary (Hydro), Ministry of Power has been appointed as Nominee Director of Government of India on our Board, w.e.f. 30th July 2018. Sh. Aniruddha Kumar, is a 1987 batch, Indian Revenue Services Officer. He completed his graduation in Electrical Engineering with honors from Aligarh Muslim University in 1984 and Graduation in Law from Delhi University in 1995. He began his career with NTPC where he worked at Singrauli Thermal Power Station from 1984 to 1987.Thereafter, he joined Indian Revenue Service in 1987. During his illustrious career of more than 30 years he has served in various key departments like Tax Policy Wing of Deptt. of Revenue, Ministry of Finance, Various positions in Income Tax Department, Ministry of Urban Development, Ministry of Science and Technology and Principal Commissioner of Income Tax, Agra. Before taking over the charge of Joint Secretary (Hydro), he has served as Joint Secretary (Thermal) as well as Joint Secretary (Hydro) in the Ministry of Power. Earlier he had a stint as GoI Nominee Director on our Board from October 2015 to February 2016. He has been on the Board of NTPC, DVC and Bhartiya Nabhikiya Vidyut Nigam Ltd.. Presently, he is on the Board of NHPC. Shri Aniruddha Kumar has travelled extensively all over the world as a member of Indian delegations in various conferences and meetings.

Shri Tarun Kapoor, Additional Chief Secretary (MPP & Power) has been appointed as Nominee Director of Government of Himachal Pradesh on the Board of SJVN Limited w.e.f. 21st June 2018. Shri Kapoor, is a 1987 batch, Indian Administrative Services Officer of Himachal cadre. He holds a Bachelor's Degree in Electrical Engineering and a Post Graduate Degree in Business Administration. 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 Kapoor is presently heading the MPP & Power, Forest, Environment, Science & Technology and NCES departments in Himachal Pradesh State Government. In addition, he is also Chairman/ Director in a number of State Government Corporations like HPSEB, HPPCL, PVPCL, BVPCL, HPPTCL etc. During his career spanning over 31 years, he has served on many key administrative positions in various Ministries & Departments of Government of India and Himachal Pradesh State Government, like - Additional Chief Secretary - MPP & Power, Forest, Environment, Science & Technology, NCES, PWD (Bridges & Roads); Financial Commissioner - Appeals; Chairman & Member (Admin.) - Himachal Pradesh State Electricity Board; Joint Secretary - Ministry of New & Renewable Energy, Govt. of India; Managing Director - HP Power Transmission Corporation Ltd, HP Power Department; Director (Personnel) - SJVN Limited; Director & Special Secretary - HP Energy Department, Rural Development & Panchayati Raj, Youth Affairs & Sports; Deputy Commissioner - Shimla & Chamba.

INDEPENDENT DIRECTORS

Shri Ganesh Dutt has been appointed as an Independent Director on the Board of our Company w.e.f. 27th November 2015. Shri 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 Deep kamal 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 42 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, Councilor 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 Upbhogata Sanrakshan Parishad Himachai 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. 1st December 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 Singrauli (U.P.). He also worked in the Regional Inspectorial Organization of CEA and was responsible for enforcement of Electricity Rules and according approval for energization 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.

Shri Shamsher Singh Uppal has been appointed as an Independent Director on the Board of our Company w.e.f. 3rd December 2015. Shri 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, MM, Bangalore, MM Ahmedabad, Birmingum 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 been appointed as an Independent Director on the Board of our Company w.e.f. 3rd December 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., and 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 Coordinator award from Indian Health Mission Madras, Tamil Nadu 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 Coordinator.

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REFERENCE INFORMATION

Company Secretary	Soumendra Das
Statutory Auditors	M/s APRA & Associates LLP Chartered Accountants
Cost Auditors	M/s Chandra Wadhwa & Co., Cost Accountants
Secretarial Auditors	M/s Agarwal S. & Associates, Company Secretaries
Registered & Corporate Office	SJVN Corporate Office Complex, Shanan Shimla-171006 Himachal Pradesh
Shares Listed at	National Stock Exchange Limited Bombay Stock Exchange Limited
Depositories	National Securities Depository Limited Central Depository Services (India) Limited
Bankers	State Bank of India Oriental Bank of Commerce IDBI Bank Axis Bank Yes Bank Punjab & Sind Bank Induslnd Bank

SELECTED FINANCIAL INFORMATION*

(₹ crore)

		2017-18	2016-17	2015-16	2014-15#	2013-14 #
A.	**Revenue**					
	Revenue from operations (Net)	2229.97	2679.31	2493.96	2817.53	1873.58
	Other Income	357.10	440.59	409.86	438.39	237.14
	Toral Revenue	2587.07	3119.90	2903.82	3255.92	2110.72
B.	**Expenses**					
	Employees Benefits Expense	265.22	253.39	215.38	199.57	123.75
	Other Expenses	276.25	235.68	225.72	184.13	145.38
	Profit before depreciaton, finance cost , exceptional items, net movement in regulatory deferral account balance and tax	2045.60	2630.83	2462.72	2872.22	1841.59
	Depreciation and Amortization Expense	364.51	679.98	677.16	641.00	474.52
	Profit before finance cost, exceptional items, net movement in regulatory deferral account balance and tax	1681.09	1950.85	1785.56	2231.22	1367.07
	Finance Costs	83.82	45.70	208.96	55.08	28.88
	Profit before exceptional items, net movement in regulatory deferral account balance and tax	1597.27	1905.15	1576.60	2176.14	1338.19
	Exceptional Items (+) income (-) loss	-	-	-	(132.28)	-
	Profit before net movement in regulatory deferral account balance and tax	1597.27	1905.15	1576.60	2043.86	1338.19
	Net movement in regulatory deferral account balance	51.10	(31.22)	127.61	3.39	-
	Profit before tax	1648.37	1873.93	1704.21	2047.25	1338.19
	Tax (Net)	423.49	329.79	296.87	370.50	223.56
	Profit after tax	1224.88	1544.14	1407.34	1676.75	1114.63
	Other Comprehensive Income (Net of Tax)	(11.94)	(3.96)	(0.87)	-	-
	Total Comprehensive Income	1212.94	1540.18	1406.47	1676.75	1114.63
	Dividend for the year (Accrual Basis)	864.56	1137.57	455.03	434.35	405.39
	Dividend tax for the year (Accrual Basis)	176.16	231.59	92.63	89.71	68.90
	Dividend for the year (Cash Basis)	992.79	1125.16	434.35	666.00	397.12
	Dividend Tax during the year (Cash Basis)	202.11	229.06	89.40	122.26	67.49
	Retained Profit	29.98	189.92	883.59	888.49	650.02
C.	**Assets**					
	Fixed assets(net block)					
	Property Plant & Equipment	7638.29	7979.31	8411.46	9052.16	5668.25
	Other Intangible assets	2.41	0.59	0.88	0.22	0.41
	Capital Work-in-progress including Intangible Assets under Development	642.42	441.76	341.05	252.58	3925.79
	Total Fixed Assets (Net block)	8283.12	8421.66	8753.39	9304.96	9594.45
	Investments (Non-current Financial Asset)	618.05	589.06	470.47	11.38	4.95
	Deferred Tax Assets (Net)	350.72	422.78	352.63	285.37	226.76
	Regulatory Deferral Account Debit Balance	152.62	101.52	132.74	5.13	-
	Other Non-current assets including financial assets other than investments	269.36	263.48	207.65	189.82	169.77
	Current assets	4691.72	5578.29	5463.02	4797.79	3561.62
	Total Assets	14365.59	15376.79	15379.90	14594.45	13557.55
D.	**Liabilities**					
	Borrowings	2035.34	2229.47	2464.06	2453.42	2213.51
	Other Non-current liabilities including financial liabilities and provisions other than borrowings.	837.00	873.57	953.71	945.31	935.31
	Current liabilities (inclusive of current maturities of long term borrowings)	798.54	789.92	664.26	992.68	1358.38
E.	**Net-worth**					
	Share Capital	3929.80	4136.63	4136.63	4136.63	4136.63
	Other Equity	6764.91	7347.20	7161.24	6066.41	4913.72
	Net-worth	10694.71	11483.83	11297.87	10203.04	9050.35
	Total Liabilities	14365.59	15376.79	15379.90	14594.45	13557.55
F.	**Number of employees**	**1602**	**1686**	**1750**	**1819**	**1869**
G.	**Ratios**					
	Return on net woth (%)	11.45%	13.45%	12.46%	16.43%	12.32%
	Book Value per Share (₹)	27.21	27.76	27.31	24.67	21.88
	Earnings per share (₹)	2.97	3.73	3.40	4.05	2.69
	Current ratio	5.88	7.06	8.22	4.83	2.62
	Debt to equity (including current maturities of long term borrowings)	0.21	0.21	0.23	0.26	0.27

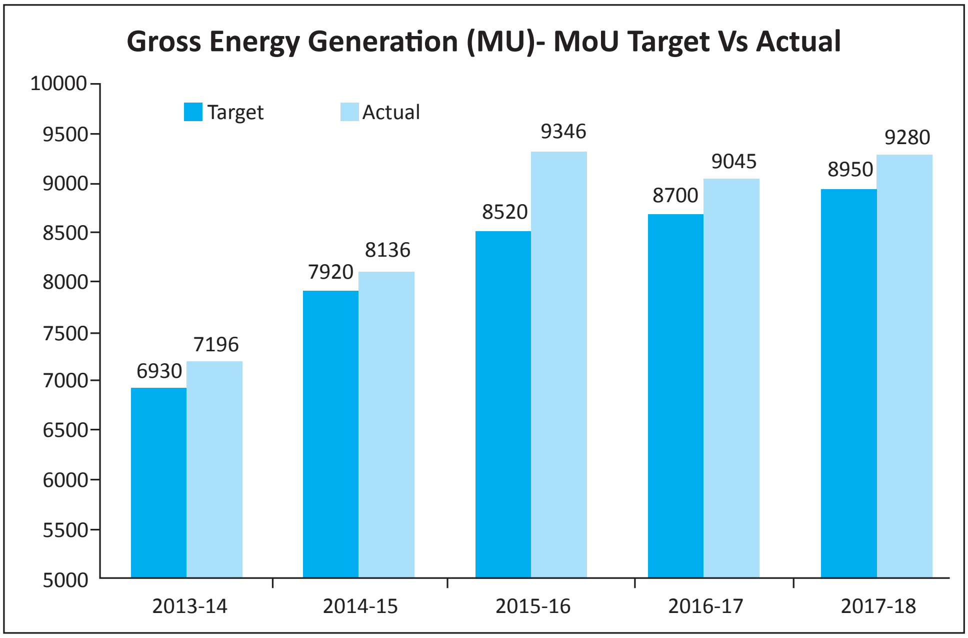
* Standalone
# As per Previous GAAP

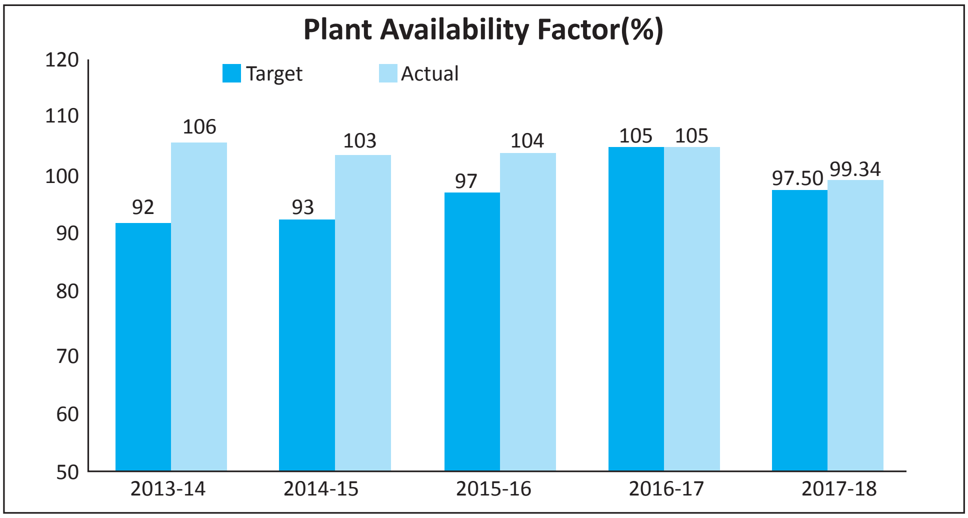
PROJECT PORTFOLIO

S. No.	Name of Project	Location	Capacity (MW)
A	**Under Operation**		
1	Nathpa Jhakri Hydro Power Station	Himachal Pradesh	1500
2	Rampur Hydro Power Station	Himachal Pradesh	412
3	Khirvire Wind Power Project	Maharashtra	47.6
4	Charanka Solar Power Plant	Gujarat	5
5	Sadla Wind Power Project	Gujarat	26
6	400 kV, D/C Cross Border transmission Line (26% equity)	Muzaffarpur to Sursand	86 ckm
B	**Projects under Construction**		
1	Arun-3 Hydro Electric Project (Executed by Subsidiary: SAPDC)	Nepal	900
2	Kholongchhu Hydro Electric Project (Executed by JV: KHEL)	Bhutan	600
3	Sadla Wind Power Project	Gujarat	24
4	Naitwar Mori Hydro Electric Project	Uttarakhand	60
C	**Under Pre-Construction & Investment Approval**		
1	Buxar Thermal Power Project (Executed by Subsidiary: STPL)	Bihar	1320
2	Devsari Hydro Electric Project	Uttarakhand	252
3	Dhaulasidh Hydro Electric Project	Himachal Pradesh	66
4	Luhri Stage-I Hydro Electric Project	Himachal Pradesh	210
D	**Under Survey & Investigation**		
1	Luhri Stage-II Hydro Electric Project	Himachal Pradesh	172
2	Sunni Dam Hydro Electric Project	Himachal Pradesh	382
3	Jakhol Sankri Hydro Electric Project	Uttarakhand	44

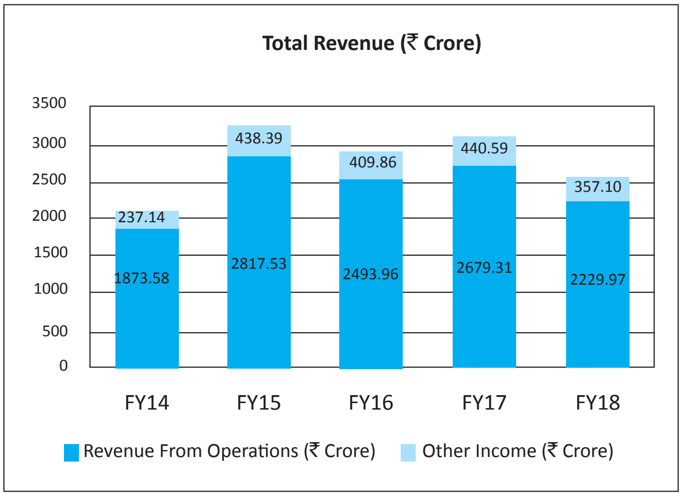
Transmission Line Project		
S.No.	**Length (in ckm)**	**Name of Project**
1	310	400 kv double circuit transmission line for evacuation of power from 900 MW Arun-III Project (in Nepal) to India

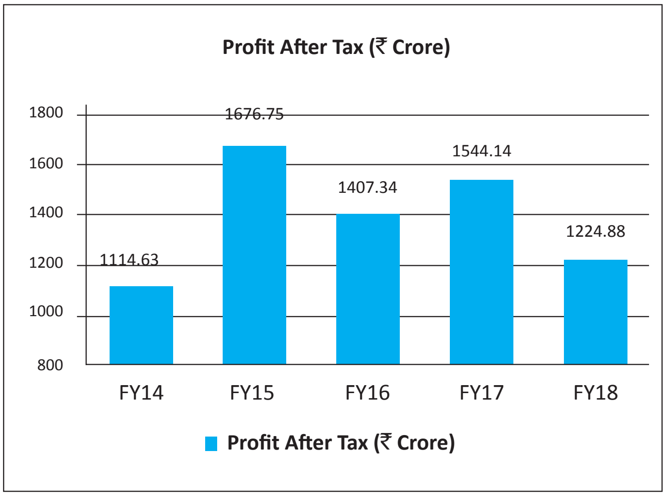
OPERATIONAL PERFORMANCE

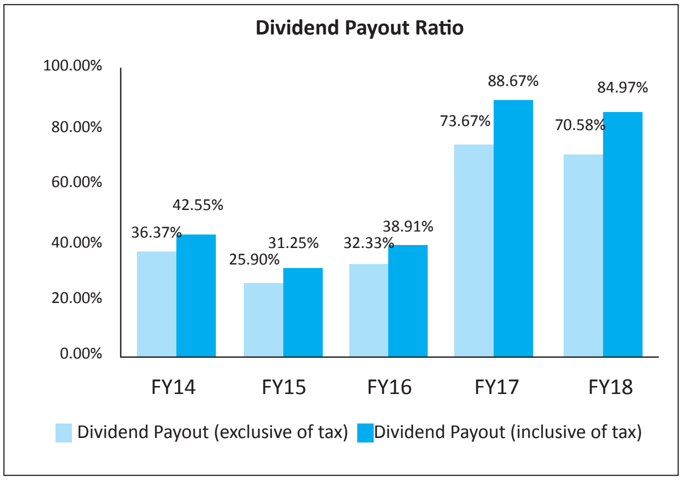


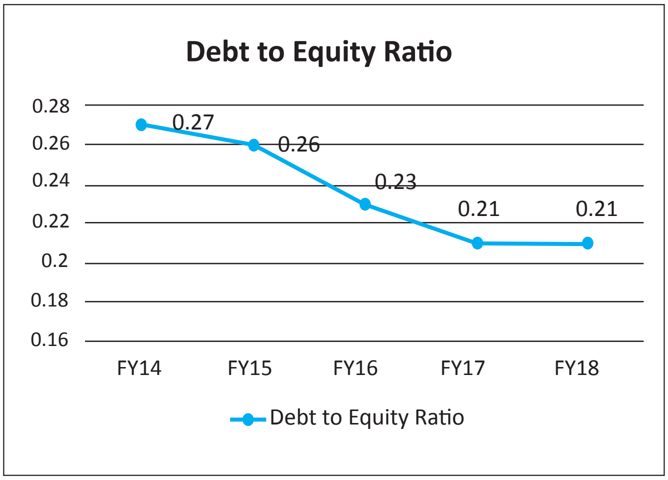


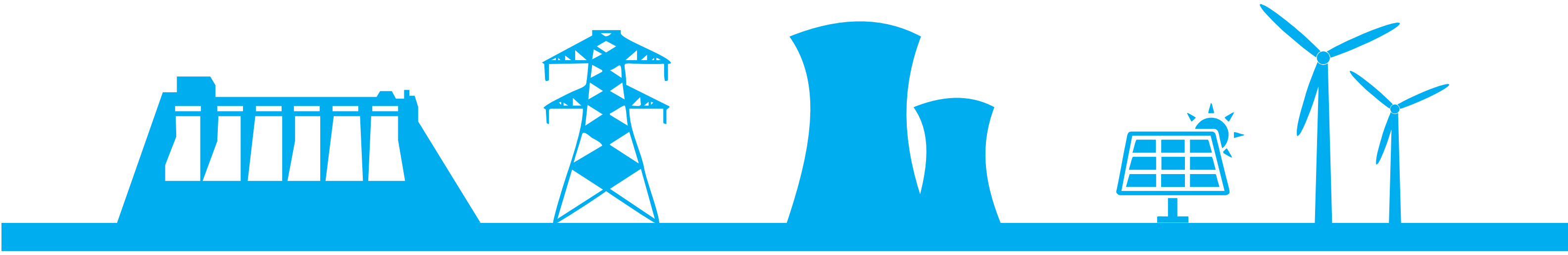
FINANCIAL PERFORMANCE



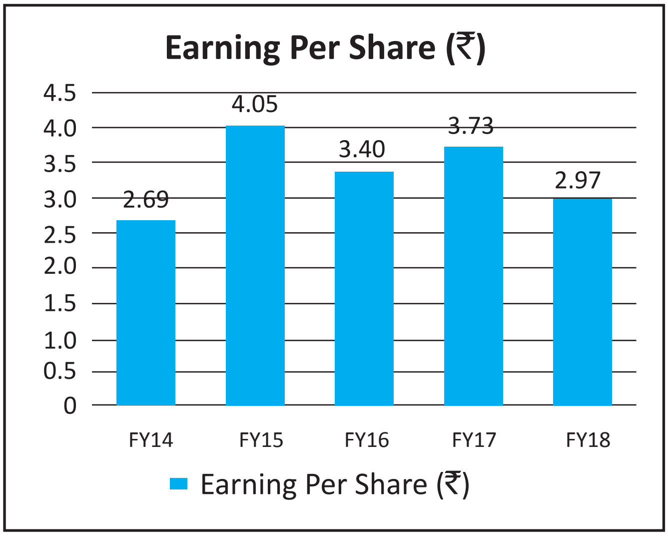


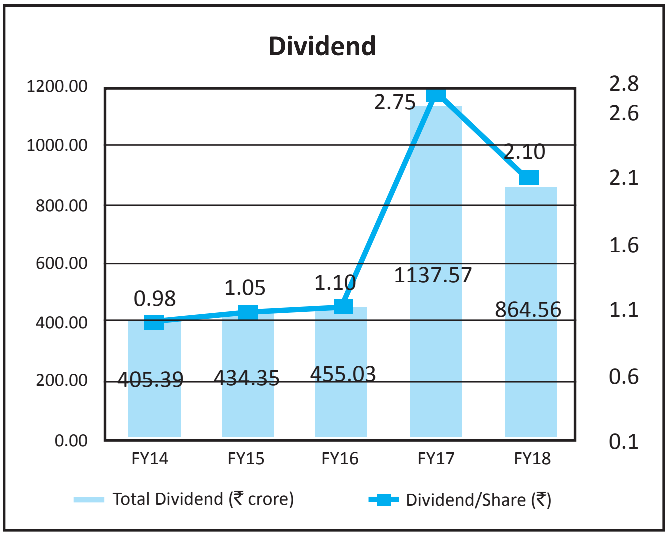


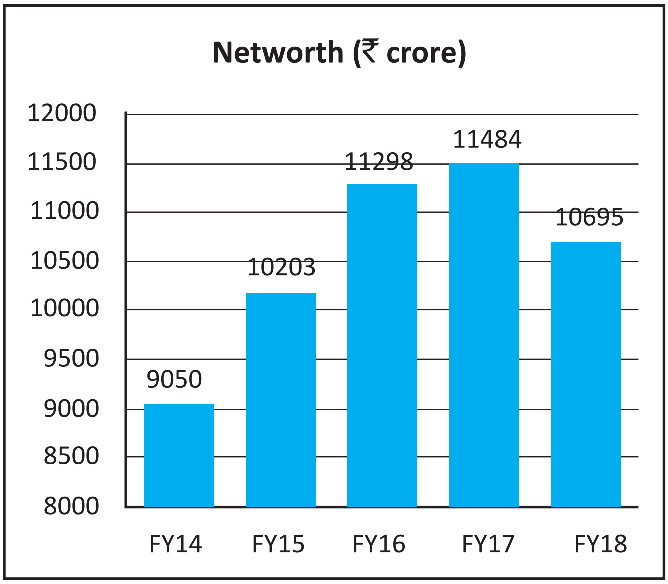


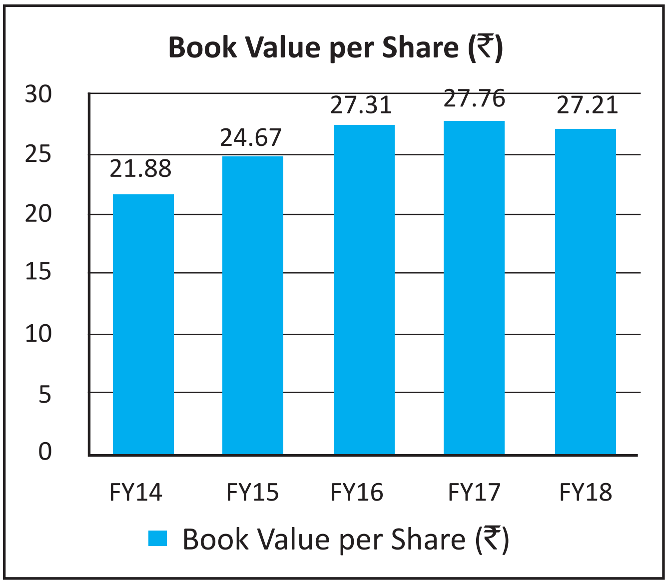


FINANCIAL PERFORMANCE









SJVN LIMITED

CIN: L40101HP1988GOI008409

Registered Office: Corporate Office Complex, Shanan, Shimla-171006

Telephone: 0177- 2660075, Fax: 0177-2660071,

Email: investor.relations@sjvn.nic.in, **Website:** www.sjvn.nic.in

NOTICE

NOTICE is hereby given that the **30th Annual General Meeting** of the Members of SJVN Limited will be held on **25th September 2018, Tuesday** 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, 2018 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 ₹1.90 per share and to declare the final dividend, if any, on equity shares for the financial year 2017-18.
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.
5. To fix remuneration of Statutory Auditors for the financial year 2018-19 and onwards and to consider and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution:**

   "RESOLVED THAT, approval of the members be and is hereby accorded to fix the remuneration of Statutory Auditors appointed by the Comptroller & Auditor General of India at ₹10,50,000/- per annum plus applicable taxes plus Reimbursement of Out of pocket expenses for the financial year 2018-19 and onwards, as recommended by the Audit Committee and Board."

SPECIAL BUSINESS:

6. **Ratification of remuneration of Cost Auditor for financial year 2018-19**

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

   "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 ₹2,10,000/-plus GST as applicable plus Out of pocket expenses incurred in connection with the cost audit to be paid to M/s Balwinder & Associates, Cost Accountants, Chandigarh, Cost Auditors of the Company for the financial year 2018-19, 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

(Soumendra Das)
Company Secretary
FCS-4833

Date: 3rd August, 2018
Place: New Delhi

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, **23rd September 2018**. Blank proxy form is enclosed.
3. As per Section 105 of the Companies Act, 2013 and relevant rules made thereunder, 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 Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 **19th September 2018 (Wednesday) to 25th September 2018 (Tuesday)** (both days inclusive).
10. **The Board has recommended a Final Dividend @ ₹0.20 per share at its 265th meeting held on 28th May 2018. 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 18th September 2018 (Tuesday).**
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 **30th September 2018**.
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 2018-19 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 2017-18 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 2017-18 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** and at **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**.
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 (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company will provide e-voting facility to the members. All businesses 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 **22nd August 2018**.
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. Santosh Kumar Pradhan,** 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 three working days after the conclusion of e-voting period.
6. The results of Annual General Meeting shall be declared by the Chairman or his authorized representative or any one 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 22nd September 2018** and ends on **5.00 p.m., 24th September 2018**. During this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **18th September 2018,** may cast their vote electronically. The 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 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:

	For Members holding shares in Demat Form and Physical Form
PAN	Enter your 10-digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) • Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank Details OR Date of Birth (DOB)	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. • 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).

(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 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 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 a print of the votes cast by clicking on "Click here to print" option on the Voting page.

(xviii) If a demat account holder has forgotten the login 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 linked in the login 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.

(xxi) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at **www.evotingindia.com,** under help section or write an email to **helpdesk.evoting@cdslindia.com**.

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

Item No.6:

The Board, on the recommendation of the Audit Committee has, vide its 265th meeting dated 28.05.2018 has approved the appointment and remuneration of M/s Balwinder & Associates, Cost Accountants, Registration No. 000201, Chandigarh 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 2019.

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 2019.

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. 6 of the Notice.

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

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION AT THE 30TH 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	**Shri Rakesh Kumar Bansal**, 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.	**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 36 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.
Directorship held in other Listed Companies	NIL	NIL
Names of Listed Entities in which the person holds the membership of the Committees.	NIL	NIL
Relationships Between Directors Inter-se	NIL	NIL
Number of Shares Held	1000	NIL

CHAIRMAN'S LETTER TO THE SHAREHOLDERS

Dear Shareholders,

To address my shareholders as the Chairman and Managing Director of SJVN is a moment of immense pride and honor for me. The thirty year growth story of SJVN, from it being a Special Purpose Vehicle (SPV) constituted for the execution of a single project into a diversified power major having presence in six states, two neighboring countries and footprint in almost all spheres of power sector, is awe inspiring. SJVN has never sat complacent on it past laurels, but has beaten one milestone after another. I firmly believe that excellence is a constant pursuit and your company is constantly chasing it. As a result, we are moving closer to our milestones with each passing moment.

It gives me great pleasure to present the 30th Annual Report of your Company for the financial year 2017-18. The Audited Financial Statements of the Company along with the Reports of the Auditors and Directors for the year 2017-18 are presented for your approval and I take this opportunity to share the achievements of your company during the year gone by with you.

HIGHLIGHTS OF THE YEAR 2017-18

I am delighted to inform our Shareholders that, the past year has been one of the most eventful and momentous year in the history of the Company, both on the operational front and on the business expansion front.

On the operational front, our projects under operation: the Nathpa Jhakri HPS, Rampur HPS, Khirvire Wind Power Project and Charanka Solar Power Project, cumulatively generated 9280 MU of Power against the combined MoU target of 8950 MU for 'Excellent' rating and cumulative design energy of 8584 MU. NJHPS, our flagship project continued to hit one milestone after another by surpassing 1,00,000 MU of generation on 2nd December, 2017. The achievement bears testimony to the competency and unrelenting efforts of our operations and maintenance teams.

The financial position and performance of the Company continue to remain robust. During FY 2017-18, Revenue from operations stood at ₹2230 crores and Profit After Tax at ₹1225 crores. An interim dividend of ₹1.90 per share was paid in the month of February 2018. In addition, your Board has recommended a final dividend of ₹0.20 per share. Thus, subject to your approval, a total dividend of ₹2.10 per share (₹864.56 crore) is proposed to be paid for FY 2017-18.

Further, your Company also bought back 20,68,31,325 fully paid up equity shares of ₹10/- each (representing 5% of paid-up share capital of the Company) at a price of ₹38.75 per equity share. The Buyback issue received an overwhelming response from the market and shares tendered for buyback were 1.6 times the issue size.

For its exceptional operational, financial and organizational performance, your company has consistently been rated 'Excellent/ Very Good' for last many years. The banner has been flying high and will continue to do so.

On the business expansion front as well, there have been some noteworthy developments in the past year.

The 900 MW Arun-3 Hydro Electric Project of SJVN (through wholly owned subsidiary SAPDC) became the first mega hydropower project undertaken by any Indian company (Govt. or Private) to commence construction in Nepal. The foundation stone of the project was jointly laid on 11th May 2018 by Hon'ble Prime Minister of India, Shri Narendra Modi and Hon'ble Prime Minister of Nepal, Shri K.P. Sharma Oli. It was indeed a proud moment for all of us associated with SJVN.

Apart from this gigantic undertaking, several other projects are also on the horizon.

We have begun construction of the 60 MW Naitwar Mori Hydro Electric Project located on River Tons in Uttarakhand. The foundation stone was jointly laid on 30th March 2018 by Hon'ble Union Minister of State for Power and New & Renewable Energy (Independent Charge), Shri R.K. Singh and Hon'ble Chief Minister of Uttarakhand, Sh. Trivender Singh Rawat.

Exhibiting deep faith in SJVN yet again, the Government of Himachal Pradesh has reallocated all three stages/projects: Luhri HEP Stage-I - 210 MW, Luhri HEP Stage-II – 163MW and Sunni Dam HEP - 373 MW; on "Stand Alone Basis" to SJVN on 29.08.2017.

These developments have had a huge impact, on your company as well as on the entire Power Sector. For the past several decades, hydro power segment had suffered rather retarded growth. The segment had failed to keep pace with the overall growth rate of power sector and more so with the growth rate of the thermal power segment. If we look at the figures of the past two years, there was an 8.5% slack in hydro power generation (against the set target) in the year 2016-17, followed by a marginal revival in generation with a growth of over 3% in 2017-18. I think it would be appropriate to say that after a long phase of sluggishness, Hydro Power Sector has finally started picking up. What's more important is that your company is spear heading this wave of revival. I am glad that my team has worked hard and continues to work diligently to build brand SJVN that is synonymous with commitment and quality. It is also a matter of great honor for me that the respective Governments have, as always exhibited their faith in us, chosen us from amongst numerous market players for execution of these prestigious projects.

As the Chairman of the Company, I would like to assure our Shareholders that your Company's Management and Employees will not spare any efforts to deliver within time and quality.

HIGHLIGHTS OF THE YEAR 2018-19

Your company's Management and employees are moving closer to their milestones with each passing day. In the quarter gone by (first quarter of the Financial Year 2018-19, ended 30th June 2018), against the annual target of 9200 MU for excellent rating, 2404.49 MU of power has already been generated. Out of this, NJHPS generated 1859.75 MUs, RHPS generated 519.33 MU, Khirvere Wind Power Station contributed 20.07 MU while Charanka Solar Power Station and Sadla Wind Power Project generated 1.53 MU and 3.81 MU respectively.

In the subsequent quarters, SJVN aims to achieve the assigned target of 9200 MUs of generation, as per the MoU signed with the Ministry of Power. Even in terms of revenue realization from sale of energy, we plan to beat the target of ₹2175 crores.

The Arun-3 Hydro Power Project is on the high priority list of Government of India, Government of Nepal and for us as well. The team is leaving no stone unturned to achieve the progress milestones so as to achieve not on-time but ahead-of-time completion of generation and transmission components. As a result of these efforts, all four packages of generation component have been awarded and the contract agreement for 'Project Management Consultancy Services for Transmission System associated with Arun-3 Hydro Power Project in Nepal' has already been signed between SAPDC & PGCIL.

Parallelly, we are in continuous pursuit of enhancing our renewable quotient. The 40kW solar power plant on roof top of BVH in Rampur HPS has been installed and commissioned successfully on 30.04.2018. NJHPS has also completed the addition of 70kW capacity to the existing 200kW solar plant at its Surge shaft. In addition, 50kW solar plant has also been commissioned in Corporate Office Complex, Shimla.

MACRO ECONOMIC SCENARIO AND GOVERNMENT POLICY

India's power sector that was marred by continuous shortages and lack of quality and steady supplies to homes and factories has seen an unprecedented turnaround in the past four years. The wheels of growth of the Indian economy have started rolling and are picking up pace to make India one of the fastest growing economies in the World. Today, the country boasts of a situation, where surplus power of about 3000-4000 MW is available to States and distribution companies on real time basis at any time of the day and that too at affordable rates on the power exchange. The all India installed power generation capacity stood at 3,44,002 MW as on 31.03.2018 comprising 2,22,907 MW from Thermal, 45,293 MW from Hydro, 6,780 MW from Nuclear and 69,022 MW from Renewables. Further, there are several factors inherent in the Indian Power Ecosystem that will ensure ample opportunities for power sector utilities in the future. Growing rate of urbanization, increased focus on infrastructure development and rising per capita energy consumption will all cause the nation's energy demand to rise. These circumstances are often viewed as a challenge for the power sector. However, I strongly believe that in every challenge, lays an inherent opportunity. What further consolidates my belief in the present Government's focus on Power and Infrastructure development. This is evident from so many policy interventions that the country has been witness to, in the recent past.

There have been reforms in all facets of Power Sector, be it generation, transmission or distribution. Apart from big capacity additions, there have been several initiatives : such as launch of mobile applications and websites like URJA app, SAUBHAGYA portal, National Power Portal, MERIT portal etc., that have led to increased accountability and transparency. Recently, there have been major policy interventions such as RPO (Renewable Purchase Obligation) to boost renewable power capacity. It would be great if the same treatment could be meted out to the Hydro Power segment as well.

Further, the Government is on its way to achieving 175 GW target for installed Renewable Energy capacity by 2022. India has attained 4th and 6th global position in Wind and Solar Power installed capacity. As of June 2018, a total of 69 GW of Renewable Power has been installed in the country. All time low tariffs for Solar (Rs. 2.44/ unit) and Wind (Rs. 2.64/ unit) have already been achieved through transparent bidding and facilitation. In addition, the Government has also laid down an ambitious bidding trajectory for 100 GW capacity of Solar Energy and 60 GW capacity of Wind over the next 3 years.

However, I must also mention that there exists a covert risk which is capable of impeding the explosive growth witnessed in the renewables sector. The cut-throat competition along with abysmally low tariffs of Wind and Solar Power have brought us to a point where it has started hurting the genuine players especially PSUs. This could result in an implosion. For consistent and coherent growth of the sector, it is vital that price competition does not sink to a level where financial viability or quality of the projects is threatened. Presence of multiple players and participation of Public Sector Companies is vital for development of healthy markets and fair competition and hence this issue needs to be suitably addressed by the Government.

FUTURE BUSINESS STRATEGY

We shall continue to focus on our strength i.e. hydropower, preferably in locations where we already have presence. The next phase of growth has already begun for the Company with the award of all major works of Arun-3 HEP in Nepal and Naitwar Mori HEP in Uttarakhand. We are also committed to commence the execution of Buxar Thermal Power Project at the earliest.

Obtaining necessary approvals for Luhri Stage I, Sunni Dam, Devsari HEP and Jakhol Sankri HEP in this year is targeted. It is heartening to note that Government of Himachal Pradesh is considering the relaxation of its Power Policy to reduce the free power to be provided to the State as royalty. This would go a long way in making Dhaulasidh HEP economically viable and enable construction of this Project.

In the field of renewable energy, we are taking small steps, and as we gain expertise, we will scale up operations. Your Company shall be looking forth for strategic partnerships with other CPSEs/ established players for expanding presence in the Renewable Sector. Commissioning of Sadla Wind Power Project is also on the anvil.

The Status of Operational Plants and other ongoing Projects has been amply covered in the Directors' Report and hence, I would only like to mention that in addition to the Operational Plants having combined installed capacity of 1990.6 MW, the other projects, namely, Luhri (Stage I & II), Sunni Dam & Dhaulasidh in Himachal Pradesh; Devsari, Naitwar Mori & Jakhol Sankri projects in Uttarakhand; Arun-3 in Nepal; Kholongchu project in Bhutan; Buxar Thermal Power Project in Bihar; Solar & Wind Projects in Gujarat; total up to more than 4000 MW of capacity, are at different stages of construction and development.

CORPORATE SOCIAL RESPONSIBILITY

Your company has formulated and adopted a well perceived Corporate Social Responsibility and Sustainability Policy which is in consonance with the Companies Act, 2013 and the DPE Guidelines on CSR & Sustainability-2014. The CSR Policy Statement embeds the concerns of its stakeholders and strives to maintain a good standard of CSR and Sustainability in its business activities. To meet this commitment, SJVN will respect the rule of law, local communities and societies at large, and will make conscious efforts to enhance the quality of life as well as environmental sustainability through its CSR and Sustainability programs. Through its proactive programs, your company has brought about a visible change in the society.

It gives me great satisfaction to share that CSR initiatives of your company have stood the test of time and have been widely acclaimed at various national and international forums.

CORPORATE GOVERNANCE

As a listed company, SJVN has been complying with the requirements of Corporate Governance under the SEBI LODR Regulations and also Guidelines issued by Department of Public Enterprises, Government of India. In this regard, your company has been constantly achieving "Excellent" rating (since the past seven years) for compliance with 'DPE Guidelines on Corporate Governance' under the 'Corporate Governance Grading System' prescribed by DPE.

ACKNOWLEDGMENT

I take this opportunity to express my sincere gratitude for the continued and immense support and co-operation received from the Government of India, State Governments of Himachal Pradesh, Uttarakhand, Bihar, Maharashtra and Gujarat, 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 and Regulatory authorities. Above all, I acknowledge the unstinted support received from the Shareholders, Investors and Partners in the growth of the Company and thank them 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 for reposing their faith in me and granting me the opportunity to steer this wonderful institution.

Thanking you,

Yours Sincerely

(Nand Lal Sharma)
Chairman & Managing Director
DIN: 03495554

Place: New Delhi
Date: 3rd August 2018.

DIRECTORS' REPORT 2017-18

Dear Members,

Your Directors are pleased to present the Thirtieth Directors' Report of the Company for the year ended March 31, 2018 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 2018 briefly encapsulate the performance of your company:-

1. FINANCIAL HIGHLIGHTS

(₹ in Crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2017-18	2016-17	2017-18	2016-17
REVENUE				
Revenue from Operations	2229.97	2679.31	2228.50	2679.14
Other Income	357.10	440.59	355.45	438.25
Total Revenue	**2587.07**	**3119.90**	**2583.95**	**3117.39**
EXPENSES				
Employees' Benefits Expense	265.22	253.39	265.37	253.56
Finance Cost	83.82	45.70	83.82	45.70
Depreciation and Amortization Expenses	364.51	679.98	364.51	679.98
Other Expenses	276.25	235.68	276.29	235.96
Total Expenses	**989.90**	**1214.75**	**989.99**	**1215.20**
Profit before non-controlling interests / Share in Net-profit of Joint Venture / Associate and net movement in regulatory deferral account balance and tax	1597.27	1905.15	1593.96	1902.19
Share in Profit of Joint Venture / Associate	-	-	3.04	4.10
Profit before Net Movement in regulatory deferral account balance and tax	1597.27	1905.15	1597.00	1906.29
Net Movement in regulatory deferral account balance	51.10	(31.22)	51.10	(31.22)
Profit Before Tax	**1648.37**	**1873.93**	**1648.10**	**1875.07**
Tax Expenses:				
- Current Tax	351.43	399.94	351.43	399.94
- Deferred Tax	72.06	(70.15)	72.06	(70.15)
Profit for the year	**1224.88**	**1544.14**	**1224.61**	**1545.28**
Other Comprehensive Income (Net of Tax)	(11.94)	(3.96)	(11.94)	(3.96)
Total Comprehensive Income	**1212.94**	**1540.18**	**1212.67**	**1541.32**

2. GENERATION

Gross Energy Generation from various operational plants of the Company during FY 2017-18 is as under:-

(Million Units (MU))

Plant	2017-18	2016-17
NJHPS	7207.666	7050.622
RHPS	2014.925	1960.367
KWPS	51.096	33.939
CSPS	6.566	-
Total	**9280.253**	**9044.928**

3. REVENUE AND PROFITS

The standalone revenue from operation decreased by ₹449.34 crore to ₹2229.97 crore during the financial year 2017-18 compared to ₹2679.31 crore during the previous year. The standalone Profit After Tax (PAT) decreased by ₹319.26 crore to ₹1224.88 crore against ₹1544.14 crore for the previous year.

The subsidiary and Joint Venture companies are under Survey & Investigation/Construction except CPTC, which is in operation. Consolidated accounts with the subsidiary & joint venture companies has resulted in decrease in profit of consolidated group by ₹(0.27) crore (PY ₹1.14 crore) mainly due to elimination of intra group transactions as compared to SJVN Limited and reduction of proportionate share of profit by ₹1.06 crore to ₹3.04 crore in current year (previous year ₹4.10 crore) from CPTC.

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 ₹1.90 per share has been paid in the month of February 2018. In addition, your Board has recommended a final dividend of ₹0.20 per share. Thus, subject to your approval, a total dividend of ₹2.10 per share (₹864.56 crore) is proposed to be paid for FY 2017-18 against ₹2.75 per share (₹1137.57 crore) paid during the previous year.

6. BUYBACK OF SHARES

Your Company had bought back its 20,68,31,325 fully paid up equity sharesof ₹10/- each (representing 5% of the total number of equity shares in the paid-up share capital of the Company) at a price of ₹38.75 per equity share, payable in cash for an aggregate consideration not exceeding ₹801,47,13,843.75 which was not exceeding 10% of the aggregate of the fully paid-up equity share capital and free reserves as per the audited accounts of the Company for the financial year ended March 31, 2017 from the equity shareholders of the Company. The buyback was approved by the Board of Directors of your company in its 260th Meeting held on 8th January 2018.

The Buyback offer opened on Wednesday, 14th February 2018 and closed on Wednesday, 28th February 2018. The payment was made to the shareholders on 12th March 2018 who tendered their shares in the Buyback Offer and the Committee of Directors for Buyback (constituted by the Board in its 260th meeting) passed a resolution on 13th March 2018 for extinguishment of 20,68,31,325 equity shares. Accordingly, CDSL extinguished 20,68,31,325 equity shares through a corporate action on 14th March 2018. The paid up capital of ₹4,136.26 Crore comprising 4,13,66,26,500 equity shares of ₹10/- each before Buy-back thus got reduced to ₹3,929.79 Crore comprising 3,92,97,95,175 equity shares of ₹10/- each after the Buy-back.

7. PROJECTS UNDER PROGRESS

7.1 HIMACHAL PRADESH PROJECTS:

a) LUHRI HEP (Stage I : 210 MW, Stage II: 163 MW, Sunni Dam: 373 MU)

Luhri Hydro Electric Project is located on river Satluj in Shimla/ Kullu/Mandi districts of Himachal Pradesh. Government of Himachal Pradesh (GoHP) in March 2015 advised SJVN to review/explore the possibility of executing the LHEP as multi-stage project instead of single stage on account of social and environmental/ ecological concerns. Accordingly three stages / projects **(i.e. Luhri HEP Stage-I - 210 MW, Luhri HEP Stage-II – 163MW and Sunni Dam HEP - 373 MW)** envisaged by

SJVN to harness the Hydel potential of Satluj river between Rampur and Kol Dam Hydro Electric Projects. Govt. of H.P. reallocated all three projects on "Stand Alone Basis" to SJVN on 29.08.2017.

LUHRI HEP STAGE-I (210 MW):

It is a Run off River (RoR) scheme with capacity of 210 MW is located on river Satluj, near Nirath village, in Shimla and Kullu Districts of Himachal Pradesh. The project has potential of generating 758.20 MU of electric energy in a 90% dependable year. Investment approval for pre-construction activities for ₹86.53 Crore was accorded by GoI on 08.02.2018.

DPR was submitted to CEA on 30.12.2016. CEA in final consultation meeting held on 16.01.2018 has concurred the project for an estimated project cost of ₹1912.59 Crore at July 2017 level.

After conducting public hearing, final EIA/EMP report along with application for Environment Clearance submitted to MOEF on 20.02.18, was considered in EAC meeting held on 27.03.2018. Observations of EAC are being attended by the company.

Online application for diversion of forest land was submitted to Nodal Officer on 19.12.2017. Forest land diversion case file is under process by State Forest Department for forwarding to MOEF&CC through Nodal Officer. NOCs under FRA-2006 have been obtained. CAT Plan has been approved and forwarded to ADG (Forest), MOEF&CC by GOHP on 19.02.2018.

For the acquisition of private land, work for carrying out SIA study was awarded by GoHP on 29.01.2018 and the consultant has submitted the report to SIA Unit, GoHP on 21.05.2018.

LUHRI HEP STAGE-II (163 MW):

It is a run off river type development proposed on Satluj River near Nanj village, in Shimla, Kullu & Mandi districts of Himachal Pradesh. Investment approval for pre-construction activities of ₹72.478 Crore was approved by GOI on 16.03.2018.

Pre-DPR chapters are under preparation and five out of six chapters have been submitted to CEA for holding 1st consultation meeting. TOR of EIA / EMP studies has been approved by MOEF on 27.03.2018. Tendering Process for award of work for EIA/EMP studies and drilling & drifting work is in progress.

SUNNI DAM HEP (373 MW):

It is a run off river type scheme situated on Satluj river near Khaira village in Shimla and Mandi districts of Himachal Pradesh. The Project has potential to generate 1369 MU of electric energy in a 90% dependable year.

1st consultation meeting for preparation of DPR was held in CEA on 17.08.2017. Pre-DPR chapters are under preparation and being submitted to CEA progressively. Four out of nine Pre-DPR chapters have been cleared by CEA. Drilling and drifting works, awarded on 14.11.2017 and 08.01.2018 are under progress.

For preparation of EIA/EMP studies contract was awarded on 30.10.2017 and collection of field data is in progress by the consultant.

Online application for diversion of forest land was submitted on 27.12.17. The officials of Revenue & Forest department have conducted joint inspection. NoCs from Wildlife & HPPWD have also been received.

For acquisition of private land received for the project, process for appointment of consultant for SIA studies initiated by the State Government for which EOI issued on 08.05.2018.

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 off river project. The project holds potential of generating 247.25 million units of electric energy in a 90% dependable year.

GoHP accorded TEC of the Project on 25.06.2011. Stage-1 Forest Clearance was accorded by MoEF, Govt. of India on 06.03.2012 and further extended up to 01.11.2018. Environment Clearance was accorded by GoI on 21.02.2013.

Process of acquisition of private land as per LARR Act 2013 has been started by State Govt. Application for carrying out SIA study was submitted to GoHP. As desired by GoHP, fresh revenue papers for all 40 villages have been prepared and submitted to GoHP on 04.04.2018 for further processing.

7.2 UTTARAKHAND PROJECTS

a) DEVSARI HEP (252 MW)

A Run off 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.

Stage-I Forest Clearance (FC-I) was accorded by MOEF on 26.02.2018. Further, EAC in its meeting held on 27.03.2018 recommended the project for Environment Clearance subject to submission of technical feasibility report related to construction of protection wall around Debal Power House (5MW). As per condition of FC-1, approved technical feasibility report for construction of protection wall to avoid submergence of Debal SHEP (5 MW) to be submitted to MoEF& CC prior to Stage-II Forest Clearance. To review the technical feasibility report of construction of protection wall, consultancy work was awarded to IIT, Roorkee who have submitted their report on 27.04.2018. The report was submitted to Director (IA), MoEF&CC on 30.05.2018 for accord of EC.

For private land required for the project, payment has been made to State Government and issuance of notification under section 11 is in advance stage.

b) NAITWAR MORI HEP (60 MW)

The Naitwar Mori HEP having proposed installed capacity of 60 MW is located on River Tons, a major tributary of River Yamuna in Uttarkashi District of Uttarakhand. The project is designed as run off the river project and has the potential to generate 265.5 MU of energy in a 90% dependable year.

Private Land required for the project acquired on 23.05.2017. For diversion of Forest land required for project, lease agreement was signed on 01.12.2017. Mining clearance was issued on 22.02.2018 and signing of lease agreement is in process.

Investment approval for an estimated cost of ₹648.33 Crore by GoI accorded on 16.10.2017 at December, 2016 Price Level as per which project is to be completed in 48 months from commencement i.e. from 05.12.2017.

Construction of project access roads and bridges joining Project components already completed.

Contracts for construction of Project offices and residential accommodation was awarded in March & April 2018.

Main Civil Works of Project were awarded on 05.12.2017 to M/s Jaiprakash Associates Ltd. and work at various fronts is in progress.

Hydro-Mechanical works Package was awarded on 18.04.2018 and Electro-Mechanical Package on 12.06.2018.

Hon'ble Union Minister of State (Independent Charge) for Power and Hon'ble Chief Minister of Uttarakhand laid the foundation stone of Project at Mori on 30.03.2018.

The project is scheduled for commissioning by 04.12.2021.

c) JAKHOL SANKRI HEP (44 MW)

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 off river project and will generate 166.19 MU of energy in a 90% dependable year.

GoI accorded investment approval for pre-construction activities of project at an estimated cost of ₹84.50 Crores on 15.09.2017.

Considering revised e-flows, DPR of 44 MW was prepared and submitted to GoUK on 19.08.2016 and approval of DPR is awaited from GoUK.

Work for the preparation of EIA/EMP report was awarded to M/s WAPCOS on 18.11.2016. EIA/EMP report submitted to Uttarakhand Environment Protection and Pollution Control Board (UEPPCB) for public hearing on 23.04.2018.

Presentation on EIA/EMP to Member Secretary (SPCB) given by SJVN on 24.05.2018. Public hearing for the Project scheduled on 12.06.2018 could not be held successfully.

NBWL accorded NOC on 23.08.2016. Online application for diversion of Forest Land was submitted on 05.12.2016. Duly filled up Form-2 forwarded by DFO to Deputy Director (Wildlife) on 22.06.2018 and further to conservator forest on 25.06.2018 for processing of case. For obtaining NOCs under FRA-2006, matter being taken up with District Administration.

For private land acquisition, work for SIA studies was awarded on 20.03.2018 to H.N.B.G University and field data collection was done in April 2018 and draft report submitted on DM on 15.05.2018.

7.3 NEPAL PROJECT

a) ARUN-3 HEP (900 MW):

SJVN Arun-3 Power Development Company Pvt. Ltd (SAPDC) was established & registered on 25.04.2013 under the Nepalese Companies Act 2063 with an aim to implement Arun-3 Hydroelectric Project. The registered office of SAPDC is located at Kathmandu, Nepal. The project is a run-off-river scheme located on Arun River in Sankhuwasabha District of Nepal, which is 657 km from Kathmandu via Biratnagar. The project is a run off the river scheme with 4 hours peaking and will generate 3924 MU. Project was techno-economically appraised by CEA on 09.06.2014. Project Development Agreement (PDA) was signed with IBN, Government of Nepal (GoN) on 25.11.2014. As per PDA, the project is scheduled to be completed in 5 years reckoned from financial close and financial close is scheduled to be achieved by 28.09.2018. EIA report of the project was approved by MoSTE, GoN on 12.08.2015. Private land required for the project has been registered in the name of SAPDC. Lease agreement for diversion of 96.97 ha forest land was signed on 23.08.2017 and for balance 26.25 ha lease agreement was signed on 06.02.2018. Tree cutting is in progress. Government of India has accorded investment approval for generation component of the project at an estimated cost of ₹5723.72 Crores at May 2015 Price level.

The works for construction of access roads and bridges through Department of Roads, GoN is in progress.

Construction of temporary 10 single room sets accommodation at Dam site and office and residential complex at Tumlingtar completed.

Main Civil Package for Dam Area Civil works was awarded on 22.09.2017 to M/s JP Associates Limited. Construction of labour camps/ colony by contractor is in progress. After custom clearance for induction of equipment commenced on 31.01.2018. Work of approach road to Diversion Tunnel has been taken up by the contractor and is in progress. Construction of Adit 1 to HRT is in progress.

Civil package – 2 i.e. Power House civil works package was awarded on 19.03.2018 to M/s Patel Engineering Limited. Contractor is in the process of obtaining various approvals from GoN.

HM Package and EM Packages were awarded on 11.04.2018 and 30.04.2018 respectively.

Power Evacuation System: Power Evacuation system consists of 217 km long 400 kv DC Transmission line from Diding (project area) in Nepal to Dhalkebar (Nepal border). Updated DPR for Arun -3 Transmission Line upto Nepal border amounting to ₹1236.13 crores has been approved by CEA on 07.02.2018 at PL of June 2017. PIB Memo for investment approval was submitted to MoP on 22.02.2018; after responding to various queries of the same, the draft PIB memo for circulation has been submitted on 02.05.2018.

Field Survey for R&R Plan and collection of land ownership details are under progress. Collection of land ownership details of all 7 districts has been completed. Powergrid has consented to be consultant for the work for which draft agreement is in the process of approval.

Indian portion of transmission line will be constructed by POWERGRID under Regulated Tariff Mechanism (RTM).

7.4 PROJECTS IN BHUTAN

a) KHOLONGCHHU HEP (600MW):

Kholongchhu Hydro Electric Project (600 MW) is located on river Kholongchhu in Bhutan will generate 2568 MU of energy annually.

Inter-Governmental Agreement between Royal Government of Bhutan (RGoB) and Government of India (GoI) for implementation of Kholongchhu HEP was signed on 22.04.2014. Hon'ble Prime Minister of India laid the foundation stone for the project on 16.06.2014. National Environment Commission (NEC) of RGoB accorded Environment Clearance for the Project on 21.07.2014.

The project is being implemented jointly by SJVN and Druk Green Power Corporation (DGPC) Bhutan. Joint Venture Company was registered as "Kholongchhu Hydro Energy Ltd" in Bhutan on 12.06.2015 with equal equity contribution.

Concession Agreement is under approval of RGoB. Infrastructure work of project is in progress. 2 Bailey bridges required for Project has been completed. Construction of approach roads (30.5 km) to various work fronts have been completed.

Work for providing construction power i.e. laying of 132 KV D/C LILO transmission line is in progress, overall 95% work has been completed. Construction of 132 KV / 33 KV substation is also in progress and 78% work of substation has been completed.

Construction of site office at Powerhouse site (Korlung) is in progress. Layout plan of residential & non-residential buildings for township at Duksum has been approved by Royal Govt. of Bhutan and demarcation of land has been completed.

Award of main civil works in 3 packages is under tendering process.

7.5 THERMAL PROJECT

a) BUXAR THERMAL PROJECT (1320 MW)

A MOU had been signed between SJVN, Bihar State Power Holding Company Limited and Bihar Power Infrastructure Company for the development of 1320 MW Thermal Power Project as per Supercritical Technology at village Chausa in District Buxar of Bihar on 17.01.2013. Power Purchase Agreement (PPA) for the project had already been signed with Bihar State Electricity Board which constituted into Bihar State Power Holding Company Limited (BSPHCL) for 85% share of power generation on bus bar rate. This has been now assigned to Bihar's State Distribution companies.

SJVN acquired the Project Executing Company i.e. Buxar Bijlee Company Private Limited on 04.07.2013. The name of Buxar Bijlee Company Private Limited was changed to SJVN Thermal Private Limited (STPL) on 17.10.2013, which is a wholly owned subsidiary company of SJVN Limited.

Investment approval for carrying out pre-construction activities of the project for ₹436.68 Crore was accorded by GoI on 26.05.2015. DPR of the project has been updated on 29.08.2016 and site specific studies completed. MoEF has accorded Environment Clearance on 28.02.2017. Mutation of 1058.335 acre private land for project components was completed on 12.12.2017 and land has been transferred in the name of STPL. Barbed wire fencing of project land has been completed.

Consultancy work for preparation of DPR for setting up of Rail Infrastructure for the project was awarded to M/s RITES Ltd. on 16.03.2016. DPR prepared and submitted to East Central Railway (ECR), Hazipur for approval on 12.04.2017. Observations have been raised by Railways on rail route finalised in FSR. Further, long-term domestic linkage from Coal India Limited (CIL) for BTPP has been granted by Ministry of Coal on 21.08.2017. Matter was taken up with CIL for finalising the source of coal so that new route for coal transportation can be finalised with Railways. CIL has identified Central Coalfields Limited for supplying coal and the matter has been taken up with CCL for the exact coalfield source and for the letter of Assurance.

Work for the construction of 33kV line for construction power has been completed except the underground portion at railway crossing which shall be done by 31.07.2018. Payment for laying under ground cable at railway crossing has been released to SBPDCL. Construction of 33 / 11 KV substation in project area is in progress.

Work for the construction of boundary wall was awarded on 31.07.2017 and is in progress. Preparation of bid documents for main plant works is in progress.

A MoU has also been signed with MMTC Ltd on 24.02.2016 for supply of imported coal.

Revised PIB Memo for main plant works has been submitted to MOP on 20.02.2018. The draft PIB Memo for circulation has been submitted on 04.05.2018.

7.6 SOLAR PROJECTS

a) CHARANKA SOLAR POWER STATION (5 MW), GUJARAT:

SJVN's 5 MW Charanka Solar Power Station has been commissioned on 31.03.2017. The project is located at Charanka Solar Park in Gujarat in an area of about 25.95 acres. The project has been conceived under REC Mechanism and the PPA for brown power has been signed with GUVNL on 03.03.2017. The project has generated 6.57 MU in the FY 2017-18.

7.7 WIND POWER PROJECTS

a) KHIRVIRE WIND POWER STATION (47.6 MW), AHMEDNAGAR, MAHARASHTRA

SJVN has set up its first Wind Power Project of 47.6 MW capacity at Khirvire / Kombhalne villages of Ahmednagar district of state of Maharashtra. The Project comprises 56 Wind Energy Generators (WEGs) each of capacity 0.85 MW. The project started generation w.e.f. 20th January 2014, with the commissioning of 1st lot of 25 WEGs and attained full generation capacity by commissioning the last 56th WEG on 20.05.2014.

b) SADLA WIND POWER PROJECT (50 MW), SURENDERNAGAR, GUJARAT:

Your Company is setting up its second Wind Power Project of 50 MW capacity, comprising 25 WEGs each of capacity 2 MW at village Sadla, Distt. Surendranagar, Gujrat. The EPC Contract of the Project with its comprehensive O&M has been awarded to M/s Inox Wind Limited. PPA has been signed with Gujarat Urja Vikas Nigam Limited (GUVNL) for 38 MW on 30.01.2018. The construction of work is in progress & project is likely to be commissioned in FY 2018-19. Out of 25 WEGs, tower foundations of 17 WEGs and erection of 16 WEGs has been done. GEDA commissioning of thirteen WEGs has been completed.

7.8 TRANSMISSION PROJECTS

Cross-Border Inter State Transmission 400 kV, D/C Link for trade of Power between Nepal & India has been developed by two Joint Venture Companies namely CPTC and PTCN. CPTC has executed the Indian portion (86 km) of the said link between Muzaffarpur & Sursand wherein SJVN has 26% equity share along with IL&FS Energy Development Company Ltd. (38%), POWERGRID (26%) and Nepal Electricity Authority (NEA) (10%). The other portion of the link on the Nepal side (39 Km) between Sursand & Dhalkebar has been executed by PTCN registered in Nepal having partners IL&FS Energy

Development Company Ltd. (26%), POWERGRID (26%) and Nepal Electricity Authority (NEA) (48%).

The Power Transmission line was declared under commercial operation from 00:00 Hrs of 19.02.2016 and was dedicated to the Nation jointly by the Prime Ministers of India and Nepal on 20.02.2016. Presently, around 145 MW of power is flowing between India & Nepal through the 220/132 kV, 2X100 MVA transformers. The completed/Audited cost of Project (CPTC) is ₹242.55 Crore.

8. ENVIRONMENT

Your Company is sensitive towards protection of environment through sustainable use of natural resources.

In response to your commitment and concern towards green planet and sustainable development, your company had adopted an Environment Policy in 2006.

Owing to the ever-evolving environmental scenario and diversification of the organization, your company has revised the Environment Policy in September 2016, with the intent to address mainstream environmental concerns in all its activities. Accordingly, due diligence is done by SJVN to execute all its projects in an environment friendly manner. Projects in SJVN are being regularly reviewed and monitored for stipulated environmental parameters through internal and external monitoring mechanisms. It is ensured that the projects are in compliance to various conditions stipulated by Ministry of Environment and Forests & Climate Change (MoEF&CC), Government of India in Environment and Forest Clearances.

Your Company's Corporate Objectives also promote conservation and protection of environment and '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 minimize or offset any adverse impact on the environment during project construction or operation phase for sustenance of resources over a long term.

Your Company has successfully undertaken various measures for Environment Management at Nathpa Jhakri and Rampur Hydro Power Stations including Catchment Area Treatment (CAT) Plan, Compensatory Afforestation, Soil Stabilization, Avenue Plantation & Landscaping, Restoration of Muck Dumping Sites & Quarry Areas and Sustenance and Enhancement of Fisheries etc.

Restoration work of Muck Dumping Sites in Rampur HPS was largely one using state of the art Geo-Green Erosion control Blanket technique which was designed and evolved to provide an integrated solution for slope stabilization. The success achieved here has prompted your company to work towards improving this technique further and replicating the technique in other projects.

True to its commitment for self-regulation and environment protection, your company has also established an Environment Laboratory at Jhakri on the guidelines laid down by the MoEF & CC, Government of India. The laboratory is the first of its kind in the area and has 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.

9. CSR AND 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 2017-18 in format prescribed under Companies (CSR Policy) Rules 2014 is annexed as **Annexure-V** and forms an integral part of this Directors' Report.

10. REHABILITATION AND RESETTLEMENT

SJVN, being conscious of its responsibilities towards society, is committed to execute and operate power projects in a socially responsible manner by adopting generous Resettlement & Rehabilitation measures for the benefit of project affected families (PAFs) and by investing in socio-economic development of communities so as to continually minimize potential negative impacts as well as to establish sustainable positive impact of projects on them.

Well before any project is taken up for execution, social impact assessment (SIA) study is carried out to ensure that the potential socio-economic benefits accrued from the project outweigh the social costs and adverse social impact. Public consultation meetings with the stakeholders are held by the project authorities to make the local communities aware of developmental facilities to be created in the field of health, education, sanitation, drinking water, approach roads and other community assets of the project and their benefits to the society. Subsequently, the R&R plan is devised based on conclusive findings derived from socio economic survey carried out by an independent expert agency. The R&R plan thus devised and approved, essentially prescribes mitigation measures for reconstruction and regeneration of economies of the PAFs.

During implementation stage of the R&R plan, regular monitoring of R&R activities is conducted through an external independent agency to ensure timely extension of R&R benefits to the PAFs. Similarly, after completion and R&R implementation of plan, social impact evaluation is carried out by independent external agency to assess various tangible and intangible benefits accrued in the area of socio economic development. The R&R plans have been successfully implemented in 1500 MW Nathpa Jhakri Hydro Power Station (NJHPS) and 412 MW Rampur Hydro Power Station (RHPS) both located in Himachal Pradesh, whereas R&R plan is in the initial stage of implementation in 60 MW Naitwar Mori Hydro Electric Project (Uttrakhand). Several benefits under R&R Plan, like providing alternate agricultural land, allotment of constructed houses in rehabilitation colonies or grant of construction cost to houseless PAFs, suitable employment to eligible landless PAFs or financial assistance in lieu of employment, subsistence allowance have been provided to PAFs. In addition to these benefits, other capital assets have been created which include infrastructure and community development facilities like village paths, roads, panchayat bhawans, school infrastructure, playgrounds, drinking water, health & hygiene etc. The local farmers around RHPS have been adequately compensated for reduction in crop yield as per the crop compensation policy of the Government of HP. Besides this, funds of ₹55.26 Crores have been spent under Local Area Development Fund (LADF) for carrying out various infrastructural development works. The Social Impact Assessment Study of 210 MW LHEP stage-I (H.P) is being carried out by GoHP empanelled agency

The social impact evaluation of R&R plan implemented in NJHPS and RHPS was carried out by Agriculture Economic Research Centre (AERC) of Himachal Pradesh University. The report submitted by AERC revealed that R&R implementation in the project-affected areas have substantially enhanced socio-economic standard of the local population on various development parameters.

11. RESEARCH AND DEVELOPMENT

SJVN has laid special attention on Research and Development for Process Improvement, Product Development etc. in its area of operation.

SJVN has undertaken following activities during FY 2017-18 under R&D and innovative work category.

a) Comparative Study and finalization of best-suited seals for MIV seals of different material viz. PTFE, Ultra High Molecular Weight Polyethylene seal and Poly Urethane Elastomer self-lubrication casting seals by NJHPS.

b) Surface hardening of four repaired runners by RHPS.

c) "GNLU-SJVN Fellowship" in the area of Hydro Power Development and Environment Laws and R&R Laws – MoU signed for a period of three years.

All the R&D activities and targets have been successfully completed for financial year 2017-18 under the guidance of eminent professionals from various Engineering fields and in collaboration with renowned Research Institutes.

12. HUMAN RESOURCES

The total manpower on the rolls of SJVN (Direct Recruits and Absorbed employees) was 1442 as on 31.03.2018. The strength of HPSEB / HP Govt. employees on deputation on the above date was 160.

Representation of Women Employees is as under:-

Total Employees as on 31.03.2018	Number of Women employees	Percentage of overall staff strength
1442	147	10.19

Representation of Physically Challenged Employees is as under:-

Total Employees as on 31.03.2018	Physically Challenged Employees				Percentage of Physically challenged employees
	VH	HH	OH	Total	
1442	16	06	06	28	1.94

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

Total Employees (as on 31.03.2018)	Representation					
	SCs	SC%	STs	ST%	OBC	OBC%
1442	308	21.36	92	6.38	174	12.07

Your Company gives utmost importance for the enrichment of employees skills. Accordingly in-house and external training programmes are organized in all disciplines and at all levels. During the financial year 2017-18, 91% employees were imparted essential two mandays training thereby achieving 5920 training mandays have been achieved. The trainings were imparted through organizations of national repute like ASCI, ESCI, IITs, IIMs, IMI, MDI, Tunnelling Association of India. The programs were conducted on topics like Companies Act, 2013 and Corporate Governance, Dams and Underground Structures, Rainfall Runoff Modelling with GIS, Power Trading, Power Exchanges & Merchant Power Plants Design, Construction and risk management in Underground construction, Large Power Transformers – Modern Trends in Application Installation O&M, Service & Repairs of Industrial Tools, Effective Noting & Drafting, Health & Stress Management, Leadership Development Programs, 5S & Kaizen and Gender Sensitivity etc. to mention a few.

13. 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 in better employee-employer relations and cordial industrial relations were maintained during the year.

14. STATUTORY AND OTHER INFORMATIONS

The information required to be furnished as per the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Rules, 2015, 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 on Corporate Governance Compliances – **Annexure – III**

d. Information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and out go – **Annexure – IV**

e. Annual Report on Corporate Social Responsibility & Sustainability – **Annexure – V**

f. Business Responsibility Report – **Annexure – VI**

g. MGT-9 - Extract of Annual Return – **Annexure – VII**

h. Secretarial Audit Report – **Annexure – VIII**

i. Management's Replies to the observations of Secretarial Auditor – **Annexure –IX**.

15. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' state that :

- in the preparation of the annual accounts for the year ended March 31, 2018, 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, 2018 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; and
- the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

16. DECLARATION OF INDEPENDENCE

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

17. 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 2017-18:-

No. of complaints received in 2017-18	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	02
Nature of action taken by the employer or District Officer	Nil

18. SECRETARIAL AUDIT

The Board appointed M/s Agarwal S. & Associates, PCS to conduct Secretarial Audit for the Financial Year 2017-18. The Secretarial Audit Report for FY ended March 31, 2018. The Report of the Secretarial Auditors for the year ended 31.03.2018 is placed at Annexure-VIII. Reply of Management to observations of Secretarial Auditor are placed at **Annexure-IX**.

The company has complied with the applicable Secretarial Standards as issued by The Institute of Company Secretaries of India.

19. STATUTORY AUDIT

M/s APRA & Associates LLP, Chartered Accountants, Baddi, Distt. Solan (HP), were appointed by Comptroller & Auditor General as Statutory Auditors of the Company for the financial year 2017-18.

The Report of the Statutory Auditors to the Members on the Standalone and Consolidated Accounts for the year ended 31.03.2018 is placed at **Annexure-X** and **Annexure-XII** respectively. Reply of Management to observations of Statutory Auditor on Internal Financial Control on the Standalone and Consolidated Accounts are placed at **Annexure-XI** and **Annexure-XIII** respectively. Observations/ Comments of the Comptroller and Auditor General (C&AG) of India on the Standalone and Consolidated Accounts for the year ended 31.03.2018 are placed at **Annexure-XIV** and **Annexure-XV** respectively. Comments of C&AG being "NIL", the reply by the Management thereto is not applicable.

20. 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 2017-18. The Cost Audit Report for the year ended 31st March 2017 was filed with MCA on 28.09.2017.

21. 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 organizational structure is well defined in terms of the structured authority / responsibility involved at each particular hierarchy / level.

22. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the Indian Accounting Standard (Ind AS)-110 on Consolidated Financial Statements read with Ind AS-111 on Joint Agreements and Ind AS-112 on Disclosure of Interest in other entities, 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:-

a) SJVN Thermal Private Limited

b) SJVN Arun-3 Power Development Company, Nepal

23. BOARD OF DIRECTORS

During the FY 2017-18 and FY 2018-19 (upto date of this report), the following changes took place in the composition of the Board of Directors of the Company:-

a. Shri Ramesh Narain Misra, ceased to be the Chairman & Managing Director of the Company on 30th November 2017 on reaching age of superannuation. Pursuant to the orders of Ministry of Power, Shri Nand Lal Sharma was appointed as Chairman & Managing Director with effect from 1st December 2017.

b. Shri Tarun Shridhar, ACS (MPP & Power), GoHP, ceased as Part-Time Official Director (GoHP Nominee) on withdrawal of Nomination by appointing authority w.e.f. 31st December 2017.

c. Shri Ram Dass Dhiman, Principal Secretary (MPP & Power), GoHP, was appointed as Part-Time Director (GoHP Nominee) w.e.f. 25th January 2018. He has ceased as Part-Time Official Director (GoHP Nominee) on withdrawal of Nomination by appointing authority w.e.f. 12th May 2018.

d. Shri Tarun Kapoor, ACS (MPP & Power), was appointed as Part-Time Official Director (GoHP Nominee) w.e.f. 21st June 2018.

e. Shri Aniruddha Kumar, Joint Secretary (Hydro), Ministry of Power has been appointed as Part-Time Official Director (GoI Nominee) in place of Smt. Archana Agrawal w.e.f. 30th July 2018.

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.

None of the Directors are inter se related to each other.

The Board Meetings held during the Financial Year 2017-18 and the attendance of the Directors therein is mentioned in the Corporate Governance Report.

24. BOARD LEVEL COMMITTEES

The composition of the Statutory Committees required to be constituted as per the Companies Act 2013 and the SEBI Listing Regulations and the meetings held therein are mentioned in the Corporate Governance Report.

25. KEY MANAGERIAL PERSONNEL

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

1. Shri Nand Lal Sharma, Chairman & Managing Director
2. Shri Amarjit Singh Bindra, Chief Financial Officer
3. Shri Soumendra Das, Company Secretary

26. 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, number of incentive schemes are under implementation namely 1) Payment of increment amount scheme i.e. equivalent to increment of three months during the year, for doing his/her whole office work in Hindi. Under these schemes 172 executives/non-executives received prizes amounting to ₹2,70,000/-. Other implemented schemes are as under: 1) Under the "Rajbhasha Samman" Scheme each ₹25,000/- are paid to the concerned employee doing his/her best work in Hindi in different Projects including Corporate Office and "Rajbhasha Uttkrishthta Samman" of ₹30,000/- to the employee doing his/her best work in Hindi at Corporate Level, 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".

Imparting training to the executives and non-executives to do their day-to-day work in Hindi by organizing Hindi workshops/seminars is a continuous process in the company. Seven Hindi workshops/seminars have been organized and 157 no. of executives and non-executives have been trained. Organizing of Hindi quiz competitions on national/ important occasions and other competition (i.e. Shudh Hindi Shabd Lekhan, Nara Lekhan, Shabdarthgyan, Vichar Abhivyakti, Essay writing competition) is a regular feature and besides this number of competitions were also organized during "Hindi fortnight". In these competitions 237 no. of employees were awarded cash prizes amounting to ₹2,67,500/-.

To popularize Hindi amongst the students of Schools/Colleges/ Institutions/Universities situated in the vicinity of projects as well as Corporate Office, Shimla various Hindi competitions were organized during the year under review and 312 no. students were awarded cash prizes amounting to ₹3,31,500/-.

Half-yearly meetings of the Town Official Language Implementation Committee, Shimla (Office-2) constituted for the CPSUs & Banks etc. were held on 21.12.2017 under the Chairmanship of CMD, SJVN Ltd., Shimla

The Officials from Ministry of Power, Govt. of India inspected the progress of use of Hindi at Expediting Office, New Delhi, Corporate Office, Shimla, Nathpa Jhakri Power Station, Jhakri & Rampur Hydro Power Station, Bayal during the year under review and expressed its satisfaction about the progress made in this regard.

To give impetus to the multi-facet talent of employees, an in-house bi-annual Hindi magazine "Himshakti" was published and circulated. Out of total expenditure on purchase of books, 75.65% of amount was spent on purchase of Hindi books.

27. AWARDS & ACHIEVEMENTS

During the Financial year 2017-18, your Company & Directors received commendation for work in form of various Awards and Accolades as under:-

i. SJVN was awarded with 'Achievement Award 2018' and 'Partners in Progress Trophy' for Social Development & Impact during 10th CIDC Viswakarma Award 2018. The award was presented by Construction Industry Development Council.

ii. SJVN was conferred with Global CSR Excellence & Leadership Award in the category of Concern for Health by World CSR Congress, Mumbai.

iii. SJVN was felicitated with 'Eminent Award' for Best Corporate Social Responsibility practices in health sector by the EK Nam Desh Ke Nam, New Delhi.

iv. SJVN was honoured with 'Silver Plate Award' by HelpAge India, New Delhi for its outstanding contribution in the field of healthcare as one of its many CSR initiatives.

v. SJVN was awarded with Winner Trophy for 'Best Hydro Power Generator' by Independent Power Producers Association of India (IPPAI). The prestigious award was conferred to SJVN for its outstanding performance in the area of Operation & Maintenance of Hydro Power Stations.

28. 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 2.7 and 2.17 to standalone financial statements
Investments made	Refer Note 2.5 to standalone financial statements
Guarantees given	Nil
Securities provided	Nil

29. 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 that have become or ceased as subsidiaries, joint ventures or associate Companies during the Year.

30. ACKNOWLEDGEMENT

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, 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 others 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

(Nand Lal Sharma)
Chairman and Managing Director
DIN: 03495554

Date: 3rd August, 2018
Place: New Delhi

Annexure-I

MANAGEMENT DISCUSSSION AND ANALYSIS

1. INDUSTRY OVERVIEW / INDUSTRY STRUCTURE AND DEVELOPMENT

All India installed power generation capacity as on 31.03.2018 was 3,40,527 MW. A capacity addition of 88,537 MW excluding 30,000 MW for RES was fixed for 12th Plan period. The 12th Plan cumulative capacity addition of 99,209.5 MW was achieved. This is first time in History of Five Year Plans that the Capacity Addition target has been over achieved. A capacity addition of 13,405 MW during the year 2017-18 comprising 11,366 MW of thermal, 1,539 MW of hydro and 500 MW of nuclear power stations have been considered & capacity addition of 9505 MW was achieved up to 31.03.2018.

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, company has taken a big leap forward towards the development of 1320 MW super-critical thermal power project at Chausa near Buxar in Bihar and brought 900 MW Arun-III HEP in Nepal, 60 MW Naitwar Mori HEP in Uttarakhand under construction. Company also commissioned 5 MW Solar PV Project in Charanka Solar Park at Gujarat on 31.03.2017.

As regards hydro potential, India has an estimated hydro potential of about 1,50,000 MW out of which only about 44,963.42 MW (as on 31.03.2018) 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 operations are capable of funding the equity contribution portion for our existing pipeline of projects.

B. OPPORTUNITIES:

- The unharnessed hydro potential of 1,05,036.58 MW (as on 31.03.2018) primarily 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. WEAKNESSES:

- 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.

D. THREATS:

- Inspite of extensive survey and investigations, the probability of geological surprises in various components of hydroelectric 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.
- Stringent norms and cumbersome procedures for getting environment clearance, forest clearance and clearance from National Board for Wild Life (where ever applicable) delay 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.

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.

Risk Management Policy of SJVN was approved by BOD on September 12, 2013. The 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 accessed at the following web link:

http://www.sjvn.nic.in/writereaddata/Portal/Images/SJVN_RMP_final_07_04_2014.pdf

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 2018 vis-à-vis fiscal 2017.

These financial statements are prepared in compliance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the Provisions of the Electricity Act, 2003 to the extent applicable.

Figures of previous years have been regrouped/ rearranged wherever necessary.

A. RESULTS OF OPERATIONS

1. INCOME:

Particulars	F.Y. 2017-18		F.Y. 2016-17	
Units of Electricity Generated (Million Units)	**9280.27**		**9044.93**	
INCOME	**Rupees**			
1. Revenue from Operations		2229.97		2679.31
2. Other income				
a) Interest				
- On deposits	293.54		333.24	
- On advances to employees & Contractors	6.44		12.89	
Total interest		299.98		346.13
b) Sale of Carbon Credit		--		64.53
c) Dividend from Joint Venture		1.64		2.41
d) Others		55.48		27.52
Total Income		**2587.07**		**3119.90**

The income of the Company comprises of income from sale of electricity, interest & surcharge received from beneficiaries, consultancy, interest earned on investment of surplus funds & dividend income from long term investment in joint venture company etc. The gross income for fiscal 2018 is ₹2587.07 Crore as compared to ₹3119.90 Crore in the previous year registering a decrease of 17.08%. The decrease in gross income is mainly due to decrease in revenue from operations by ₹449.34 Crore.

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 Nathpa Jhakri Hydro Power Station (NJHPS) and 82% for Rampur Hydro Power Station (RHPS) for the fiscal 2018. Company is entitled to receive incentives for achieving higher Plant Availability Factor against NAPAF.

Revenue from operating lease includes:

i) Sale of Wind Power from the project in Maharashtra and is regulated as per the Tariff rates notified by Maharashtra Electricity Regulatory Commission (MERC).

ii) Sale of Solar Power from the project in Gujarat and is regulated as per the Power Purchase Agreement (PPA) signed with Gujarat Urja Vikas Nigam Limited (GUVNL).

Revenue from Operations (Note 2.31)

a. Sales

Company sells electricity to bulk customers comprising mainly, Electricity Utilities owned by State Governments and private distribution companies operating in states. Sale of electricity is generally based on long term Power Purchase Agreements (PPAs) entered with such Utilities. Sales for the fiscal 2018 have been provisionally recognized at ₹2192.82 Crore as compared to ₹2468.66 Crore during the fiscal 2017.

The reduction of sales is mainly due to :

Fixation of provisional Annual Fixed Charges (AFC) of NJHPS at ₹1368.83 Crore for the F.Y. 2017-18 in comparison to ₹1656.84 Crore for the F.Y. 2016-17 vide CERC order dated 18.05.2017 i.e. reduction of ₹288.01 Crore. The reduction in AFC is mainly due to reduction in the amount of depreciation recoverable as part of Tariff (AFC) by ₹323.67 Crore (current year ₹110.43 Crore, previous year ₹434.10 Crore). The reduction is as per CERC Regulations which provides that "the remaining depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the useful life of the assets." However, there is marginal impact on the profitability due to this as the amount of depreciation chargeable to Statement of Profit and Loss is also lower.

Sales of RHPS is accounted /billed on the basis of provisional tariff order issued by CERC on 27.01.2015 for the period 2014-16 which has been further extended till the tariff of the generation station for the period 2014-19 is determined by CERC vide its order dated 15.02.2017.

Sales includes an amount of ₹167.95 Crore (previous year ₹241.25 Crore) on account of incentive billing in respect of hydro power stations mainly due to achievement of higher Gross Annual Generation and higher plant availability factor as compared to design energy & Normative Plant Availability Factor as per details given below:

Particulars	NJHPS		RHPS	
	2017-18	**2016-17**	**2017-18**	**2016-17**
Design Energy (MUs)	6612	6612	1878	1878
Gross Generation (MUs)	7207.67	7050.62	2014.93	1960.37
Normative PAF (%)	90	90	82	82
Actual PAF (%)	99.28	104.96	99.59	102.32

Sales also includes Unscheduled Interchange (UI) Charges amounting to ₹60.33 Crore (previous year ₹19.37 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 BYPL (previous year BYPL and J&K) after the beneficiary failed to pay outstanding dues and sold the power allocated to the beneficiary through PTC as per CERC (Regulations of Power Supply) Regulations, 2010. Accordingly, 166.17 MUs (previous year 175.250 MUs) of power was sold through PTC amounting to ₹53.31 Crore (previous year ₹43.22 Crore) and included in Energy Sales. An amount of ₹30.09 Crore (previous year ₹14.97 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 ₹3.69 Crore (previous year ₹3.57 Crore) on Sale through PTC.

b. Revenue from Operating Lease:

The Company has entered into arrangement with

i) Maharashtra State Electricity Board (MSEB) for sale of wind power from Khirvire Wind power station for a period of 13 years. Under the agreements, the MSEB is obliged to purchase the output at fixed per unit price.

ii) Gujarat Urja Vikas Nigam Limited (GUVNL) for sale of Solar power from Charanka Solar Park for a period of 25 years.

Accordingly, the Company has classified the Power Station as Operating Leases as per Appendix-C to Ind AS 17- Leases.

Revenue from operating lease include:

i) Amount of ₹32.37 Crore (previous year ₹21.20 Crore) from sale of 51.10 MUs (previous year 33.94 MUs) of energy generated from above wind power project.

ii) Amount of ₹2.03 Crore (previous year Nil) from sale of 6.57 MUs (Previous year Nil).

During the year installed capacity increased by 2 MW on commissioning of one unit of Sadla Wind power project on 31.03.2018 in the state of Gujarat.

Revenue from operations also includes an amount of ₹1.47 Crore (Previous Year ₹1.40 Crore) consultancy income of the company. This is mainly on account of consultancy provided to SAPDC, Nepal, a subsidiary company.

Other Operating Revenue is on account of Interest /Late payment surcharge from beneficiaries. During the year same has decreased by ₹173.50 Crore (current year ₹37.15 Crore, previous year ₹210.65 Crore).

Other Income (Note 2.32)

Other income mainly comprises interest income on short term deposits, interest from employees and contractors etc. Other income for the year has decreased by ₹83.49 Crore to ₹357.10 Crore as compared to ₹440.59 Crore during previous year registering a decrease of 18.95%.

Major components of other income is as under:

(₹ In Crore)

Income	Financial Year 2017-18	Financial Year 2016-17
Interest from Banks	293.54	333.24
Sale of Certified Emission Reduction(Carbon Credit)	---	64.53
Dividend from Joint Venture Company	1.64	2.41
Other Miscellaneous Income(Including interest on income tax refund, Excess provision/sundry credit balances written back, receipt of maintenance of ICF, Interest from Employees & Contractors and foreign currency fluctuation adjustment)	61.92	40.41
Total Income	**357.10**	**440.59**

The income from bank term deposits has registered a decline of 11.91% from last financial year attributed to decrease in earning by ₹39.70 Crore mainly due to decrease in rate of interest of investable funds. During the year there is also decrease in sale of Certified Emission Reduction (CERs) from RHPS by ₹64.53 Crore, Current year Nil (Previous year ₹64.53 Crore). Company has accounted for ₹1.64 Crore (Previous Year ₹2.41 Crore) as dividend received from Joint Venture Company i.e. Cross Border Power Transmission Company Limited (CPTC). Other Miscellaneous income increased by ₹21.51 Crore during the current financial year mainly due to accounting of increase in recovery of liquidated damages from contractors.

2. EXPENDITURE

(₹ In Crores)

Expenditure	Financial Year 2017-18	Financial year 2016-17
Employee Benefits Expense (Note 2.33)	265.22	253.39
Finance Costs (Note 2.34)	83.82	45.70
Depreciation (Note 2.35)	364.51	679.98
Other Expenses (Note 2.36)	276.25	235.68
Total Expenditure	**989.80**	**1214.75**

The total expenditure of the Company has decreased by 18.52% to ₹989.80 Crore in the fiscal 2018 from ₹1214.75 Crore in Fiscal 2017 mainly on account of reduction of Depreciation by ₹315.47 Crore. The reduction in depreciation is mainly due to change in depreciation in respect of NJHPS as per the CERC regulations which provide that, "the depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets".

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 26.80% of total expenditure in Fiscal 2018 as compared to 20.86% in Fiscal 2017.

The Employee Benefits Expense during the year was ₹265.22 Crore (previous year ₹253.39 Crore) i.e. increase of ₹11.83 Crore in comparison to the previous year. The marginal increase is on account of increase in DA & annual increment.

Finance Costs

The Finance Cost mainly consists of interest on 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 ₹38.12 Crore (current year ₹83.82 Crore, previous year ₹45.70 Crore). The finance cost during fiscal 2017 was lower due to decrease in foreign currency rate of USD from ₹66.77 as on 31.03.2016 to ₹65.30 as on 31.03.2017.

Finance costs represent 8.47% of our total expenditure during fiscal 2018 in comparison to 3.76% during fiscal 2017.

Depreciation and Amortisation Expenses

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 in accordance with Schedule-II of the Companies Act, 2013 except for some items for which depreciation is charged at the rates assessed by the company.

The depreciation cost has decreased by ₹315.47 Crore (C.Y. ₹364.51 Crore; P.Y. ₹679.98 Crore). The reduction in depreciation is mainly due to change in depreciation in respect of NJHPS as per the CERC regulations which provide that,"the depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets".

Depreciation represents 36.82% of our total expenditure during fiscal 2018 in comparison to 55.98% during fiscal 2017.

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 27.91% of our total expenditure during fiscal 2018 in comparison to 19.40% during fiscal 2017. In absolute terms the expenses were ₹276.25 Crore in fiscal 2018 as compared to ₹235.68 Crore during previous year i.e. increase of ₹40.57 Crore. The increase is mainly due to increase of Security & Safety expenses by ₹18.29 Crore, Interest on arbitration awards by ₹7.56 Crore, Insurance expenditure by ₹3.74 Crore, CSR expenditure by ₹3.56 Crore, Repair & Maintenance of Buildings by ₹2.62 Crore and Electricity expenses by ₹2.29 Crore etc.

Regulatory Deferral Account Balance (Note 2.10)

The company is mainly engaged in generation and sale of electricity. The price to be charged by the company for electricity sold to its customers is determined by the CERC which provides guidance on the principles and methodologies for determination of the tariff. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return.

As per the CERC Tariff regulations, any gain or loss on account of exchange rate variation during the construction period shall form part of the capital cost till the declaration of commercial operation date. Exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as regulatory deferral account debit/credit balance by credit/debit to movements in regulatory deferral account balances and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries. The same is accounted for as per Ind AS 114- 'Regulatory Deferral Accounts'. Accordingly, an amount of ₹(3.99) Crore (Previous year ₹(55.58) Crore) has been accounted as FERV and credited to Regulatory Deferred Account Debit Balance.

Pay revision of employees of CPSEs is due from 1st January, 2017. Accordingly, Impact of proposed revision of pay includes expenses recognized in the Statement of Profit & Loss and other comprehensive income (OCI) for enhancement in pay and allowances. CERC Tariff regulations 2014-19 provides that the impact of actual increase in employee cost on account of wage revision of operational power stations is recoverable from beneficiaries in future through Tariff. Accordingly, additional expenditure on employee benefit due to pay revision to the extent charged to the Statement of Profit & Loss or to the Other Comprehensive Income and recoverable from beneficiaries in subsequent periods as per Tariff Regulations amounting to ₹55.09 Crore (Previous year ₹24.36 Crore) are being recognized as Regulatory Deferral Account Balances.

Accordingly, for the financial year 2017-18 the regulatory income recognized in the statement of Profit and Loss on account of FERV and employee benefits expense together amount to ₹51.10 Crore (Previous year ₹(31.22) Crore).

Profit before Tax

Profit before tax decreased by 12.04% to ₹1648.37 Crore during fiscal 2018 as against ₹1873.93 Crore during previous fiscal due to the reasons explained above.

Tax Expenses

The Company provides for tax including net movement in regulatory deferral account balance 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 ₹351.43 Crore as compared to ₹399.94 Crore during previous year. Decrease in current tax is due to decrease in profit for the year by ₹225.56 Crore to ₹1648.37 Crore as compared to ₹1873.93 Crore during previous year.

Deferred Tax (Note 2.9)

Deferred tax liability for the year is on account of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Accordingly, an amount of ₹72.06 Crore has been recognised as deferred tax during fiscal 2018 as against ₹(70.15) Crore during the fiscal 2017.

Other Comprehensive Income

The Other Comprehensive Income (OCI) net of tax on account of remeasurement of net defined benefit liability/asset for the fiscal 2018 is ₹(11.94) Crore in comparison to ₹(3.96) Crore during fiscal 2017.

B. FINANCIAL POSITION

Assets and Liabilities in the Balance Sheet have been classified under 'Non-current' and 'Current' which have been further classified as financial and other categories as per the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, Schedule III to the Companies Act, 2013. A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition that are potentially favourable to the Company. Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

The items of the Balance Sheet are as under:

ASSETS :

1. Non-current Assets

(₹ In Crore)

Particulars	As of March 31, 2018	As of March 31, 2017
Property, Plant and Equipment (Note 2.1)	7638.29	7979.31
Capital Work-in-progress (Note 2.2)	633.11	439.49
Other Intangible Assets (Note 2.3)	2.41	0.59
Intangible Assets Under Development (Note 2.4)	9.31	2.27
Financial Assets		
- Investments (Note 2.5)	618.05	589.06
- Trade Receivables (Note 2.6)	12.73	---
- Loans (Note 2.7)	44.38	42.69
- Others (Note 2.8)	---	0.03
Deferred Tax Assets(Net) (Note 2.9)	350.72	422.78
Regulatory Deferral Account Debit Balance (Note 2.10)	152.62	101.52
Other Non-current Assets (Note 2.11)	212.25	220.76
Total	**9673.87**	**9798.50**

Non-current Assets as on March 31, 2018 has decreased by 1.27% to ₹9673.87 Crore (Previous year ₹9798.50 Crore).

Property, Plant and Equipment (PPE)

PPE includes Net Block after depreciation in respect of 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 PPE at the end of current year decreased by 4.27% to ₹7638.29 Crore (Previous year ₹7979.31 Crore) due to charging of depreciation on PPE during the year. However, Gross Block of PPE during the year increased by ₹24.26 Crore to ₹9363.80 Crore (Previous year ₹9339.54 Crore). The increase is mainly due to capitalisation of one unit of Sadla Power Project, Gujarat.

Capital Work-in-progress

Capital Work-in-progress during Current year registered an increase of 44.06% to ₹633.11 Crore (Previous year ₹439.49 Crore) mainly due to increase in Capital work-in-progress of Sadla Wind Power Project, Gujarat.

Other Intangible Assets

Other Intangible Assets includes Software only. Other Intangible Assets at the end of Current year is ₹2.41 Crore (previous year ₹0.59 Crore).

Intangible Assets under Development

Intangible Assets under Development at the year end is ₹9.31 Crore (Previous year ₹2.27 Crore) on account of development of ERP software.

Financial Assets

All financial assets except trade receivables are recognised initially at fair value plus or minus transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

Investments

Investment consist of Equity participation in Subsidiaries & Joint Venture Companies. Non-current Investments at the year end is ₹618.05 Crore (Previous year ₹589.06 Crore). The increase is mainly due to investment of ₹29.00 Crore in Joint Venture Company i.e. Kholongchu Hydro energy Limited during the year.

Trade Receivables

Non-current trade receivables at the year end is ₹12.73 Crore (Previous year–nil) on account amount recoverable from BSES Yamuna Power Limited.

Loans

Non-current Loans are those loans which are expected to be realised after 12 months from the balance sheets date. These loans mainly include, loans and advances given to employees at concessional rates and have been fair valued at reporting date as per IND AS-109. Loans at the end of current year is ₹44.38 Crore (Previous year ₹42.69 Crore).

Others

Others include bank deposits with more than 12 months maturity. Others at the year end is Nil (Previous year ₹0.03 Crore).

Deferred Tax Assets (Net)

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. The net deferred tax assets decreased by ₹72.06 Crore (current year ₹350.72 Crore, previous year ₹422.78 Crore).

Regulatory Deferral Account Debit Balance

Expense/Income recognised in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC tariff regulations are recognised as "Regulatory deferral account balances". Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

As already explained above, Regulatory deferral account balances include foreign exchange rate variation on foreign currency loans regarded as borrowing cost and employee benefits expense on account of pay revision w.e.f. 01.01.2017, to the extent recoverable from beneficiaries in subsequent period. Regulatory deferral account debit balance at the year-end is ₹152.62 Crore (Previous year ₹101.52 Crore).

Other Non-current Assets

Other non-current assets mainly consist of Capital Advances given to Contractors and Government department / organisations mainly for allotment of commercial space at Delhi and for acquisition of land for Devsari Hydro Electric Project and deferred employee benefits expense etc. Other non-current assets at the end of Current Year is ₹212.25 Crore (Previous year ₹220.76 Crore).

2. Current Assets

(₹ In Crore)

Particulars	As of March 31, 2018	As of March 31, 2017
Inventories (Note 2.12)	50.50	39.56
Financial Assets		
- Investments (Note 2.13)	0.01	---
- Trade Receivables (Note 2.14)	290.06	613.01
- Cash and Cash Equivalents (Note 2.15)	160.34	773.37
- Bank Balances Other than above(Note 2.16)	3452.22	3541.59
- Loans (Note 2.17)	256.57	186.64
- Others (Note 2.18)	333.81	292.17
Current Tax Assets (Note 2.19)	91.39	68.88
Other Current Assets (Note 2.20)	56.82	63.07
Total	**4691.72**	**5578.29**

Current Assets as on March 31, 2018 has decreased by 15.89% to ₹4691.72 Crore (Previous year ₹5578.29 Crore).

Inventories

Inventories mainly comprise stores & spares which are maintained for operating plants. Inventories are valued at lower of cost arrived at on weighted average basis and net realisable value. Inventories were valued at ₹50.50 Crore as on 31st March 2018 (Previous year ₹39.56 Crore).

Financial Assets

Trade Receivables

Trade Receivables mainly consists of receivables on account of Sale of Energy. Trade receivable does not include unbilled revenue which has been shown separately under other current financial assets (Note 2.18). Trade Receivables during the Current year has decreased by 52.68% to ₹290.06 Crore (Previous year ₹613.01 Crore). Decrease is mainly due to recovery of old dues from beneficiaries in respect of NJHPS and RHPS during the year. Trade receivables are 6.18% of current assets. Trade receivables inclusive of non- current trade receivables on number of sales days basis have reduced to 50 days during the current year from 84 days during the previous year.

Cash and Cash Equivalents

Cash and Cash Equivalents include mainly balances in Term Deposits having original maturity up to 3 months. Cash and Cash Equivalents during the current year decreased by ₹613.03 Crore to ₹160.34 Crore (Previous year ₹773.37 Crore).

Net cash generated from Operating Activities was ₹1564.37 Crore during the year 2017-18 (Previous year ₹2293.43 Crore).

Net cash used in investing activities was ₹(94.89) Crore as compared to ₹1116.26 Crore in the previous year. Expenditure is on Property, Plant & Equipment, CWIP and investment in subsidiary & joint venture companies. Cash inflows arise from interest from banks.

During the year the company used net cash of ₹2272.29 Crore for financing activities (Previous year ₹1621.27 Crore) as detailed below:

In the year 2018, proceeds from borrowings is nil (Previous year ₹300.08 Crore). Loan amounting to ₹186.09 Crore was repaid in the year 2018 (Previous year ₹483.04 Crore). In the year 2018, cash outflow on account of payment of dividend including interim dividend and tax thereon was ₹1194.72 Crore (Previous year ₹1354.22 Crore). An amount of ₹807.16 Crore (Previous year nil) used for buy back of Equity shares including expenditure thereon. Interest & Finance charges paid during the year was ₹84.32 Crore (Previous year ₹84.09 Crore).

The cash and cash equivalent are 3.42% of current assets.

Bank Balances Other than above

Bank balances other than cash and cash equivalent mainly include Term Deposits having original maturity period of more than 3 months. Bank balances other than cash and cash equivalent at the year end was ₹3452.22 Crore (Previous year ₹3541.59 Crore), Bank balances other than cash and cash equivalent are 73.58% of current assets.

Loans

Current loans as at 31.03.2018 comprise loans & advances to subsidiaries/ joint ventures and short term advances to employees. Current loans has increased by ₹69.93 Crore to ₹256.57 Crore during the current year (Previous year ₹186.64 Crore) mainly due to increase in amount to subsidiaries and joint venture companies.

Other Financial Assets

Other financial assets includes interest accrued but not due on deposits with Banks, amount recoverable from Contractors & Suppliers and Unbilled Revenue etc. Unbilled revenue is mainly on account of sale for the month of March billed after end of financial year. Other financial assets increased by 14.25% to ₹333.81 Crore during current year (Previous year ₹292.17 Crore) mainly due to increase in amount recoverable from Contractors & Suppliers.

Current Tax Assets

Current Tax Assets includes advance tax, tax deducted at source less provision for tax. Current tax assets at the year end is ₹91.39 Crore (Previous year ₹68.88 Crore).

Other Current Assets

Other Current Assets mainly include advances to Government Departments other than capital advances and prepaid expenses etc. Other Current Assets decreased by 9.91% to ₹56.82 Crore during current year (Previous year ₹63.07 Crore) mainly due to decrease in amount of advances to Government Departments and prepaid expenses.

EQUITY AND LIABILITIES

1. TOTAL EQUITY

Total Equity of the company at the end of year 2018 as decreased to ₹ 10694.71 Crore from ₹ 11483.83 Crore in Previous year registering a decrease of 6.87% as per details given below:

(₹ In Crore)

Particulars	Total Equity
Opening Balance as on 01.04.2017	11483.83
Add: Profit for the year	1224.88
Less: Other Comprehensive Income	11.94
Less: Dividend & Dividend Tax	1194.90
Less: Buy back of shares including expenditure of the same	807.16
Balance as on 31.03.2018	**10694.71**

During the year, company has bought back its 20.68 Crore equity shares at a price of ₹38.75 per share. The decrease in total equity resulted in decrease in the book value per share to ₹27.21 during current year (Previous year ₹27.76 per share).

2. LIABILITIES

2.1 Non-current Liabilities

Financial Liabilities

(₹ In Crore)

Particulars	As of March 31, 2018	As of March 31 2017
Borrowings (Note 2.23)	2035.34	2229.47
Other Financial Liabilities (Note 2.24)	0.24	0.21
Provisions (Note 2.25)	49.55	48.54
Other Non-current Liabilities(Note 2.26)	787.21	824.82
Total	**2872.34**	**3103.04**

Borrowings

Borrowings as on March 31, 2018 were ₹2035.34 Crore as against ₹2229.47 Crore as on March 31, 2017. Out of these ₹211.28 Crore (previous year ₹255.68 Crore) is Secured and ₹1824.06 Crore (previous year ₹1973.79 Crore) is Unsecured. Secured Loans is borrowed from Axis Bank. Over the last year, Borrowings have registered a decrease of 8.71% amounting to ₹194.13 Crore.

- During the year company has transferred an amount of ₹195.34 Crore (Secured ₹44.40 Crore and Unsecured ₹150.94 Crore) drawn for Rampur Hydro Power Station (RHPS) to Other Current Financial Liabilities being current maturities of long term debts payable during next financial year.
- Unsecured Loans are on account of borrowing in foreign currency from World Bank. The Unsecured Loans have registered a decrease of 7.59% amounting to ₹149.73 Crore during current year. The decrease is due to repayment of loans.
- The debt to equity ratio (inclusive of Current Maturities of Long Term Borrowings) at the end of financial year 2017-18 of the company is 0.21 (previous year 0.21).

Other Financial Liabilities

Other Financial liabilities include long term Deposits, Retention Money from Contractors and others. Other financial liabilities during the current year is ₹0.24 Crore (Previous year ₹0.21 Crore).

Non-current Provisions

Non-current Provisions consists of amount provided towards employee benefits on the basis of Actuarial Valuation and includes Post-Retirement Medical and Other Retirement Benefits which are expected to be settled beyond a period of twelve months from the balance sheet date. Non-current provisions increased by ₹1.01 Crore to ₹49.55 Crore during current year (Previous year ₹48.54 Crore).

Other Non-current Liabilities

Other non-current liabilities include Advance against Depreciation and Deferred Foreign Currency Fluctuation Liability etc. Advance Against Depreciation (AAD) was an element of tariff provided under the CERC Tariff Regulations for the period 2004-09 to facilitate debt servicing by the generators since it was considered that depreciation recovered in tariff is not adequate for debt servicing. Advance against depreciation considered as deferred income in earlier years shall be included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the Hydro Power Station, considering the total useful life of the Hydro Power Station as 35 years. Accordingly an amount of ₹36.93 Crore has been transferred to other current liabilities as the same is adjustable in sales during next financial year.

Other non-current liabilities have registered a decrease of ₹37.61 Crore to ₹787.21 Crore (Previous year ₹824.82 Crore) mainly due to transfer of AAD to other current liabilities as mentioned above.

2.2 Current Liabilities

Financial Liabilities

(₹ In Crore)

Particulars	As of March 31, 2018	As of March 31, 2017
Trade Payables (Note 2.27)	25.45	27.04
Other Financial Liabilities (Note 2.28)	517.09	499.31
Other Current Liabilities (Note 2.29)	41.98	40.66
Provisions (Note 2.30)	214.02	222.91
Total	**798.54**	**789.92**

The Current Liabilities as at March 31, 2018 and 2017 were ₹798.54 Crore and ₹789.92 Crore respectively. The Current Liabilities have increased by 1.09% mainly due to increase in Other Financial 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 year is ₹25.45 Crore (Previous year ₹27.04 Crore).

Other Financial Liabilities

Other Financial Liabilities mainly includes Current Maturities of Long Term Debts payable within Twelve Months from the balance sheet date, 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 increased by ₹17.78 Crore to ₹517.09 Crore (Previous year ₹499.31 Crore) mainly due to providing of liability towards arbitration awards of RHPS.

Other Current Liabilities

Other Current Liabilities mainly includes current liability of Advance against Depreciation. Other Current Liabilities at the year-end was ₹41.98 Crore (Previous year ₹40.66 Crore).

Provisions

Short Term Provisions include Unfunded Employee Benefits payable within Twelve Months as per Actuarial Valuation, Interest on Arbitration Awards, Performance Related Pay and Pay Revision etc. Provisions have decreased by ₹8.89 Crore in the fiscal 2018 to ₹214.02 Crore (Previous year ₹222.91 Crore).

C. CONTINGENT LIABILITIES

The following are the components of contingent liability as at March 31, 2018 and 2017:

(₹ In Crore)

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Works	368.89	255.52
Land Compensation	17.87	17.91
Disputed Service Tax Demand	--	12.36
Others	1.65	1.65
Total	**388.41**	**287.44**

The above contingent liabilities do no not include claims against pending cases in respect of service matters and others where amount cannot be quantified.

Contingent Liabilities increased by 35.13% to ₹388.41 Crore as of March 31, 2018 (Previous year ₹287.44 Crore) mainly on account of increase in contingent liabilities relating to Capital Works.

D. BUSINESS AND FINANCIAL REVIEW OF SUBSIDIARY & JOINT VENTURE COMPANIES

1. Subsidiary Companies

Company has two wholly owned subsidiary companies as at 31.03.2018. 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 acquired as 100% subsidiary company of SJVN Ltd on 04.07.2013. The authorized share capital of SJVN Thermal Pvt. Ltd. is ₹3000 Crore. The paid up share capital as on 31.03.2018 is ₹436.68 Crore (Previous year ₹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 on 25.04.2013. The authorized share capital of the company is ₹154.69 Crore (NPR 247.50 Crore). The paid up share capital as on 31.03.2018 is ₹69.10 Crore (Previous Year ₹69.10 Crore). The company has formed to execute the 900 MW Arun-3 Hydroelectric Project in Nepal. This project is to be installed in the Sankhuwasabha District of Nepal.

2. Joint Venture Companies

Company has three joint ventures as at 31.03.2018. The performance of the Joint Ventures is as under:

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 600 MW Kholongchhu Hydro Project on the river Kholongchhu, Bhutan which is in construction stage. SJVN has invested an amount of ₹99.66 Crore as on 31.03.2018 (Previous Year ₹70.66 Crore).

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 SJVN Limited, PGCIL, and IEDCL & NEA is 26%, 26%, 38% & 10% respectively in Joint Venture Company.

SJVN has invested ₹12.61 Crore (Previous Year ₹12.61 Crore) in the joint venture. The total income and PAT during the year 2017-18 was ₹35.96 Crore (previous year ₹41.25 Crore) and ₹12.95 Crore (previous year ₹17.65 Crore) respectively. Dividend received during the year from CPTC amounting to ₹1.64 Crore (previous year ₹2.41 Crore) has been shown as other income in SJVN Standalone Accounts.

Bengal Birbhum Coalfields Limited

Bengal Birbhum Coalfields Limited was incorporated on 29th September 2015 as Joint Venture with six partner States for Deocha Pachami coal block with SJVN share of 7.7% in Joint Venture Company. The Company has invested ₹0.01 Crore (Previous year ₹0.01 Crore) in the Joint Venture agreement.

Amount invested in Joint venture has been recognised as current investment as the Joint Venture agreement is in the process of termination.

E. CONSOLIDATED FINANCIAL STATEMENTS OF SJVN LTD.

The consolidated financial statements have been prepared in accordance with Indian Accounting Standard (Ind AS-110)- 'Consolidated financial Statements' Ind AS-111 (Joint Arrangements Indian Accounting Standard (Ind AS-112)- 'Disclosure of Interests in other entities' and are included in the Annual Report.

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

(₹ in Crore)

Particulars	FY 2017-18	FY 2016-17
Total Revenue	2583.95	3117.39
Profit before Tax	1648.10	1875.07
Profit after Tax	1224.61	1545.28
Other Comprehensive Income (Net off tax)	(11.94)	(3.96)
Total Comprehensive Income	**1212.67**	**1541.32**

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.

Annexure – II

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 Central Public Sector Enterprise (CPSE), your Company has been complying with the requirements of Corporate Governance as stipulated in the Companies Act 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the 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 stakeholders in the conduct of its business. The company was listed on 20th May 2010 with the National Stock Exchange (NSE) and 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 stands at 64:27:09 between the Government of India, Government of Himachal Pradesh and the Public respectively. As per the Articles of Association, the power to appoint Directors vests with the President of India acting through the Administrative Ministry i.e., Ministry of Power. 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 2018, the Company's Board comprised of ten (10) members, consisting of Four Whole-Time Directors including Chairman & Managing Director, Two Part-Time Government Nominee Directors representing Government of India and Government of Himachal Pradesh and Four Part Time Non-Official (Independent) Directors.

During the year, in absence of requisite number of Independent Directors on the Board of the Company, the composition of the Board of Directors was not in conformity with the provisions of the Companies Act, 2013, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSE issued by DPE.

The Company has sent various requests to the Ministry of Power, Government of India to expedite the process of appointment of Independent Directors on the Board of the Company so as to enable the company to comply with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE guidelines. 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 years. 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 2017-18, Twelve (12) Board Meetings were held, (i) 9th May 2017 (ii) 29th May 2017 (iii) 27th July 2017 (iv) 11th August 2017 (v) 21st September 2017 (vi) 10th October 2018 (vii) 13th November 2017 (viii) 29th December 2017 (ix) 8th January 2018 (x) 9th February 2018 (xi) 28th February 2018 (xii) 9th March 2018. The maximum interval between any two meetings during this period was 58 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 (29th) held on 22.09.2017	No. of other Directorship held on 31.03.2018*	No. of Committee memberships in other companies on 31.03.2018**	
I	**EXECUTIVE DIRECTORS**					As Chairman	As Member
A	**Functional Directors**						
1	Shri Nand Lal Sharma Chairman & Managing Director (w.e.f. 1st December 2017)	5	5	Yes	01	Nil	Nil
2	Shri Ramesh Narain Misra Chairman & Managing Director (upto 30th November 2017)	7	7	Yes	N/A	N/A	N/A

Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (29th) held on 22.09.2017	No. of other Directorship held on 31.03.2018*	No. of Committee memberships in other companies on 31.03.2018**	
I	**EXECUTIVE DIRECTORS**					**As Chairman**	**As Member**
3	Shri Amarjit Singh Bindra Director (Finance)	12	12	Yes	01	Nil	01
4	Shri Nand Lal Sharma Director (Personnel) (upto 30th November 2017)	7	7	Yes	01	Nil	Nil
5	Shri Rakesh Kumar Bansal Director (Electrical)	12	12	Yes	03	Nil	Nil
6	Shri Kanwar Singh Director (Civil)	12	11	Yes	01	Nil	01
II	**NON-EXECUTIVE DIRECTORS**						
B	**Part-Time Official Directors (Government Nominee Directors)**						
7	Smt. Archana Agrawal Joint Secy. (Hydro), Ministry of Power, Government of India (GOI)#	12	9	No	01	Nil	Nil
8	Shri Ram Dass Dhiman## Principal Secy (Power), Government of Himachal Pradesh (GoHP) (w.e.f. 25th January 2018)	3	1	N/A	8	Nil	Nil
9	Shri Tarun Sridhar Additional Chief Secy (Power), Government of Himachal Pradesh (GoHP)	8	6	No	Ceased w.e.f. 1st January 2018		
C	**Part-Time Non-Official Directors (Independent Directors)**						
10	Shri Ganesh Dutt	12	12	Yes	Nil	Nil	Nil
11	Shri Pravinbhai Patel	12	10	Yes	Nil	Nil	Nil
12	Dr. Rajni Sarin	12	8	Yes	Nil	Nil	Nil
13	Shri Shamsher Singh Uppal	12	11	Yes	Nil	Nil	Nil

**Does not include Directorship in Private Companies, Section 8 Companies under the Companies Act, 2013 and Foreign Companies.*

***Does not include Chairmanship/Membership in Board Committees other than Audit Committee and Shareholders'/Investors' Grievance Committee of above excluded companies.*

 # Ceased as Director, consequent to appointment of Sh. Aniruddha Kumar, Joint Secy.(Hydro) as Part Time Official Director w.e.f. 30th July 2018.

Ceased to be Director w.e.f. 12th May 2018. Sh. Tarun Kapoor, ACS (MPP & Power), GoHP has been appointed in his place w.e.f. 21st June 2018.

2.0 Meeting of Independent Directors

In compliance with the provisions of the Companies Act, 2013 and Obligations with respect to Independent Directors prescribed under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held on 22nd September 2017 without the attendance of Non-Independent Directors and members of the management. All the Independent Directors attended the said Meeting.

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/Familiarisation_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) Regulations, 2015 and allied legislations as amended from time to time.
3. DPE Guidelines on Corporate Governance 2010 as amended from time to time.

As on 31st March 2018, the following Directors were the Members of the Audit Committee:

1.	**Shri Pravinbhai Patel, Independent Director**	**Chairman**
2.	**Shri Shamsher Singh Uppal, Independent Director**	**Member**
3.	**Shri Ganesh Dutt, Independent Director**	**Member**

Shri Soumendra Das, Company Secretary, is the Secretary to the Audit Committee.

During the Financial Year 2017-18, 8 (Eight) Audit Committee meetings were held, i.e. (i) 08th May 2017 (ii) 29th May 2017 (iii) 15th July 2017 (iv) 27th July 2017 (v) 11th August 2017 (vi) 21st September 2017 (vii) 13th November 2017 (viii) 09th February 2018.

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 Pravinbhai Patel	8	5
2.	Shri Shamsher Singh Uppal	8	8
3.	Shri Ganesh Dutt	8	8
4.	Shri Tarun Sridhar (upto 31st December 2017)	7	6

The Director (Finance), Head of Internal Audit and Head of Finance were invited in all the meetings whereas the representatives of the Statutory Auditor were occasionally invited to the Audit Committee Meetings for interacting with the members of the committee.

5.0 Nomination & Remuneration Committee

SJVN being a Central Public Sector Enterprise, 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 Remuneration Committee as may be prescribed under the following Legislations/Guidelines to the extent applicable to Government Companies :-

1. The Companies Act, 2013 and allied Rules and Regulations including any subsequent enactments or amendments thereto.
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2018, the Nomination & Remuneration Committee consists of :-

1. **Shri Shamsher Singh Uppal, Independent Director — Chairman**
2. **Dr. Rajni Sarin, Independent Director — Member**
3. **Shri Pravinbhai Patel, Independent Director — Member**

During the Financial Year 2017-18, 6 (Six) Nomination & Remuneration Committee meetings were held i.e. (i) 08th May 2017 (ii) 26th July 2017 (iii) 24th August 2017 (iv) 20th September 2017 (v) 20th November 2017 (vi) 22nd March 2018.

The details of attendance in the Nomination and Remuneration Committee are as under :-

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1.	Shri Shamsher Singh Uppal	6	5
2.	Dr. Rajni Sarin	6	4
3.	Shri Pravinbhai Patel	6	5
4.	Smt. Archana Agrawal (member upto 16th July 2017)	1	0

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

The 'Policy Statement on Nomination, Remuneration, Succession and Diversity of Board 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/SJVN_nomination_renumeration_31_5_18.pdf

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.

The performance evaluation of independent directors is done by the appointing authority i.e. administrative ministry being Ministry of Power.

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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2018, the Committee consists of the following Members:

1. **Dr. Rajni Sarin, Independent Director — Chairperson**
2. **Shri Amarjit Singh Bindra, Director (Finance) — Member**
3. **Shri Kanwar Singh, Director (Civil) — Member**

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

During the Financial Year 2017-18, 1 (One) Stakeholders Relationship Committee meeting was held i.e. on 12th March 2018.

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 Amarjit Singh Bindra	1	1
3	Shri Kanwar Singh	1	1

7.0 Status of Investors Complaints:

Status of Investors' complaints for the financial year 2017-18 is as under:-

Particulars	Opening	Received during the year	Resolved during the year	Pending (31.03.2018)
Complaints	00	17	16	01

8.0 Committee for Allotment and Post-Allotment Activities

As on 31st March 2018, the Committee consists of Chairman & Managing Director and Director (Civil). 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.

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

The Committee was constituted by the Board for formulation and implementation of SJVN's CSR Policy as per DPE Guidelines and Companies Act, 2013. The Committee has also been assigned additional responsibilities of Sustainable Development and Research & Development as envisaged in annual Memorandums of Understanding with the Ministry of Power.

As on 31st March 2018, the Corporate Social Responsibility, Sustainable Development and Research & Development Committee consists of:-

1. **Shri Ganesh Dutt, Independent Director** **Chairman**
2. **Shri Nand Lal Sharma, Director (Personnel)** **Member**
3. **Shri Rakesh Kumar Bansal, Director (Electrical)** **Member**

During the Financial Year 2017-18, 4 (Four) Corporate Social Responsibility, Sustainable Development and Research & Development Committee meetings were held, i.e. (i) 15th July 2017 (ii) 10th August 2017 (iii) 28th December 2017 (iv) 22nd March 2018

The details of attendance in the Corporate Social Responsibility, Sustainable Development and Research & Development Committee are as under :-

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri Ganesh Dutt	4	4
2	Shri Nand Lal Sharma	4	4
3	Shri Rakesh Kumar Bansal	4	4

10.0 Investment Committee

As on 31st March 2018, 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 2018, 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 2017-18 are as under :-

(Amount ₹)

Sr. No.	Name	Salary	Benefits	PRP	Total
1	Shri Nand Lal Sharma Chairman & Managing Director (w.e.f. 1st December 2017) Director (Personnel) (upto 30th November 2017)	47,71,699	8,23,111	13,51,822	69,46,632
2	Shri Ramesh Narain Misra Chairman & Managing Director (upto 30th November 2017)	36,87,560	6,33,864	18,60,206	61,81,630
3	Shri Amarjit Singh Bindra Director (Finance) & CFO	31,32,551	8,96,901	13,63,374	53,92,826
4	Shri Rakesh Kumar Bansal Director (Electrical)	40,05,177	7,44,957	12,89,195	60,39,329
5	Shri Kanwar Singh Director (Civil)	30,30,853	7,27,373	12,94,247	50,52,473
6	Shri Soumendra Das Company Secretary	24,38,438	3,49,964	3,07,839	30,96,241
	Total	**2,10,66,278**	**41,76,170**	**74,66,683**	**3,27,09,131**

13.0 Remuneration to Non – Executive Directors :

The Company does not make any payments to the Non – Executive Directors except the sitting fees which is paid only to the Independent Directors as per the extant DPE Guidelines adopted by the Board.

The Sitting Fee paid to Independent Directors for meetings attended during the financial year 2017-18 is as under:-

No. of Meetings Attended:

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total
1	Shri Ganesh Dutt	12	8	4	24
2	Shri Pravinbhai Patel	10	5	5	20
3	Shri Shamsher Singh Uppal	11	8	5	24
4	Dr. Rajni Sarin	8	NA	5	13

Amount (₹)

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total
1	Shri Ganesh Dutt	2,40,000	1,60,000	80,000	4,80,000
2	Shri Pravinbhai Patel	2,00,000	1,00,000	1,00,000	4,00,000
3	Shri Shamsher Singh Uppal	2,20,000	1,60,000	1,00,000	4,80,000
4	Dr. Rajni Sarin	1,60,000	NA	1,00,000	2,60,000

Note:-The amount of sitting fees stated hereinabove is excluding the amount of Service Tax prescribed under Section 68(2) of Chapter V of the Finance Act, 1994 (upto 30th June 2017) and Goods and Service Tax prescribed under Section 9(3) of Chapter III of the Central Goods and Service Tax Act, 2017 (w.e.f. 1st July 2017) as paid by the company on sitting fee under Full Reverse Charge Mechanism.

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 2018.
>
> (Nand Lal Sharma)
> Chairman & Managing Director
> DIN: 03495554

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 30th November, 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://sjvn.nic.in/writereaddata/Portal/Images/whistle_blower_policy_2014.pdf

Status of Whistle Blower Complaints during FY 2017-18 :-

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

17.0 GENERAL BODY MEETINGS

17.1 Annual General Meeting

The details of the last three Annual General Meetings of the company are as under:

AGM	Date	Day	Time	Location	Special Resolution
27th	22nd September 2015	Tuesday	1500 hrs	Hotel Peter Hoff, Shimla, Himachal Pradesh.	No Special Resolution was passed
28th	22nd September 2016	Thursday	1500 hrs	Hotel Peter Hoff, Shimla, Himachal Pradesh.	No Special Resolution was passed
29th	22nd September 2017	Friday	1500 hrs	Hotel Peter Hoff, Shimla, Himachal Pradesh.	No Special Resolution was passed

17.2 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 2017-18 :-

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 Requirements) Regulations, 2015 are being complied except for those stated in this report and the non-mandatory requirements are being adopted to the extent possible.

CEO/CFO CERTIFICATION

As required by Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Certificate duly signed by Shri Nand Lal Sharma, Chairman & Managing Director and Shri Amarjit Singh Bindra, Director (Finance) was placed before the Board of Directors at the Meeting held on 28th May 2018 which is reproduced as under:-

> We, Nand Lal Sharma, Chairman & Managing Director and Amarjit Singh 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 2018 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)	**(Nand Lal Sharma)**
Director (Finance) & CFO	**Chairman & Managing Director**
DIN: 03358160	**DIN: 03495554**

19.0 MEANS OF COMMUNICATION

The company recognizes communication as a key element of the overall Corporate Governance framework and therefore emphasizes continuous, efficient and relevant communication to all external constituencies. The Company communicates with its shareholders through its Annual Report, General Meetings, Newspapers, issue based correspondence and disclosures through its website **www.sjvn.nic.in**.

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 2018 were published on 29th May 2018 in Financial Express, The Tribune, Mail Today, The Statesman, Economic Times, Dainik Bhaskar, Dainik Nyay Setu, Apka Faisala, Navbharat Times, Ajit Samachar etc.

20.0 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.

21.0 RISK MANAGEMENT FRAMEWORK

The risk management framework entails formulation of a Risk Matrix to assign the likelihood of occurrence to the assigned risks along with definition of nature of risk viz controllable, Uncontrollable & partly controllable, suggesting a mitigation mechanism and lead responsibility centre. The risk management policy has a defined Risk Organization Structure with Chief Risk Officer at the helm supported by Risk Controller along Risk Managers and Risk Officers performing the line functions.

The Risk Management Strategy includes assessment of risk to designate as falling under Avoidance, Transfer, Reduction or Retention with associated action plan.

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

http://www.sjvn.nic.in/writereaddata/Portal/Images/SJVN_RMP_final_07_04_2014.pdf

22.0 RELATED PARTY TRANSACTIONS & POLICY

In compliance with the provisions of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 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 or provisions of SEBI (LODR) Regulations, 2015. Your attention is drawn to the Financial Statements which sets out the Related Party Disclosures under Note no. 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 weblink:

http://www.sjvn.nic.in/writereaddata/Portal/Images/related_pay_policy_19_06_15.pdf

23.0 POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In compliance with the Regulation 16(1)(c) SEBI (Listing Obligations and Disclosure Requirements) 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 weblink:

http://www.sjvn.nic.in/writereaddata/Portal/Images/POLICY_DETERMINING_19_6_15.pdf

24.0 SHAREHOLDERS' INFORMATION

i. **30th Annual General Meeting Date: 25th September 2018 (Tuesday)**
   Time: 1500 HRS
   Venue: Hotel Peterhoff
   Chaura Maidan, Shimla - 171004

ii. Financial Calendar:

Particulars	Date
Accounting Period	1st April 2018 to 31st March 2019
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 29th May 2019
AGM (Next year)	September 2019 (tentative)

iii. Dates of Book Closure: 19th September 2018 to – 25th September 2018 (both days inclusive)

iv. Dividend Payment Date: 30th September 2018 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 2018-19 was paid to both National Stock Exchange of India Limited and BSE Limited before April 30, 2018. Also, the Annual Custodian Fee for the Financial Year 2018-19 has been paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited within respective due dates.

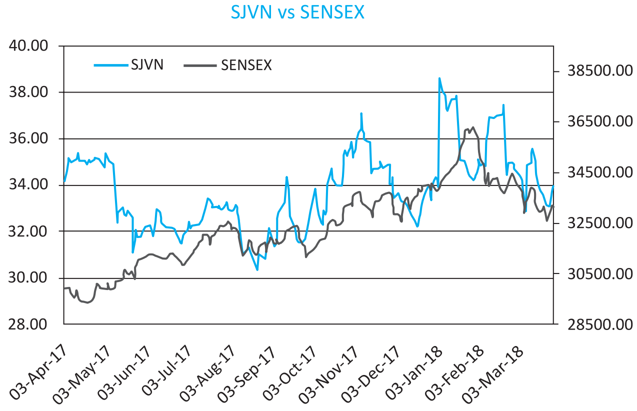
vi. Dividend History: (Since Listing)

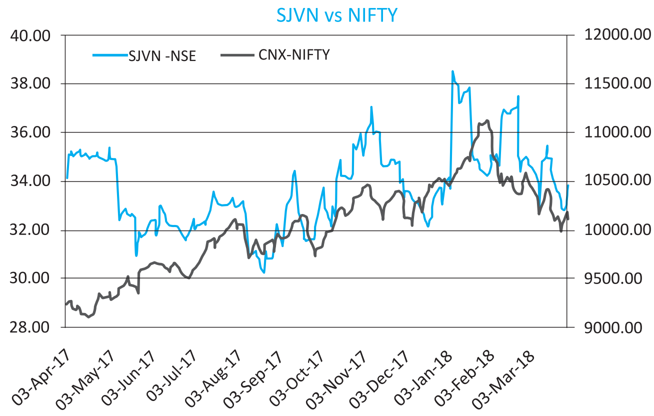
Financial Year	Interim Dividend			Final Dividend			Total Dividend (₹ in crore)
	Date of Declaration	Rate	Dividend per share (₹)	Date of Declaration	Rate	Dividend per share (₹)	
2017-18	09-02-2018	19.0%	1.90	To be declared at 30th AGM			
2016-17	13-02-2018	22.5%	2.25	22-09-2017	5.0%	0.50	1,137.54
2015-16	04-02-2017	6.3%	0.63	22-09-2016	4.7%	0.47	455.02
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

	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)		
Stock Code	**SJVN-EQ**			**533206**		
Month	**High**	**Low**	**Close**	**High**	**Low**	**Close**
Apr-17	35.75	33.60	34.95	35.75	33.40	35.05
May-17	36.50	30.10	32.10	36.50	30.10	32.15
Jun-17	35.25	31.35	31.95	35.15	31.40	31.90
Jul-17	34.00	32.00	33.30	34.05	32.00	33.20
Aug-17	33.40	29.75	32.25	33.35	30.00	32.15
Sep-17	34.95	30.90	32.35	34.90	31.10	32.40
Oct-17	36.55	32.05	35.45	36.60	31.90	35.55
Nov-17	38.10	33.05	33.25	38.20	33.20	33.45
Dec-17	34.70	32.00	33.90	34.60	32.05	33.95
Jan-18	40.15	33.20	34.35	40.15	33.35	34.55
Feb-18	37.75	33.95	34.60	37.60	34.00	34.65
Mar-18	36.25	32.50	33.10	36.10	32.70	33.35

Performance in comparison to broad based indices NSE NIFTY and BSE SENSEX during F.Y. ended 31st March 2018.





viii. Registrar and Share Transfer Agent

Alankit Assignments Limited,
Alankit House,
4E/2 Jhandewalan New Delhi, Extension
Pincode-110055
Telephone: +91 11 42541957
Fax No. : +91 11 42541201
Email ID: rameshk1@alankit.com
Website: www.alankit.com

ix. 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.

Pursuant to Regulation 40 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a certificate on half yearly basis from Practicing Company Secretary confirming due compliance of share transfer formalities by the Company through its share transfer agent have been submitted to stock exchanges within one month from the end of half of the Financial Year.

x. Transfer of unpaid/unclaimed amounts to Investor Education and Protection Fund (IEPF)

Pursuant to the provisions of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, details of unpaid and unclaimed amounts lying with the Company are available on the Company's web site link: *http://www.sjvn.nic.in/iepf-details.htm* and also on the website of Ministry of Corporate Affairs. During the Financial Year 2017-18, an amount of ₹3,11,189 has been transferred to Investor Education and Protection Fund (IEPF), in respect of unpaid and unclaimed dividend amount pertaining to the Financial Year 2009-10. Shareholders/beneficial owners are requested to submit the claim to R&TA without any delay or they may contact Mr. Arun Kumar Sharma, Nodal Officer for IEPF Authority, SJVN Limited, Corporate Office Complex, Shanan, Shimla - 171006, Himachal Pradesh for any query related to IEPF. The Company has been issuing notices in the newspapers from time to time in order to invite attention of the shareholders who have not preferred their claims, to submit their claims towards the unpaid and unclaimed dividend.

xi. Demat Suspense Account

All the shares held in the demat suspense account were transferred to the demat Account of the IEPF Authority in accordance with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules issued by the Ministry of Corpo-rate Affairs.

xii. Claim from IEPF Account

Any person, whose shares and/or unclaimed dividend have been transferred to the IEPF, may claim the shares under provision to sub-section (6) of section 124 or apply for refund under clause (a) of sub-section (3) of section 125 or under proviso to sub-section (3) of section 125, as the case may be, to the Authority making an online application in form IEPF-5 which is available on *http://iepf.gov.in/IEPFA/corporates.html.*

xiii. Distribution of Shareholding as on 31st March 2018

As on 31st March 2018, the shareholding of the Company was held by the Government of India, Government of Himachal Pradesh and the Public in the ratio 64:27:09.

xiv. Changes in Shareholding Pattern during FY 2017-18

Category	As on 31st March, 2018		As on 31st March, 2017		Change (%)
	Total Shares	% to Equity	Total Shares	% to Equity	
A) Shareholding of Promoter and Promoter Group					
Central Government / State Government	3,56,72,74,626	90.78	3,72,16,26,500	89.97	0.81
B) Public Shareholding					
1) Institutions					
Mutual Funds	4,07,39,323	1.04	3,87,17,378	0.94	0.10
Financial Institutions/Banks	31,16,703	0.08	1,26,97,618	0.31	-0.23
Central Government / State Government(s)	19,681	0.00	10,747	0.00	0.00
Insurance Companies	9,60,74,455	2.44	5,44,73,141	1.32	1.12
Foreign Portfolio Investors	11,80,36,040	3	13,65,30,737	3.30	-0.30
(2) Non Institutions					
Body Corporate	1,75,84,647	0.45	2,43,84,896	0.59	-0.14
Individual shareholders holding nominal share capital up to ₹2 lakh	5,85,00,654	1.49	5,90,59,621	1.43	0.06
Individual shareholders holding nominal share capital in excess of ₹2 lakh	1,88,79,702	0.48	2,20,84,864	0.53	-0.05
Trust & Foundations	7,63,150	0.02	11,73,220	0.03	-0.01
HUF	45,63,253	0.12	56,51,201	0.14	-0.02
Clearing Members	5,32,727	0.01	2,52,147	0.01	0.01
Non Resident	34,35,516	0.09	36,00,483	0.09	0.00
NBFCs Registered with RBI	2,74,698	0.00	5,49,050	0.01	-0.01
Total	**3,92,97,95,175**	**100**	**4,13,66,26,500**	**100**	

xv. Dematerialization of Shares and liquidity as on 31st March 2018

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 9th 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 2017-18 has been submitted to Stock Exchanges within the stipulated time.

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

xvii. Number of Shares held by Directors as on 31st March 2018:

Sr. No	Name of Director	No. of Shares held
i	Shri Nand Lal Sharma Chairman & Managing Director	2457
ii	Shri Amarjit Singh Bindra, Director (Finance)	Nil
iii	Shri Rakesh Kumar Bansal, Director (Electrical)	1000
iv	Shri Kanwar Singh, Director (Civil)	1750
v	Smt. Archana Agrawal, GOI Nominee Director	Nil
vi	Shri Ram Dass Dhiman, GoHP Nominee Director	Nil
vii	Shri Ganesh Dutt Independent Director	Nil
viii	Shri Pravinbhai Patel Independent Director	Nil
ix	Dr. Rajni Sarin Independent Director	Nil
x	Shri Shamsher Singh Uppal Independent Director	Nil

xviii. Plant/ Project Office locations:

1.	**Nathpa Jhakri Hydro Power Station** –Post Office Jhakri, District Shimla, Himachal Pradesh, Pincode – 172 201
2.	**Rampur Hydro Power Station** –Bayal, Post Office Koyal, Tehsil Nirmand, District Kullu, Himachal Pradesh, Pincode – 172 023
3.	**Luhri Hydro Electric Project**–Bithal Pincode - 172029
4.	**Devsari Hydro Electric Project** – Tharali, District Chamoli, Uttarakhand, Pincode – 246 481
5.	**Naitwar-Mori and Jakhol Sankri Hydro Electric Projects** –Tehsil-Mori, Uttarkashi, Uttarakhand , Pincode – 249 185

6.	**Dhaulasidh Hydro Electric Project** –House No. 113, Ward No. 1, Krishna Nagar, District Hamirpur, Himachal Pradesh Pincode – 177 001
7.	**SJVN Arun** – III Hydro Electric Project–Koshi Highway, Khandwari, District Sakhuwasabha, Nepal
8.	**Kholongchu Hydro Electric Project**–Village Zangpozor, P.O. Duksum, District Trashiyangtse, Bhutan.
9.	**Buxar Thermal Project:** Gupta Building, Teachers Colony, Opp. ITI Field, Charitravan, Buxar (Bihar) – 802101.
10.	**Khirvire Wind Power Project Office** – Agaman Bunglow, Plot No. 51, Shivaji Nagar, Sinnar, District Nashik, Maharashtra Pincode–422103
11.	**Charnaka Solar Project** –Plot No. 89B, 90B, 111B Charanka, Tehsil Santalpur District Patan, Gujrat, Pincode – 385350
12.	**Sadla Wind Power Project** – 5&6, Shree Vashupujya Housing Society, Gurukul Road, Surendranagar, Gujrat, Pincode - 363001
13.	**Transmission Line Office** –Singh Complex, 1st Floor, Hajipur Road, Bhikhanpura, Ramdayalu, Muzaffarpur, Bihar, Pincode–842001

xix. Address for Correspondence:

Company Secretary, SJVN Limited,
SJVN Corporate Office Complex,
Shakti Sadan, Shanan, Shimla - 171006,
Himachal Pradesh
Tel: +91 177 2660075, Fax: +91 177 2660071.
E-mail: *cs.sjvn@sjvn.nic.in* , Website: *www.sjvn.nic.in.*

Annexure – III

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To

The Members,
SJVN Limited
CIN: L40101HP1988GOI008409
SJVN Corporate Office Complex,
Shanan, Shimla

1. I have examined the compliance of conditions of Corporate Governance by SJVN Limited having its registered office at SJVN Corporate Office Complex, Shanan, Shimla, Himachal Pradesh- 171006, for the year ended on 31st March, 2018 as stipulated in the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement (s) of the said Company with stock exchange(s), 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.
2. The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to review the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said Regulation & Guidelines. It is neither an audit nor an expression of opinion of the Financial Statements of the Company.
3. 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 the Corporate Governance as stipulated in Chapter IV of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 pursuant to the Listing Agreement (s) of the said Company with stock exchange(s) and DPE Guidelines for Corporate Governance except to the extent of Non- Compliance stated by the Company under the head Composition & Tenure of Board in **Annexure II** to the Directors Report i.e. Report on Corporate Governance.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency for effectiveness with which the management has conducted the affairs of the Company.

For **Santosh Kumar Pradhan**
(Company Secretaries)

Santosh Kumar Pradhan
(Proprietor)
C.P. No. 7647

Place : Ghaziabad
Dated: 3rd July, 2018

Annexure – IV

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. NJHPS JHAKRI

i) Installation of 6 Solar Photovoltaic panels of 6KW capacity each (Total 36 KW) at different locations of NJHPS Jhakri and Dam site, Nathpa

ii) Replacement of 810 conventional type fluorescent tube fixtures with energy efficient LED tube fixtures at Power House and non-residential buildings/Rest Houses of NJHPS.

2. RAMPUR HPS

The aspect for the conservation of energy and technology adoption has been successfully admitted and implemented in RHPS during Financial 2017-18.

i) Conventional Sodium Vapour Lamp (SVL)/Metal Halide Lamp (MH) lighting fixture at various locations in Duttnagar Colony & Office Complex have been replaced by the LED base lighting fixture.

ii) Rampur HPS has adopted the scheme for motion sensor for lighting in order to reduce the energy consumption for the areas of stairs, corridors at Power House, which are not being used by frequent human movement.

iii) Solar water heater has been installed at Guest House to save energy.

iv) Large numbers of conventional tube lights have been replaced by LED tube lights in power House to reduce the energy consumption.

v) Turbo vent has been installed instead of conventional exhaust system in O&M Store at Averi and in Community Centre at colony.

In addition to above, RHPS has ventured in near about locality & Panchayats to provide solar street lighting. 5.4 KWp capacity three P.V power supply unit installed at Primary School, Middle School & Panchayat Bhawan.

3. CORPORATE OFFICE BUILDING, SHIMLA :

Steps taken for the conservation of energy and technology adoption:

i) Corporate Office building has been designed & constructed as per **"GRIHA rating".**

ii) For utilizing alternate source of energy, 100 KW Solar Power Plant has been installed at Corporate Office Complex Building and commissioned on 30.10.2017.

iii) LEDs lights have been installed at various locations in Corporate Office building for energy saving.

iv) Solar Water Heating System of capacity 5000 ltr per day consisting of 40 Solar Flat Plate Collectors has been installed in the Corporate Office building.

B. TECHNOLOGY ABSORPTION:

Following Efforts have been made towards technology absorption for product improvement, cost reduction, product development or import substitution & quality management.

1. Use of MIG (Metal Inert Gas) welding for cladding of LTC using 410NiMo welding wire :

The Turbines of NJHPS have to endure very high silt erosion and cavitation. Every year the underwater parts of the Turbines are replaced with the new/repaired parts. The major components of Turbine like LTC and UTC are repaired at site by welding and grinding process in order to safe guard fixed components from metal loss and also to contain the loss of efficiency. The conventional practice being followed for repairing is by Manual Metal arc welding (MMAW) with E309Mo15 electrodes.

Repairing of LTC involves intensive welding to fill the erosion and cavitation damages. Due to ease of use and simple equipment, the repairs were being carried out using MMAW (Manual Metal arc welding) welding process. The process is manual and rather slow, less productive & have poor weld quality, deposition loss is upto 30% of the weight, smoke formation is very high which has detrimental effect on the underground sensitive electronic installations and also health hazard to the working personnel.

With development of technology and present industry requirements, semi-automated version of the electric arc welding also called MIG or GMAW is widely being accepted. Gas metal arc welding (GMAW), commonly called MIG (for metalinertgas), is a semi-automatic or automatic welding process with a continuously fed consumable wire acting as both electrode and filler metal, along with an inert or semi-inert shielding gas flowed around the wire to protect the weld site from contamination. With continuously fed filler electrodes, MIG welding gives higher productivity, better quality weldment, better repair life and less smoke without any additional cost. It has always been our endeavour to increase the repair quality and reduce the repair time and cost so that the Generating Units can be preserved and operated with best efficiency. NJHPS/SJVN has been continuously striving for absorption of best technology with consideration to productivity, efficiency and environment.

2. Complete replacement of Obsolete Robotic System :

Various measures adopted at NJHPS for silt management have displayed varied results under field conditions, However, out of all the measures adopted, the most effective has been HVOF coating (WCCrCo) on turbine parts. Good quality hard coating together with silt management at dam site have spelled into increased Generation, higher PAF & profits, reliability, savings in maintenance time & cost even at a higher silt load capacity for NJHPS machines.

The utility of existing coating facility, with respect to improvement in techno commercial aspects of NJHPS operation and maintenance has been proven to be beyond doubt and therefore, reliability & availability of existing coating facility for perennially massive coating work, which is undertaken on an annual basis for NJHPS, needs to be ensured through the absorption of latest up-gradation of critical systems.

Installed robotic system being of 1998 built, the OEM of the system viz. ABB intimated that spares and services support for same would not be available and if availed would be significantly costlier considering special outsourcing and manufacturing.

Therefore, considering installation of single unit of such kind in the remote area and also the importance for NJHPS, the robotic system was got replaced from OEM having scope for upgradation of all robot programmes and training of NJHPS engineers, thereby ensuring least downtime for coating facility on account of the same. Also, robotic programmes for coating of all turbine and other components are customised to address specific service needs of components under NJHPS operating conditions.

This absorption of new technology is also expected to bring in improvement in efficiency and reliability in execution of work.

3. Retrofitting of Obsolete 400kv Line Circuit Breaker with Latest Technology Type Line Circuit Breakers :

At the existing 400 KV Nathpa Jhakri- Panchkula-II Line feeder of 420KV GIS System of 1500 MW NJHPS, the obsolete 400KV Circuit Breaker type FB-16D (B-142 GIS Model) & associated equipments have been successfully retrofitted/ commissioned with latest technology type Line Circuit Breakers (T-155-3 GIS Model) on 31.01.2018.

4. Retrofitting of Static Bus Bar Differential Protection with Numerical Bus Bar Differential Protection System :

The Static Bus Bar Differential Protection has been successfully retrofitted/commissioned with latest technology based Numerical Bus Bar Differential Protection System (Low/High Impedance based) at existing 400KV Double Bus Bar System of 1500MW NJHPS on 14.02.2018.

5. Installation & Commissioning of Seismograph and Accelerograph Instruments:

Seismic instruments are used to measure ground motion due to earthquakes. Accelerographs are used to measure the acceleration of the ground due to earthquakes.

At Nathpa Jhakri Hydro Power Station, 5 Seismographs (3 short period Seismometers and 2 Broadband Seismometers) and 3 strong motion accelerographs (2 at Dam body and 1 at free field surrounding Dam) have been installed. The 3 short period seismometers are used to monitor micro seismic activity around Nathpa Jhakri Project and adjoining areas and 2 broadband seismometers are used for monitoring the seismic activity on broad level.

6. Digital Transformation through ERP:

Digital transformation is a fast growing phenomenon with measurable business value and can make a major positive impact on SJVN's business to grow and thrive so as to accomplish organizational objectives. Digital transformation is driven by the business, but is enabled by IT. Companies that lead in using digital technology differ not only in their capability but also in the clarity of their mission and view digital technology as an opportunity for transformation, not as a technology challenge.

Successful ERP implementation is actually an approach to drive towards digital transformation. Implementing an ERP system requires strategic planning to achieve the maximum benefits and minimize the risks involved.

SJVN has already taken a much awaited step in this direction by selecting SAP S/4 HANA as ERP product and M/s TCS as System Integrator. ERP is an integrated information system to be deployed across the organisation to ensure smooth operation through deployment of various resources (Men, Material and Machines) in effective manner. Major business functions covered in ERP landscape of SJVN are Finance & Accounting, Plant Maintenance, Human Resource Management including Payroll and Employee Self-Service (ESS), Materials Management, Procurement and Contracts Management, Project Management, Commercial & Billing and E-tendering System.

The primary objective of setting up an integrated ERP system is to deploy State-of-the-Art Information System across all aspects of SJVN's operation for the purpose of positioning the organization as an efficient and dynamic organization. It not only improves internal processes but also help to build bridges with other stakeholders. Major objectives of the ERP implementation are as follows:

- Achieve better financial management and faster financial reconciliation.
- Improve decision making through use of information and business analytics.
- Cross functional integration of enterprise wide functions.
- Business Process Reengineering and adoption of best business practices.
- To manage business growth with optimum utilization of resources and productive deployment of human capital across the organization.
- Efficient Assets Management.
- Managing projects expansion and capacity addition at SJVN through efficient Project Management function.

In a nutshell, ERP integrates the flow of information between several business processes and integrates business transactions in real time with improved productivity, effectiveness and transparency for efficient decision making.

In addition, the following software package is already implemented in SJVN:

- IFS package for Finance & Accounts, Payroll and MMS

The package manages Financial accounting for all units of SJVN centrally and also facilitates consolidation of accounts quarterly and at year end besides processing centralized salary.

Other software mentioned below are also used in SJVN to leverage technology:

- Online Recruitment System.
- Online Annual Property Return System
- Online Vigilance Clearance system
- Online Performance Management System
- Contract Labour Information Portal
- Mobile Apps for Generation data and Satluj river discharge data
- E-procurement system (services availed from M/s e-procurement Technologies)
- Autodesk Products : AutoCAD, Civil 3D, Revit Architecture Suite, MAP 3D Raster Design
- Bentley STAAD Pro
- MIKE 11
- Multigroudnz Software package
- ANSYS
- Primavera
- Libsys
- Biometric Attendance System.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange outgo in terms of actual outflows during the year 2017-18 was ₹34.03 crore (equivalent value of various currencies). Foreign exchange earned in terms of actual inflows during the year 2017-18 was NIL.

Annexure – V

Annual Report on Corporate Social Responsibility and Sustainability for the financial year 2017-18

1. Brief outline of the Company's CSR policy and overview of CSR projects & programs

SJVN has formulated and adopted a well perceived Corporate Social Responsibility and Sustainability Policy which is in consonance with the Companies Act, 2013 and the then DPEs CSR Guidelines, 2014. The company's CSR Policy statement embeds the concerns of its stakeholders and strives to maintain a good standard of CSR and Sustainability in its business activities. To meet this commitment, SJVN will respect the rule of law, local communities and societies at large, and will make conscious efforts to enhance the quality of life as well as environmental sustainability through its CSR and Sustainability programs.

The CSR and Sustainability programs are implemented in letter and spirit through a Trust registered as 'SJVN Foundation' comprising seven trustees from cross functional departments and is headed by Director (Personnel) as its Chairman. The Trust is responsible for laying down management commitments to address societal issues as well as develop framework that provides an overview of issues that SJVN will tackle.

In order to achieve the set targets in an efficient manner, services of specialized agencies are also taken for the implementation of CSR and Sustainability activities.

The focus area of CSR and sustainability programs encompasses the activities as laid down under schedule VII of the Companies Act, 2013 which includes healthcare & hygiene; education & skill development; infrastructure & community development; promotion & preservation of culture, heritage and sports; sustainable development; and assistance during natural disasters.

For CSR and sustainability activities, preference is given to the areas where SJVN executes and operates its business activities.

The CSR and Sustainability policy of SJVN has been put in public domain at *http://sjvn.nic.in/csr-policies.htm*

2. The composition of Corporate Social Responsibility, Sustainable Development and Research & Development (CSR, SD and R&D) Committee

- Shri Ganesh Dutt , Independent Director - Chairman
- Shri N. L. Sharma, Director (Personnel) - Member
- Shri R. K. Bansal , Director (Electrical) - Member

3. Average Net Profit of the Company for the last three financial years

The Average Net Profit of the Company for the last three financial years is as under:

S.No.	FYs	Net profit (₹ Crores)
1	2014-15	2047.25
2	2015-16	1704.21
3	2016-17	1873.93
4	Average of (1+2+3)	1875.13
5	2% of Average of 4	37.50

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above)

The prescribed CSR expenditure is ₹3750 Lakh @2% of the average net profits made during the three immediate preceding financial years. The net profit is calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year;

₹3750.00 Lakh has been approved in FY 2017-18 that is 2% of the average net profit of SJVN during last three years. In addition, ₹126.15 lakhs were spent out of surplus available with SJVN Foundation.

(b) Amount unspent with (SJVN FOUNDATION);

The entire 100% budgeted funds of ₹3750 Lakh were utilized and no amount remained unspent.

(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	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Solan, Palampur Uttrakhand- Uttarkashi, Chamoli, Bihar- Patna, Buxar Maharashatra- Ahmednagar Arunachal Pradesh- Papumpare etc.	695.00	458.06	458.06	HelpAge India, Indian Association of Muscular Dystrophy (IAMD), SJVN (Departmentally), Vivekanand Medical Research Trust, Palampur, Bhartiya Dharohar etc.

2	**Education and Skill Development**	Education	HP-Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand- Uttarkashi, Chamoli Bihar-Buxar, Maharashatra- Ahmednagar Arunachal Pradesh- Papumpare, etc.	875.00	686.66	686.66	Technical Education, Vocational & Industrial Training deptt, Himachal Pradesh, Sundernagar, Himachal Consultancy Organization (HIMCON),GCS Computer Tech, Chandigarh, National Institute for Entrepreneurship and Small Business Development, Dehradun, Swavalamban, Education departments of HP, Himachal Pradesh Bal Kalyan Parishad, Sh. Muktinath Ved Vidyashram, Sh. DudhiaBaba Sanyas Ashram, Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, CSK HP Krishi Vishwavidyalaya, Palampur etc.
3	**Infrastructural Development and Community Development**	Community Development	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand- Uttarkashi, Chamoli Bihar- Patna, Buxar, etc.	750.00	1001.17	1001.17	SJVN (Departmentally), HPPWD, community based organizations (CBOs), Village Development Advisory Committees, MC, Shimla etc.
4	**Preservation and promotion of culture, heritage, Sports etc.**	Culture Development	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand- Uttarkashi, Chamoli Bihar- Patna, Buxar, etc.	50.00	363.07	363.07	National Sports Development Fund, Distt. Administration (Respective state Govt.) and other agencies
5	**Sustainable Development**	Sustainability	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Lahaul & Spiti Uttrakhand- Uttarkashi, Chamoli, Dehradoon Arunachal Pradesh- Papumpare, etc.	880.00	1035.55	1035.55	CBOs, local govt. Panchayats., School Management Committees, Himachal Pradesh Irrigation & Health Department (HP IPH), Uttrakhand State Council for Science and Technology, Dehradoon, Energy efficiency Services Ltd. (EESL) etc.
6	**Assistance to the victims natural disasters/ calamities**	Natural disaster	Himachal Pradesh, Bihar	50.00	144.34	144.34	CM Relief Fund (Himachal Pradesh & Bihar)
7	**Miscellaneous CSR activities & Administrative Exp.**	Misc.	-	450	187.30	187.30	Administrative expenses, PricewaterhouseCoopers Pvt. Ltd. India etc.
	Total			3750.00	3876.15	3876.15	

* The projects are mainly implemented through various specialized agencies as indicated in each row

6 Reasons for not spending the amount

The entire amount has been spent.

7. Responsibility Statement

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

(Nand Lal Sharma)	(Ganesh Dutt)
Director (Personnel)	**Chairman CSR, SD and R&D Committee**
DIN:03495554	**DIN: 07352765**

Annexure – VI

Business Responsibility Report

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L40101HP1988GOI008409
Name of the Company	SJVN Limited (SJVN)
Registered address	SJVN, Corporate Office Complex, Shanan Shimla - 171006 Himachal Pradesh
Website	www.sjvn.nic.in
E-mail id	cs.sjvn@sjvn.nic.in
Financial Year reported	2017-18
Sector(s) that the Company is engaged in (industrial activity code-wise)	Power Generation (35101)
List three key products/services that the Company manufactures/ provides (as in balance sheet)	(i) Generation of Electricity (Hydro, Wind, Solar) (ii) Consultancy (iii) Transmission
Total number of locations where business activity is undertaken by the Company	
i. Number of International Locations	2 nos
ii. Number of National Locations	11 nos
Markets served by the Company - Local/State/National/ International	National & International (As regard to execution of the Projects, it is National and International while regard to market beneficiaries, it is National).

Section B: Financial Details of the Company (as onMarch 31, 2018)

Paid up Capital (INR)	₹3,929.79 Crore
Total Turnover (INR) (Revenue from Operations)	₹2,229.97 Crore
Total profit after taxes (INR)	₹1,224.88 Crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profitafter tax (%)	During the FY 2017-18, SJVN has spent ₹37.50 Crore which is more than 2% of the average stand-alone PBT as per Section 135 of the Companies Act 2013 Act in line with Rule 2(f)(ii) of Companies (CSR Policy) Rules 2014.
List of CSR activities in which expenditure has been incurred:-	Broad areas of the activities: • Health and hygiene • Education and Skill Development • Infrastructural Development and Community Development • Preservation and promotion of culture, heritage, Sports etc. • Sustainable Development • Assistance to the victims of natural disasters/ calamities

Section C: Other Details

Does the Company have any Subsidiary Company/ Companies?	Yes The Company has following two Subsidiary Companies as on 31.03.2018 i. SJVN Thermal Private Limited ii. SJVN Arun-III Power Development Company Private Limited.
Do the Subsidiary Company/ Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)	Business Responsibility initiatives of the parent company areapplicable to all subsidiary companies of SJVN.
Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/ entities? [Less than 30%, 30-60%, More than 60%]	No, none of the entities that the Company does business with participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director responsible for BR

a) Details of the Director responsible for implementation of the BR policies

DIN Number	**03495554**
Name	**Shri Nand Lal Sharma**
Designation	**Chairman and Managing Director**

b) Details of the BR head

S.No.	Particulars	Details
1.	DIN Number (if applicable)	03495554
2.	Name	Shri Nand Lal Sharma
3.	Designation	Chairman and Managing Director
4.	Telephone number	0177-2660010
5.	E-mail id	nandlal.sharma@sjvn.nic.in

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs) released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These briefly areas under:

P1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 - Businesses should promote the well-being of all employees.

P4 - Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 - Businesses should respect and promote human rights.

P6 - Businesses should respect, protect, and make efforts to restore the environment.

P7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 - Businesses should support inclusive growth and equitable development.

P9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No.	Questions	Business Ethics	Product Responsibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environ-ment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	-
3.	Does the policy conform to any national /international standards?	Y	Y	Y	Y	Y	Y	Y	Y	-
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	-
5.	Does the company have a speci-fied committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	-
6.	Indicate the link for the policy to be viewed online?	(i)	(i)	(i)	(i)	(i)	(i)	(i)	(i)	
7.	Has the policy been formally com-municated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	-
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	-
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	-
10.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	-

(i) Web Links for the Policies:

All the policies of the Company required to be statutorily displayed on the website can be found under the Investors Relations section of our website at ***http://sjvn.nic.in/code-of-corporate-governance.htm***

2a. If answer to S.No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Principle 9: All the sub-principles identified under principle -9 are duly followed by company through its commercial systems and procedures. However, Company feels that a separate Policy on Principle -9 is not required because:

- The Company supplies power to the Bulk Customers (State Electricity Distribution companies) majority of which are owned by the respective State Govts.
- The CERC, while finalizing Tariff and other Regulations engages all Stakeholders and takes views of them. CERC Tariff Regulations and relevant orders are being displayed on CERC Website *www.cercind.gov.in*.
- The Company & Our bulk customers i.e. Discoms works under Regulated Environment. SJVN strives for supplying cheapest power deploying all resources optimally in best possible ways resulting in well being of customers & Society.
- The company being a Government company is also subject to the various checks and balances mechanism such as audits etc.
- CERC while determining the tariff of SJVN Power stations does prudence check on the costs of company.
- SJVN never restricts the freedom of choice and free competition in any manner while supplying bulk Power.
- Needs of the customers is taken into account and accordingly PPA are signed and Allocation of Power is made by Ministry of Power as per existing guidelines & Policy to meet the requirement of customers. Unallocated quota of power is allocated by MoP as per demand and requirement of different States hence always keep customer first.
- Power Supply regularity, Performance and all other Commercial parameters are governed by Central Electricity Regulatory Commission and the company always excels in satisfying customers by disclosing all relevant information.
- Issues, if any, regarding operational issues etc. are being discussed and resolved in common forums such as Regional Power Committees.
- The company has developed a Customer Satisfaction Index (CSI), which is evaluated through a questionnaire and the based on the feedbacks received, actions are taken.

  The company engages with customers and provides value to the customers in a responsible manner.

3. Governance related to BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.**

  Within 3-6 months

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  The Business Responsibility Report is published as a part of Annual Report from FY 2016-17 onwards and the same is being hosted on the website of the Company i.e., *www.sjvn.nic.in* as part of the Annual Report under the Investor Relations Section. This report shall be published annually.

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

SJVN is committed to fostering the most ethical and corruption free business environment and values its relationship with all counter parties to deal in a fair and transparent manner. For providing greater transparency between buyer & seller, improved sense of ethics in organization & bidders, expeditious process for tender and procurement and reduction in external interventions like political, diplomatic and administrative interference, the Integrity Pact was implemented in SJVN in the year 2011. To oversee the implementation of Integrity Pact, a panel of Independent External Monitors (IEM) has been appointed by Central Vigilance Commission (CVC) and presently SJVN has two IEM's –Ms. Asha Swarup and Dr. Jaipal Singh.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?

The company had received 17 complaints from the stakeholders of the Company during the FY 2017-18. All of them were resolved satisfactorily except for one which was pending as on 31.03.2018 and has been resolved thereafter.

Principle 2

1. List up to 3 of your products or services whose design has incorporated socialor environmental concerns, risks and/or opportunities.

The prime business of SJVN is generation of electricity through hydropower. However, presently SJVN is also producing electricity through Wind and Solar Power Plants and transmission of power through a JV with SJVN's equity @ 25%.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

i. Reduction during sourcing/production/distribution achieved since the previous year throughout the value chain?

ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The Hydro, Wind and Solar Power Projects are all renewable sources of energy that are environmentally benign, non-polluting and non-consumptive. Electricity is generated by non-consumptive use of water, wind and sun.

3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

SJVN has developed two hydro-projects in the past (Nathpa Jhakri HEP and Rampur HEP), both of which were funded by the World Bank. In World Bank funded projects, the procedures for sourcing (viz. call of tenders upto selection of Contractors) are based on the Standard procedures of the Bank and accordingly the same were followed. For future projects, Standard Bid Document of SJVN is being followed wherein Bidder Selection procedures, Labour laws, Safety procedures and Environmental concerns have been incorporated suitably in line with industry wide practices (after discussions with various peer PSUs in the sector) and CVC guidelines in vogue.

Moreover, MOU was signed by the company on January 5, 2011, with Transparency International India for implementation of the Integrity Pact Programme, which leads to following tangible and intangible benefits:

- Greater transparency and integrity between organizaton and bidders/contractor.
- Improved sense of ethics in organization and bidders.
- Reduction in complaints by bidders.
- Expeditious process in tender and procurement.
- Reduction in various external interventions.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

SJVN has been engaging locals around the projects/offices for activities such as vehicle hiring, material handling, hospitality, housekeeping, waste handling and horticulture. This has created direct and indirect employment of local populace and also led to entrepreneur development in the project areas/offices.

Apart from this, SJVN had adopted a Public Preference Policy for Micro & Small Enterprises (MSE) on the lines of Public Procurement Policy of the Central Government. As per the policy, SJVN is required to procure a minimum of 20% of total annual procurements from MSEs, out of which 4% is to be procured from MSEs owned by Schedule Caste/Schedule Tribe entrepreneurs. In compliance to this policy, SJVN, during the FY 2017-18, had procured 59.451% of its annual procurement from MSEs out of which 15.316% was procured from MSEs owned by SC/ST entrepreneurs.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?

Electricity is the only product generated by the company, which cannot be stored and is not in physical form. However, various wastes generated during electricity production like batteries, used oils lubricants etc. are recycled through suppliers / vendors or have been stored effectively for their disposal through the authorized recyclers. Solid wastes from stores such as steel, tyre etc. are sold through auction which is facilitated by MSTC Ltd. (Metal Scrap Trading Corporation). Furthermore, a kitchen bio-waste composter is also being made operational at Corporate Office Complex in Shimla, which will convert kitchen waste into manure for plantation activities in and around the office complex.

Principle 3

1. Please indicate the total number of employees.

As on March 31, 2018 there were 1442 employees in SJVN.

2. Please indicate the total number of employees hired on temporary/contractual/casual basis.

As on March 31, 2018 there were 1661 employees hired on temporary/contractual/casual basis in SJVN. The number of workers with contractor are dynamic in nature and vary from time to time.

3. Please indicate the number of permanent women employees.

As on March 31, 2018, there were 147 permanent women employees on the rolls of the company.

4. Please indicate the number of permanent employees with disabilities.

As on March 31, 2018, there were 28 differently abled employees on the rolls of the company.

5. Do you have an employee association that is recognized by management?

The "SJVN Employees Association" and the "Satluj Jal Vidyut Nigam Ltd Workers Union" are the two Unions recognized by the Management.

6. What percentage of your permanent employees is members of this recognized employee association?

About 55-60% of the permanent employees in the Workmen Category are members of the recognized Unions.

7. Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as on March 31, 2018
1	Child labour /forced labour / involuntary labour	Nil	
2	Sexual harassment		
3	Discriminatory employment		

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

- Permanent Employees 91%
- Permanent Women Employees 77%
- Casual/Temporary/Contractual Employees 0%
- Employees with Disabilities 90.5%

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The company has a well-structured R&R and CSR Policy to take care of the disadvantaged, vulnerable & marginalized people in and around the plants.

Vulnerable category of persons has been detailed in the Company's CSR and R&R Policies. Company is committed to the concerns of its stakeholders and strives to maintain good standards of Corporate Social Responsibility (CSR) and sustainability in its business activities. They are identified through various surveys and consultations with stakeholders at the time of formation of R&R and CSR plans.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

Yes. The company has always been sensitive to the needs of disadvantaged, vulnerable and marginalized stakeholders.

As part of R&R and CSR plans, special scheme for the welfare and upliftment of this section of the society have been conceived and implemented in and around project areas. Initiatives include distribution of aids and appliances to the disabled and vocational training, health schemes etc.

Principle 5

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

   The Human Resource Policy of the company are applicable to employees of SJVN including those posted in Subsidiaries of SJVN

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   There were no Complaints on Human Rights such as Child Labour, Forced Labour, Involuntary Labour, Sexual Harassment, discrimination, etc., as on 31.03.2018.

Principle 6

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?**

   The Environment Policy of the company directly covers all activities undertaken by it. However, with regard to subsidiaries and associate companies the policy states that "Each subsidiary and associate company will be encouraged to put in place similar arrangements to enable compliance to be reported on a half yearly basis."

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, SJVN is committed to generating reliable eco-friendly power by means of state of art technology, excellence in engineering and continual improvement in quality management. The Company predominantly deals with hydropower generation which in itself is clean power and reduces the green house gas emission vis-à-vis the energy generated as compared to other conventional modes of power generation.

   Besides, the company has also explored other avenues of clean energy generation and has already set up wind power & solar power plants and is further expanding in this field so as to reduce the carbon footprint and contribute towards mitigation of global environmental issues such as climate change and global warming etc.

   The details are available at *www.sjvn.nic.in/preamble.htm*

3. **Does the company identify and assess potential environmental risks?**

   Yes, SJVN is committed to sustainable development with strong environmental conscience and corporate vision. For every hydro project, comprehensive Environmental Impact Assessment (EIA) studies are carried out by SJVN through accredited external agencies so as to identify and assess potential impacts and benefits. Based on the assessment, detailed Environment Management Plans (EMP) are formulated and implemented to minimize the adverse impacts of projects during construction and operation phase.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   The Company is pioneer in undertaking climate change issues ardently. The company has taken following initiatives under CDM Projects in Power Sector.

   - Rampur HEP (412 MW) commissioned in Himachal Pradesh by the company was registered with the "United Nations Frame work Convention on Climate Change (UNFCCC)" as a Clean Development Mechanism (CDM) Project on September 29, 2011. The Project has resulted in Emission Reduction (ERs) of 1.4 million per annum i.e. in saving of 1.4 Million tons of CO_2 per year.
   - For Khirvire Wind Power Project (47.6 MW) "Grid-connected electricity generation from renewable sources" has been prepared by SJVN under "Approved consolidated methodology ACM0002 version 16". The Project has been registered with UNFCCC on December 27, 2016.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc. Y/N? If yes, please give hyperlink for web page etc.**

   Yes, owing to its endeavor to "promote efficient use of resources and contribute towards reduction of Green House Gas (GHG) emissions" as laid down in SJVN's Environment Policy, the company has taken up several initiatives on clean technology, energy efficiency, renewable energy, etc., which are as follows:-

   - The company has developed 47.60 MW Khirvire Wind Power Project in Maharashtra.
   - 5 MW Charanka Solar Power Project has been developed by the company in Gujarat.
   - The company is setting up another 50 MW Wind Power Project in Gujarat.
   - The company installed 230 kW Solar Power Plant in Surge Shaft Area, 2 roof top solar panels of 3 KW capacities each and 4 Solar water heaters of total capacity 1400 LPD at various buildings of 1500 MW Nathpa Jhakri Hydro Power Station (NJHPS).
   - 100 kW Solar Energy Panels were commissioned by the Company at its Corporate Office Complex, Shimla during 2017.
   - 6 numbers of 6 kW Roof top Captive Solar Power Plant installed in 1500 MW NJHPS during 2017.
   - Capacity addition of 80 kW at existing 230 kW grid connected Solar Power Plant at Surge Shaft of NJHPS is under process.
   - The company is setting up 40 kW Solar Power Plant in Rampur Hydro Power Station (RHPS).
   - The company has also adopted different measures in the field of energy efficiency, which include usage of energy efficient LED lights, automatic voltage regulators, replacement of resistance type fan regulators with electronic type, motion sensing automatic lighting system at various buildings and locations; replacement of lift water scheme with gravity water scheme for NJHPS township.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

   All the legal requirements related to emission and waste generation are being compiled by the company and compliance reports are periodically submitted to concerned authorities such as MoEF&CC, SPCB etc. Environment Monitoring of projects is carried out regularly by the regulatory authorities as well as SJVN through its internal monitoring mechanism. For this purpose, the company has established an environment laboratory at Jhakri, which presently caters to both the operational hydro-projects of the company and will further be utilized by upcoming projects of SJVN in the vicinity.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on March 31, 2018.**

   All points raised under show cause have been addressed by the company.

Principle 7

1. **Is your company a member of any trade and chamber or association?**

   SJVN works in partnership with Industry bodies and associations relevant to our business and interests, as a part of our efforts to deliver the best value for our Customers. In furtherance of these, membership of some Trade/Chamber/Association is taken.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reform, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   SJVN supports the initiatives taken by above Associations in their endeavors for the advancement or improvement of public good.

Principle 8

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   The focus area of CSR and Sustainability encompasses the activities as laid down under Schedule VII of the Companies Act, 2013. For translating the vision and mission of the company in this field, SJVN Foundation has been engaged in addressing a whole gamut of emerging social issues by designing and implementing intervention programs. The CSR interventions are undertaken in the areas of health & hygiene, education and skill development, infrastructural and community development, sustainable development, response to natural calamities, preservation of culture, sports & heritage and upliftment of vulnerable groups like women and differently abled persons.

2. **Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?**

   The CSR programs are under undertaken in collaborating manner though internal and external agencies. The programs are undertaken through Village Development Advisory Committees (VDAC), departmentally, PRIs, specialized expert agencies, NGOs, Govt. agencies etc.

3. **Have you done any impact assessment of your initiative?**

   SJVN has developed and implemented a well laid down internal and external mechanism for monitoring and impact evaluation. Impact Assessment studies were carried out through M/s Centre for Market Research & Social Development Pvt. Ltd., New Delhi and PricewaterhouseCoopers Pvt. Ltd. (PwC), New Delhi. Further monitoring and evaluation is also done through independent external monitors.

4. **What is your company's direct contribution to community development projects-Amount in INR and the details of the projects undertaken?**

   Community development initiatives are undertaken in an institutionalized manner. The community participation is ensured at all stages and levels.

   During the FY 2017-18, an amount of ₹37.50 Crore was kept for CSR and Sustainability activities. The projects were undertaken in the areas of health & hygiene, education and skill development, infrastructural and community development, sustainable development, response to natural calamities, preservation of culture, sports & heritage. The details of major projects undertaken during FY 2017-18 are given in **Annexure-V**

   During the FY 2017-18 SJVN's CSR efforts were recognized at various reputed forums and 7 awards have been bagged by SJVN in the area of CSR.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   The community development projects are implemented through specialized agencies. The implementation process involves the participation of community at all levels and the benefits to the community is ensured by robust monitoring and evaluation mechanism.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**

   As on March 31, 2018, there were no pending customer complaints.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws?**

   Not Applicable.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on March 31, 2018. If so, provide details thereof, in about 50 words or so**

   As on March 31, 2018, there were no pending customer complaints.

4. **Did your company carry out any consumer survey/consumer satisfaction trends?**

   SJVN conducts a Customer Satisfaction Survey every year to assess the satisfaction level of the customers, captured through an index and to get feedback from the customers.

ANNEXURE-VII

From No. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2018

[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 Heights, 1E/13, Jhandewalan Extension, New Delhi – 110055. Ph. 011- 42541957 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	U31908BR2007 PTC017646	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	U40102DL2006 PLC156738	Associate (Joint Venture)	26%	2(6)
4	Bengal Birbhum Coalfields Limited	U10300WB2015 SGC207911	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 01-04-2017)				No. of Shares held at the end of the year (As on 31-03-2018)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	2666611700	0	2666611700	64.46	2512259826	0	2512259826	63.93	-0.53
c) State Govt(s)	1055014800	0	1055014800	25.50	1055014800	0	1055014800	26.85	1.34
d) Bodies Corp	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1):-	**3721626500**	**0**	**3721626500**	**89.97**	**3567274626**	**0**	**3567274626**	**90.78**	**0.81**
2) Foreign									
g) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
h) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
i) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
j) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00

k) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(2):-	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Total Promoter Shareholding (A)=(A)(1)+(A)(2)	**3721626500**	**0**	**3721626500**	**89.97**	**3567274626**	**0**	**3567274626**	**90.78**	**0.81**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	38717378	0	38717378	0.94	40739323	0	40739323	1.04	0.10
b) Banks / FI	12697618	0	12697618	0.31	3116703	0	3116703	0.08	-0.23
c) Central Govt/ State Govt(s)	10747	0	10747	0.00	19681	0	19681	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	110288038	0	110288038	2.67	96074455	0	96074455	2.44	-0.22
f) FIIs/FPIs	136530737	0	136530737	3.30	118036040	0	118036040	3.00	-0.30
g) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
h) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(B)(1)	**298244518**	**0**	**298244518**	**7.21**	**257986202**	**0**	**257986202**	**6.56**	**-0.64**
2. Non Institutions									
a) Bodies Corp.									
(i) Indian	24384896	0	24384896	0.59	17584647	0	17584647	0.45	-0.14
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	59053760	5861	59059621	1.43	58496441	4213	58500654	1.49	0.06
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	22084864	0	22084864	0.53	18879702	0	18879702	0.48	-0.05
c) Others(Specify)			0	0.00			0	0.00	0.00
(i) Non Resident Individual	3600483	0	3600483	0.09	3435516	0	3435516	0.09	0.00
(ii) Trust and Foundations	1173220	0	1173220	0.03	763150	0	763150	0.02	-0.01
(iii) Clearing Members	252147	0	252147	0.01	532727	0	532727	0.01	0.00
(iv) HUF	5651201	0	5651201	0.14	4563253	0	4563253	0.12	-0.02
(v) NBFCs registered with RBI	549050	0	549050	0.01	274698	0	274698	0.01	-0.00
Sub-total(B)(2)	**116749621**	**5861**	**116755482**	**2.82**	**104530134**	**4213**	**104534347**	**2.66**	**-0.16**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**414994139**	**5861**	**415000000**	**10.03**	**362516336**	**4213**	**362520549**	**9.22**	**-0.81**
C. Shares held by Custodian for GDRs & ADRs	**0**	**0**	**0**	**0.00**	**0**	**0**	**0**	**0.00**	**0.00**
Grand Total(A+B+C)	**4136620639**	**5861**	**4136626500**	**100.00**	**3929790962**	**4213**	**3929795175**	**100.00**	**0.00**

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 shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Government of India	2,66,66,11,700	64.46	0	2,51,22,59,826	63.93	0	-0.53
2	Government of Himachal Pradesh	1,05,50,14,800	25.51	0	1,05,50,14,800	26.85	0	1.34
	Total	3721626500	89.97		3,56,72,74,626	90.78	0	-0.81

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

Sr. No	Shareholder's Name		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
1	**President of India**					
	At the beginning of the year– Opening balance		2666611700	64.46	2666611700	64.46
	Date	Type of Transaction				
	17-11-2017	Sale	9199553	0.23	2657412147	67.62
	24-11-2017	Sale	811068	0.02	2656601079	67.60
	16-03-2018	Sale	144341253	3.67	2512259826	63.92
	At the End of the year – Closing Balance				2512259826	63.92
2	**Governor of Himachal Pradesh**					
	At the beginning of the year– Opening balance		1055014800	25.50	1055014800	25.50
	Date	Type of Transaction				
	-	-	-	-	-	-
	At the End of the year – Closing Balance				1055014800	26.85

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
1	**AP Invest Kapital Forening**					
	At the beginning of the year – Opening balance		7205755	0.18	7205755	0.18
	Date	Type of Transaction				
	07-07-2017	Purchase	432520	0.01	7638275	0.19
	14-07-2017	Purchase	497385	0.01	8135660	0.21
	21-07-2017	Purchase	260917	0.01	8396577	0.21
	08-12-2017	Sale	97334	0.00	8299243	0.21
	15-12-2017	Sale	462199	0.01	7837044	0.20
	22-12-2017	Sale	769394	0.02	7067650	0.18
	29-12-2017	Sale	89097	0.00	6978553	0.18
	16-03-2018	Sale	301703	0.01	6676850	0.17
	At the End of the year – Closing balance				6676850	0.17
2	**ICICI Prudential Life Insurance Company Ltd**					
	At the beginning of the year– Opening balance		55814897	1.37	55814897	1.37
	Date	Type of Transaction				
	07-04-2017	Purchase	939	0.00	55815836	1.42
	14-04-2017	Purchase	2185	0.00	55818021	1.42
	21-04-2017	Purchase	795	0.00	55818816	1.42
	28-04-2017	Purchase	370	0.00	55819186	1.42
	12-05-2017	Purchase	1927	0.00	55821113	1.42
	19-05-2017	Purchase	1131	0.00	55822244	1.42
	26-05-2017	Purchase	960	0.00	55823204	1.42
	02-06-2017	Purchase	2797	0.00	55826001	1.42
	09-06-2017	Sale	4348	0.00	55821653	1.42
	16-06-2017	Purchase	128259	0.00	55949912	1.42
	23-06-2017	Purchase	94978	0.00	56044890	1.43

	30-06-2017	Purchase	84500	0.00	56129390	1.43
	07-07-2017	Purchase	123197	0.00	56252587	1.43
	14-07-2017	Purchase	37652	0.00	56290239	1.43
	21-07-2017	Purchase	54891	0.00	56345130	1.43
	28-07-2017	Purchase	46090	0.00	56391220	1.43
	04-08-2017	Purchase	114812	0.00	56506032	1.44
	11-08-2017	Sale	137790	0.00	56368242	1.43
	18-08-2017	Sale	1048756	0.03	55319486	1.41
	25-08-2017	Sale	1475556	0.04	53843930	1.37
	01-09-2017	Sale	419025	0.01	53424905	1.36
	08-09-2017	Sale	36924	0.00	53387981	1.36
	15-09-2017	Purchase	25602	0.00	53413583	1.36
	22-09-2017	Purchase	62672	0.00	53476255	1.36
	29-09-2017	Sale	2672445	0.07	50803810	1.29
	06-10-2017	Sale	742520	0.02	50061290	1.27
	13-10-2017	Purchase	60790	0.00	50122080	1.28
	27-10-2017	Sale	230522	0.01	49891558	1.27
	31-10-2017	Sale	332351	0.01	49559207	1.26
	03-11-2017	Sale	67373	0.00	49491834	1.26
	10-11-2017	Sale	162343	0.00	49329491	1.26
	17-11-2017	Purchase	41378	0.00	49370869	1.26
	24-11-2017	Sale	170865	0.00	49200004	1.25
	01-12-2017	Sale	162268	0.00	49037736	1.25
	08-12-2017	Purchase	23030	0.00	49060766	1.25
	15-12-2017	Purchase	25595	0.00	49086361	1.25
	22-12-2017	Purchase	71651	0.00	49158012	1.25
	29-12-2017	Purchase	23763	0.00	49181775	1.25
	05-01-2018	Sale	495304	0.01	48686471	1.24
	12-01-2018	Purchase	8229	0.00	48694700	1.24
	26-01-2018	Purchase	13735	0.00	48708435	1.24
	02-02-2018	Purchase	33647	0.00	48742082	1.24
	09-02-2018	Purchase	40117	0.00	48782199	1.24
	16-02-2018	Purchase	9485	0.00	48791684	1.24
	22-02-2018	Purchase	18741	0.00	48810425	1.24
	09-03-2018	Sale	519574	0.01	48290851	1.23
	16-03-2018	Sale	4048728	0.10	44242123	1.13
	23-03-2018	Purchase	28106	0.00	44270229	1.13
	At the End of the year – Closing balance				44270229	1.13
3	**ICICI Lombard General Insurance Company Ltd**					
	At the beginning of the year – Opening balance		14150000	0.36	14150000	0.36
	Date	Type of Transaction				
	14-07-2017	Purchase	501807	0.01	14651807	0.37
	21-07-2017	Purchase	4044559	0.10	18696366	0.48
	28-07-2017	Purchase	3349896	0.09	22046262	0.56
	04-08-2017	Purchase	812466	0.02	22858728	0.58
	16-03-2018	Sale	7999952	0.20	14858776	0.38
	At the End of the year – Closing balance				14858776	0.38
4	**LIC of India Profit Plus Growth Fund**					
	At the beginning of the year – Opening balance		46255861	1.18	46255861	1.18

	Date	Type of Transaction				
	14-04-2017	Sale	200000	0.01	46055861	1.17
	21-04-2017	Sale	500000	0.01	45555861	1.16
	28-04-2017	Sale	700000	0.02	44855861	1.14
	05-05-2017	Sale	450000	0.01	44405861	1.13
	12-05-2017	Sale	287838	0.01	44118023	1.12
	16-06-2017	Sale	100000	0.00	44018023	1.12
	23-06-2017	Sale	400000	0.01	43618023	1.11
	30-06-2017	Sale	35699	0.00	43582324	1.11
	07-07-2017	Sale	336680	0.01	43245644	1.10
	14-07-2017	Sale	400000	0.01	42845644	1.09
	21-07-2017	Sale	797250	0.02	42048394	1.07
	28-07-2017	Sale	1900000	0.05	40148394	1.02
	04-08-2017	Sale	400166	0.01	39748228	1.01
	11-08-2017	Sale	236923	0.01	39511305	1.01
	18-08-2017	Sale	200000	0.01	39311305	1.00
	25-08-2017	Sale	226779	0.01	39084526	0.99
	12-01-2018	Sale	177861	0.00	38906665	0.99
	16-03-2018	Sale	1682049	0.04	37224616	0.95
	At the End of the year – Closing balance				37224616	0.95
5	**Edgbaston Asian Equity Trust**					
	At the beginning of the year – Opening balance		28229881	0.72	28229881	0.72
	Date	Type of Transaction				
	07-04-2017	Sale	244457	0.01	27985424	0.71
	04-08-2017	Sale	668600	0.02	27316824	0.70
	25-08-2017	Purchase	719758	0.02	28036582	0.71
	01-09-2017	Purchase	121022	0.00	28157604	0.72
	08-09-2017	Purchase	227816	0.01	28385420	0.72
	15-09-2017	Purchase	11229	0.00	28396649	0.72
	29-09-2017	Purchase	4071199	0.10	32467848	0.83
	At the End of the year – Closing balance				32467848	0.83
6	**The Edgbaston Asian Equity (Jersey) Trust**					
	At the beginning of the year – Opening balance		6841730	0.17	6841730	0.17
	Date	Type of Transaction				
	07-04-2017	Purchase	244457	0.01	7086187	0.18
	04-08-2017	Purchase	668600	0.02	7754787	0.20
	25-08-2017	Purchase	204033	0.01	7958820	0.20
	01-09-2017	Purchase	34305	0.00	7993125	0.20
	08-09-2017	Purchase	64578	0.00	8057703	0.21
	15-09-2017	Purchase	3184	0.00	8060887	0.21
	29-09-2017	Purchase	1154195	0.03	9215082	0.23
	At the End of the year – Closing balance				9215082	0.23

7	**Wellington Global Perspectives Fund (Canada)**					
	At the beginning of the year – Opening balance		2677307	0.07	2677307	0.07
	Date	Type of Transaction				
	23-06-2017	Purchase	250038	0.01	2927345	0.07
	30-06-2017	Purchase	700000	0.02	3627345	0.09
	15-09-2017	Purchase	683480	0.02	4310825	0.11
	22-09-2017	Purchase	150000	0.00	4460825	0.11
	02-02-2018	Purchase	188028	0.00	4648853	0.12
	09-02-2018	Purchase	157522	0.00	4806375	0.12
	16-02-2018	Purchase	152707	0.00	4959082	0.13
	22-02-2018	Purchase	231597	0.01	5190679	0.13
	23-02-2018	Purchase	89005	0.00	5279684	0.13
	02-03-2018	Purchase	202086	0.01	5481770	0.14
	09-03-2018	Purchase	115880	0.00	5597650	0.14
	16-03-2018	Sale	1282127	0.03	4315523	0.11
	23-03-2018	Purchase	108986	0.00	4424509	0.11
	30-03-2018	Purchase	216747	0.01	4641256	0.12
	At the End of the year – Closing balance				4641256	0.12
8	**Utilico Emerging Markets (Mauritius)**					
	At the beginning of the year – Opening balance		33595000	0.85	33595000	0.85
	Date	Type of Transaction				
	07-04-2017	Purchase	250000	0.01	33845000	0.86
	14-04-2017	Purchase	350000	0.01	34195000	0.87
	21-04-2017	Purchase	270000	0.01	34465000	0.88
	28-04-2017	Purchase	1130000	0.03	35595000	0.91
	18-01-2018	Sale	100000	0.00	35495000	0.90
	16-03-2018	Sale	12422316	0.32	23072684	0.59
	At the End of the year – Closing balance				23072684	0.59
9	**SBI Magnum Balanced Fund**					
	At the beginning of the year – Opening balance		38675902	0.98	38675902	0.98
	Date	Type of Transaction				
	16-03-2018	Sale	1777208	0.05	36898694	0.94
	At the End of the year – Closing balance				36898694	0.94
10	**Hermes Emerging Asia Equity Fund Master S.P.**					
	At the beginning of the year – Opening balance		4089512	0.10	4089512	0.10
	Date	Type of Transaction				
	18-08-2017	Purchase	112698	0.00	4202210	0.11
	25-08-2017	Purchase	288497	0.01	4490707	0.11
	03-11-2017	Purchase	341576	0.01	4832283	0.12
	10-11-2017	Purchase	297457	0.01	5129740	0.13
	16-02-2018	Sale	711631	0.02	4418109	0.11
	16-03-2018	Sale	221774	0.01	4196335	0.11
	At the End of the year – Closing balance				4196335	0.11

v. Shareholding of Directors and KMPs

Sr. no	Name	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during 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
A	**DIRECTORS**					
1	Shri Nand Lal Sharma Chairman & Managing Director (w.e.f. 1st December 2017) Director (Personnel) (upto 30th November 2017)	2457	Negligible	No Change	2457	Negligible
2	Shri Ramesh Narain Misra Chairman & Managing Director (upto 30th November 2017)	Nil	Nil	No Change	Nil	Nil
3	Amarjit Singh Bindra, Director (Finance)	Nil	Nil	No Change	Nil	Nil
4	Rakesh Kumar Bansal, Director (Electrical)	1000	Negligible	No Change	1000	Negligible
5	Kanwar Singh Director (Civil)	1750	Negligible	No Change	1750	Negligible
6	Smt. Archana Agrawal Part -Time Official Director	Nil	Nil	No Change	Nil	Nil
7	Shri Ram Dass Dhiman* Part -Time Official Director (w.e.f. 25th January 2018)	Nil	Nil	No Change	Nil	Nil
8	Shri Tarun Sridhar Part -Time Official Director (upto 31st December 2017)	Nil	Nil	No Change	Nil	Nil
9	Shri Ganesh Dutt Part-Time Non-Official Director	Nil	Nil	No Change	Nil	Nil
10	Shri Pravinbhai Patel Part-Time Non-Official Director	Nil	Nil	No Change	Nil	Nil
11	Dr. Rajni Sarin Part-Time Non-Official Director	Nil	Nil	No Change	Nil	Nil
12	Shri Shamsher Singh Uppal Part-Time Non-Official Director	Nil	Nil	No Change	Nil	Nil
B	**KEY MANAGERIAL PERSONNEL**					
1	Soumendra Das Company Secretary	Nil	Nil	No Change	Nil	Nil

*Ceased to be Director w.e.f. 12th May 2018

V. INDEBTEDNESS

Indebtedness of theCompany 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)	30008	211634	NIL	241642
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	1498	NIL	1498
Total(i+ii+iii)	**30008**	**213132**	**NIL**	**243140**
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	30008
- Reduction	(4440)	(14134)	NIL	(18574)
Net Change	**(4440)**	**(14134)**	**NIL**	**(18574)**
Indebtedness at the end of the financial year				
i) Principal Amount	25568	197500	NIL	223068
ii) Interest due but notpaid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	1413	NIL	1413
Total (i+ii+iii)	**25568**	**198913**	**NIL**	**224481**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Amount (₹)

Sl. No.	Particulars of Remuneration	Shri Nand Lal Sharma CMD (w.e.f. 1st December 2017) D(P) (upto 30th November 2017)	Shri Ramesh Narain Misra CMD (upto 30th November 2017)	Amarjit Singh Bindra D(F)	Rakesh Kumar Bansal D(E)	Kanwar Singh D(C)	Total Amount
1	Gross Salary (a) Salary as per provisions contained in Section17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary undersection 17(3) Income- tax Act, 1961	58,30,047 4,62,304 Nil	55,36,766 4,86,776 Nil	44,53,325 90,708 Nil	52,58,372 81,358 Nil	46,30,523 78,374 Nil	2,57,09,033 11,99,520 Nil
2	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4	Commission - as % of profit - others, specify…	Nil	Nil	Nil	Nil	Nil	Nil
5	Others, please specify	6,54,281	1,58,088	8,48,793	6,99,599	3,43,576	27,04,337
6	**Total(A)**	**69,46,632**	**61,81,630**	**53,92,826**	**60,39,329**	**50,52,473**	**2,96,12,890**
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other Directors

Amount (₹)

Sl. No.	Particulars of Remuneration	Independent Directors				Government Nominee Directors		
		Ganesh Dutt.	Rajni Sarin	Pravinbhai Patel	Shamsher Singh Uppal			
1.	**Independent Directors** • Fee for attending board/committee meetings • Commission • Others, please specify.	4,80,000 NIL NIL	2,60,000 NIL NIL	4,00,000 NIL NIL	4,80,000 NIL NIL			
	Total (1)	**4,80,000**	**2,60,000**	**4,00,000**	**4,80,000**			
2.	**Other Non-Executive Directors**	-	-	-	-	**Archana Agrawal**	**Shri Ram Dass Dhiman* (w.e.f. 25th January 2018)**	**Tarun Sridhar (upto 31st December 2017)**
	•Fee for attending board/committee meetings •Commission •Others, please specify	-	-	-	-	NIL NIL	NIL NIL	NIL NIL
	Total (2)	-	-	-	-	**NIL**	**NIL**	**NIL**
	Total(B)= (1+2)	4,80,000	2,60,000	4,00,000	4,80,000	0	0	0
3	Total Managerial Remuneration							
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

* Ceased to be Director w.e.f. 12th May 2018

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

Amount (₹)

S No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1	Gross salary (a) Salary as per provisions contained in section17(1)of the Income-tax Act, 1961 (b) Value of perquisites u/s17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section17(3) Income-tax Act,1961	 - - -	 25,55,897 1,47,509 -	 - - -	 25,55,897 1,47,509 -
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	 - -	 - -	 - -	 - -
5.	Others, please specify	-	3,92,835	-	3,92,835
6.	Total		30,96,241		30,96,241

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:NIL

ANNEXURE-VIII

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2018

{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.

We 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 our 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, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2018 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:

We 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, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
   (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
   (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   (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;
   (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
   (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
(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 certificates submitted to the Board of Directors of the Company.

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

(i) Secretarial Standards issued by the Institute of Company Secretaries of India - Applicable - Generally complied with.
(ii) The Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 with National Stock Exchange Limited & BSE Limited.
(iii) Guidelines on Corporate Governance for CPSE as issued by Department of Public Enterprises.

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 and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 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.

We 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 SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and DPE Guidelines. 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.

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.

As per explanations received from the Company, Company is in process of complying with Section 179(3)(k) read with Rule 8 (4) of the Companies (Meetings of Board and its Power) Rules, 2014.

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.

We 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.

We 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 except that the Board of Directors of the Company approved a proposal for buy back of equity shares at its meeting held on 08.01.2018, As per approval, the Company completed buy back of 20,68,31,325 number of shares of ₹10/- each (representing 5% of the total paid up capital of the Company) on 12.03.2018, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹38.75 per equity share for an aggregate amount of ₹80,147 lakh in accordance with the provisions of the Companies Act, 2013 and the SEBI Regulations.

For **Agarwal S. & Associates,**
Company Secretaries,

CS Sachin Agarwal, Partner
FCS No. : 5774
C.P No. : 5910

Place: Shimla
Date: June 29, 2018

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.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our Responsibility is to express an opinion on these secretarial records, based on our inspection of records produced before us for 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 and our report is not covering observations/ comments/ weaknesses already pointed out by the other Auditors.
4. Wherever 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 and to give our opinion whether Company has proper Board-processes and Compliance-mechanism in place or not.
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 **Agarwal S. & Associates,**
Company Secretaries,

CS Sachin Agarwal, Partner
FCS No. : 5774
C.P No. : 5910

Place: Shimla
Date: June 29, 2018

ANNEXURE-IX

REPLY BY THE MANAGEMENT TO OBSERVATIONS OF SECRETARIAL AUDITOR

Sr. No.	Observation of Secretarial Auditor	Management Reply
1.	Regulation 17 (1) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 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	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.	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	SJVN is a Central Public Sector Undertaking (CPSU) and as per Article 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 the Directors have been prescribed by DPE and those for Government Nominee Directors by the Central/ State Government. It is understood that, the performance evaluation of the 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.

STANDALONE FINANCIAL STATEMENTS

Annexure-X

INDEPENDENT AUDITOR'S REPORT

To
The Members of SJVN LIMITED

Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **SJVN LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows, the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the standalone Ind AS financial statements").

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and statement of changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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 the 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 standalone Ind AS financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs (financial position) of the Company as at 31st March, 2018, and its profit/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Emphasis of Matter

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

a) Note No. 2.31 to the standalone Ind AS financial statements in respect of accounting of sales on provisionally approved tariff.

b) Note No. 2.38 to the standalone Ind AS financial statements, regarding the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the Company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.

c) Note 2.41 to the Ind AS financial statements, which describes that a fire break out at Charanka Solar Power Project on 14 Feb, 2018 which resulted into shut down of whole plant for almost 69 days, causing loss of revenue to the company.

d) Note 2.42 to the Ind AS financial statements, regarding the certain balances which are subject to reconciliation / confirmation and respective consequential adjustments.

Our opinion is not modified in respect of these matters.

Other Matter

The audit of prior period financial statements was performed by another auditor and law or regulation permits us being the auditor for the current period to refer to the report of the predecessor auditor on corresponding figures. Accordingly we state:

a) That the audit of prior period financial statements was performed by another auditor.

b) That the predecessor auditors had expressed Modified Opinion based on the excessive payments (Hydro Allowance) being made by the company against the capital works which leads to overstatement of Property Plant and Equipment and correspondingly understatement of Profits due to enhanced depreciation. However, the same is resolved in the current year.

c) The date of audit report on prior period financial statements is 29th May, 2017.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143 (11) of the Act, we give in the **"Annexure A"** 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-B"** 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 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, the Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the aforesaid Standalone Ind AS Financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with the relevant rules issued there under.

   e) In view of the exemptions given vide Notification No. G.S.R. 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 regarding disqualification of directors, are not applicable to the company.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to the separate Report in **"Annexure C"**.

   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 have disclosed the impact of pending litigations on its financial position in Note No.2.38 to standalone Ind AS financial statements;

      ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

      iii. There has been no delay in transferring amounts which were required to be transferred to Investor Education and Protection Fund by the Company.

For A P R A & Associates LLP
Chartered Accountants
FRN - 011078N/N500064

(Arun Kumar Gupta)
Partner
M.No.089657

Place: New Delhi
Date: 28th May 2018

"ANNEXURE- A" TO THE AUDITOR'S REPORT

(Referred to in Paragraph 1 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of **SJVN LIMITED** for the year ended 31st March, 2018)

i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its Fixed Assets except for inter unit transfers.

   (b) As explained to us all the assets were got physically verified during the year by the management from outside agency. 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. Similarly neither any conveyance deed nor any lease deed has been executed for Land acquired at Sadla project of the company.

ii. The inventories of the company consists of stores and spare parts. We were informed that these have been physically verified during the year by the management through outside agencies. We were informed that no material discrepancies were noticed on such verification.

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. Accordingly, the provisions of clause 3 (iii) (a), (b) and (c) of the order are not applicable

iv. In our opinion and according to the information and explanations given to us, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013, with respect to the loans, investments, guarantees and securities.

v. In our opinion and according to the information and explanations given to us, the company has not accepted any deposit from public in terms of section 73 to 76 or any other provisions of the Companies Act, 2013 and rules made there under.

vi. The company has made and maintained cost accounts and records as specified by the Central Government under section 148 (1) of the Companies Act 2013. However, we have not made a detailed examination of these accounts and records with a view to determine whether they are accurate and complete.

vii. a) According to the information and explanations and records of the Company, the company is generally regular in depositing undisputed statutory dues including Provident Fund, Income tax, GST, Service tax, Custom Duty, Excise Duty, Value Added Tax, Cess and other statutory dues with the appropriate authorities. There are no outstanding statutory dues for a period of more than six months from the date they became payable as on 31st March, 2018. We are informed that the provisions of Employees' State Insurance Act are not applicable to the company.

Further as per our observation, the Company has not accounted for and paid Service Tax/ GST on the following transactions during the year under audit:

Name of the Statute	Nature of the Transaction	Taxable Amount (₹ Lakh)
Service Tax	Liquidated damages recovered from contractors/ vendors from 01.04.2017 to 30.06.2017	3037.82
Service Tax / GST	Forfeiture of Security Deposit of contractors/ vendors	1.75
GST	Food expenses recovered from employees	43.73
GST	Supply of laptop to employees	6.74
GST	Recovery towards private use of vehicles by employees	4.28

b) According to the information and explanations given to us, dues of income tax, GST, 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

viii. Based upon the audit procedure performed and information and explanation given to us by the management, the company has not defaulted in repayment of loans and borrowing to any financial institution, banks, government or dues to debenture holders.

ix. The company has not raised money by way of initial public offer or further public offer and the term loans. However, The Board of Directors of the Company approved a proposal for buy back of equity shares at its meeting held on 8th January 2018.As per approval, the Company completed buy back of 206831325 shares of ₹10 each (representing 5% of total paid up equity capital) on 12th March 2018, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹38.75 per equity share for an aggregate amount of ₹80147 lakh in accordance with the provisions of the Companies Act 2013 and the SEBI regulations.

x. Based upon the audit procedure performed and information and explanation given to us, we report that financial irregularities were committed by one of the Company executives in Arunachal Pradesh which were detected during the financial year 2014-15 and recovery was initiated during the year 2016-17. However, no accounting entries were passed to recognize the same. On insistence, Company booked ₹ 8.13 Lakh as recoverable from employee but recovery of interest on the same is yet to be accounted for.

xi. In view of the exemptions given vide in terms of Notification No. G.S.R. 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 197 read with schedule V to the Companies Act, 2013 regarding managerial remuneration, are not applicable to the company.

xii. The company is not a Nidhi Company.

xiii. All the transactions with the related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable and the details have been disclosed in the Note No. 2.46 to the financial statements, as required by the applicable accounting standards.

xiv. The company has not made any preferential allotment or private placements of shares or fully or partly convertible debentures during the year.

xv. In our opinion and according to the information and explanations given to us, the company has not entered into any non-cash transaction with Directors or persons connected with him.

xvi. The company is not required to be registered under schedule 45-1A of the Reserve Bank of India Act 1934.

For A P R A &Associates LLP
Chartered Accountants
FRN - 011078N/N500064

(Arun Kumar Gupta)
Partner
M.No.089657

Place: New Delhi
Date: 28th May 2018

ANNEXURE-B

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of **"SJVN LIMITED"** for the year ended 31st March, 2018 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 APRA & Associates LLP
Chartered Accountants
FRN - 011078N/N500064

(Arun Kumar Gupta)
Partner
M.No.089657

Place: New Delhi
Date: 28th May 2018

"ANNEXURE-B" TO THE AUDITOR'S REPORT

Annexure referred to in paragraph 2 of our report of even date to the members of SJVN LIMITED on the accounts for the year ended 31st March, 2018.

Sr. No.	Directions	Actions Taken	Impact on Financial Statements
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 in September 2014 and the same was paid during September 2014 itself and this amount has been shown as Advance. The area of the Land was not provided by the management. Similarly, at NJHPS land diverted by HP Govt. has been disputed and case is pending in Court. Details of the same were 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 come across us 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- C" TO THE AUDITOR'S REPORT

(Referred to in paragraph 3 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub -section 3 of section 143 of the Companies Act, 2013 ("the Act") for the year ended 31st March, 2018.

We have audited the internal financial controls over financial reporting of **SJVN LIMITED** ("the Company") as at March 31, 2018 in conjunction with our audit of the standalone Ind AS 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 the 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 Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standard 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 and 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 statement, 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 details, accurately and fairly reflect the transactions and disposition of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 limitation 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 respect, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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, the following deficiencies in Internal Financial Control were observed during audit:

(i) *A theft occurred on 05-09-2016 in a Materials Store at Rampur Hydro Power Station stealing G. V. Upper & Lower bushes worth ₹ 80 Lakh. Management has Lodged FIR for the same. No accounting treatment was given to the same in the previous year. However, decapitalization of asset has been done and the corresponding depreciation is reversed during the year.*

(ii) *The Contract for 'House Keeping and Pest Control Services along with cleaning material in regard to Delhi office was awarded for amount of ₹ 18.30 lakh with further extension by ₹ 10.13 lakh and ₹ 5.06 lakh on respective dates, by brushing aside clause 1.2 (Hi) (c) of the Internal Audit Manual which says that party applying for tender must not be related to each other whereas in the above mentioned tender all the three qualified bidders were surely related to each other, which point out that financial prudence was not there and internal financial control are somewhere weak in the organization.*

(iii) *Four Contracts were awarded to M/s Inox Wind Ltd. to the tune of ₹ 36223 lakh for installation and maintenance of 25 WEGs of 2 MW each at Sadla, which were scheduled to be installed by 25-11-2017. PPA agreement for 38 MW (19 WEGs) was signed by SJVN Ltd. on 02-01-2018. In spite of exorbitant delay, the contractor was able to commission just one WEG up to 31-03-2018. This has resulted in blocking of huge investment and loss of revenue on daily basis.*

There are various issue in relation to contract with M/s Inox Wind Ltd:

- *There is a delay in Installation of project by Inox Wind Ltd.*
- *LDs have not been imposed and deferred.*
- *As per terms of contract no direct Payments can be made to Sub - Contractor but the Company has made some direct payments.*
- *Bills raised by the Contractor were found to be inaccurate i.e. same bill numbers and challan numbers appeared in different bills (8 instances), some delivery challans are unavailable, duplicate and undated.*
- *Some invoices were approved even though containing detail of expired insurance.*
- *In RA-6, two bills no 333 & 334 are dated 24-03-2017 and as per record, also received in March 2017, but not capitalized in CWIP for the year ended 31st March 2017.*
- *It is observed that the same LR No. is used in different place for two different bills. The "Consignor Copy" (Pink Color) is attached with RA - 7 and "Consignee Copy" (White Color) is attached with RA - 6.*
- *In RA-8 & 10, sum of respective packing list cum delivery challan is not matching with invoice amount. (5 bills difference of ₹ 24.00 lakh in each bill). Total difference of ₹ 120.00 lakh found.*

(iv) *There is weakness in GST and service tax compliances. In respect of some transactions like Canteen Expenses recovered from Employees, Liquidated damages recovered from contractors, Mobile supplied to employees and recovery towards private use of vehicles from employees, the company is not paying GST/ Service tax. Also there are non-compliances in respect of format of invoices, information to be captured in GST returns etc. The amount wise details of these transactions are disclosed in Clause No. VII (a) of CARO, 2016.*

(v) *Presently the Investment in TDRs and FDRs by Organization is done based on email/fax received from various FI/Banks. To inculcate the accountability in system, good number of organizations has moved from Manual to E-Bidding, Reverse Bidding process, which not only fetch better rate of interest but also brings transparency in system.*

For A P R A &Associates LLP
Chartered Accountants
FRN - 011078N/N500064

(Arun Kumar Gupta)
Partner
M.No.089657

Place: New Delhi
Date: 28th May 2018

Annexure-XI

Management's reply on Statutory Auditors'Observations on Internal Financial Control-Annexure-C to the Auditor's report

Auditors' Observations	Management's Reply
The following deficiencies in internal financial controls were observed during audit: i) A theft occurred on 05-09-2016 in a Materials Store at Rampur Hydro Power Station stealing G.V. Upper & Lower bushes worth ₹80 Lakh. Management has Lodged FIR for the same. No accounting treatment was given to the same in the previous year. However, decapitalization of asset has been done and the corresponding depreciation is reversed during the year.	As pointed out by the auditor necessary adjustments have already been carried in the financial statements and disclosure of the same has also been given in note no 2.1 to the Financial Statements.
ii) The Contract for House Keeping and Pest Control Services along with cleaning material in regard to Delhi office was awarded for amount of ₹18.30 lakh with further extension by ₹10.13 lakh and ₹5.06 lakh on respective dates, by brushing aside clause 1.2 (iii) (c) of the Internal Audit Manual which says that party applying for tender must not be related to each other whereas in the above mentioned tender all the three qualified bidders were surely related to each other, which point out that financial prudence was not there and internal financial control are somewhere weak in the organization.	This tender was open e-tender which was published on SJVN websites i.e.www.sjvn.nic.in, *https://sjvn.abcprocure.com* and Govt. tender portal *www.tenders.gov.in* and open for all bidders to participate. Only three bidders have participated in the tender process even after extension of bid submission date. Further, even participation by one bidder against open tender would have been considered for award after ascertaining the reasonability of rate. The award has been placed to lowest bidder after negotiation and awarded amount was found to be justified. Hence, financial prudence exist in the organization.
iii) Four Contracts were awarded to M/s Inox Wind Ltd. to the tune of ₹36223 lakh for installation and maintenance of 25 WEGs of 2 MW each at Sadla, which were scheduled to be installed by 25-11-2017. PPA agreement for 38 MW (19 WEGs) was signed by SJVN Ltd. on 02-01-2018. In spite of exorbitant delay, the contractor was able to commission just one WEG up to 31-03-2018. This has resulted in blocking of huge investment and loss of revenue on daily basis. There are various issue in relation to contract with M/s Inox Wind Ltd: - There is a delay in Installation of project by Inox Wind Ltd. - LDs have not been imposed and deferred. - As per terms of contract no direct Payments can be made to Sub-Contractor but the Company has made some direct payments. - Bills raised by the Contractor were found to be inaccurate i.e. same bill numbers and challan numbers appeared in different bills (8 instances), some delivery challans are unavailable, duplicate and undated. - Some invoices were approved even though containing detail of expired insurance. - In RA-6, two bills no 333 & 334 are dated 24-03-2017 and as per record, also received in March 2017, but not capitalized in CWIP for the year ended 31st March 2017 - It is observed that the same LR No. is used in different place for two different bills. The "Consignor Copy" (Pink Color) is attached with RA-7 and "Consignee Copy" (White Color) is attached with RA-6. - In RA-8 & 10, sum of respective packing list cum delivery challan is not matching with invoice amount. (5 bills difference of ₹24.00 lakh in each bill). Total difference of ₹120.00 lakh found.	There is a proper internal financial control system in the company for accounting/ payments to contractors which has also been reviewed by the firm of Chartered Accountants appointed for this purpose during FY 2017-18. Necessary improvements in the system is carried out by the company on the basis of review of the system internally as well as by external agencies. Keeping in view the deficiencies reported by the auditor and in order to complete the project at the earliest, the management has constituted a high power committee and posted them at site to resolve the issues including LD etc.

iv) There is weakness in GST and service tax compliances. In respect of some transactions like Canteen Expenses recovered from Employees, Liquidated damages recovered from contractors, Mobile supplied to employees and recovery towards private use of vehicles from employees, the company is not paying GST/Service tax. Also, there are non-compliances in respect of format of invoices, information to be captured in GST returns etc. The amount wise details of these transactions are disclosed in Clause No. VII (a) of CARO, 2016.	GST act came into operation w.e.f. 01.07.2017. Several clarifications/ amendments are being issued by Govt. from time to time regarding its implementation etc. Being new law, necessary steps have been taken continuously to comply with the provisions of the GST Act including appointment of consultant. Opinion on issues raised by auditor has been obtained from GST consultant and shall be regulated accordingly keeping in view the practice followed by other CPSEs.
v) Presently the Investment in TDRs and FDRs by Organization is done based on email/fax received from various FI/Banks. To inculcate the accountability in system, good number of organizations has moved from Manual to E-Bidding, Reverse Bidding process, which not only fetch better rate of interest but also brings transparency in system	Process of 'E-Bidding' for Investment of Surplus Funds is being incorporated in the new ERP system of SJVN and shall be implemented alongwith with ERP system.

Annexure-XIV

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 2018

The preparation of financial statements of SJVN Limited for the year ended 31 March 2018 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 28 May 2018.

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 2018. 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 Auditor's Report.

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

Vikram D. Murugaraj 23.07.18

(Vikram D. Murugaraj)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi

Place: New Delhi
Dated : 23 July 2018

BALANCE SHEET AS AT MARCH 31, 2018

(₹ Lakh)

	Note No.		As at March 31, 2018	As at March 31, 2017
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	2.1		763829	797931
Capital Work-in-progress	2.2		63311	43949
Other Intangible Assets	2.3		241	59
Intangible assets under development	2.4		931	227
Financial Assets				
Investments	2.5	61805		58906
Trade receivables	2.6	1273		-
Loans	2.7	4438		4269
Others	2.8	-		3
			67516	63178
Deferred Tax Assets (Net)	2.9		35072	42278
Regulatory Deferral Account Debit Balance	2.10		15262	10152
Other Non-current Assets	2.11		21225	22076
Current Assets				
Inventories	2.12		5050	3956
Finacial Assets				
Investments	2.13	1		-
Trade Receivables	2.14	29006		61301
Cash and cash equivalents	2.15	16034		77337
Bank Balance other than above	2.16	345222		354159
Loans	2.17	25657		18664
Others	2.18	33381		29217
			449301	540678
Current Tax Assets	2.19		9139	6888
Other Current Assets	2.20		5682	6307
Total Assets			**1436559**	**1537679**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.21	392980		413663
Other Equity	2.22	676491		734720
			1069471	1148383
Liabilities				
Non- current Liabilities				
Financial Liablities				
Borrowings	2.23	203534		222947
Other Financial Liablities	2.24	24		21
			203558	222968
Provisions	2.25		4955	4854
Other Non-current Liabilities	2.26		78721	82482
Current Liabilities				
Financial Liablities				
Trade Payables	2.27	2545		2704
Other Financial Liablities	2.28	51709		49931
			54254	52635
Other Current Liabilities	2.29		4198	4066
Provisions	2.30		21402	22291
Total Equity and Liabilities			**1436559**	**1537679**
Significant Accounting Policies	1			

The accompanying notes from 2.1 to 2.60 form an integral part of the financial statements.

For and on behalf of the Board of Directors

(Soumendra Das)	**(Amarjit Singh Bindra)**	**(Nand Lal Sharma)**
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03495554

This is the Balance Sheet referred to in our report of even date
For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657
Place: New Delhi
Date : May 28,2018

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Income			
Revenue from Operations	2.31	222997	267931
Other Income	2.32	35710	44059
Total Income		**258707**	**311990**
Expenses			
Employee Benefits Expense	2.33	26522	25339
Finance Costs	2.34	8382	4570
Depreciation and Amortization Expense	2.35	36451	67998
Other Expenses	2.36	27625	23568
Total Expenses		**98980**	**121475**
Profit before net movement in regulatory deferral account balance and tax		**159727**	**190515**
Net movement in regulatory deferral account balance	2.10	5110	(3122)
Profit Before Tax		**164837**	**187393**
Tax Expenses:			
- Current Tax		35143	39994
- Deferred Tax	2.9	7206	(7015)
Profit for the period		**122488**	**154414**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
-Remeasurement of the net defined benefit liability/asset		(1518)	(504)
-Income tax on above item		324	108
Total		**(1194)**	**(396)**
Total Comprehensive Income for the period		**121294**	**154018**
Earnings Per Equity Share (excluding net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		2.87	3.79
Earnings Per Equity Share (including net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		2.97	3.73
Significant Accounting Policies	1		

The accompanying notes from 2.1 to 2.60 form an integral part of the financial statements.

For and on behalf of the Board of Directors

(Soumendra Das)	(Amarjit Singh Bindra)	(Nand Lal Sharma)
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03495554

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

For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657
Place: New Delhi
Date : May 28,2018

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31,2018

(₹ Lakh)

	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		164837	187393
Adjustment for:			
Depreciation and amortization	36451		67998
Interest on term deposits	(29354)		(33324)
Dividend from Subsidiary / Associate / Joint Venture	(164)		(241)
Finance cost	8382		4570
Loss on disposal/ write off of fixed assets	73		1
Profit on sale of fixed assets	(48)		(14)
		15340	38990
Adjustment for assets and liabilities			
Inventories	(1094)		(35)
Trade receivable and unbilled revenue	33520		38096
Loans, other financial assets and other assets	(6318)		(9713)
Trade payable	(159)		983
Other financial liabilities and other liabilities	(5128)		3059
Regulatory deferral account debit balance	(5110)		3122
Provisions	(2381)		2906
		13330	38418
Cash generated from operating activities		**193507**	**264801**
Income tax paid		(37070)	(35458)
Net cash generated by operating activities		**156437**	**229343**
CASH FLOW FROM INVESTING ACTIVITIES			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(26966)		(44133)
Term deposits with bank (having maturity more than three months)	8937		(87497)
Interest on term deposits	30013		31863
Dividend from Subsidiary / Associate / Joint Venture	405		-
Investment in subsidiaries and joint ventures	(2900)		(11859)
Net cash used in investing activities		**9489**	**(111626)**
CASH FLOW FROM FINANCING ACTIVITIES			
Buyback of Equity Shares (including Premium on Buyback and Buyback Expenditure)	(80716)		-
Repayment of borrowings	(18609)		(48304)
Proceeds from borrowings	-		30008
Interest and finance charges	(8432)		(8409)
Dividend Paid	(99261)		(112516)
Tax on Dividend	(20211)		(22906)
Cash used in financing activities		**(227229)**	**(162127)**
Net increase in cash and cash equivalents		**(61303)**	**(44410)**
Opening balance of cash & cash equivalents		**77337**	**121747**
Closing balance of cash & cash equivalents		**16034**	**77337**
Restricted cash balance			
Earmarked Balance (Unpaid Dividend)		104	86
Margin Money for BG/ Letter of Credit and Pledged deposits		6192	5535
Total		**6296**	**5621**

The accompanying notes from 2.1 to 2.60 form an integral part of the 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

(Nand Lal Sharma)
Chairman & Managing Director
DIN:03495554

This is the Statement of Cash Flows referred to in our report of even date.
For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657
Place: New Delhi
Date : May 28,2018

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

Particulars	Amount (₹ Lakh)
Opening Balance as at April 1,2017	413663
Equity Shares issued during the year	-
Equity Shares bought back during the year	20683
Closing Balance as at March 31, 2018	392980

B. Other Equity

(₹ Lakh)

Particulars	Reserves and Surplus			Total Other Equity
	Capital Redemption Reserve	Securities Premium	Retained Earnings	
Opening Balance as at April 1,2017		1313	733407	734720
Profit for the Period			122488	122488
Other Comprehensive Income			(1194)	(1194)
Total Comprehensive Income			121294	121294
Transfer from Retained Earnings for Buyback of Equity Shares	20683		(20683)	-
Utilization for BuyBack of Equity Shares		(1313)	(58151)	(59464)
Utilization for Expenditure on Buyback of Equity Shares			(569)	(569)
Dividends				
Final Dividend 2016-17			(20683)	(20683)
Interim Dividend 2017-18			(78596)	(78596)
Dividend Tax				
Final Dividend 2016-17			(4211)	(4211)
Interim Dividend 2017-18			(16000)	(16000)
Closing Balance as at March 31, 2018	**20683**	**-**	**655808**	**676491**

For and on behalf of the Board of Directors

(Soumendra Das)
Company Secretary
FCS-4833

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

(Nand Lal Sharma)
Chairman & Managing Director
DIN:03495554

This is the Statement of Change in Equity referred to in our report of even date.

For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657
Place: New Delhi
Date : May 28,2018

I. Company Information and Significant Accounting Policies

A. Reporting Entity

SJVN Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: L40101HP1988GOI008409). The address of the company's registered office is Shakti Sadan, Shanan, Shimla-171006 (H.P.). Electricity generation is the principal business activity of the company. The company is also engaged in the business of providing consultancy.

B. Significant Accounting Policies

1.1 Basis of Preparation:

These financial statements are prepared in compliance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

Use of estimates and management judgments:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of Assets, Liabilities, Income, Expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that may have the most significant effect on the amount recognized in the financial statements is as under:

a) Useful life of Property, Plant & Equipment:

The estimated useful life of property, plant & equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flow from the asset.

Useful life of the asset used for generation of electricity is determined by the Central Electricity Regulatory Commission (CERC) tariff regulations in accordance with Part-B of schedule-II of the Companies act 2013.

b) Recoverable amount of property, plant and equipment:

The recoverable amount of property, plant and equipment is based on estimates and assumptions regarding, in particular, the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

c) Post-employment benefits plan:

Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have an impact on the resulting calculations.

d) Revenues:

The company recognizes revenue from sale of power based on tariff approved by the CERC. However, in cases where tariff rates are yet to be approved, provision rates are adopted considering the applicable CERC tariff regulations.

1.2 Basis of Measurement:

The separate financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- financial assets and liabilities except certain Investments and borrowings carried at amortised cost,
- assets held for sale – measured at fair value less cost of disposal,
- defined benefit plans – plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value. However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The separate financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakh, except as stated otherwise.

1.3 Property, plant and equipment (PPE)

a) The Company has opted to utilize the option under para D7AA of Appendix D to Ind AS 101 which permits to continue to use the Indian GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment according to the Indian GAAP as at April 1, 2015 i.e. Company's date of transition to Ind AS, were maintained in transition to Ind AS.

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

c) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. 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.

d) After initial recognition, Property, Plant & Equipment is carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.

e) Deposits, Payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

f) Asset created on land not belonging to the company where the company is having control over the use and access of such asset are included under Property, Plant and Equipment.

g) Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised when no future economic benefits are expected from its use or upon disposal. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred. Other spares are treated as “stores & spares” forming part of the inventory and expensed when used/ consumed.

h) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the company and the cost of the item can be measured reliably.

i) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset.

j) Property, plant and equipment is derecognized when no future economic benefits are expected from its use or upon its disposal. Gains and losses on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

1.4 Capital Work-in-progress

a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work-in-progress (CWIP). Such cost comprises of purchase price of asset including other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, depreciation on assets used in construction of projects, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under “Expenditure Attributable to Construction (EAC)” and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential for construction of the project is carried under “Capital work in progress” and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

d) Expenditure on Survey and Investigation of the Project 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.

e) 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.

f) Claims for price variation / exchange rate variation in case of contracts are accounted for on acceptance.

1.5 Investment Property

a) Land or a building or part of building or both held by company to earn rentals or for capital appreciation or both is classified as Investment property other than for:

i. Use in the production or supply of goods or services or for administrative purpose; or

ii. Sale in the ordinary course of business.

b) Investment property is recognised as an asset when, and only when:

i. It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and

ii. The cost of the investment property can be measured reliably.

c) Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

d) Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

e) Transfers to or from investment property is made when and only when there is a change in use.

1.6 Intangible Assets

a) Upto March 31, 2015, Intangible assets were carried in the balance sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by IND AS 101, to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

b) Intangible assets are identifiable non-monetary asset without physical substance. Intangible assets are recognised if:

i. It is probable that the expected future economic benefit that are attributable to the asset will flow to the entity; and

ii. the cost of the asset can be measured reliably.

c) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

d) Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

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

f) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

1.7 Regulatory deferral accounts

a) Expenses/ income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as ‘Regulatory deferral account balances’ as per Ind AS-114.

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

1.8 Impairment of non-financial assets

a) The carrying amounts of the Company’s non-financial assets primarily include property, plant and equipment, which are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU’s) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

c) Impairment losses recognized in earlier period are assessed at each reporting date for any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

1.9 Inventories

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

b) Inventories and Certified Emission Reduction (CERs-Carbon Credit) are valued at the lower of cost and net realizable value.

c) Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

d) Net realizable value is the estimate selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

e) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for. Scrap is accounted for as and when sold.

1.10 Foreign Currency Transactions:

a) Functional and presentation currency:

Separate financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

b) Transactions and balances

i. Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of fixed assets entered up to March 31, 2016 are adjusted to carrying cost of fixed assets.

The Company has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities.

1.11 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition that are potentially favourable to the Company. A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument. Financial assets of the Company comprise cash and cash equivalents, Bank Balances, Advances to employees/ contractors, security deposit, claims recoverable etc.

Initial recognition and measurement:

i. All financial assets except trade receivables are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

ii. The company measures the trade receivables at their transaction price if the trade receivables do not contain a significant financing component. A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business.

Subsequent measurement:

i. Financial Assets are measured at amortized cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

ii. After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss.

iii. Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

iv. Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

Impairment of financial assets:

i. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

ii. In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss and follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind-AS 18.

iii. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

iv. For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.

v. Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

Derecognition:

A financial asset is derecognised when all the cash flows associated with the financial asset has been realised or such rights have expired.

b) Financial liabilities

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

Classification, initial recognition and measurement:

i) Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

ii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Subsequent measurement:

i) After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset, when the liabilities are derecognised as well as through the EIR amortisation process.

ii) Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.12 Investment in Subsidiaries

a) A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

b) Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost. On transition to IND AS, the Company has adopted optional exemption under IND AS 101 to value investments in subsidiaries at cost.

1.13 Investment in joint ventures and associates:

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

b) An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

c) The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

1.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. Appendix C, Ind AS 17 deals with the identification of contracts that do not take the legal form of a lease but conveys right to customers/ suppliers to use an asset in return for a payment or series of payment.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Power Purchase Agreements (PPAs) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

A. Finance Lease:

a) Assets given by lessor under finance lease are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease receipts are apportioned between the reduction of lease receivable and finance income so as to achieve a constant rate of interest on the remaining balance of the receivable for each period. The corresponding rent receivables, net of finance charges, are included in current and non-current other financial asset. The interest element of lease is accounted in the Statement of Profit and Loss over the lease period.

b) Assets taken on leases are capitalised at the commencement of the lease at the inception date at lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss. A leased asset is depreciated over the useful life of the asset.

c) Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

B. Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on the basis of generation from such Plant. The respective leased assets are included in the balance sheet based on their nature.

1.15 Government Grants

a) Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets.

b) Government revenue grants relating to costs are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

1.16 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction/erection or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. All other borrowing costs are expensed in the period in which they occur.

1.17 Provisions, Contingent Liabilities and Contingent Assets

a) A provision is recognised when:

i. the Company has present legal or constructive obligation as result of past event;

ii. it is probable that an outflow of economic benefits will be required to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation.

b) If the effect of the time value of money is material, provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

c) The amount recognised as provision is the best estimate of consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

d) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

e) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

f) 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.

g) Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.18 Revenue Recognition and Other Income

a) Revenue from sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission (CERC). In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis. Revenue from sale of energy is recognized once the electricity has been transmitted to customers. As at each reporting date, energy revenue includes an accrual for sales transmitted to customers but not yet billed (unbilled revenue).

b) Rebate to customers as early payment incentive is deducted from the amount of revenue from energy sales.

c) Incentives/disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.

d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the Hydro Power Station, considering the total useful life of the Hydro Power Station as 35 years.

e) Revenue from consultancy services rendered is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/ technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy contracts.

f) Interest/Surcharge on late payment/ overdue sundry debtors for sale of energy are recognised when no significant uncertainty as to measurability or collectability exists.

g) Dividend income is recognized when the company's right to receive payment is established.

h) Interest/surcharge/liquidated damages recoverable from suppliers and contractors, wherever there is uncertainty of realisation/ acceptance are accounted for on receipts/acceptance.

i) Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the effective interest method. Interest income on impaired loans/ receivable is recognised using the original effective interest rate.

j) Income arising from sale of CERs-carbon credit is recognized on transfer/ sale of carbon credits i.e. when there is certainty regarding ultimate collection.

k) Compensation from third parties including from insurance are accounted for on certainty of realization.

1.19 Employee Benefits

Employee benefits consist of wages, salaries, benefits in kind, provident fund, pension, gratuity, post-retirement medical facilities, leave benefits and other terminal benefits etc.

a) Defined Contribution Plans

i) A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trust and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the periods during which services are rendered by employees.

ii) The company also has Defined Contribution Pension Scheme for providing pension benefit. The obligation of the company is to contribute the extent of amount not exceeding 30% of basic pay and dearness allowance less employer contribution/liability towards provident fund, gratuity, post-retirement medical facility (PMRF). 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. A defined benefit plan is a post-employment plan other than a defined contribution plan.

ii. The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. 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.

iii. The gratuity scheme is funded by the company and is managed by a separate trust. Company's liability is determined by the qualified actuary using the projected unit credit method at the year-end and any shortfall in the fund size maintained by the trust is additionally provided for by the company.

iv. The company has a Retired Employee Health Scheme (REHS), under which retired employees, 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.

v. The company also has other benefit plans i.e. leave encashment, allowance on retirement/ death and momento on superannuation.

vi. The Company' net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The liability is ascertained at the year-end by the qualified actuary using the projected unit credit method.

vii. Service cost & net interest on the net defined benefit liability (asset) are recognized in Profit or loss unless another Standard permits inclusion in the cost of asset.

viii. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

c) Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period in which the service is provided.

d) Terminal Benefits

Expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes, if any, are charged to the profit and loss in the year of incurrence of such expenses.

1.20 Depreciation and amortization

a) Depreciation on Property, Plant & Equipment of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff in accordance with Schedule-II of the companies act 2013 except for assets specified in policy no. 1.20(c) below.

b) Depreciation on Property, Plant & Equipment of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in policy no. 1.20(c) below.

c) Depreciation on the following items of Property, Plant and Equipment is charged on straight line method on estimated useful life:

i. Computer & Peripherals depreciated fully (100%) in 3 years.

ii. Mobile Phones depreciated fully (100%) in 2 years.

d) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the month on which the asset is available for use / disposed.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization.

f) Assets costing upto ₹ 5000/- are fully depreciated in the year of acquisition.

g) Expenditure on software recognized as 'Intangible Asset' and is amortized fully on straight line method over a period of legal right to use or three years, whichever is less. Other intangible assets with a finite useful life are amortized on a systematic basis over its useful life.

h) Leasehold land is fully amortized through depreciation over the period of lease or 35 years, whichever is lower, following the rates and methodology notified by CERC for the purpose of fixation of tariff as amended from time to time.

i) Tangible Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

j) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such asset determined following the applicable accounting policies relating to depreciation/ amortization.

k) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

l) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by the CERC.

m) 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.

1.21Income Taxes

Income tax expense comprises current tax and deferred tax. Current Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

a) Current income tax

Current tax is expected tax payable on taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustments to tax payable in respect of previous years.

b) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is \ recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.22 Dividend Distribution:

a) Final Dividends and interim dividends payable to Company's shareholders are recognized and accounted for in the period in which they are approved by the shareholders and the Board of Directors respectively.

b) Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

1.23 Segment Reporting:

a) Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Management.

b) Electricity generation is the principal business activity of the company. Other operations viz., Consultancy works etc. do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.

c) The company is having a single geographical segment as all its Power Stations are located within the Country.

1.24 Statement of Cash Flows

a) Cash and cash equivalents includes cash/Drafts/Cheques on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b) Statement of cash flows is prepared in accordance with the indirect method (whereby profit or loss is adjusted for effects of non-cash transactions) prescribed in Ind AS-7 "Statement of Cash Flows".

1.25 Material prior period errors

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

1.26 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle.

b) Held primarily for the purpose of trading.

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in the normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

1.27 Miscellaneous

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).

2.1 Property, Plant & Equipment

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2017	Additions during the year	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deduction	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
1	**Land**										
	Lease hold Land (including development expenses) #	1099	6	-	1105	40	19	-	59	1046	1059
	Free hold Land (including development expenses) ##	14099	68	-	14167	-	-	-	-	14167	14099
2	Buildings $	113720	3468	997	116191	9059	4203	101	13161	103030	104661
3	Roads and Bridges	5313	98	-	5411	496	221	-	717	4694	4817
4	Plant and Machinery	1442	172	16	1598	173	74	1	246	1352	1269
5	Generating Plant and Machinery *	254944	3964	201	258707	38642	11401	24	50019	208688	216302
6	Hydraulic Works(Dams, Tunnel, etc.) **	535096	1591	6610	530077	86487	21281	1084	106684	423393	448609
7	Vehicles	329	222	15	536	61	44	-	105	431	268
8	Furniture, Fixture and Equipments	1608	79	52	1635	157	108	14	251	1384	1451
9	Electrical Works	2370	274	(12)	2656	303	164	(2)	469	2187	2067
10	Electrical Equipments	294	17	16	295	40	20	2	58	237	254
11	Office Equipments	3030	331	55	3306	228	264	23	469	2837	2802
12	Data processing Equipments	610	352	266	696	337	218	242	313	383	273
	Total	**933954**	**10642**	**8216**	**936380**	**136023**	**38017**	**1489**	**172551**	**763829**	**797931**
	Previous Year :	909011	25782	839	933954	67865	68291	133	136023	797931	841146

Company has restated the opening balances of PPE during the year as per Ind-AS.

During the year Gross Block of PPE has been decapitalised by ₹ 7061 lakh (after adjusting Depreciation of ₹ 341 lakh pertaing to period prior to 01.04.2015) (P.Y.: Nil) on account of amount recoverable from contractors of RHPS in respect of Hydro Allowance. Depreciation amounting to ₹ 1458 lakh (P.Y.: Nil) has also been written back.

Lease deed for leasehold land measuring Nil (P.Y.: 39-88-05 hectare) is yet to be executed.

Possession of freehold land measuring 0-05-22 hectare (P.Y.: 0-05-22 hectare) is still to be handed over to the Company.

$ Title deeds/ title in respect of buildings costing ₹ 15 lakh (P.Y.: ₹ 15 lakh) are yet to be executed / passed in favour of the company. Expenses on stamp duty etc. shall be accounted for on registration.

$ Includes ₹ 713 lakh (P.Y.: Nil) capitalised during the year on account of provision made on the basis of arbitration award.

* Generating Plant & Machinery includes assets under operating lease having net block of ₹ 25702 lakh (P.Y.: ₹ 23398 lakh), the disclosure of arrangement of lease and terms have been made in note 2.51.

* Generating Plant & Machinery includes assets having gross value of ₹ 80 lakh (P.Y.: Nil) and W.D.V of ₹ 68 lakh (P.Y. Nil) being theft for which provision has been made.

** Includes ₹ 1509 lakh (P.Y.: Nil) capitalised during the year on account of provision made on the basis of arbitration award.

2.2 Capital Work-in-progress

(₹ Lakh)

Sl.No.	Particulars	As at April 1,2017	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2018	Capitalised during the year	As at March 31, 2018
1	Buildings	1108	801	2	1907	1332	575
2	Civil Works	14	2317	-	2331	2303	28
3	Roads, Bridges & Culverts	26	942	-	968	98	870
4	Plant and Machinery	-	13	-	13	-	13
5	Electrical Works	444	59	(2)	505	495	10
6	Electro Mechanical Works	1125	783	-	1908	640	1268
7	Preliminary	18923	13922	1	32844	1313	31531
8	Expenditure attributable to construction (Note No. 2.2.1)	22309	6724	10	29023	7	29016
	Total	**43949**	**25561**	**11**	**69499**	**6188**	**63311**
	Previous Year:	**33992**	**27741**	**-**	**61733**	**17784**	**43949**

2.2.1 Expenditure Attributable to Construction

(₹ Lakh)

	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017
Employee Benefits Expense:			
Salaries,Wages, Allowances and Benefits	4425		3590
Contribution to Provident and Other Funds	503		374
Leave Salary and Pension Contribution *	21		136
Welfare Expenses	608		367
		5557	4467
Repair and Maintenance:			
Buildings	17		49
Plant & Machinery	2		2
Office Equipments & Furnitures	7		5
Electro Mechanical Works	-		1
Vehicles	9		12
Others	64		60
		99	129
Other Expenses:			
Rent		124	116
Insurance		1	1
Security Expenses		190	106
Electricity Charges		22	20
Research and Development		-	7
Travelling & Conveyance		106	76
Training and Recruitment Expenses		24	20
Legal Expenses		1	2
Professional and Consultancy Charges		37	28
Communication Expenses		58	47
Printing & Stationery	14		14
Less: Receipts from Sale of Tenders	1		2
		13	12
Advertisement & Publicity		61	25
EDP Expenses		7	6
Hiring of Vehicles		206	169
Entertainment Expenses		9	8
Expenses on Transit Camps		101	23
Books & Periodicals		2	2
Stores Written Off		2	1
Loss on Disposal/Write off of Fixed Assets		2	-
Foundation Stone Laying Ceremony Expenses		47	-
Business Promotion Expenses		1	-
Fees and subscription		4	132
Environment & Ecology Expenses		-	4
Safety Expenses		1	-
Miscellaneous Expenses		23	31
Rehabilitation Expenses		-	482
Depreciation and Amortization Expense		72	66
Total expenses (A)		6770	5980
Less: Recovery and Receipts:			
Interest Income:			
Banks		-	1
Employees		22	14
Contractors		6	-
Misc Income		18	20
Total (B)		**46**	**35**
Net expenditure attributable to construction Projects (A-B)		**6724**	**5945**

* Leave Salary and Pension Contribution is on account of retirement benefits of deputationists working in the company payable to their parent organisations.

2.3 Other Intangible Assets

(₹ Lakh)

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2017	Additions during the year	Deductions/ Adjustments	As at March 31, 2018	As at April 1,2017	For the year	Deduction	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
1	Software	134	296	69	361	75	115	70	120	241	59
	Total:	**134**	**296**	**69**	**361**	**75**	**115**	**70**	**120**	**241**	**59**
	Previous Year :	121	13	-	134	33	42	-	75	59	88

Company has restated the opening balances of Other Intangible Assets duirng the year as per Ind-AS.

2.4 Intangible Assets under Development

(₹ Lakh)

Sl.No.	Particulars	As at April 1,2017	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2018	Capitalised during the year	As at March 31, 2018
1	Software	227	931	-	1158	227	931
	Total:	**227**	**931**	**-**	**1158**	**227**	**931**
	Previous Year :	113	114	-	227	-	227

Financial Assets-Non-current

2.5 Investments

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
	Investment in Equity instrutments		
	Non Trade-Unquoted (at cost)		
(a)	**Subsidiary Companies**		
	436680000(P.Y:436680000) Equity Shares of ₹ 10/- each in SJVN Thermal Pvt. Ltd.	43668	43668
	11056522(P.Y:11056522) Equity Shares of ₹ 62.50/- each in Arun-3 Power Development Company Pvt. Ltd.	6910	6910
(b)	**Joint Venture Companies**		
	12612473(P.Y:12612473) Equity Shares of ₹ 10/- each in Cross Border Power Transmission Company Ltd.	1261	1261
	NIL (P.Y:7707) Equity Shares of ₹ 10/- each in Bengal Birbhum Coal Fields Ltd.*	-	1
	99660500(P.Y:57660500) Equity Shares of ₹ 10/- each in Kholongchhu Hydro Energy Ltd.	9966	5766
	Share Application money pending allotment in Kholongchhu Hydro Energy Ltd.	-	1300
	Total Investment in Equity Instruments	**61805**	**58906**
	Other Investment		
	60 Fully Paid up Ordinary shares of ₹ 50/-each in NJP Employees Consumer Co-operative Store, Jhakri (₹ 3000/-)	-	-
	Total Other Investment	**-**	**-**
	Total Investments	**61805**	**58906**

* The JV agreement is in the process of termination and accordingly has been classified as Current Investment (Note no 2.13).

2.6 Trade Receivables

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
- Unsecured considered good	1273	-
Total	**1273**	**-**

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

2.7 Loans

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
Security Deposits			
- Secured considred good	-		-
- Unsecured considered good	71		54
- Doubtful	-		-
		71	54
Loans to Related Parties			
Loans to Directors			
- Secured considred good	-		5
- Unsecured considered good	-		-
- Doubtful	-		-
		-	5
Other Loans			
Loan to officers of the company			
- Secured considered good	4		15
- Unsecured considered good	7		4
- Doubtful	-		-
		11	19
Loans to other Employees			
- Secured considered good	3923		3763
- Unsecured considered good	433		428
- Doubtful	-		-
		4356	4191
Total		**4438**	**4269**

2.8 Others

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Bank Deposit with more than 12 months maturity	-	3
Total	**-**	**3**

2.9 Deferred Tax Assets (Net)

(₹ Lakh)

	As at April 1, 2017	Additions/ (Adjustments) during the period	As at March 31, 2018
Deferred Tax Assets			
Temporary Difference in Depreciation	41714	(6863)	34851
Temporary Difference in Expenses	564	(343)	221
Total	**42278**	**(7206)**	**35072**
Previous Year	35263	7015	42278

2.10 Regulatory Deferral Account Debit Balance

(₹ Lakh)

	As at April 1,2017	Movement during the year	As at March 31, 2018
Foreign exchange rate variation on foreign currency loans regarded as borrowing cost	7716	(399)	7317
Employee benefits expense (pay revision)	2436	5509	7945
Total	**10152**	**5110**	**15262**
Previous Year	13274	(3122)	10152

2.11 Other Non - current Assets

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Capital Advances		
Unsecured considered good		
-Covered by Bank Guarantees	990	95
-Others	13194	14502
Advances to Govt Departments	5225	5286
Total - Capital Advances	19409	19883
Advance other than capital advances		
Accrued Interest on Advances to Contractors	6	-
Total - Others Advances	6	-
Others		
Material at Site (Capital)	-	235
Prepaid Expenses	7	1
Deferred Empoyee Benefits Expense	1803	1957
Total - Others	**1810**	**2193**
Total Other Non- Current Assets	**21225**	**22076**

2.12 Inventories

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
Loose Tools	36		37
Stores and Spares	5020		3923
		5056	3960
Less : Provision for Shortage of store and Obsolescence		6	4
Total		**5050**	**3956**

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

2.13 Investment

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Investment in Equity instrutments		
Non Trade-Unquoted (at cost)		
(a) Joint Venture Companies		
7707(P.Y: NIL) Equity Shares of ₹ 10/- each in Bengal Birbhum Coal Fields Ltd *	1	-
Total	**1**	**-**

* The JV agreement is in the process of termination and accordingly has been classified as Current Investment.

2.14 Trade Receivables

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Secured consisdered good	-	-
Unsecured considered good	29006	61301
Total	**29006**	**61301**

Trade receivables due from Related Parties: ₹ 509 lakh (P.Y.: ₹ 472 lakh)

2.15 Cash and Cash Equivalents

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Balances with Banks:		
Current Accounts	8470	932
Term Deposits (having original maturity of upto 3 months)	7564	76405
Total	**16034**	**77337**

2.16 Other Bank Balances

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Earmarked Balance (Unpaid Dividend)	104	86
Margin Money for BG/ Letter of Credit and Pledged deposits	6192	5535
Other Term Deposits(having original maturity of more than 3 months)	338926	348538
Total	**345222**	**354159**

2.17 Loans

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
Loans to Related Parties			
Loans to Directors			
- Secured considered good	5		5
- Unsecured considered good	-		1
- Doubtful	-		-
		5	6
Loans to Other Related Parties			
Subsidiaries/joint ventures:			
- Secured considered good	-		-
- Unsecured considered good	24666		17691
- Doubtful	-		-
		24666	17691
Other Loans			
Loan to officers of the company:			
- Secured considered good	3		8
- Unsecured considered good	4		6
- Doubtful	-		-
		7	14
Loans to other Employees			
- Secured considered good	463		431
- Unsecured considered good	141		136
- Doubtful	-		-
		604	567
Other Advances:			
Unsecured considered good			
-Directors	-		1
-Oficers of the Company	1		-
-Other Employees	374		385
		375	386
Total		**25657**	**18664**

2.18 Other Financial Assets

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Interest Accrued but not due on deposits with Banks	12827	13486
Unbilled Revenue	11605	14103
Amount Receivable from Others	292	82
Amount Recoverable from Contractors & Suppliers	8657	1305
Dividend Receivable	-	241
Total	**33381**	**29217**

2.19 Current Tax Assets(Net)

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
Advance Tax Deposit	198808		164350
Tax deducted at Source	16110		13497
		214918	177847
Less:Provision for Tax		205779	170959
Total		**9139**	**6888**

2.20 Other Current Assets

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
Advances other than Capital Advances			
Other Advances			
Advances to Officers of the Company	1		-
Advances to other employees of the Company	4		10
		5	10
Advance to Suppliers and Contractors			
- Secured considered Good	-		-
- Unsecured considered good	7		61
- Doubtful	9		10
	16		71
Less Provision for Doubtful Advances	9		10
		7	61
Advances to Govt Departments			
- Secured considered Good	-		-
- Unsecured considered good *	3007		3355
- Doubtful	-		-
	3007		3355
Less: Provision for Expenditure	1723		1738
		1284	1617
Advances to Others			
- Secured considered Good	-		-
- Unsecured considered good	198		103
- Doubtful	-		-
	198		103
Less: Provision for Doubtful Advances	-		-
		198	103
Others			
Surplus Stores/Equipments	1473		1463
Less: Provision for Shortage/ Obsolescence	1152		1154
		321	309
Prepaid Expenses		3707	3914
Deferred Empoyee Benefits Expense		160	293
Amount Recoverable from Ex-Employees	7		7
Less: Provisions	7		7
		-	-
Total		**5682**	**6307**

*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 under Other Advances.

2.21 Equity Share Capital

	As At March 31, 2018		As At March 31, 2017	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
AUTHORISED				
Equity Shares of par value ₹ 10/- each	7000000000	700000	7000000000	700000
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹ 10/- each fully paid up	3929795175	392980	4136626500	413663
Total		**392980**		**413663**

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 @ ₹ 1.90 (P.Y.: ₹ 2.25) and final dividend for the year 2016-17 @ ₹ 0.50 (P.Y.: ₹ 0.47) per equity share of par value ₹ 10/- each. The Board of Directors of the company have proposed final dividend for the year 2017-18 @ ₹ 0.20 (P.Y.: ₹ 0.50) amounting to ₹ 7860 lakh (P.Y.: ₹ 20683 lakh).

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of shares	%
Government of India (GoI)	2512259826	63.93	2666611700	64.46
Government of Himachal Pradesh (GoHP)	1055014800	26.85	1055014800	25.51

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ Lakh)	No. of shares	Amount (₹ Lakh)
Number of shares at the beginning	4136626500	413663	4136626500	413663
No. of shares issued during the year	-	-	-	-
No. of shares Bought Back during the year	206831325	20683	-	-
Number of shares at the end	3929795175	392980	4136626500	413663

The Board of DIrectors of the Company approved a proposal for buyback of equity shares at its meeting held on 8th January 2018. As per approval, the Company completed buyback of 206831325 shares of ₹ 10 each (representing 5% of total paid up equity capital) on 12th March 2018, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹ 38.75 per equity share for an aggregate amount of ₹ 80147 lakh in accordance with the provisions of the Companies Act 2013 and the SEBI regulations.

2.22 Other Equity

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
A	**Capital Redemption Reserve ***		
	Opening Balance	-	-
	Add: Transfer from Retained Earnings for Buyback of Equity Shares	20683	-
	Closing Balance	**20683**	**-**
B	**Security Premium Reserve**		
	Opening Balance	1313	1313
	Add: Security Premium credited on share issue.	-	-
	Less: Utilization for BuyBack of Equity Shares	1313	-
	Closing Balance	**-**	**1313**
C	**Retained Earnings**		
	Opening Balance	733407	714811
	Add: Profit for the Year as per Statement of Profit and Loss	122488	154414
	Add: Other comprehensive income during the year	(1194)	(396)
	Less: Utilisation for Buyback of shares and related expenses	79403	-
	Less: Dividends		
	Final Dividend 2016-17	20683	19442
	Interim Dividend 2017-18	78596	93074
	Less: Tax on Dividend		
	Final Dividend 2016-17	4211	3958
	Interim Dividend 2017-18	16000	18948
	Closing Balance	**655808**	**733407**
	Total Other Equity(A+ B+C)	**676491**	**734720**

* The company is required to create a capital redemption reserve from distributable profit if the buyback of the shares is out of free reserves, the nominal value of the shares bought back is required to be transferred to capital redemption reserve.

During the year, the Company has paid interim dividend @ ₹ 1.90 (P.Y.: ₹ 2.25) and final dividend for the year 2016-17 @ ₹ 0.50 (P.Y.:₹ 0.47) per equity share of par value ₹ 10/- each. The Board of Directors of the company have proposed final dividend for the year 2017-18 @ ₹ 0.20 (P.Y.: ₹ 0.50) amounting to ₹ 7860 lakh (P.Y.: ₹ 20683 lakh).

2.23 Borrowings

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
Term Loans			
	From Banks:		
A	**Secured #**		
	Axis Bank Limited	21128	25568
	(Repayable in quarterly instalments from March 2017 to December 2023, carrying interest@ 8.05% p.a. reset after every three months)		
	Total (A)	**21128**	**25568**
	#Secured by equitable mortgage/hypothecation of all present and future fixed assets and book debts as first charge of RHPS.		
B	**Unsecured:**		
	Foreign Currency Loans		
	(Guaranteed by Govt of India)		
	World Bank (IBRD)	182406	197379
	(Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)		
	Total (B)	**182406**	**197379**
	Total Borrowings (A+B)	**203534**	**222947**

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

2.24 Other Financial Liabilities

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Deposits, Retention Money from Contractors and Others	24	21
Total	**24**	**21**

2.25 Non-current Provisions

(₹ Lakh)

Particulars	As at April 1, 2017	For the year			As at March 31, 2018
		Additions	Write Back/ Transfer	Utilization	
Unfunded Employee Benefits	4854	377	(2400)	2676	4955
Total	**4854**	**377**	**(2400)**	**2676**	**4955**
Previous Year	8952	736	4752	82	4854

2.26 Other Non-current Liabilities

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Income Received in Advance:		
- Advance Against Depreciation	77549	81242
Deferred Revenue:		
- Government Grant	6	19
- Deferred Income from Foreign Currency Fluctuation	1166	1221
Total	**78721**	**82482**

2.27 Trade Payables

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Micro and Small Scale Enterprises	10	7
Others	2535	2697
Total	**2545**	**2704**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.57.

2.28 Other Financial Liablities-Current

(₹ Lakh)

	As at March 31, 2018		As at March 31, 2017	
Current Maturities of Long Term debt				
Secured				
- Rupee Term Loans	4440		4440	
Unsecured				
- Foreign Currency Loans (Guaranteed by GOI)	15094		14255	
		19534		18695
Interest Accrued but not due on:				
- Foreign Currency Loans : World Bank	1413		1498	
: Others	-		-	
		1413		1498
Unpaid Dividend		104		86
Others Payables:				
-Liability for Employees' Remuneration and Benefits		4253		4171
Liability for Purchase/Construction of Fixed Assets:				
- Micro and Small Scale Enterprises		48		-
- Others		10095		7559
Deposits, Retention Money from Contractors and Others		15345		15844
Amount Payable to Gratuity Trust		393		1523
TDS and Other Taxes Payable		502		546
Others		22		9
Total		**51709**		**49931**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.57.
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 2.23.

2.29 Other Current Liablities

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Income Received in Advance:		
- Advance against Depreciation	3693	3693
Others	505	373
Total	**4198**	**4066**

2.30 Provisions

(₹ Lakh)

Particulars	As at April 1, 2017	For the year			As at March 31, 2018
		Additions	Write Back/ Transfer	Utilization	
Unfunded Employee Benefits	7067	402	2400	4667	402
Pay Revision	1019	6433	-	7	7445
Performance Related Pay	3043	1394	267	2733	1437
Interest on Arbitration Awards	10338	2118	1229	-	11227
Others	824	67	-	-	891
Total	**22291**	**10414**	**3896**	**7407**	**21402**
Previous Year	15127	7319	(4752)	4907	22291

2.31 Revenue from Operations

(₹ Lakh)

	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017
Sales			
Energy Sales	215871		246704
Less:			
Regulated Power Adjustment- Margin	3009		1497
Regulated Power Adjustment- Expenses	369		357
	212493		244850
Advance Against Depreciation	3693		-
	216186		244850
Less: Rebate to Customers	491		244
		215695	244606
Consultancy Income		147	140
Income from Operating Lease			
Revenue from Operating Lease	3442		2120
Less: Rebate to Customers	2		-
		3440	2120
Total		**219282**	**246866**
Other operating revenues			
Late Payment Surcharge/Interest from Beneficiaries		3715	21065
Total		**3715**	**21065**
Total Revenue from Operations		**222997**	**267931**

CERC vide its Order dated 18.05.2017 has provisionally determined the Annual Fixed Charges (AFC) at ₹ 136883 lakh for the year 2017-18 as compared to ₹ 165684 lakh for the year 2016-17 in respect of Nathpa Jhakri Hydro Power Station (NJHPS). The reduction in AFC is mainly due to reduction in depreciation as per the CERC regulations which provide that, "the depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets." Sales/billing to the beneficiaries have been made in accordance with the aforesaid Order.

CERC vide its order dated 27.01.2015 have provisionally determined the tariff of Rampur Hydro Power Station (RHPS) for the period 2014-16. Further, CERC vide its order dated 15.02.2017 has directed that the interim tariff granted by order dated 27.01.2015 in respect of RHPS shall continue to be in force till the tariff of the generation station for the period 2014-19 is determined. The sales/billing to the beneficiaries have been made in accordance with the above order.

During the year, the Company has regulated the power of BYPL (P.Y: BYPL and J&K) after this company failed to pay outstanding dues and sold the power allocated to this company through PTC as per CERC(Regulations of Power Supply) Regulations,2010. Accordingly 166.17 MUs (P.Y: 175.250 MUs) of power was sold through PTC amounting to ₹ 5331/- lakh (P.Y: ₹ 4322/- lakh) and included in Energy Sales. An amount of ₹ 3009 /-lakh (P.Y. : ₹ 1497/- lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from trade receivables and Sales after adjusting the expenses of ₹ 369/- lakh (P.Y: ₹ 357/- lakh) on Sale through PTC.

2.32 Other Income

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Interest Income			
Banks	29354		33324
Employees	636		454
Contractors	8		835
		29998	34613
Other Non-Operating Income			
Interest on Income Tax Refund		31	468
Receipt of Maintenance of ICF		222	224
Dividend from Subsidiary / Associate / Joint Venture		164	241
Foreign Currency Fluctuation Adjustment		55	189
Sale of Scrap		45	17
Sales of Carbon Credit		-	6453
Miscellaneous Income #		5195	1854
Total		**35710**	**44059**
# Details of Miscellaneous Income:			
Hire Rental Charges from Contractor		2	2
Profit on Sale of Fixed Assets		48	14
Rent Recovery from Staff/Others		50	54
Excess Provision Written Back		1412	22
Liquidated Damages recovered		3205	137
Claim Received from Insurance Company		8	326
Other Misc. Receipts		470	1299
Total		**5195**	**1854**

2.33 Employee Benefits Expense

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Salaries,Wages, Allowances and Benefits	21166		20041
Contribution to Provident and Other Funds	2800		3093
Leave Salary and Pension Contribution *	94		647
Welfare Expenses	2594		1716
		26654	25497
Less: Transferred to C.S.R. Expenses (Note No 2.36)		132	158
Total		**26522**	**25339**

*Leave Salary and Pension Contribution is on account of retirement benefits of deputationists working in the company payable to their parent organisations.

2.34 Finance Costs

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Interest Expenses on:			
Foreign Currency Loans	3228		2958
Rupee Term Loans	2272		3240
Exchange differences regarded as adjustment to borrowing costs.	35		(4676)
		5535	1522
Other Borrowing Costs			
Finance Charges		2847	3048
Total		**8382**	**4570**

2.35 Depreciation and Amortization Expense

(₹ Lakh)

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Depreciation for the Year	38132	68333
Less: Depreciation attributable to Construction (Note No 2.2.1)	72	66
Less: Depreciation written back	1609	269
Depeciation Charged to Statement of Profit & Loss	**36451**	**67998**

2.36 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Repair and Maintenance:			
Buildings	1395		1133
Roads	218		724
Plant & Machinery	865		584
Office Equipments & Furnitures	45		39
Civil Works	878		827
Electro Mechanical Works	2545		2892
Vehicles	92		97
Others	473		342
		6511	6638
Rent		867	917
Rates & Taxes		24	29
Insurance		4729	4355
Security Expenses		3877	2256
Electricity Charges	1525		1297
Less: Recovered from Employees & Contractors	39		40
		1486	1257
Research and Development		-	64
Travelling & Conveyance		449	379
Training and Recruitment Expenses	366		215
Less: Cost of Application Forms Received	3		8
		363	207
Legal Expenses		127	143
Professional and Consultancy Charges		229	132
Communication Expenses		207	196
Printing & Stationery	157		95
Less: Receipts from Sale of Tenders	16		22
		141	73
Payment to Auditors		22	23
Advertisement & Publicity		349	255
EDP Expenses		84	104
Hiring of Vehicles		847	737
Entertainment Expenses		32	34
Expenses on Transit Camps		47	105
Books & Periodicals		13	12
C.S.R./ Sustainable Development Expenses		3750	3394
Stores Written Off		10	8
Loss on Disposal/Write off of Fixed Assets		73	1
Directors Sitting Fees		20	14
Business Promotion Expenses		326	109
Fees and subscription		301	248
Environment & Ecology Expenses		124	153
Safety Expenses		642	434
Interest on arbitration awards		1704	948
Miscellaneous Expenses		197	277
Exchange Rate Variation		74	(49)
Project Inauguration Expenses		-	115
Expenses on Regulated Power	369		357
Less: Regulated Power Adjustment - Sales	369		357
		-	-
Total		**27625**	**23568**
Stores Consumption Included in Repairs and Maintenance		**1598**	**1931**

NOTE-2.37 : Disclosure on Financial Instruments and Risk Management

(1)Fair Value Measurement

A) Financial Instruments by category

(₹ Lakh)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
		Amortised Cost	Amortised Cost
Financial assets			
Non-current Financial assets			
(i) Non-current investments			
-Equity Instrument (Unquoted)	2.5	61805	58906
(ii) Trade receivables	2.6	1273	-
(iii) Loans (to employee & others)	2.7	4438	4269
(iv) Others:			
-Bank Deposits with more than 12 Months Maturity	2.8	-	3
Current Financial assets			
(i) Current Investments	2.13	1	-
(ii) Trade receivables	2.14	29006	61301
(iii) Cash and cash equivalents	2.15	16034	77337
(iv) Bank balances other than (iii) above	2.16	345222	354159
(v) Short-term loans (to employee & others)	2.17	25657	18664
(vi) others :			
(a) Amount recoverable	2.18	8949	1387
(b) interest receivable on investments and bank deposits	2.18	12827	13486
(c) other receivables	2.18	11605	14344
Total		**516817**	**603855**
Financial Liabilities			
Non-current Financial Liabilities			
(i) Long-term borrowings			
a) Term Loan From Domestic Bank	2.23	21128	25568
b) Term Loan from others	2.23	182406	197379
(ii) Deposits/Retention Money-non current	2.24	24	21
Current Financial Liabilities			
(i)Trade Payables including MSMED	2.27	2545	2704
(ii) Other Current financial liabilities			
a) Current Maturity of Term Loan from Domestic bank	2.28	4440	4440
b) Current Maturity of Term Loan from others	2.28	15094	14255
c) interest accrued but not due on borrowings	2.28	1413	1498
d) Deposits/Retention Money	2.28	15345	15844
e) Liability against Capital Works/Supplies	2.28	10143	7559
f) Other Payables	2.28	5274	6335
Total		**257812**	**275603**

Note:The company does not classify any financial asset/financial liability at fair value through profit or loss (FVTPL) & fair value through other comprehensive income (FVTOCI).

B) FAIR VALUATION MEASUREMENT

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has to classify its financial instruments into the three levels prescribed under the accounting standards.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date. The company has no financial instruments that are listed and traded in recongised Stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes security deposits/ retention money and loans at below market rates of interest.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed: (₹ Lakh)

	Note No.	As at March 31, 2018			As at March 31, 2017		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Loans (to employee & others)	2.7 & 2.17	-	30095	-	-	22933	-
(ii) Others	-	-	-	-	-	-	-
-Bank Deposits with more than 12 Months Maturity	2.8	-	-	-	3	-	-
Total Financial Assets		**-**	**30095**	**-**	**3**	**22933**	**-**
Financial Liabilities							
(i) Long-term borrowings (inclding Current Maturity and interest)	2.23 & 2.28	-	224481	-	-	243140	-
(ii) Deposits/Retention Money (including Current)	2.24 & 2.28	-	15369	-	-	15865	-
Total Financial Liabilities		**-**	**239850**	**-**	**-**	**259005**	**-**

(ii) Valuation techniques and process used to determine fair values

The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

- Use of Quoted market price or dealer quotes for similar intruments.
- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

The company has a team that performs the valuation of financial assets and liabilities required for financial reporting purpose .

(iii) Fair value of Financial Assets and liabilities measured at Amortised Cost (₹ Lakh)

	Note No.	As at March 31, 2018		As at March 31, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortised Cost					
(i) Loans	2.7 & 2.17	32058	30095	25183	22933
(ii) Bank Deposits with more than 12 Months Maturity	2.8	-	-	3	3
Total Financial Assets		**32058**	**30095**	**25186**	**22936**
Financial Liabilities at Amortised Cost					
(i) Long-term borrowings (including Current Maturity and interest)	2.23 & 2.28	224481	224481	243140	243140
(ii) Deposits/Retention Money (including Current)	2.24 & 2.28	15373	15369	15868	15865
Total Financial Liabilities		**239854**	**239850**	**259008**	**259005**

Significant Estimates:

Note:

1. The Carrying amount of current investments, Trade and other receivables, Cash and cash equivalents, Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilitties are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilites measured at fair value, the carrying amounts are equal to the fair value.

(2) Financial Risk Management

Financial risk factors

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, investments and cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

The ageing of trade receivable is as below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Trade receivables and financial assets measured at amortised cost.	Ageing analysis	diversification of bank deposits, credit limits and letter of credit.
Liquidity Risk	Borrowings and other facilities.	Rolling cash flow forecasts	availability of committed credit lines and borrowing facilities.
Market Risk- Interest rate	Long term borrowings at variable rates.	sensitivity analysis	1. Diversification of fixed rate and floating rates. 2. Refinancing 3. Actual interest is recovered through tariff as per CERC Regulation.
Market Risk- foreign exchange	Recognised financial liabilities not denominated in INR.	sensitivity analysis	Foreign exchange rate variation on loans is recovered through tariff as per CERC regulation.

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions.

ii) Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2018 and 31st March, 2017.

The company operates in regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above, Foreign Currency Exchange Variation and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

The company's risk management is carried out as per policies approved by Board of Directors from time to time.

(A) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

a) Trade Receivables

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets.

CERC tariff regulations 2014-19 allows the Company to raise bills on beneficiaries for late-payment surcharge which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables.

b) Financial assets at amortised cost

Employee Loans: The Company has given loans to employees at concessional rates as per the Company's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed installment basis from the monthly salary of the employees. Management has assessed the past data and does not envisage any probability of default on these loans.

c) Financial instruments and cash deposits

The Company considers factors such as track record, size/networth of the institution/bank, market reputation and service standards and limits and policies as approved by the board of directors to select the banks with which balances and deposits are maintained. The Company invests surplus cash in short term deposits with scheduled Banks.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturities of Financial Liabilities:

The table below provides undiscounted cash flows towards company's financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date. Balance due within 1 year is equal to their carrying balances as the impact of discounting is not significant. (refer Note 2.23, 2.24, 2.27 and 2.28 of balance sheet)

As at March 31, 2018

Contratual maturities of financial liabilities	Note No.	Outstanding Debt As at March 31, 2018	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Years
1. Borrowings (including interest accrued but not due)	2.23 & 2.28	224481	20947	19534	41766	142234
2 Other financial Liabilities	2.24 & 2.28	30786	30762	24	-	-
3.Trade Payables	2.27	2545	2545	-	-	-
Total Financial Liabilities		**257812**	**54254**	**19558**	**41766**	**142234**

As at March 31, 2017

Contratual maturities of financial liabilities	Note No.	Outstanding Debt As at March 31, 2017	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Years
1. Borrowings (including interest accrued but not due)	2.23 & 2.28	243140	20193	39930	43665	139352
2 Other financial Liabilities	2.24 & 2.28	29759	29738	21	-	-
3.Trade Payables	2.27	2704	2704	-	-	-
Total Financial Liabilities		275603	52635	39951	43665	139352

(C) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

(i) Interest rate risk and sensitivity

The Comapny's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates and any changes in the interest rates environment may impact future cost of borrowing. Company does not have fixed rate borrowings.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows: (₹ Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Variable Rate Borrowings (FC)	197500	211634
Variable Rate Borrowings (INR)	25568	30008
Total	**223068**	**241642**

Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

(₹ Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Effect on Profit Before Tax with rise of 25 basis points	(558)	(604)
Effect on Profit Before Tax with rise of 50 basis points	(1115)	(1208)

(ii) Price Risk:

(a) Exposure

The company has no exposure to price risk as there is no investment in equity shares which are listed in recognised stock exchange and are publicly traded in the stock exchanges.

(iii) Foreign Currency Risk

The company is compensated for variability in forign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

(a) Foreign Currency Risk Exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

(₹ Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Foreign Currency	**USD**	**USD**
Net Exposure to foreign currency risk (asset)	-	-
Financial Liabilities:		
Foreign currency loan including interest accrued but not due (₹ in Lakh)	198913	213132
Net Exposure to foreign currency risk (liabilities) (₹ in Lakh)	198913	213132

i. The above foreign currency risk exposure is for foreign currency loans taken for construction of Rampur Hydro Power Station from World Bank. As per accountig policy of the company transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of fixed assets entered up to March 31, 2016 are adjusted to carrying cost of fixed assets.

The Company has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities. However, there is no impact on the Profit & Loss of the company due to change in foreign currency rates as the same is the pass through item to the beneficiaries as per CERC guidlines applicable to the period 2014-19.

(3) Capital Management

(a) Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2018.

The Company monitors capital using Debt Equity ratio, which is net debt divided by total capital. The Debt Equity ratio are as follows:

Statement of Debt Equity Ratio

(₹ Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Total Debt	224481	243140
(b) Total Capital	1069471	1148383
Debt Equity Ratio (a/b)	0.21	0.21

Note: For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(b) Loan Covenents:

Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenents:-

1. Company shall maintain credit rating AA and if rating comes down, rate of interest shall be increased by 65 basis point for each notch below AA rating in accordance with the applicable rates.
2. Debt to net worth should not exceed 2:1.

During the year the company has complied with the above loan covenants.

(c) Dividends: (₹ in Lakh)

(i) Equity Shares	As at March 31, 2018	As at March 31, 2017
Final dividend for the year 2016-17 of ₹ 0.50 per fully paid share approved in Sep-2017. (₹ 0.47 per fully paid share for FY 2015-16 approved in Sep-2016).	20683	19442
Interim dividend for the year ended 31st March, 2018 of ₹ 1.90 per fully paid share (For the year ended 31st March 2017- ₹ 2.25 per fully paid share).	78596	93074
(ii) Dividend not recognised at the end of the reporting period	**7860**	**20683**

Other Explanatory Notes to Accounts

2.38 Contingent Liabilities:-

a) Claims against the Company not acknowledged as debts in respect of: (₹ Lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Works	36889	25552
Land Compensation	1787	1791
Disputed Service Tax Demand*	-	1236
Others	165	165
Total	**38841**	**28744**

* During the year disputed service tax demand has been vacated by Excise and Customs department.

(i) Capital works

Contractors have lodged claims aggregating to ₹ 37715 Lakh (previous year ₹ 27607 Lakh) against the Company on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are laying at arbitration tribunal/ other forums/under examination with the Company.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to ₹ 1787 Lakh (previous year ₹ 1791 Lakh) before various authorities/courts. Company has shown the same as contingent liability as possibility of any outflow in settlement of these claims is considered as remote.

(iii) Others

Claims on account of other miscellaneous matters is amounting to ₹ 165 lakh (previous year ₹ 165 lakh) mainly on account of notice served by H.P Govt. under Himachal Pradesh Public Premises and Land (Eviction and Rent Recovery) Act, 1971. Writ petition in respect of above mentioned case was admitted by Hon'ble High court and is pending for hearing.

(a) The above is summarized as below: (₹ Lakh)

Sl. No.	Particulars	Claims as on 31.03.2018	Provision against the claims	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Net Addition of contingent liability for the period
1.	Capital Works	37715	826	36889	25552	11337
2.	Land Compensation	1787	-	1787	1791	(4)
3.	Disputed Service Tax demand	-	-	-	1236	(1236)
4.	Others	165	-	165	165	-
	Total	**39667**	**826**	**38841**	**28744**	**10097**

(b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) The company's management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

2.39 Detail of Contingent Assets: (₹ Lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
1) JHC Pertaining of demand of SJVN for recovery of cost in lieu of non returning of dewatering equipment.	43	43
2) Late Payment Surcharge due from beneficiaries	55007	48434
3) Counter Claim for Interest accrued on advance paid to JHC	10369	10369
4) Amount expected to be due against final Tariff of RHPS	68637	47437
5) Insurance claims	60	116
Total	**134116**	**106399**

2.40 Estimated amount of commitments not provided for is as under:

(₹ Lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	63228	34662
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	14171	7800
Total	**77399**	**42462**

2.41 On 14.02.2018, an earth fault followed by over current took place in the 3.3 MVA 11kV HT incomer & Y-Phase of 6.25MVA 11/66 kV transformer at 66 kV switchyard of Charanka Solar Power Project. This resulted into fire in HT panel & transformer and shut down of the whole plant till 24.04.2018. As per condition of the contract, a fire policy has been taken by the contractor, who is responsible for preparing and conducting all and any claim made under the said policy.

2.42 Balances of trade receivables, advances, deposits, trade payables, are reconciled periodically. However, as on 31.03.2018 out of ₹ 74354 lakh trade receivables, deposits, material lying with third parties etc an amount of ₹ 67676 lakh has been confirmed and balance amount of lakh ₹ 6678 lakh are subject to confirmation and consequential adjustment. Further trade payables amounting to ₹ 2545 lakh which includes provisions/estimated liabilities are yet to be confirmed, which in the opinion of the management will not have a material impact.

2.43 The effect of foreign exchange fluctuation during the year is as under: **(₹ Lakh)**

		Year ended 31.03.2018	Year ended 31.03.2017
(i)	Amount charged to Statement of Profit and Loss excluding depreciation: - As FERV - As Borrowing cost*	 74 35	 (49) (4676)
(ii)	Amount charged to Expenditure Attributable to Construction: - As FERV - As Borrowing cost	 - -	 - -
(iii)	Amount adjusted by addition to carrying amount of fixed assets	-	-

* There is however no impact on profitability of the Company, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms &Conditions of tariff) Regulations.

2.44 Disclosure under the provisions of IND-AS-19 'Employee Benefits':-

General description of various defined employee benefits are as under:

a) Defined Contribution plans:

(i) 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) 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 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. The liability for the same is recognized on the basis of actuarial valuation. Further, contribution to employee pension scheme is paid to the appropriate authorities.

(ii) 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.

(iii) 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 is recognised on the basis of actuarial valuation.

(iv) 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 scheme is being managed by a separate trust created during the year for the purpose and obligation of the company is to make contribution to the trust based on actuarial valuation. The liability towards the same is recognised on the basis of actuarial valuation.

(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 is paid as per the rules of the Company. The liability towards the same is recognised on the basis of actuarial valuation.

(vi) 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 is recognised on the basis of actuarial valuation.

I. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As at 31.03.2018	As at 31.03.2017
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.60%	7.50%
Future Salary Increase	6.50%	6.00%

II. Employee benefit obligations at the end of year: (₹ Lakh)

Particulars	As at 31-03-2018			As at 31-03-2017		
	Current	Non-Current	Total	Current	Non-Current	Total
Leave obligations	394	4678	5072	496	6469	6966
Gratuity	408	6690	7098	353	6074	6427
Post Retirement Medical Scheme (PRMS)	6	6000	6006	5	4695	4699
Long Service Award Liability	3	132	134	2	112	114
Settlement Allowance On Retirement (Exit)	7	143	151	7	135	142
Total employee benefit obligations	818	17643	18461	863	17485	18348

III. Change in Present Benefit Obligation (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present value of obligation as at the beginning of the period	6966	5154	6427	4735	4699	4094	142	115	114	81
Acquisition adjustment	-	-	-	38	-	-	-	-	-	-
Interest Cost	522	413	482	379	353	328	11	9	9	6
Service Cost	424	725	487	571	311	278	12	13	10	9
Past Service Cost including curtailment (Gains)/Losses	-	-	-	516	-	-	-	-	-	-
Benefits Paid	(4048)	(623)	(181)	(264)	(137)	(141)	(20)	(22)	(8)	(9)
Total Actuarial (Gain)/ Loss on Obligation	1208	1297	(117)	452	780	141	6	27	9	26
Present value of obligation as at the End of the period	5072	6966	7098	6427	6006	4699	151	142	134	114

IV. Amount Recognized in Balance Sheet (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of the obligation at end	5072	6966	7098	6427	6006	4699	151	142	134	114
Fair value of plan assets	-	-	6705	4904	6006	-	-	-	-	-
Unfunded Liability/ provision in Balance Sheet	(5072)	(6966)	(393)	(1523)	-	(4699)	(151)	(142)	(134)	(114)
Unfunded Liability recognized in Balance Sheet	(5072)	(6966)	(393)	(1523)	-	(4699)	(151)	(142)	(134)	(114)

V. Amount Recognized in the Statement of Profit and Loss/EDC Account (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Total Service Cost	424	725	487	1086	311	278	12	12	10	9
Net Interest Cost	522	412	-	-	353	328	11	9	9	7
Net actuarial (gain) / loss recognized in the period	1208	1297	-	-	-	-	-	-	-	-
Expense recognized in the Income Statement	2154	2434	487	1086	664	606	23	21	19	16

VI. Amount Recognized in the Statement of Other Comprehensive Income (OCI) (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-	-	-	-	-	-	-
Actuarial gain / (loss) for the year on PBO	-	-	(119)	(452)	(780)	(141)	(6)	(27)	(9)	(26)
Actuarial gain /(loss) for the year on Asset	-	-	(23)	5	-	-	-	-	-	-
Unrecognized actuarial gain/(loss) at the end of the year	-	-	(142)	(447)	(780)	(141)	(6)	(27)	(9)	(26)

VII. Sensitivity analysis

a) Impact of the change in discount rate) (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of Obligation at the end of the period	5072	6966	7098	6427	6006	4699	151	142	134	114
Impact due to increase of 0.50 %	(209)	(329)	(301)	(280)	(361)	(317)	(7)	(6)	(6)	(6)
Impact due to decrease of 0.50 %	226	358	325	303	372	323	7	6	6	6

b) Impact of the change in Salary Increase / Medical Cost rate (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of Obligation at the end of the period	5072	6966	7098	6427	6006	4699	151	142	134	114
Impact due to increase of 0.50 %	227	362	155	184	376	325	7	6	6	6
Impact due to decrease of 0.50 %	(212)	(335)	(164)	(194)	(368)	(319)	(7)	(6)	(6)	(6)

VIII. a) Change in Present Benefit Obligation (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Present value of obligation as at the beginning of the period	35406	30886
Acquisition adjustment	-	-
Interest Cost	2655	2471
Service Cost	990	1222
Contributions by Planned Participants/employees	2242	3299
Benefits Paid	(1552)	(2757)
Total Actuarial (Gain)/Loss on Obligation	375	264
Settlement/Transfer in	25	21
Present value of obligation as at the End of the period	40141	35406

b) Amount Recognized in Balance Sheet (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Present Value of the obligation at end	40141	35406
Fair value of plan assets	40366	35627
Deficit/(Surplus) of funded plans	225	221
Unfunded Liability/Asset recognized in Balance Sheet	-	-

c) Amount Recognized in the Statement of Profit and Loss/EDC Account (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Total Service Cost	990	1223
Past Service Cost including curtailment (Gains)/Losses	-	(20)
Expense Recognized in Income Statement	990	1203

d) Amount Recognized in the Statement of Other Comprehensive Income (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	(375)	(263)
Actuarial gain /(loss) for the year on Asset	379	218
Unrecognized actuarial gain/(loss) at the end of the year	4	(45)

e) Sensitivity analysis of the Defined Benefit Obligation.

Impact of the change in discount rate (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Present Value of Obligation at the end of the period	40141	35406
Impact due to increase of 0.50 %	(4)	(4)
Impact due to decrease of 0.50 %	4	4

IX. Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Medical cost increase- Increase in actual medical cost per retiree will increase the plans liability. Increase in medical cost per retiree rate assumption will also increase the liability.

C) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

D) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

E) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

F) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

The expected maturity analysis of Gratuity, Earned leave encashment, TTA/Settlement allowance on retirement, Employee Provident fund, Retirement gifts and Post Retirement Medical Scheme.

Particulars 31-Mar-18	Less than a year	Between 1-5 years	Over 5 years	Total
Gratuity	408	847	5843	7098
Earned Leave encashment	395	1554	3123	5072
TTA/Settlement allowance on retirement (exit)	3	26	105	134
Employee Provident fund	3857	9078	27206	40141
Retirement Gifts/Long service award liability	7	33	111	151
Post Retirement Medical Scheme	127	655	5224	6006
TOTAL	**4797**	**12193**	**41612**	**58602**
Particulars 31-Mar-17				
Gratuity	353	998	5076	6427
Earned Leave encashment	496	1787	4683	6966
TTA/Settlement allowance on retirement (exit)	2	23	89	114
Employee Provident fund	2884	7538	24984	35406
Retirement Gifts/Long service award liability	7	29	106	142
Post Retirement Medical Scheme	92	480	4127	4699
TOTAL	**3834**	**10855**	**39065**	**53754**

2.45 Segment information:

a) Operating Segments are defined as components of an enterprise for which financial information is available that is evaluated regularly by the Management in deciding how to allocate resources and assessing performance.

b) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS – 108 on ‘Segment Reporting’.

c) The Company is having a single geographical segment as all its Power Stations are located within the Country.

d) Information about major customers:

S. No	Name of Customer	Revenue from Customers (₹ Lakh)		Revenue from customer as a % of total revenue from sales	
		F.Y. 2017-18	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2016-17
1	Govt. of H.P.	54661	63783	24.93	25.84
2	PDD, J&K	26522	25799	12.10	10.45
3	U.P. Power Corporation	38605	52262	17.61	21.17
4	Punjab State Power Corporation Ltd	23821	28187	10.86	11.42

e) Revenue from External Customers: The group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below :

S.No	Revenue from External Customers	F.Y. 2017-18	F.Y. 2016-17
1	Nepal (Consultancy)	147	20
2	Bhutan (Consultancy)	-	5
	Total	**147**	**25**

2.46 Information on ‘Related Party Disclosures’ as per Ind AS 24 is provided as under:

a) List of Related Parties –

i) Directors & Key Management Personnel:

Shri Nand Lal Sharma	Chairman and Managing Director (CMD) w.e.f 01.12.2017 Director (Personnel) up to 30.11.2017
Shri Ramesh Narain Misra	Chairman and Managing Director (CMD) up to 30.11.2017
Shri Amarjit Singh Bindra	Director (Finance)
Shri Rakesh Kumar Bansal	Director (Electrical)
Shri Kanwar Singh	Director (Civil)
Smt. Archana Agrawal	Nominee Director, Government of India
Shri Ram Dass Dhiman	Nominee Director, Government of Himachal Pradesh
Shri Ganesh Dutt	Independent Director
Dr. Rajni Sarin	Independent Director
Sh. Pravin Bhai Patel	Independent Director
Sh. Shamsher Singh Uppal	Independent Director
Shri Soumendra Das	Company Secretary

ii) Entities where control / significant influence exists

Subsidiaries:

Name of Entity	% of Shareholding/ voting Power			
	Principal Place of Operation/ Country of Incorporation	Principal activities	As at March 31, 2018	As at March 31, 2017
SJVN Arun-3 Power Development Company Pvt. Ltd (Incorporated in Nepal)	Nepal	Power Generation	100%	100%
SJVN Thermal Pvt. Ltd (Incorporated in India)	India	Power Generation	100%	100%

iii) Joint Ventures:

Name of Entity	% of Shareholding/ voting Power			
	Principal Place of Operation/ Country of Incorporation	Principal activities	As at March 31, 2018	As at March 31, 2017
Cross Border Power Transmission Company Ltd.	India	Power Transmission	26%	26%
Kholongchhu Hydro Energy Limited	Bhutan	Power Generation	50%	50%
Bengal Birbhum Coalfields Limited*	India	Coal Mining	7.7%	7.7%

*The JV agreement is in the process of termination and accordingly has been shown as Current Investments.

iv) List of Other Related Parties:

Name of Other Related Parties	Principal place of operation	Nature of Relationship
NJPC Ltd. Employees Provident Fund Trust	India	Post-employment benefit plan of SJVN
NJPC Ltd. Employee Gratuity Fund	India	Post-employment benefit plan of SJVN
SJVN Employees Defined Contribution Pension Fund.	India	Post-employment benefit plan of SJVN
Fund for SJVN Post Retirement Medical Scheme (PRMS)	India	Post-employment benefit plan of SJVN
SJVN Foundation Trust	India	CSR-Trust

b) Transactions with related parties-

i) Transactions with Joint Ventures and Key Management Personnel (KMP) are as follows. (₹ Lakh)

	Particulars	Subsidiary Companies		Joint Ventures Companies		Key Management Personnel (KMP)& their relative	
		F.Y. 2017-18	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2016-17
A	**Transactions During the Year**						
1.	**Investment in Share Capital**						
a)	SJVN Arun-3 Power Development Company Pvt. Ltd.	-	6610	-	-	-	-
b)	SJVN Thermal Pvt. Ltd.	-	-	-	-	-	-
c)	Cross Border Power Transmission Company Ltd.	-	-	-	229	-	-
d)	Bengal Birbhum Coalfields Limited	-	-	-	-	-	-
e)	Kholongchhu Hydro Energy Limited	-	-	4200	3720	-	-
2.	**Share Application Money.**						
a)	Cross Border Power Transmission Company Ltd.	-	-	-	-	-	-
b)	Kholongchhu Hydro Energy Limited	-	-	-	1300	-	-
3.	**Consultancy Fee Received**						
a)	SJVN Arun-3 Power Development Company Pvt. Ltd.	147	20	-	-	-	-
b)	Cross Border Power Transmission Company Ltd.	-	-	-	85	-	-
4.	**Dividend**						
a)	Cross Border Power Transmission Company Ltd.	-	-	164	241	-	-
5.	**Sitting Fees**	-	-	-	-	20	14
6.	**Remuneration**	-	-	-	-	6	2
B.	**Outstanding Balances at the year end.**						
1.	**Amount Recoverable**						
a)	SJVN Arun-3 Power Development Company Pvt. Ltd.	19259	14361	-	-	-	-
b)	SJVN Thermal Pvt. Ltd.	5239	3199	-	-	-	-
c)	Cross Border Power Transmission Company Ltd.	-	-	-	-	-	-
d)	Kholongchhu Hydro Energy Limited	-	-	168	131	-	-

ii) Loans to/from Key Management Personnel (KMP) (₹ Lakh)

Particulars	Key Management Personnel (KMP)	
	31.03.2018	31.03.2017
Loan to KMPs		
Beginning of the Year	13	23
Loans advanced	-	5
Loan repayments received	5	15
Interest charged	-	1
Interest received	2	1
End of the year/period	6	13

Note: Loan/Recoverable from/to subsidiaries/JVs is ₹ 24666 Lakh (Previous Year ₹ 17691 Lakh). Loan from Key Management Personnel (KMP), their relatives & enterprise over which KMPs have significant influence is Rs. NIL (Previous Year NIL)

Terms & conditions:

1) Loans to KMPs include House Building Advance and Education Loan. These advances are interest bearing at concessional rates as per policy of the Company.

2) Management/Consultancy services provided to subsidiaries/Joint Ventures and other transactions were on normal commercial terms and conditions at market rates.

iii) Transaction with Trust created for Post employment Benefit plans/CSR of SJVN are as follows:- (₹ Lakh)

Sr. No.	Name of the Trust	Nature of transaction	2017-18	2016-17
1	Nathpa Jhakri Power Corporation Ltd. Employees Provident Fund Trust	Contributions during the year	4902	4766
2	NJPC Ltd. Employee Gratuity Fund	Contributions during the year	1523	199
3	SJVN Employees Defined Contribution Pension Fund.	Contributions during the year	1821	1791
4	Fund for SJVN PRMS	Contributions during the year	6140	-
5	SJVN Foundation Trust	Contributions during the year	3750	3394

2.47 Remuneration to Directors & Key Managerial Personnel (₹ lakh)

		Year ended 31.03.2018	Year ended 31.03.2017
i)	Short Term Employee Benefits	296	234
ii)	Post Employment Benefits	5	9
iii)	Other Long Term Employee Benefits	26	27
	Total	327	270

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

2.48 Interest in Other Entities:

a) Subsidiaries

The group's subsidiaries as at 31st March, 2018 are set out below. The equity share capital of these companies is held directly by the Company. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal Activities	Country of Incorporation	% Equity Interest	
			As at 31.03.2018	As at 31.03.2017
1 SJVN Arun-3 Power Development Group Pvt. Ltd	Generation/ Transmission of Power	Nepal	100%	100%
2 SJVN Thermal Pvt. Ltd	Generation of Power	India	100%	100%

b) Interest in joint ventures

The group's interest in joint ventures as at 31st March, 2018 are set out below which in the opinion of the management, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the Company. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. (₹ lakh)

Name of entity	Place of Business	% of ownership interest	Relationship	Quoted Fair Value		Carrying amount	
				31st March 2018	31st March 2017	31st March 2018	31st March 2017
Kholongchhu Hydro Energy Limited	Bhutan	50	Joint Venture (1)	*	*	9966	7066
Cross Border Power Transmission Company Limited	India	26	Joint Venture (2)	*	*	1261	1261

* Unlisted entity- no quoted price available

1. The company has 50% interest in Kholongchhu Hydro Energy Limited, which is a joint venture with Druk Green Power Corporation Limited of Bhutan. The joint venture is involved in the construction and operation of Kholongchhu Hydro Power Project in Bhutan.
2. The Company has 26% interest in Cross Border Power Transmission Company Limited. The company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in establishment, operation & maintenance and transfer of Indian Portion of Indo-Nepal Cross Border Transmission Line from Muzaffarpur to Dhalkebar.

Summarised balance sheet as at 31 March 2018 using the Equity Method : (₹ lakh)

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Current Assets				
Cash and cash equivalents	76	367	1037	2261
Other Assets	38	23	5712	5526
Total Current Assets	**114**	**390**	**6749**	**7787**
Total Non-current Assets	**20714**	**11807**	**20025**	**21000**
Current liabilities				
Current financial liabilities excluding trade and other payables and provisions)	140	147	1646	1844
Other Liabilities	709	493	781	1729
Total Current Liabilities	**849**	**640**	**2427**	**3573**
Non-current liabilities				
non-current financial liabilities (excluding trade and other payables and provisions)	47	25	15995	17274
Other Liabilities	-	-	439	564
Total Non-current Liabilities	**47**	**25**	**16434**	**17838**
Net Assets	**19932**	**11532**	**7913**	**7376**

Summarised statement of Profit and Loss using Equity Method: **(₹ Lakh)**

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	As at 31.03.2018	As at 31.03.2017	As at 31.03.2018	As at 31.03.2017
Revenue	-	-	447	560
Interest Income/Other Income	-	-	3149	3564
Cost of raw material and components consumed	-	-	-	-
Depreciation & amortization	-	-	2	2
Finance cost	-	-	1771	1835
Employee benefit	-	-	104	120
Other expense	-	-	423	403
Profit before tax	-	-	1295	1765
Profit for the year (continuing operations)	-	-	1295	1765
Total comprehensive income for the year (continuing operations)	-	-	1295	1765

2.49 Earnings Per Share:-

Calculation of Earnings Per Share (Basic and Diluted) is as under:

	Year Ended 31.03.2018	Year Ended 31.03.2017
Net Profit after Tax but before Regulatory Income used as numerator (₹ Lakh)	118469	156870
Net Profit after Tax and Regulatory Income used as numerator (₹ Lakh)	122488	154414
Weighted Average number of equity shares used as denominator	4125293277	4136626500
Earnings per Share before Regulatory Income (₹) – Basic & Diluted	2.87	3.79
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	2.97	3.73
Face value per share (₹)	10	10

2.50 Impairment of Assets-

Ind AS 36, in the opinion of the management there is no indication of any significant impairment of assets during the year.

2.51 Disclosure Regarding Embedded Lease:

The Company has entered into arrangement with

i) Maharashtra State Electricity Board (MSEB) for sale of wind power from Khirvire Wind power station for a period of 13 years. Under the agreements, the MSEB is obliged to purchase the output at fixed per unit price.

ii) Gujarat Urja Vikas Nigam Limited (GUVNL) for sale of Solar power from Charanka Solar Park for a period of 25 years .

iii) Gujarat Urja Vikas Nigam Limited (GUVNL)) for sale of wind power from Sadla Wind Power Project for a period of 25 years.

Accordingly, the Company has classified the Power Station as Operating Leases as per Appendix-C to Ind AS 17- Leases.

Revenue from operation under note no. 2.31 includes an amount of ₹ 3440 Lakh (P.Y ₹ 2120 lakh) from sale of power from these plant.

Future minimum rental receivable under non-cancellable operating leases as on 31.03.2018 are as follows.

Particulars	**31.03.2018**	**31.03.2017**
Within one year	NIL	NIL
After one year but not more than five years	NIL	NIL
Total	**NIL**	**NIL**

2.52 Other disclosures as per Schedule-III of the Companies Act,2013 are as under:- (₹ Lakh)

(A)	**Expenditure in foreign currency**	**Year ended 31.03.2018**	**Year ended 31.03.2017**
i)	Consultancy	-	-
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	-	-
iv)	Interest on World Bank Loan.	3228	2958
v)	Dividend Paid		-
vi)	Other Miscellaneous Matters	175	81
(B)	**Earnings in foreign currency**		
(C)	**Value of Import calculated on CIF basis**		
i)	Capital Goods	-	-
ii)	Spare Parts	151	76
(D)	**Value of components, stores and spare parts consumed**		
i)	Imported	101 (6.32%)	41 (2.12%)
ii)	Indigenous	1497 (93.68%)	1890 (97.88%)

2.53 Quantitative details in respect of energy generated & sold :

a) Hydro Power:-

Sr. No.	**Particulars**	**Year ended 31.03.2018**	**Year ended 31.03.2017**
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1912	1912
iii)	Actual Generation (Million Units)	9222.60	9010.99

b) Wind/Solar Power:-

Sr. No.	**Particulars**	**Year ended 31.03.2018**	**Year ended 31.03.2017**
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	54.60	52.60
iii)	Actual Generation (Million Units)	57.67	33.94

2.54 Payment to Auditors includes: **(₹lakh)**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
As Auditors		
- Statutory Audit	9	9
- Tax Audit	2	2
- Limited Review	4	7
For other services (Certificates etc.)*	3	1
Reimbursement of Expenses	3	1
Reimbursement of Service Tax/GST	3	3
Total	**24**	**23**

* includes payment on account of fees for buy back of shares accounted in other equity.

2.55 Foreign currency exposure not hedged by a derivative instrument or otherwise: (₹ Lakh)

PARTICULARS	CURRENCY	As at 31.03.2018	As at 31.03.2017
Borrowings, including Interest Accrued but not due thereon.	USD	198913	213132

2.56 Disclosure related to Corporate Social Responsibility (CSR)

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 ₹ 3750 lakh [(2% of Average Profit Before Tax of immediately previous three years (P.Y ₹ 3394 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. The Company has paid an amount of ₹ 3750 lakh (P.Y: ₹ 3394 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 2017-18 is as below. (₹ Lakh)

S.N	Activities	Amount
1	Health and hygiene	457.16
2	Education and Skill Development	665.85
3	Infrastructural Development and Community Development	993.97
4	Preservation and promotion of culture, Melas, Sports etc.	358.06
5	Sustainable Development	1035.25
6	Assistance to the victims of natural disasters/ calamities	144.36
7	Miscellaneous CSR activities& Administrative Exp.	221.25
	Total	**3875.90**

2.57 Information in respect of micro and small enterprises as at 31st March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006. (₹ Lakh)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
a) Amount remaining unpaid to any supplier:		
Principal amount	58	7
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.	-	-

2.58 CERC (Terms & Conditions of Tariff) Regulations provide for levy of late payment surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. An amount of ₹ 55007 Lakh (P.Y.: ₹ 48434 Lakh) is due but not recognised on account of surcharge till 31.03.2018 due to significant uncertainties in the timing of its collection from the customers.

2.59 Disclosure relating to creation of Regulatory Deferral Accounts as per Ind AS 114:

a) The company is mainly engaged in generation and sale of electricity. The price to be charged by the company for electricity sold to its customers is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

b) As per the CERC Tariff regulations any gain or loss on account of exchange rate variation during the construction period shall form part of the capital cost till the declaration of commercial operation date. Exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as regulatory deferral account debit/credit balance by credit/debit to movements in regulatory deferral account balances and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

c) Pay revision of employees of CPSUs is due from 1st January, 2017. Accordingly, Impact of proposed revision of pay includes expenses recognized in the Statement of Profit & Loss and other comprehensive income (OCI) for enhancement in pay and allowances. CERC Tariff regulations 2014-19 provides that the impact of actual increase in employee cost on account of wage revision of operational power stations is recoverable from beneficiaries in future throughTariff. Accordingly, additional expenditure on employee benefit due to pay revision to the extent charged to the Statement of Profit & Loss or to the Other Comprehensive Income and recoverable from beneficiaries in subsequent periods as per Tariff Regulations are being recognized as Regulatory Deferral Account Balances.

The company has created regulatory assets and recognized corresponding regulatory income upto period ended 31.03.2018 as under:

(₹ Lakh)

Regulatory asset created in relation to:	Up to FY 2016-17	For the year ended 31.03.2018	Total up to 31.03.2018
Exchange rate variation regarded as Borrowing Costs	7716	(399)	7317
Employee Benefit expense (Pay- revision w.e.f 01.01.2017)	2436	5509	7945
Total	**10152**	**5110**	**15262**

2.60 Opening balances/corresponding figures for previous year/period have been re-grouped/re- arranged, wherever necessary.

For and on behalf of the Board of Directors

(Soumendra Das)
Company Secretary
FCS-4833

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

(Nand Lal Sharma)
Chairman & Managing Director
DIN:03495554

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.

For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657

Place: New Delhi
Date: May 28, 2018

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 2017 to 31st March, 2018	From 15th July 2016 to 14th July, 2017
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	6910
6	Reserves & surplus	(31)	(54)
7	Total assets	49948	26983
8	Total Liabilities	6311	20127
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	(17)	(2)
12	Provision for taxation	-	-
13	Profit after taxation	(17)	(2)
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 31.03.2018.

Part "B": Associates and Joint Ventures

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

(₹ Lakh)

Name of Associates/Joint Ventures	Cross Border Power Transmission Company Limited	Kholongchhu Hydro Energy Limited	Bengal Birbhum Coalfields Ltd.*
1. Latest audited Balance Sheet Date	Audited up to 31.03.2017 (Unaudited as on 31.03.2018)	Audited up to 31.12.2017 (Unaudited as on 31.03.2018)	Audited as on 31.03.2017
2. Shares of Associate/Joint Ventures held by the company on the year end	26%	50%	7.7%
No. of shares	1,26,10,000 shares of ₹ 10 each	9,96,60,000 Equity Shares of ₹ 10/- each	7707 shares of ₹ 10/- each
Amount of Investment in Associates/Joint Venture	1261	9966	1
Extent of Holding %	26%	50%	7.7%
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Not Consolidated
5. Net Worth attributable to Shareholding as per latest Unaudited Balance Sheet	2057	9966	N/A
6. Profit / Loss for the year (After tax)	1295	-	-
i. Considered in Consolidation	337	-	-
iI. Not Considered in Consolidation	-	-	-

* Accounts of Bengal Birbhum Coalfields Limited have not been consolidated as the JV agreement is in the process of termination and has been shown as Current Investments.

Kholongchhu Hydro Energy Limited is yet to commence business.

Names of associates or joint ventures which have been liquidated or sold during the year. - NIL

INDIAN SUBSIDIARY
SJVN THERMAL
PRIVATE LIMITED

SJVN Thermal Private Limited

(Formerly Buxar Bijlee Company Private Limited)
(A wholly owned subsidiary of SJVN Limited)

DIRECTORS' REPORT 2018

DEAR MEMBERS,

Your Directors are pleased to present the Eleventh Annual Report of the Company for the year ended March 31, 2018 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, 2018	For the year ended 31st March, 2017
Total Revenue	-	6
Total Expenses	17	18
Profit before Tax	**(17)**	**(12)**
Tax Expenses	-	-
Profit for the Year	**(17)**	**(12)**

B. POSITION (₹ Lakh)

Particulars	As on March 31, 2018		As on March 31, 2017	
ASSETS				
Non - Current Assets				
A) Property, Plant and Equipment		36916		36834
B) Capital Work-in-progress a) Preliminary b) Expenditure Attributable to Construction (EAC)	 5669 6967	12636	 5378 4725	10103
C) Other Intangible Assets		1		1
D) Other Non-Current Assets		346		324
Current Assets				
A) Financial Assets i) Cash and cash equivalents		46		102
B) Current Tax Assets		-		1
C) Other Current Assets		3		9
Total Assets		**49948**		**47374**

1. PROJECT REVIEW

1.1 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 20.11.2015.

1.2 ENVIRONMENT CLEARANCE:

Environment clearance of Project granted by Ministry of Environment and Forest, GoI vide their letter dated 28.02.2017.

1.3 CIVIL AVIATION CLEARANCE FOR CHIMNEY:

NOC for height of Chimney for the Project issued by Airport Authority of India on 12.04.2017.

1.4 WATER AVAILABILITY:

MoU for "Allocation for utilization of 55 cusec of water for Project" has been signed between STPL and Water Resource Department, Govt. of Bihar on 29.08.2016.

1.5 LAND ACQUISITION **(Figures in Acre)**

Land acquired through acquisition	Direct purchase of land	Total land acquired	Mutated in the name of Company	Balance Land to be Muted
1064.69	0.72	1065.41	1058.335	7.075

Approx. 237.50 acre land required for rail infrastructure, water corridor, approach road, main gate etc. including extra land for the project, is under process of acquisition. The land for rail infrastructure will be finalized after source of coal is finalized.

1.6 COAL LINKAGE:

Earlier, Deocha - Pachami coal block was allocated to STPL along with 6 state utilities. Considering the difficulties in developing the coal block jointly with state utilities and obtaining statutory clearances, SJVN requested Ministry of Power (MoP) for Long Term coal linkage.

Standing linkage committee (long term) of MoC has recommended for grant of coal linkage from Coal India Ltd (CIL) on 19.09.2017. MoC issued NOC and requested CIL to process the case of Coal linkage on 05.03.2018. The process of granting coal linkage from CCL, a subsidiary of CIL and issuance of "Letter of Assurance" is under process.

1.7 TIE - UP FOR IMPORTED COAL:

MoU for the supply of imported coal for initial years of operation of the plant has been signed with MMTC Ltd. on 24.02.2016.

1.8 UPDATION OF DPR

The DPR of the project updated on 29.08.2016.

Cost of the project at January 2018 Price level is ₹10439.09 Crore (including IDC & FC) has been vetted by CEA.

1.9 RAILWAY SIDING AND INFRASTRUCTURE

Detailed Project Report (DPR) & Detailed Engineering (DE) - The DPR for approval of rail infrastructure was submitted to East Central Railway (ECR), Hazipur on 12.04.2017. Subsequently to change in location of source of coal, supplementary revised DPR based upon new source of coal block will be submitted to ECR, Hazipur after confirmation of new coal source.

1.10 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.

PIB memo for investment approval of the project submitted to Ministry of Power on 14.02.2017 which has been circulated on the online portal (SFC/EFC/PIB Management System) of Department of Expenditure on 04.05.2018 and is under examination in various ministries / authorities of GoI.

1.11 CONSTRUCTION POWER

Transmission Line work awarded to South Bihar Power Distribution Company Ltd. (SBPDCL) on deposit work basis. Construction of entire stretch completed except below existing Railway line. Work of 33/11 kV Substation is in progress.

1.12 BOUNDARY WALL

Construction of 3.275 km length of boundary wall (above HFL) is in progress.

2. DIVIDEND

As the Company has not earned profit for the financial year under review, the Board of Directors have not recommended any dividend.

3. DEPOSITS

During the year the company has not accepted any deposit within the meaning of Section 73 of Companies Act, 2013 and the rules made there under.

4. LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees or investments u/s 186 of Companies Act, 2013 are nil.

5. TRANSFER TO RESERVES

There is no transfer to reserves during the year under review.

6. RELATED PARTY TRANSACTIONS

Company has not entered into any related party transactions during the Financial Year 2017-18 except the following:

(₹ Lakh)

Particulars	Holding Company		Directors/Key Management Personnel (KMP)	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
Transactions During the Year				
1. Issue of share capital				
a) SJVN Limited	-	-	-	-
2. Amount Payable				
b) SJVN Limited#	5239	3199		

Amount received from and repaid to SJVN Limited. The funds are being received for day to day establishment expenditure, payment for survey and investigation expenses and other payments.

7. HOLDING COMPANY

SJVN Thermal Private Limited is a wholly owned subsidiary of SJVN Limited w.e.f. 4th July 2013.

8. CSR ACTIVITIES

All the CSR activities are being done by the Holding Company.

9. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year under review is enclosed as **Annexure – I**.

10. AUDITORS REPORT

M/s Singhania Agrawal & Co., Chartered Accountants, Patna, Bihar was appointed by the Comptroller and Auditor General of India (C&AG) as Statutory Auditors of the Company for Financial Year 2017-18. The Report of the Statutory Auditors to the Members on the Accounts for the year ended 31.03.2018 is placed at **"Annexure – II"**.

Comments of the C&AG of India on the Accounts for the year ended 31.03.2018 are placed at **Annexure – III"**. Comments of Statutory Auditors and C&AG being "Nil", the reply by the management thereto is not applicable.

11. SECRETARIAL AUDIT

The Board appointed M/s SGS Associates Practising Company Secretaries, New Delhi, a Proprietary Firm headed by Mr. D. P. Gupta, to conduct Secretarial Audit for the Financial Year 2017-18. The Report of the Secretarial Auditor for the year ended 31.03.2018 is placed at **"Annexure – IV"**. Reply of Management to observation of Secretarial Auditors are placed at **"Annexure – V"**

12. FORM No. MGT – 9

Placed at **"Annexure –VI"**

13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

Since 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.

14. BOARD MEETINGS

The Board Meetings are held normally at New Delhi. During the Financial Year 2017-18, 06 nos. of Board Meetings were held on 6th April 2017, 22nd May 2017, 15th July 2017, 16th September 2017, 14th December 2017 and 9th February 2018. The maximum interval between any two meetings during this period was 88 days.

The details of Board Meetings and attendance of the Directors for the year are as under:-

Sr. No	Name of Director	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (10th) held on 29.07.2017	Date of Appointment or Cessation of Director on the Board of Company
1	Shri Ramesh Narain Misra	04	04	Yes	Ceased w.e.f. 30.11.2017
2	Shri Nand Lal Sharma	06	06	Yes	Appointed w.e.f. 09.05.2013
3	Shri Amarjit Singh Bindra	06	06	Yes	Appointed w.e.f. 09.05.2013
4	Shri Rakesh Kumar Bansal	06	05	Yes	Appointed w.e.f. 09.05.2013
5	Shri Kanwar Singh	04	03	Yes	Appointed w.e.f. 15-07-2017

15. AUDIT COMMITTEE

As on 31st March 2018, the following Directors were the Members of the Audit Committee:

1.	Shri Amarjit Singh Bindra	Chairman
2.	Shri Nand Lal Sharma	Member
3.	Shri Rakesh Kumar Bansal	Member

During the year 2017-18, 02 (Two) Audit Committee meetings were held on 6th April 2017 and 22nd May 2017.

16. NOMINATION AND REMUNERATION COMMITTEE

As on 31st March 2018, the following Directors were the Members of the Nomination and Remuneration Committee:

1.	Shri Nand Lal Sharma	Chairman
2.	Shri Amarjit Singh Bindra	Member
3.	Shri Rakesh Kumar Bansal	Member

17. RISK MANAGEMENT POLICY

The development and implementation of Risk Management Policy is undertaken by Audit Committee.

18. 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:

(a) In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.

(b) 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 and loss of the company for that period.

(c) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

(d) The Directors have prepared the annual accounts on a going concern basis.

(e) The Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

19. BOARD OF DIRECTORS

As on 31st March 2018, the Board of your company comprised the following Directors:-

Sr. No.	Name of the Directors	Designation
1	Shri Nand Lal Sharma	Chairman
2	Shri Amarjit Singh Bindra	Director
3	Shri Rakesh Kumar Bansal	Director
4	Shri Kanwar Singh	Director

Shri Ramesh Narain Misra ceased as Chairman/Director on 30th November 2017 and Shri Nand Lal Sharma was appointed/designated as Chairman of the Board of the Company w.e.f. 14th December 2017.

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

(Nand Lal Sharma)
Chairman
DIN No. : 03495554

Date: 25th July, 2018
Place: New Delhi

Annexure – I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVEVIEW

All India installed capacity as on 31.03.2018 was 344002 MW comprising 222907 MW of thermal, 45293 MW of hydro, 6780 MW of nuclear and 69022.39 MW of Renewable Energy Sources (RES).

The per capita power consumption in India has been increasing continuously over the last decade because of the significant improvement in electrification of villages and rural areas. Still, India's per capita electricity consumption is the lowest among BRICS nations.

The portray of consumption of power in India at its peer nations signifies that, there will be open space to run the consistent growth of business in the thermal, hydro and renewal energy sector in the times to come. The development of 1320MW new super-critical thermal power project at Buxar in Bihar, will keep ahead the growth of nation and state as well

FINANCIAL DISCUSSION AND ANALYSIS

A detailed financial discussion and analysis is furnished below on the Audited Financial Statements of the company for the fiscal 2018:

(Notes referred herein pertains to the respective Notes forming part of the Financial Statements)

A. RESULTS OF OPERATIONS

i. INCOME & EXPENDITURE

As the project of the company is under construction, the Company did not generate any operating revenue during the year. However, interest amounting to ₹Nil (Previous Year: ₹6 Lakh) 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 ₹15 Lakhs (Previous Year: ₹16 lakh) in accordance with note no. 1.14 & 1.21 (d), Statutory Audit Fees & Out of Pocket expense, certain filing fees amounting to ₹2 Lakhs (Previous Year: ₹2 Lakh) 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. 4 (b). Company has incurred a loss of ₹17 Lakhs (Previous Year: ₹12 Lakh) during the year ended 31st March 2018.

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) Non-Current Assets (₹ Lakh)

Particulars	As on March 31,	
	2018	2017
Property, Plant and Equipment (Note 1.1)	36916	36834
Capital Work-in-Progress (Note 1.2)	12636	10103
Investment Property	-	-
Goodwill	-	-
Other Intangible Assets (Note 1.3)	1	1
Intangible Assets under development	-	-
Financial Assets	-	-
Deferred Tax Assets (Net)	-	-
Regulatory deferral account debit balance	-	-
Other Non-Current Assets (Note 1.4)	346	324
Total	**49899**	**47262**

Non-Current Assets as on March 31, 2018 comprise Property, Plant and Equipment (PPE), Capital Work-in-Progress, other Intangible Assets and other Non-Current Assets (Capital advance) and has increased by nearly 6% to ₹49,899 Lakh as compared to ₹47,262 Lakh as on March 31, 2017. This increase is mainly due to payment of ₹28 Lakh for acquisition of land, ₹291 Lakh for preconstruction activities and balance ₹2318 Lakh for acquisition of PPE (other than land), establishment expenditure and other preliminary expenses.

Property, Plant and Equipment (PPE)

Property, Plant and Equipment consist of Net Block of Property, Plant and Equipment after Depreciation. This includes Land- Freehold, Building, Furniture, Fixture and Equipment, Vehicles, Electrical Equipment, Office Equipment and Data Processing Equipment. Net addition in PPE during the Current Fiscal is ₹82 Lakh (previous year: ₹664 Lakh). The increase in net Property, Plant and Equipment is mainly due to payment of ₹28 Lakh for acquisition of 0.72 acres of land-freehold for construction of project in Chausa, Buxar district in Bihar and balance ₹54 Lakh for construction of portable office, payment for addition in furniture, fixture and office equipment, Data Processing Equipment etc.

Further, mutation of freehold land included in PPE is under progress. Total land measuring 1065.41 Acre (previous year 1064.69 Acres) has been acquired by the company. Out of the total land acquired, 1058.335 acres of land (previous year: 1030.63 Acre) has been mutated in the name of the Company and balance 7.075 Acre is yet to be mutated.

Capital Work-In-Progress (CWIP)

Capital Work-in-Progress (CWIP) during current Fiscal Year registered an increase of nearly 25% to ₹12636 Lakh as compared to ₹10103 lakh in previous Fiscal Year due to increase in preliminary expenditure amounting to ₹291 Lakh and Expenditure Attributable to Construction (EAC) of ₹2242 Lakh as detailed below:

(a) Expenditure Attributable to Construction (EAC)

(₹ Lakh)

Expenditure	Fiscal 2018	Fiscal 2017
Employee Benefits Expense (Note 1.2.1)	1785	1269
Finance Costs (Note 1.2.1)	-	-
Depreciation (Note 1.2.1)	23	20
Other Expenses (Note 1.2.1)	434	325
Total Expenditure	**2242**	**1614**

(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 80% of total expenditure in Fiscal 2018 as compared to 79% in Fiscal 2017.

(c) Depreciation and Amortisation Expenses

Depreciation cost has increased marginally to ₹23 Lakh during the Fiscal 2018 as compared to ₹20 Lakh during Fiscal 2017.

(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 19% of total expenditure during Fiscal 2018 in comparison to 20% in Fiscal 2017. In absolute terms the expenses were ₹434 Lakh in Fiscal 2018 in comparison to ₹325 Lakh during the previous fiscal.

Other Non- Current Assets

Other Non-Current Assets, comprising mainly of capital advances, for the current fiscal has increased to ₹346 Lakh in comparison to ₹324 Lakh in previous fiscal due to payment of ₹22 Lakh to SBPDCL on account of laying 33KV construction power line.

ii) Current Assets (₹ Lakh)

Particulars	As on March 31,	
	2018	2017
Inventories	-	-
Financial Assets		
Investment	-	-
Trade Receivables	-	-
Cash and Cash Equivalents (Note 1.5)	46	102
Bank Balance other than above	-	-
Loans	-	-
Others	-	-
Current Tax Assets (Note 1.6)	-	1
Other Current Assets (Note 1.7)	3	9
Total	**49**	**112**

Current Assets as on March 31, 2018 have decreased by ₹63 Lakh mainly due to decrease in balance in current account.

a) Cash and Cash Equivalents

Cash and Cash Equivalents decreased by ₹56 lakh in current fiscal in comparison to previous fiscal due to decrease in Balance in Current Accounts.

b) Current Tax Assets

Current Tax Assets comprising of TDS earned on short term bank deposits in current fiscal are ₹Nil in comparison to ₹1 Lakh in previous fiscal because there is no interest income earned from short term bank deposits in current fiscal thereby resulting in Nil TDS.

c) Other Current Assets

Other Current Assets have decreased to ₹3 Lakh in comparison to ₹9 Lakh in previous fiscal mainly due to reduction/adjustment of advances of advance rent paid for TC/ Office building hired at Buxar in previous fiscal.

iii) Net Worth

Net Worth of the company at the end of Fiscal 2017-18 has decreased to ₹43637 Lakh (Previous Year: ₹43654 Lakh) due to loss amounting to ₹17 Lakh incurred in current fiscal.

iv) Current Liabilities **(₹ Lakh)**

Particulars	As on March 31,	
	2018	2017
Financial Liabilities		
Borrowings	-	-
Trade Payables	-	-
Other Financial Liabilities (Note 1.10)	5410	3378
Other Current Liabilities (Note 1.11)	423	181
Provisions (Note 1.12)	478	161
Total	**6311**	**3720**

The Current Liabilities as on March 31, 2018 and March 31, 2017 were ₹6311 Lakh and 3720 Lakh respectively and reportedly increased by ₹2591 Lakh (70%). This comprises other Financial Liabilities, other Current Liabilities and Short Term Provisions. Other Financial Liabilities have increased by ₹2032 Lakh due to funds amounting to ₹2040 Lakh received from holding company for day to day establishment expenditure, payment for pre-construction activities & other payments and increase in deposit/ retention money from contractors whereas balance amount payable against statutory dues and remuneration of employees have decreased in comparison to previous fiscal. Other Current Liabilities increased by ₹242 lakh on account of year end liability for expenses and CWIP. Provisions have increased by ₹317 Lakh due to provision for pay revision and performance related pay of employees.

v) Contingent Liabilities

The following component forms part of contingent liability: **(₹ Lakh)**

Particulars	As on 31.03.2018	As on 31.03.2017
Land Compensation	3	3

The above amount is related to demand raised by Circle Officer, Chausa, Buxar in respect of Land. However, the same has been contested by the company.

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.

ANNEXURE-IV

SECRETARIAL AUDIT REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.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 **M/S SJVN THERMAL PRIVATE LIMITED** (hereinafter called 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 company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2018 ("audit period")complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I/we have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(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 to the Company during the Audit Period)**

(v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations,2011 **(Not applicable to the 'Company during the Audit Period)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations,1992 **(Not applicable to the Company during the Audit Period)**
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- (f) 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; **(Not applicable to the Company during the Audit Period)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations,2009 **(Not applicable to the Company during the Audit Period);** and
- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 1998 **(Not applicable to the Company during the Audit Period)**.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Company during the Audit Period)**

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

We further report that, having regard to the compliance system prevailing in the Company and on examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with the following laws applicable specifically to the Company: NIL

We further report that

- The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors except the appointment of woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

- Adequate 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 decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that based on review of compliance mechanism established by the Company and on the basis of Complaince Certificate(s) issued by the Company Secretary and taken on record by the Board of Directors at their meeting(s), we are of the opinion that the Company has adequate systems and processes commensature with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines

For **SGS ASSOCIATES**
Company Secretaries

D.P. Gupta
M N FCS 2411
C P No. 1509

Date: 16th June 2018
Place: - Shimla

Annexure

TO
THE MEMBERS
SJVN THERMAL PRIVATE LIMITED

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the system are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances
3. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

For SGS ASSOCIATES
Company Secretaries

D.P. Gupta
M N FCS 2411
C P No. 1509

Date: 16th June 2018
Place: Shimla

ANNEXURE-V

REPLY OF MANAGEMENT TO OBSERVATION OF SECRETARIAL AUDITORS

Sr. No.	Observation of Secretarial Auditors	Management Reply
1	No woman Director has been appointed in the Company	The Board of SJVN Thermal Private Limited consists only of the Directors nominated by the Holding Company i.e. SJVN Limited from its Functional Directors. There is no Functional Women Director as such on the Board of the Holding Company and as per present guidelines, the Appointment of Directors is required to be done by the Concerned Administrative Ministry.

Annexure VI

Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON 31ST March, 2018

[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	7th 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	169, Patliputra Colony, Patna – 800013 (Bihar)
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, Shanan, Shimla – 171006 Himachal Pradesh	L40101HP1988GOI008409	Holding	100%	2(87)

IV. SHAREHOLDING 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				No. of Shares held at the end of the year				% Change during the year
		De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A.	**Promoter**									
1)	**Indian**									-
a)	Individual (Nominee of SJVN)		1	1	0.01%	-	1	1	0.01%	-
b)	Central Govt		-	-	-	-	-	-	-	-
c)	State Govt(s)		-	-	-	-	-	-	-	-
d)	Bodies Corp		43,66,79,999	43,66,79,999	99.99%	-	43,66,79,999	43,66,79,999	99.99%	-
e)	Banks / FI		-	-	-	-	-	-	-	-
f)	Any Other		-	-	-	-	-	-	-	-
Sub-total(A)(1):-			43,66,80,000	43,66,80,000	100%		43,66,80,000	43,66,80,000	100%	-
2) Foreign										
g)	NRIs-Individuals		-	-	-	-	-	-	-	-
h)	Other-Individuals		-	-	-	-	-	-	-	-
i)	Bodies Corp.		-	-	-	-	-	-	-	-
j)	Banks / FI		-	-	-	-	-	-	-	-
k)	Any Other….		-	-	-	-	-	-	-	-
Sub-total (A)(2):-		-	-	-	-	-	-	-	-	
Total Promoter Shareholding (A) =(A)(1)+(A)(2)										

B. Public Shareholding										
1.	Institutions									
a)	Mutual Funds		-	-	-	-	-	-	-	-
b)	Banks / FI		-	-	-	-	-	-	-	-
c)	Central Govt		-	-	-	-	-	-	-	-
d)	State Govt(s)		-	-	-	-	-	-	-	-
e)	Venture Capital Funds		-	-	-	-	-	-	-	-
f)	Insurance Companies		-	-	-	-	-	-	-	-
g)	FIIs		-	-	-	-	-	-	-	-
h)	Foreign Venture Capital Funds		-	-	-	-	-	-	-	-
i)	Others (specify)		-	-	-	-	-	-	-	-
Sub-total (B)(1)		-	-	-	-	-	-	-	-	
2. Non Institutions										
a)	Bodies Corp.									
	(i) Indian (ii) Overseas	-	-	-	-	-	-	-	-	
b)	Individuals									
	(i) Individual shareholders holding nominal share capital upto ₹2 lakh (ii) Individual shareholders holding nominal share capital in excess of ₹2 lakh	-	-	-	-	-	-	-	-	
c)	Others(Specify)		-	-	-	-	-	-	-	-
Sub-total (B)(2)									-	
Total Public Shareholding (B)=(B)(1)+ (B)(2)		**-**	**-**	**-**	**-**	**-**	**-**	**-**		
C.	**Shares held by Custodian for GDRs & ADRs**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Grand Total (A+B+C)			**43,66,80,000**	**43,66,80,000**	**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	43,66,79,999	99.99%	-	43,66,79,999	99.99%	-	-
2.	N. C. Bansal & SJVN Limited	1	0.01%	-	1	0.01%	-	-
	Total	**43,66,80,000**	**100%**	**-**	**43,66,80,000**	**100%**	**-**	**-**

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	43,66,80,000	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)	-	-	-	-
	At the End of the year	**43,66,80,000**	**100%**	**-**	**-**

iv. Shareholding Pattern of top ten shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): NIL

v. Shareholding of Directors and Key Managerial Personnel - NIL

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment: 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 – ₹78 Lakh (detailed as under)

Sr. No.	KMP	Amount of remuneration (₹ Lakh)
1	CEO	36
2	CFO	33
3	CS	9
Total		78

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure- II

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
SJVN THERMAL PRIVATE LIMITED
(Formerly Buxar Bijlee Company Private Limited)
(A wholly owned subsidiary of SJVN Limited)

1. Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of SJVN Thermal Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March,2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. 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 Ind AS financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS 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 of the Ind AS financial statements 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 Ind AS financial statements are free from material misstatement.

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

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS:

(a) of the state of affairs (financial position) of the Company as at 31st March,2018; and

(b) its Loss (financial performance including other comprehensive income) for the year ended on that date.

(c) its cash flows for the year ended on that date; and

(d) the changes in equity for the year ended on that date.

5. Emphasis of Matter

Without qualifying our report we draw your attention to the following facts:

(i) Company was incorporated as on 07.05.2007 with main object of Generation of Power. The Company has acquired necessary land for its project.

(ii) Company has acquired total land 1064.690 acres through Notification of Bihar Government, out of which 7.075 acres land is pending for mutation in favour of the Company.

6. Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in **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 Companies Act 2013, 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, the Cash Flow

Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of accounts;

(d) In our opinion, the aforesaid Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Companies Act 2013;

(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, 2018 which need to be transferred to the Investor Education and Protection Fund by the Company.

7. 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 Singhania Agrawal & Co.
Chartered Accountants
FRN 005527C

S.C. Agrawal

Place: New Delhi
Date: 03rd May, 2018

CA S.C. Agrawal,
Partner
M.No. 072510

SJVN THERMAL PRIVATE LIMITED

ANNEXURE- 'A' TO THE AUDITOR'S REPORT

(Referred to in paragraph 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 showing 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;	Yes, fixed assets have been physically verified by the management in the year 2014-15 and discrepancies noticed were properly dealt with. During the year under audit The Company has formed a Committee for Physical verification of assets in the month of January 2018 however report of the committee is not made available to us.
(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	Yes, Company has acquired 1064.690 acres land and the title deeds of land are in the possession of Company. Except in the case of mutation order of 7.075 acres of land. The Company has paid amount of Malguzari however receipt of Malgujari has not been obtained by the Company.
(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;	Not Applicable to the company, as the company is not having any inventory
(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,	No, 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
(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	In view of above comment in point no. (iii) 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 above comment in point no. (iii) 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 above comment in point no. (iii) 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.	Company has neither given any loans to director nor made any investment hence provisions of section 185 and 186 are not applicable for the Company.

(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?	Company has not accepted any deposit.
(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.	Not Applicable to 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;	Yes, the company is regular in depositing its statutory dues to the Government, and during the course of audit no statutory dues were found which are due 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).	No Such Cases Found.
(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).	Company is not having borrowing from any financial institution and hence this clause is not applicable
(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 public offer.
(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 explanation given to us no fraud to or by the company is being reported.
(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;	Section 197 is not applicable to Public Sector Undertaking
(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;	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;	Transactions with the related parties are in accordance with the Section 177 and 188 of the Companies Act, 2013 and same is being disclosed in financial statements as and when applicable.
(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;	No the Company has not made any allotment of securities during the year under audit
(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;	As explained to us the company has not entered in to any non-cash transactions with directors or persons connected with them.

(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.	No, The Company is not being required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Singhania Agrawal & Co.
Chartered Accountants
FRN 005527C

Place: New Delhi
Date: 03rd May, 2018

CA S.C. Agrawal,
Partner
M.No. 072510

Annexure- B

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, 2018 in conjunction with our audit of the Ind AS 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 Ind AS 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, 2018 based on the procedures examined by us.

For Singhania Agrawal & Co.
Chartered Accountants
FRN 005527C

Place: New Delhi
Date: 03rd May, 2018

CA S.C. Agrawal,
Partner
M.No. 072510

Annexure- C

Report pursuant to directions issued by office of C& AG u/s 143(5) of the Companies Act, 2013 (referred to in Paragraph 8 of our report of even date)

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 had acquired total land measuring 1064.690 Acres through Notification of Bihar Government, out of which 7.075 acres land is pending for mutation in favour of Company. In addition of above during the year under audit company had purchased 0.72 Acres of land for which company is having title deed and mutation order in its possession. The Company has paid amount of Malguzari however receipt of Malgujari has not been obtained by the Company.
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.	No such cases found during the course of audit.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	Yes the Company is maintaining proper records in respect of land awarded to the Company from Bihar Government for its project at Chausa, district Buxar.

For Singhania Agrawal & Co.
Chartered Accountants
FRN 005527C

S. C. Agrawal

Place: New Delhi
Date: 03rd May, 2018

CA S.C. Agrawal,
Partner
M.No. 072510

Annexure-III

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 2018

The preparation of financial statements of SJVN Thermal Private Limited for the year ended 31 March 2018 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 these 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 3 May 2018.

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 Thermal Private Limited for the year ended 31 March 2018. 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

(Reena Saha)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I,
Kolkata

Place: Kolkata
Dated : 30th May 2018

SJVN Thermal Private Limited

(Formerly Buxar Bijlee Company Private Limited)

(A wholly owned Subsidiary of SJVN Limited)

BALANCE SHEET AS AT MARCH 31, 2018

(₹ Lakh)

	Note No.	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non - Current Assets			
Property, Plant and Equipment	1.1	36916	36834
Capital Work-in-progress	1.2	12636	10103
Other Intangible Assets	1.3	1	1
Financial Assets		-	-
Other Non-current Assets	1.4	346	324
Current Assets			
Finacial Assets			
Cash and cash equivalents	1.5	46	102
Current Tax Assets	1.6	-	1
Other Current Assets	1.7	3	9
Total Assets		**49948**	**47374**
EQUITY AND LIABILITIES			
Equity			
Equity Share Capital	1.8	43668	43668
Other Equity	1.9	(31)	(14)
Liabilities			
Non- current Liabilities		-	-
Current Liabilities			
Financial Liablities			
Other Financial Liablities	1.10	5410	3378
Other Current Liabilities	1.11	423	181
Provisions	1.12	478	161
Total Equity and Liabilities		**49948**	**47374**

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

For and on behalf of the Board of Directors

(Raman Kant Sharma)	**(Abhay Shanker Shukla)**	**(Suresh Chandra Agarwal)**	**(Amarjit Singh Bindra)**	**(Nand Lal Sharma)**
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 03358160	DIN-03495554

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

For Singhania Agrawal & Co.

Chartered Accountants

(FRN 005527C)

(Sudhir Chandra Agrawal)

M. No. 072510

Place : New Delhi

Dated : 03rd May, 2018

SJVN Thermal Private Limited

(Formerly Buxar Bijlee Company Private Limited)

(A wholly owned Subsidiary of SJVN Limited)

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Income			
Revenue from Operations		-	-
Other Income	1.13	-	6
Total Income		**-**	**6**
Expenses			
Employee Benefits Expense	1.14	15	16
Other Expenses	1.15	2	2
Total Expenses		**17**	**18**
Profit before net movement in regulatory deferral account balance and tax		**(17)**	**(12)**
Net movement in regulatory deferral account balance		-	-
Profit Before Tax		(17)	(12)
Tax Expenses		-	-
Profit(Loss) for the period		**(17)**	**(12)**
Other comprehensive income		-	-
Total Comprehensive Income for the period		**(17)**	**(12)**
Earnings Per Equity Share (excluding net movement in regulatory deferral account balance)			
Basic and Diluted (₹)	1.22	-	-
Earnings Per Equity Share (including net movement in regulatory deferral account balance)			
Basic and Diluted (₹)	1.22	-	-
Weighted average equity shares used in computing earnings per equity share		436680000	436680000

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

For and on behalf of the Board of Directors

(Raman Kant Sharma)	**(Abhay Shanker Shukla)**	**(Suresh Chandra Agarwal)**	**(Amarjit Singh Bindra)**	**(Nand Lal Sharma)**
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 03358160	DIN-03495554

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

For Singhania Agrawal & Co.

Chartered Accountants

(FRN 005527C)

S. C. Agrawal

(Sudhir Chandra Agrawal)

M. No. 072510

Place : New Delhi

Dated : 03rd May, 2018

SJVN Thermal Private Limited

(Formerly Buxar Bijlee Company Private Limited)

(A wholly owned Subsidiary of SJVN Limited)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(17)	(12)
Adjustment for:			
Interest on term deposits	-		(6)
		-	(6)
Adjustment for assets and liabilities			
Loans, other financial assets and other assets	6		(4)
Other financial liabilities and other liabilities	2274		2500
Provisions	317		78
		2597	2574
Cash generated from operating activities		2580	2556
Income tax paid		1	4
Net cash generated by operating activities		**2581**	**2560**
CASH FLOW FROM INVESTING ACTIVITIES:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(2637)		(2881)
Interest on term deposits	-		8
Net cash used in investing activities		**(2637)**	**(2873)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Cash used in financing activities		**-**	**-**
Net increase in cash and cash equivalents		**(56)**	**(313)**
Opening balance of cash & cash equivalents		**102**	**415**
Closing balance of cash & cash equivalents		**46**	**102**
Restricted cash balance			
Earmarked Balance (Unpaid Dividend)		-	-
Margin Money for BG/ Letter of Credit and Pledged deposits		-	-
Total		**-**	**-**

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

For and on behalf of the Board of Directors

(Raman Kant Sharma)	(Abhay Shanker Shukla)	(Suresh Chandra Agarwal)	(Amarjit Singh Bindra)	(Nand Lal Sharma)
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 03358160	DIN-03495554

This is the Statement of Cash Flows referred to in our report of even date.
For Singhania Agrawal & Co.
Chartered Accountants
(FRN 005527C)

(Sudhir Chandra Agrawal)
M. No. 072510
Place : New Delhi
Dated : 03rd May, 2018

SJVN Thermal Private Limited

(Formerly Buxar Bijlee Company Private Limited)

(A wholly owned Subsidiary of SJVN Limited)

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

Particulars	**Amount (₹ Lakh)**
Opening Balance as at April 1,2017	43668
Equity Shares issued during the year	-
Closing Balance as at March 31, 2018	**43668**

B. Other Equity

(₹ Lakh)

Particulars	**Reserves and Surplus**			**Total Other Equity**
	Capital Redemption Reserve	**Securities Premium**	**Retained Earnings**	
Opening Balance as at April 1,2017	-	-	(14)	(14)
Profit for the Period	-	-	(17)	(17)
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	-	-	(17)	(17)
Closing Balance as at March 31, 2018	**-**	**-**	**(31)**	**(31)**

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

For and on behalf of the Board of Directors

(Raman Kant Sharma)	**(Abhay Shanker Shukla)**	**(Suresh Chandra Agarwal)**	**(Amarjit Singh Bindra)**	**(Nand Lal Sharma)**
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 03358160	DIN-03495554

This is the Statement of Changes in Equity referred to in our report of even date.

For Singhania Agrawal & Co.

Chartered Accountants

(FRN 005527C)

(Sudhir Chandra Agrawal)

M. No. 072510

Place : New Delhi

Dated : 03rd May, 2018

SJVN THERMAL PRIVATE LIMITED

(Formerly Buxar Bijlee Company Private Limited)

(A wholly owned Subsidiary of SJVN Limited)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDING 31St MARCH, 2018

Company Information and Significant Accounting Policies

A. Reporting Entity

SJVN Thermal Private Limited (the "Company") is a company domiciled in India and limited by shares (CIN:U31908BR2007PTC017646). The address of the company's registered office is 169, Patliputra Colony, Patna, Bihar. The company is in pre-construction stage of implementing coal based thermal power plant at Chausa, distt. Buxar (Bihar).

B. Significant Accounting Policies

1. Basis of Preparation:

The Company has adopted IND AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. The annual financial statements are prepared complying in all material respects with the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

The preparation of the financial statements requires management to make estimates and assumptions that may impact the application of accounting policies and the reported value of Assets, Liabilities, Income, Expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Actual results could vary from these estimates. The estimates and management's judgements are based on previous experience and other factor considered reasonable and prudent in the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years.

2. Basis of Measurement:

The separate financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- Financial assets and liabilities except certain Investments and borrowings carried at amortised cost,

- assets held for sale – measured at fair value less cost of disposal,

- defined benefit plans – plan assets measured at fair value, Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value. However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The financial statements are presented in Indian Rupees (₹), which is the Company's functional and presentation currency and all amounts are rounded to the nearest lakh (₹ 00,000), except as stated otherwise.

3. Property, plant and equipment (PPE)

a) The Company has opted to utilize the option under para D7AA of Appendix D to Ind AS101 which permits to continue to use the Indian GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment according to the Indian GAAP as at April 1, 2015 i.e. Company's date of transition to Ind AS, were maintained in transition to Ind AS.

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

c) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. 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.

d) After initial recognition, Property, Plant & Equipment is carried at cost less accumulated depreciation/amortisation and accumulated impairment losses, if any.

e) Deposits, Payments/ liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

f) Asset created on land not belonging to the company where the company is having control over the use and access of such asset are included under Property, Plant and Equipment.

g) Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised when no future economic benefits are expected from its use or upon disposal. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred. Other spares are treated as "stores & spares" forming part of the inventory and expensed when used/ consumed.

h) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the company and the cost of the item can be measured reliably.

i) Property, plant and equipment is derecognized when no future economic benefits are expected from its use or upon its disposal. Gains and losses on disposal of an item of property, plant and equipment is recognized in the Statement of Profit and Loss.

4. Capital Work-in-progress

a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work-in-progress (CWIP).

Such cost comprises of purchase price of asset including other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, depreciation on assets used in construction of projects, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential for construction of the project is carried under "Capital work in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

d) Expenditure on Survey and Investigation of the Project 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.

e) 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.

f) Claims for price variation/ exchange rate variation in case of contracts are accounted for on acceptance.

5. Investment Property

a) Land or a building or part of building or both held by company to earn rentals or for capital appreciation or both is classified as Investment property other than for:

i. Use in the production or supply of goods or services or for administrative purpose; or

ii. Sale in the ordinary course of business.

b) Investment property is recognised as an asset when, and only when:

i. It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and

ii. The cost of the investment property can be measured reliably.

c) Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

d) Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in Statement of Profit and Loss.

e) Transfers to or from investment property is made when and only when there is a change in use.

6. Intangible Assets

a) Upto March 31, 2015, Intangible assets were carried in the balance sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by IND AS 101, to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

b) Intangible assets are identifiable non-monetary asset without physical substance. Intangible assets are recognised if:

i. It is probable that the expected future economic benefit that are attributable to the asset will flow to the entity; and

ii. the cost of the asset can be measured reliably

c) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

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

e) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in Statement of Profit and Loss.

7. Regulatory deferral accounts

a) Expenses/ income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances' as per Ind AS-114.

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

8. Impairment of non-financial assets

a) The carrying amounts of the Company's non-financial assets primarily include property, plant and equipment, which are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

c) Impairment losses recognized in earlier period are assessed at each reporting date for any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

9. Inventories

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

b) Inventories are valued at the lower of cost and net realizable value.

c) Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

d) Net realizable value is the estimate selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

e) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for. Scrap is accounted for as and when sold.

10. Foreign Currency Transactions:

a) Functional and presentation currency:

Separate financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

b) Transactions and balances

i. Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of fixed assets entered up to March 31, 2016 are adjusted to carrying cost of fixed assets.

The Company has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities.

11. Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition that are potentially favourable to the Company. A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument. Financial assets of the Company comprise cash and cash equivalents, Bank Balances, Advances to employees/ contractors, security deposit, claims recoverable etc.

Initial recognition and measurement:

i. All financial assets except trade receivables are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

ii. The company measures the trade receivables at their transaction price if the trade receivables do not contain a significant financing component. A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business.

Subsequent measurement:

i. Financial Assets are measured at amortized cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics

ii. After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss.

iii. Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

iv. Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

Impairment of financial assets:

i. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

ii. In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss and follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind-AS 18.

iii. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

iv. For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.

v. Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in Statement of Profit and Loss.

Derecognition:

A financial asset is derecognised when all the cash flows associated with the financial asset has been realised or such rights have expired.

b) Financial liabilities

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

Classification, initial recognition and measurement:

i) Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

ii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Subsequent measurement:

i) After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset, when the liabilities are derecognised as well as through the EIR amortisation process.

ii) Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

12. Investment in Subsidiaries:

a) A subsidiary is an entity controlled by the Company. Control exists when the Company has power over the entity, is exposed, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns by using its power over entity. Power is demonstrated through existing rights that give the ability to direct relevant activities, those which significantly affect the entity's returns.

b) Investments in subsidiaries are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost. On transition to IND AS, the Company has adopted optional exception under IND AS 101 to value investments in subsidiaries at cost.

13. Investment in joint ventures and associates:

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

b) An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

c) The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

14. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. Appendix C, Ind AS 17 deals with the identification of contracts that do not take the legal form of a lease but conveys right to customers/ suppliers to use an asset in return for a payment or series of payment.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease

Power Purchase Agreements (PPAs) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

A. Finance lease:

a) Assets given by lessor under finance lease are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease receipts are apportioned between the reduction of lease receivable and finance income so as to achieve a constant rate of interest on the remaining balance of the receivable for each period. The corresponding rent receivables, net of finance charges, are included in current and non-current other financial asset. The interest element of lease is accounted in the Statement of Profit and Loss over the lease period.

b) Assets taken on leases are capitalised at the commencement of the lease at the inception date at lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss. A leased asset is depreciated over the useful life of the asset.

c) Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

B. Operating lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on the basis of generation from such Plant. The respective leased assets are included in the balance sheet based on their nature.

15. Government Grants

a) Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets.

b) Government revenue grants relating to costs are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

16. Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction/erection or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. All other borrowing costs are expensed in the period in which they occur.

17. Provisions, Contingent Liabilities and Contingent Assets

a) A provision is recognised when:

i. the Company has present legal or constructive obligation as result of past event;

ii. it is probable that an outflow of economic benefits will be required to settle the obligation; and

iii. A reliable estimate can be made of the amount of the obligation.

b) If the effect of the time value of money is material, provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

c) The amount recognised as provision is the best estimate of consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

d) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

e) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

f) Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

18. Revenue Recognition and Other Income

a) Revenue from sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission (CERC). In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis. Revenue from sale of energy is recognized once the electricity has been transmitted to customers. As at each reporting date, energy revenue includes an accrual for sales transmitted to customers but not yet billed (unbilled revenue).

b) Rebate to customers as early payment incentive is deducted from the amount of revenue from energy sales.

c) Incentives/disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.

d) Revenue from consultancy services rendered is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/ technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy contracts.

e) Interest/Surcharge on late payment/ overdue sundry debtors for sale of energy are recognised when no significant uncertainty as to measurability or collectability exists.

f) Dividend income is recognized when the company's right to receive payment is established.

g) Interest/surcharge/liquidated damages recoverable from suppliers and contractors, wherever there is uncertainty of realisation/ acceptance are accounted for on receipts/acceptance.

h) Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the effective interest method. Interest income on impaired loans/ receivable is recognised using the original effective interest rate.

i) Compensation from third parties including from insurance are accounted for on certainty of realization.

19. Employee Benefits

Employee benefits consist of wages, salaries, benefits in kind, provident fund, pension, gratuity, post-retirement medical facilities, leave benefits and other terminal benefits etc.

a) Defined Contribution Plans

i) A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trust and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the periods during which services are rendered by employees.

ii) The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. 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.

iii) The company also has Defined Contribution Pension Scheme for providing pension benefit. The obligation of the company is to contribute the extent of amount not exceeding 30% of basic pay and dearness allowance less employer contribution/liability towards provident fund, gratuity, post-retirement medical facility (PMRF). 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. A defined benefit plan is a post-employment plan other than a defined contribution plan.

ii. The gratuity scheme is funded by the company and is managed by a separate trust. Company's liability is determined by the qualified actuary using the projected unit credit method at the year-end and any shortfall in the fund size maintained by the trust is additionally provided for by the company.

iii. The company has a Retired Employee Health Scheme (REHS), under which retired employees, 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.

iv. The company also has other benefit plans i.e. leave encashment, allowance on retirement/ death and memento on superannuation.

v. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The liability is ascertained at the year-end by the qualified actuary using the projected unit credit method.

vi. Service cost & net interest on the net defined benefit liability (asset) are recognized in Profit or loss unless another Standard permits inclusion in the cost of asset.

vii. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

c) Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period in which the service is provided.

20. Depreciation and amortization

a) Depreciation on Property, Plant & Equipment of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff in accordance with Schedule-II Part B of the companies act 2013 except for assets specified in policy no. 20(c) below.

b) Depreciation on Property, Plant & Equipment of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in policy no. 20(c) below.

c) Depreciation on the following items of Property, Plant and Equipment is charged on straight line method on estimated useful life:

i. Computer & Peripherals depreciated fully (100%) in 3 years.

ii. Mobile Phones depreciated fully (100%) in 2 years.

d) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the month on which the asset is available for use / disposed.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization.

f) Assets costing upto ₹ 5000/- are fully depreciated in the year of acquisition.

g) Expenditure on software recognized as 'Intangible Asset' and is amortized fully on straight line method over a period of legal right to use or three years, whichever is less. Other intangible assets with a finite useful life are amortized on a systematic basis over its useful life.

h) Leasehold land is fully amortized through depreciation over the period of lease or 25 years, whichever is lower, following the rates and methodology notified by CERC for the purpose of fixation of tariff as amended from time to time.

i) Tangible Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

j) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such asset determined following the applicable accounting policies relating to depreciation/ amortization.

k) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

l) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item is depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by the CERC.

21. Income Taxes

Income tax expense comprises current tax and deferred tax. Current Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

a) Current income tax

Current tax is expected tax payable on taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustments to tax payable in respect of previous years.

b) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

22. Dividend Distribution:

a) Final Dividends and interim dividends payable to Company's shareholders are recognized and accounted for in the period in which they are approved by the shareholders and the Board of Directors respectively.

b) Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

23. Segment Reporting:

a) Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Management.

b) Electricity generation is the principal business activity of the company. Other operations viz., Consultancy works etc. do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.

c) The company is having a single geographical segment as all its Power Stations are located within the Country.

24. Statement of Cash Flows

a) Cash and cash equivalents includes cash/Drafts/Cheques on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b) Statement of cash flows is prepared in accordance with the indirect method (whereby profit or loss is adjusted for effects of non-cash transactions) prescribed in Ind AS-7 "Statement of Cash Flows".

25. Material prior period errors

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

26. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle.

b) Held primarily for the purpose of trading.

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in the normal operating cycle.

b) It is held primarily for the purpose of trading.

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

27. Miscellaneous

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).

1.1 Property, Plant & Equipment

(₹ Lakh)

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1, 2017	Additions during the year	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at April 1,2017
1	Land										
	Free hold Land (including development expenses)	36713	28	-	36741	-	-	-	-	36741	36713
2	Buildings	-	40	-	40	-	-	-	-	40	-
3	Vehicles	10	-	-	10	2	1	-	3	7	8
4	Furniture, Fixture and Equipments	46	6	-	52	7	4	-	11	41	39
5	Electrical Equipments	54	18	-	72	5	6	-	11	61	49
6	Office Equipments	20	3	-	23	3	3	-	6	17	17
7	Data processing Equipments	30	11	3	38	22	8	1	29	9	8
	Total	**36873**	**106**	**3**	**36976**	**39**	**22**	**1**	**60**	**36916**	**36834**
	Previous Year :	**36191**	683	1	36873	21	19	1	39	36834	36170

The process of mutation of land measuring 1065.41 acres (previous year 1064.69 acres) in favour of the company consists of two stages. Stage 1 issue of “Shudhi Patra” wherein name of previous owner is replaced with name of new owner. In respect of 1058.335 acres of land (previous year: 1030.63 acres) “shudhi patra” has been issued by circle officer, Chausa, distt. Buxar. In stage 2 wherever the shudhi patra has been issued the same is required to be entered into register II of land revenue record which is also completed.

Individual assets of value less than ₹ 5000/-, total amounting to ₹ 2 lakh (Previous Year : ₹ 2 lakh) has been depreciated fully during the year in accordance with Accounting policy No. 20 (f).

1.2 Capital Work-in-progress

(₹ Lakh)

Sl. No.	Particulars	As at April 1,2017	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2018	Capitalised during the year	As at March 31, 2018
1	Preliminary	5378	291	-	5669	-	5669
2	Expenditure attributable to construction**	4725	2242	-	6967	-	6967
	Total	**10103**	**2533**	**-**	**12636**	**-**	**12636**
	Previous Year	7844	2259	-	10103	-	10103

** see note 1.2.1

1.2.1 Expenditure Attributable to Construction

(₹Lakh)

	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017
Employee Benefits Expense:			
Salaries,Wages, Allowances and Benefits	1430		982
Contribution to Provident and Other Funds	166		174
Leave Salary and Pension Contribution	4		27
Welfare Expenses	185		86
		1785	1269
Repair and Maintenance:			
Office Equipments & Furnitures	1		3
Vehicles	2		2
Office	48		32
		51	37
Other Expenses:			
Rent		63	71
Insurance		1	-
Security Expenses		56	44
Electricity Charges		15	5
Travelling & Conveyance		49	47
Training and Recruitment Expenses		40	9
Professional and Consultancy Charges		4	5
Communication Expenses		9	10
Printing & Stationery	6		5
Less: Receipts from Sale of Tenders	1		-
		5	5
Advertisement & Publicity		56	5
EDP Expenses		2	1
Hiring of Vehicles		26	26
Entertainment Expenses		2	2
Expenses on Transit Camps		50	41
Books & Periodicals		-	1
Fees and subscription		-	2
Miscellaneous Expenses		9	16
Depreciation and Amortization Expense		23	20
Total expenses		**2246**	**1616**
Recovery and Receipts:			
Misc Income		4	2
Total		4	2
Net expenditure attributable to constructions		**2242**	**1614**

1.3 Other Intangible Assets

(₹Lakh)

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2017	Additions during the year	Deductions/ Adjustments	As at March 31, 2018	As at April 1, 2017	For the year	Deduction	As at March 31, 2018	As at March 31, 2018	As at April 1,2017
1	Software	2	1	-	3	1	1	-	2	1	1
	Total:	**2**	**1**	**-**	**3**	**1**	**1**	**-**	**2**	**1**	**1**
	Previous Year :	2	-	-	2	-	1	-	1	1	2

1.4 Other Non - current Assets

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Capital Advances		
Advances to Govt Departments	346	324
Total Other Non Current Assets	**346**	**324**

1.5 Cash and Cash Equivalents

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
Current Accounts	46	102
Total	**46**	**102**

1.6 Current Tax Assets (Net)

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Tax deducted at Source	-	1
	-	1

1.7 Other Current Assets

(₹ Lakh)

		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017
Advances to Others				
- Secured considered good	-		-	
- Unsecured considered good	2		8	
- Doubtful	-		-	
		2		8
Prepaid Expenses		1		1
Total		**3**		**9**

1.8 Equity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
AUTHORISED				
Equity Shares of par value ₹ 10/- each	3000000000	300000	3000000000	300000
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹ 10/- each fully paid up	436680000	43668	436680000	43668
Total		**43668**		**43668**

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

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of Shares	%
SJVN Limited	436680000	100.00	436680000	100.00

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

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
Number of shares at the beginning	436680000	43668	436680000	43668
No. of shares issued during the year	-	-	-	-
Number of shares at the end	436680000	43668	436680000	43668

1.9 Other Equity

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Retained Earnings		
Opening Balance	(14)	(2)
Add: Profit for the Year as per Statement of Profit and Loss	(17)	(12)
Total Other Equity	**(31)**	**(14)**

1.10 Other Financial Liablities-Current

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Others Payables:		
-Liability for Employees' Remuneration and Benefits	89	102
Amount Payable to Holding Company	5239	3199
Deposits, Retention Money from Contractors and Others	50	40
TDS and Other Taxes Payable	32	37
Total	**5410**	**3378**

1.11 Other Current Liablities

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Others	423	181
Total	**423**	**181**

1.12 Provisions

(₹ Lakh)

Particulars	As at April 1, 2017	For the year			As at March 31, 2018
		Additions	Write Back	Utilization	
Unfunded Employee Benefits	-	-			-
Pay Revision	43	250		-	293
Performance Related Pay	118	185	18	100	185
Total	**161**	**435**	**18**	**100**	**478**
Previous Year	83	142	-	64	161

1.13 Other Income

(₹ Lakh)

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Interest Income		
Banks	-	6
Total	-	**6**

1.14 Employee Benefits Expense

(₹ Lakh)

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Salaries,Wages, Allowances and Benefits	13	15
Contribution to Provident and Other Funds	2	1
Total	15	16

1.15 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Payment to Auditors:			
As Auditor	1		1
Reimbursement of Expenses	1		1
		2	2
Total		**2**	**2**

1.16 Disclosure on Financial Instruments and Risk Management

(1) Fair Value Measurement

A) Financial Instruments by category

(₹ in Lakh)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017
		Amortised Cost	Amortised Cost
Financial assets			
Non-current Financial assets		-	-
Current Financial assets			
(i) Cash and cash equivalents	1.5	46	102
Total Financial Assets		**46**	**102**
Financial Liabilities			
Non-current Financial Liabilities		-	-
Current Financial Liabilities			
(i) Other Current financial liabilities			
a) Deposits/Retention Money	1.10	50	40
b) Other Payables	1.10	5,360	3,338
Total		**5,410**	**3,378**

Note: The company does not classify any financial asset/financial liability at fair value through profit or loss (FVTPL) & fair value through other comprehensive income (FVTOCI).

B) FAIR VALUATION MEASUREMENT

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has to classifiy its financial instruments into the three levels prescribed under the accounting standards.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date. The company has no financial instruments that are listed and traded in recongised Stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes security deposits/ retention money and loans at below market rates of interest.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(a) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed: (₹ in Lakh)

	Note No.	As at 31.03.2018			As at 31.03.2017		
		Level 1	Level 2	Level	Level 1	Level 2	Level 3
Financial assets		-	-	-	-	-	-
Total Financial Assets		-	-	-	-	-	-
Financial Liabilities							
(i) Deposits/Retention Money (including Current)	1.10	-	50	-	-	40	-
Total Financial Liabilities		**-**	**50**	**-**	**-**	**40**	**-**

(ii) Valuation techniques and process used to determine fair values

The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

-Use of Quoted market price or dealer quotes for similar intruments.

- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

The company has a team that performs the valuation of financial assets and liabilities required for financial reporting purpose.

(iii) Fair value of Financial Assets and liabilities measured at Amortised Cost (₹ in Lakh)

	Note No.	As at 31.03.2018		As at 31.03.2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortised Cost		-	-	-	-
Total Financial Assets		-	-	-	-
Financial Liabilities at Amortised Cost					
(ii) Deposits/Retention Money (including Current)	1.10	50	50	40	40
Total Financial Liabilities		**50**	**50**	**40**	**40**

Significant Estimates:

The fair value of financial instruments that are not traded in an active markets determined using valuation techniques. The company uses its judgement to select a variety of methods and make assumptions that are mainly based on market conditions existing at the end of each reporting period.

(2) Financial Risk Management

Financial risk factors

The Company's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the Company's operations. The Company has loan and other receivables, trade and other receivables, investments and cash and short-term deposits that arise directly from its operations. The Company's activities expose it to a variety of financial risks:

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions.

ii) Liquidity risk.

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2018 and 31st March, 2017.

The company's risk management is carried out as per policies approved by Board of Directors from time to time.

(A) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

a) Financial instruments and cash deposits

The Company considers factors such as track record, size/networth of the institution/bank, market reputation and service standards and limits and policies as approved by the board of directors to select the banks with which balances and deposits are maintained. The Company invests surplus cash in short term deposits with scheduled Banks.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The Company's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Company relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its need for funds. The current committed lines of credit are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturities of Financial Liabilities:

The table below provides undiscounted cash flows towards company's financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date. Balance due within 1 year is equal to their carrying balances as the impact of discounting is not significant.

As at 31st March, 2018 (₹ in Lakh)

Contratual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2018	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
1. Other financial Liabilities	1.10	5410	5410	-	-	-
Total Financial Liabilities		**5410**	**5410**	**-**	**-**	**-**

As at 31st March 2017 (₹ in Lakh)

Contratual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2017	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
1. Other financial Liabilities	1.10	3378	3378	-	-	-
Total Financial Liabilities		**3378**	**3378**	**-**	**-**	**-**

(C) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Company's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

(i) Interest rate risk and sensitivity

The Comapny's exposure to the risk of changes in market interest rates relates primarily to the Company's long term debt obligations with floating interest rates and any changes in the interest rates environment may impact future cost of borrowing. Company does not have fixed rate borrowings and accordingly not subject to interest rate risk as defined in the IND AS 107.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ in Lakh)

Particulars	31.03.2018	31.03.2017
Variable Rate Borrowings	-	-
Fixed Rate Borrowings	-	-
Total	**-**	**-**

Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates.With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

(₹ in Lakh)

Particulars	31.03.2018	31.03.2017
Effect on PAT with rise of 25 basis points	-	-
Effect on PAT with rise of 50 basis points	-	-
Total		

(ii) Price Risk:

(a) Exposure

The company has no exposure to price risk as there is no investment in equity shares which are listed in recognised stock exchange and are publicly traded in the stock exchanges.

(iii) Foreign Currency Risk

(a) Foreign Currency Risk Exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

Particulars	31.03.2018	31.03.2017
Foreign Currency	**USD**	**USD**
Net Exposure to foreign currency risk(asset)	-	-
Financial Liabilities:		
Foreign currency loan including interest accrued but not due (₹ in Lakh)	-	-
Net Exposure to foreign currency risk(liabilities)	**-**	**-**

i. As per accounting policy of the company transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of fixed assets entered up to March 31, 2016 are adjusted to carrying cost of fixed assets.

The Company has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities. However, there is no impact on the Profit & Loss of the company due to change in foreign currency rates as the same is the pass through item to the beneficiaries as per CERC guidlines.

(3) Capital Management

(a) Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2018.

The Company monitors capital using gearing ratio, which is net debt divided by total capital. The gearing ratios are as follows:

Statement of Gearing Ratio

(₹ in Lakh)

Particulars	As at 31st March, 2018	As at March 31st, 2017
(a) Loans and borrowings	-	-
(b) Trade & other payables	-	-
(c) Less : Cash and cash equivalent	46	102
(d) Net Debt (a+b-c)	(46)	(102)
(e) Total Capital	43637	43654
(f) Capital and net debt (d+e)	43591	43552
Gearing Ratio (d/f)	-	-

Note: For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(b) Dividends:

(₹ in Lakh)

(i) Equity Shares	As at 31st March, 2018	As at March 31st, 2017
Final dividend	-	-
Interim dividend	-	-
(ii) Dividend not recognised at the end of the reporting period	**-**	**-**

1.17 Contingent Liabilities:-

a) Claims against the Company not acknowledged as debts in respect of:

(₹ in Lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Land Compensation [see (i) below]	3	3

i) A demand of ₹ 3 Lakh has been raised by Circle Officer, Buxar in respect of Govt. land measuring 16 acres. However, the same has been contested by the Company.

The above is summarized as at 31.03.2018 below:

(₹ in Lakh)

Sr. No.	Particulars	Claims as on 31.03.2018	Provision against the claims	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Addition in contingent liability for the period
1.	Land Compensation	3	-	3	3	-

i) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

ii) The company's management does not expect that the above claims/ obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial condition.

b) Estimated amount of commitments not provided for is as under:

(₹ in Lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	1273	350
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	2	-
Total	**1275**	**350**

1.18 The effect of foreign exchange fluctuation during the year is as under:

(₹ in Lakh)

Sr. No.	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
(i)	Amount charged to Statement of Profit and Loss excluding depreciation: - As FERV - As Borrowing cost	 - -	 - -
(ii)	Amount charged to Expenditure Attributable to Construction: - As FERV - As Borrowing cost	 - -	 - -
(iii)	Amount adjusted by addition to carrying amount of fixed assets	-	-

1.19 Disclosure under the provisions of IND-AS-19 'Employee Benefits':-

All the employees posted in the Company are on deputation from SJVN Limited, holding company. General description of various defined employee benefits is as under:

a) Defined Contribution plans:

i) Employer's contribution to Provident Fund :

Fixed contribution to Provident Fund is paid at a predetermined rate to a separate trust, created by the holding company, which invests the fund in permitted securities. The contribution of ₹ 79 Lakh (Previous Year: ₹ 62 Lakh) is recognised as expense, charged to Expenditure attributable to Construction (EAC) / Statement of Profit & Loss account (refer note 1.21 (d)). The obligation of the company is limited to fixed contribution and to ensure a minimum rate of return to the members as specified by Govt. of India.

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 ₹ 66 Lakh (Previous Year : ₹ 51 Lakh) and is recognized on accrual basis. The same is recognised as expense, charged to Expenditure attributable to Construction (EAC) / Statement of Profit & Loss account (refer note 1.21 (d)).

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 ₹ 19 Lakh (Previous Year : ₹ 79 Lakh) and recognized on the basis of actuarial valuation. The same is recognised as expense charged to Expenditure Attributable to Construction (EAC).

ii) 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 ₹ 107 Lakh (Previous Year: ₹ 89 Lakh) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure Attributable to Construction (EAC).

iii) 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 ₹ 75 Lakh (Previous Year: ₹ 30 Lakh) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure Attributable to Construction (EAC).

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 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 ₹ 1 lakh (Previous Year: ₹ 2 lakh) and provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure Attributable to Construction (EAC).

v) 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 ₹ 1 lakh (Previous Year : ₹ 2 lakh) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure Attributable to Construction (EAC).

I. Key Actuarial assumptions for Actuarial Valuation:

Particular	As at 31.03.2018	As at 31.03.2017
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.60%	7.50%
Future Salary Increase	6.50%	6.00%

1.20 Segment information:

a) Operating Segments are defined as components of an enterprise for which financial information is available that is evaluated regularly by the Management in deciding how to allocate resources and assessing performance.

b) Company is in the process of implementing coal based Thermal Power Project and is in pre-construction stage. Hence, there is no reportable segment.

c) The Company is executing Thermal Power Project at Chausa, Distt. Buxar, Bihar. As such company having a single geographical segment is located within the Country.

d) Information about major customers:

The company is in pre-construction stage. However, PPA has been signed with the state of Bihar wherein, Govt. of Bihar has committed to purchase 85% of electricity produced. Balance 15% of the electricity produced will be supplied to national grid and will be sold in the open market.

e) Revenue from External Customers: Nil

1.21 Information on 'Related Party Disclosures' as per Ind AS 24 is as under:

a) **List of Related Parties –**

i) Directors & Key Management Personnel (KMP):

Sr. No.	Name of Director/ KMP	Designation
1	Shri Nand Lal Sharma	Chairman
2	Shri Amarjit Singh Bindra	Director
3	Shri Rakesh Kumar Bansal	Director
4	Shri Kanwar Singh	Director
5	Shri Suresh Chandra Agarwal	Chief Executive Officer
6	Shri Abhay Shanker Shukla	Chief Financial Officer
7	Shri Raman Kant Sharma	Company Secretary

ii) Holding Company:

Name of Entity	% of Shareholding/ voting Power			
	Principal Place of Operation/Country of Incorporation	Principal activities	As at March 31, 2018	As at March 31, 2017
SJVN Limited	India	Power Generation	100%	100%

b) Transactions with the related parties are as follows.

(₹ in lakh)

Particulars	Holding Company		Directors/ Key Management Personnel (KMP)	
	F.Y. 2017-18	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2016-17
A. Transactions During the Year				
1. Issue of share capital				
a) SJVN Limited	-	-	-	-
2. Amount Payable				
a) SJVN Limited	5239	3199	-	-
3. Sitting Fees	-	-	-	-

c) Loans to/ from Related Parties: Nil

d) Remuneration to Directors & Key Managerial Personnel

(₹ in Lakh)

Sr. No	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
i)	Short Term Employee Benefits	78	72
ii)	Post Employment Benefits	-	-
iii)	Other Long Term Employee Benefits	-	-
iv)	Termination Benefits	-	-
v)	Employee Share Based Payments	-	-
	Total	78	72

Remuneration to key management personnel has been charged to Statement of Profit & Loss as below:

- In case of Chief Executive Officer & Chief Financial Officer- 10% of total remuneration.
- In case of Company Secretary- 100% of total remuneration.

  CEO is allowed the use of staff cars including for private journeys on payment in accordance with company policy.

1.22 Earnings Per Share:-

Calculation of Earnings Per Share (Basic and Diluted) is as under:

Particulars	Year Ended 31.03.2018	Year Ended 31.03.2017
Net Profit/ (loss) after Tax but before Regulatory Income used as numerator (₹ in Lakh)	(17)	(12)
Net Profit after Tax and Regulatory Income used as numerator (₹ in Lakh)	(17)	(12)
Weighted Average number of equity shares used as denominator	436680000	436680000
Earnings per Share before Regulatory Income (₹) – Basic & Diluted	-	-
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	-	-
Face value per share (₹)	10	10

1.23 Impairment of Assets-

As per Ind AS 36, in the opinion of the management, there is no indication of any significant impairment of assets during the year.

1.24 Disclosure Regarding Embedded Lease: Nil

1.25 Other disclosures as per Schedule-III of the Companies Act,2013 are as under:-

(₹ in Lakh)

(A)	Expenditure in foreign currency	Year ended 31.03.2018	Year ended 31.03.2017
i)	Consultancy	-	-
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	-	-
iv)	Interest on World Bank Loan.	-	-
v)	Dividend Paid	-	-
vi)	Other Miscellaneous Matters	-	-
(B)	**Earnings in foreign currency**	-	-
(C)	**Value of Import calculated on CIF basis**		
i)	Capital Goods	-	-
ii)	Spare Parts	-	-
(D)	**Value of components, stores and spare parts consumed**		
i)	Imported	-	-
ii)	Indigenous	-	-

1.26 Quantitative details in respect of energy generated & sold:

a) Thermal Power (coal based):-

Sr. No.	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
i)	Licensed Capacity (MW)	1320	1320
ii)	Installed Capacity (MW)	-	-
iii)	Actual Generation (Million Units)	-	-

1.27 Payment to Auditors includes: (₹ in Lakh)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
As Auditors		
- Statutory Audit	1	1
- Tax Audit	-	-
- Limited Review	-	-
For other services (Certificates etc.)	-	-
Reimbursement of Expenses	1	1
Reimbursement of GST/ Service Tax	-	-
Total	2	2

1.28 Foreign currency exposure not hedged by a derivative instrument or otherwise: (₹ in Lakh)

Particulars	Currency	As at 31.03.2018	As at 31.03.2017
Borrowings, including Interest Accrued but not due thereon.	-	-	-

1.29 Disclosure related to Corporate Social Responsibility (CSR): Nil

1.30 Information in respect of micro and small enterprises as at 31st March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006. (₹ in Lakh)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
a) Amount remaining unpaid to any supplier:		
Principal amount		
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.	-	-
a) 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.	-	-

1.31 Opening balances/corresponding figures for previous year(s)/ period(s) have been re-grouped/ re-arranged, wherever necessary.

For and on behalf of the Board of Directors

(Raman Kant Sharma)
Company Secretary
ACS-29662

(Abhay Shanker Shukla)
CFO

(Suresh Chandra Agarwal)
CEO

(Amarjit Singh Bindra)
Director
DIN-03358160

(Nand Lal Sharma)
Chairman
DIN-03495554

These are the notes referred to in the Financial Statements.
For Singhania Agrawal & Co.
Chartered Accountants
(FRN 005527C)

(Sudhir Chandra Agrawal)
M. No. 072510
Place: New Delhi
Dated: 03rd May, 2018

FOREIGN SUBSIDIARY
SJVN ARUN-3
POWER DEVELOPMENT
COMPANY PRIVATE
LIMITED

SJVN Arun-3 Power Development Company Pvt. Ltd.

BALANCE SHEET AS AT MARCH 31, 2018

(₹ Lakh)

	Note No.		As at March 31, 2018	As at March 31, 2017
ASSETS				
Non-current Assets				
Property, Plant and Equipment	2.1		7712	7655
Capital Work-in-progress	2.2		17572	11850
Investment Property	2.3		-	-
Goodwill	2.4		-	-
Other Intangible Assets	2.5		-	-
Intangible assets under development	2.6		-	-
Financial Assets				
Investments	2.7	-		-
Trade receivables	2.8	-		-
Loans	2.9	190		155
Others	2.10	-		-
			190	155
Deferred Tax Assets (Net)	2.11		-	-
Regulatory Deferral Account Debit Balance	2.12		-	-
Other Non-current Assets	2.13		973	1224
Current Assets				
Inventories	2.14		-	-
Finacial Assets				
Investments	2.15	-		-
Trade Receivables	2.16	-		-
Cash and cash equivalents	2.17	146		371
Bank Balance other than above	2.18	6		6
Loans	2.19	62		58
Others	2.20	-		-
			214	435
Current Tax Assets	2.21		1	-
Other Current Assets	2.22		321	306
Total Assets			**26983**	**21625**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.23		6910	6910
Other Equity	2.24		(54)	(52)
Liabilities				
Non- current Liabilities				
Financial Liablities				
Borrowings	2.25	-		-
Trade Payable	2.26	-		-
Other Financial Liablities	2.27	-		-
			-	-
Provisions	2.28			-
Deferred Tax Liablities (net)	2.29		-	
Other Non- Current Liabilities	2.30			-
Current Liabilities				
Financial Liablities				
Borrowings	2.31	-		-
Trade Payables	2.32	15		4
Other Financial Liablities	2.33	19661		14611
			19676	14615
Other Current Liabilities	2.34		14	-
Provisions	2.35		437	152
Current Tax Liablities (Net)	2.36		-	-
Total Equity and Liabilities			**26983**	**21625**
Significant Accounting Policies	1			

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

(Sujit Jha)	**(Jitendra Yadav)**	**(S.K. Sharma)**
Company Secretary	**CFO**	**CEO**

SJVN Arun-3 Power Development Company Pvt. Ltd.
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Income			
Revenue from Operations	2.37	-	-
Other Income	2.38	-	-
Total Income		**-**	**-**
Expenses			
Employee Benefits Expense	2.39	-	-
Finance Costs	2.40	-	-
Depreciation and Amortization Expense	2.41	-	-
Other Expenses	2.42	2	25
Total Expenses		2	25
Profit/ (Loss) before exceptional and tax		(2)	(25)
Exceptional Items	2.43	-	-
Profit before net movement in regulatory deferral account balance and tax		(2)	(25)
Net movement in regulatory deferral account balance	2.44	-	-
Profit Before Tax		(2)	(25)
Tax Expenses:			
- Current Tax		-	-
-Adjustments relating to earlier years		-	-
- Deferred Tax		-	-
Profit(Loss) for the period		**(2)**	**(25)**
Other comprehensive income		-	-
Total Comprehensive Income for the period		**(2)**	**(25)**

(Sujit Jha)
Company Secretary

(Jitendra Yadav)
CFO

(S.K. Sharma)
CEO

SJVN Arun-3 Power Development Company Pvt. Ltd.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ Lakh)

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	(2)	(25)
Adjustment for assets and liabilities	-	-
Cash generated from operating activities	(2)	(25)
Income tax paid	-	-
Net cash generated by operating activities	**(2)**	**(25)**
CASH FLOW FROM INVESTING ACTIVITIES:		
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(223)	(6266)
Net cash used in investing activities	**(223)**	**(6266)**
CASH FLOW FROM FINANCING ACTIVITIES:		
Issue of Equity Share	-	6610
Cash used in financing activities	**-**	**6610**
Net increase in cash and cash equivalents	**(225)**	**319**
Opening balance of cash & cash equivalents	**371**	**57**
Closing balance of cash & cash equivalents	**146**	**376**
Restricted cash balance		
Earmarked Balance (Unpaid Dividend)	-	-
Margin Money for BG/ Letter of Credit and Pledged deposits	6	6
Total	**6**	**6**

(Sujit Jha)	**(Jitendra Yadav)**	**(S.K. Sharma)**
Company Secretary	**CFO**	**CEO**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

Particulars	**Amount (₹ Lakh)**
Opening Balance as at April 1,2017	6910
Equity Shares issued during the year	-
Closing Balance as at March 31, 2018	6910

B. Other Equity (₹ Lakh)

Particulars	**Reserves and Surplus**			**Total Other Equity**
	Capital Redemption Reserve	**Securities Premium**	**Retained Earnings**	
Opening Balance as at April 1,2017		-	(52)	(52)
Profit for the Period			(2)	(2)
Other Comprehensive Income			-	-
Total Comprehensive Income			(2)	(2)
Closing Balance as at March 31, 2018	**-**	**-**	**(54)**	**(54)**

(Sujit Jha)	**(Jitendra Yadav)**	**(S.K. Sharma)**
Company Secretary	**CFO**	**CEO**

SJVN Arun-3 Power Development Company Pvt. Limited

Schedules forming part of Accounts for the year ended on 31st March,2018

Note:-1.0 Significant Accounting Policies & Notes to Accounts

A. Company Information:-

SJVN Arun-3 Power Development Company Pvt. Ltd. ("SAPDC" or "Company") was incorporated as private limited company under the Company Act 2063 on 25 April 2013 which is duly floated by single shareholder company SJVN Limited (a joint venture of Government of India and Government of Himachal Pradesh) with an aim to plan, promote, organize and execute Arun-3 Hydroelectric Project on BOOT basis. The registered address of the Company is Lokhanthali, Madhyapur (Thimi), Bhaktapur, Nepal and project office is located at Tumlingtar, Sankhuwasabha Nepal.

The Company is developing the Arun-3 Hydroelectric Project with capacity of 900 MW ("the Project") identified in Arun Khola by utilizing the water of Arun River located in Num, Diding, Pathivara and Yaphu Village Development Committee (VDC) of Sankhuwasabha district to generate, transmit and sell electricity.

SJVN Limited (parent company of SAPDC) signed Memorandum of Understanding (MOU) with Government of Nepal (GON), represented by Ministry of Water Resources on 2 March 2008 for the purpose of executing the Arun-3 Hydropower Project with initial proposed capacity of 402 MW subsequently increased to 900 MW in 2010.

On 25 November 2014, the Company entered into Project Development Agreement (PDA) with GON represented by the Investment Board of the Government of Nepal with defined terms and condition to execute the project activities for the development of 900 MW ARUN-3 Hydro Power Project.

The Company has entered into lease agreement with Government of Nepal, Ministry of Forest and Soil Conservation, Department of Forest, Department of National Parks and Wildlife Conservation on 23 August 2017.

As per PDA, GoN granted to the Company the right to generate, sell and supply electrical energy and make capacity available from the Power Station.

The generation license has been granted by Investment Board of Nepal (GON) vide No. V. U. 001/2074-75. The Generation License will expire after 30 years from the date of issuance.

B. Significant Accounting Policies

1) Basis of Preparation:

These financial statements have been prepared in compliance with accounting policies of the holding company, Nepal Accounting Standards (NAS) adopted by the Institute of Chartered Accountants of Nepal (ICAN), and presentational requirement of the Company Act 2063. These financial statements are presented in INR, rounded to the nearest rupee lakh. 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) Property, Plant & Equipment (PPE)

i) Land is stated at the original cost of acquisition.

ii) PPE 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) Assets created on land not belonging to the Company are included under Capital Work-in-progress /PPE.

iv) Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-progress / PPE.

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) Intagible Assets

i) All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental/attributable 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 the depreciation is 33.33%, and mobile phones rate of depreciation is taken @ 50% 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 expense 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.

12) 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.

13) 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.

14) 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.

15) Related party transactions:

All transactions with related parties are carried out by the Company at arm's length prices.

Related party Disclosure

1	Enterprises that Control the Company	SJVN LTD
2	Fellow Subsidiary Companies	None
3	Key Management Personnel	1. Sh. N.L. Sharma (Chairman) 2. Sh. A. S. Bindra (Director) 3. Sh. R.K. Bansal (Director) 4. 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: **(Amt in INR)**

Particulars	**For the year ended 31st March 2018**	**For the year ended 31st March 2017**
Payable to SJVN LTD.	192,59,11,236	143,60,72,144

16) 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.

17) 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.

18) 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.

19) 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.

20) Material prior period errors

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

21) 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.

22) 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.

23) Earning 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 expenses for the Nepalese year ending (2073-74) charged to Statement of profit and loss.

3) Committed Cost of Contract:-

Details of committed cost of running contracts are as follows :- **(₹ in Crore)**

PCD / LOA	Contractor Name	Purpose	Total Value as per Contract	O/s Value of the Contract
C-1	M/s Jaiprakash Associates Limited	Dam Diversion Tunnel, HRT and allied structures	1121.71	1121.71
C-2	M/s Patel Engineering Limited	Powerhouse, HRT, Surge Shaft and allied structures	1125.87	1125.87
C-3	M/s OM Metal Pvt Ltd	Hydro Mechanical Works	156.97	156.97
C-4	M/s BHEL	Electro Mechanical Works	535.96	535.96
ATARP/ 072-073/01	Department of Road	Cons. Of Road Chainkutty to PH 200+000 to 214+000Km	31.57	17.50
ATARP/ 072-073/02	Department of Road	Cons. Of Road Chainkutty to PH 214+000 to 228+690Km	30.85	22.37
ATARP / 073-074/03	Department of Road	Design & Build Bridges at Arunkhola Suntle & Diding, KaguwaKhola Didn't & Aproach Road 4.87 Kms	87.55	84.78
2017-12-17	CWPRS Pune	Carrying Hydraulic Studies for Spilways and Power Intake	3.68	0.63
PCD-69	M/s Jade Consultant (P) Ltd Kathmandu	Survey & Investigation of proposed 33 KV TL of Arun-3	0.66	0.66
PCD-83	M/s Jade Consultant (P) Ltd Kathmandu	R&R Plan for Nepal Portion of 400 KV/DC TL for evacuation of Power of Arun-3 HEP	1.39	1.27
PCD-85	M/s Topsun Energy Pvt. Ltd. Kathmandu	Supplying & Installation of Solar Lighting Tumlingtar	0.17	0.01
PCD 81	M/s HECT & RIMC JV, Ktm	Preparation of Nepal Employment & skill Training Plan	0.26	0.14
PCD 80	M/s KFA Consulting Pvt Ltd	Preparation of local benefit sharing plan	0.25	0.14
PCD 82	M/s HECT & RIMC JV	Preparation of Nepal Industrial benefit Plan	0.25	0.14
ATARP/ 073-074/01	Department of Road	Construction of Gravel Standard with necessary Structural works from suntale to township phaksinda	51.62	26.14
ATARP/ 073-74/02	Department of Road	Roadway construction of Graval Standard with necessary structural works and installation of of Bailey Bridge	11.80	4.59
ATARP/ G/ 072-073-2	Department of Road	For construction of project access road(Dam Site area)	72.60	65.20
PCD-75	M/s Surya KM JV	Development of benches for prefabricated structure at Phaksinda	5.58	1.78
PCD-76	M/s KM Engineers & Builders Pvt Ltd	Land scaping for residential-cum-office complex at tumlingtar	0.58	0.42
PCD-60	M/s S.K. Consultant	Setting of G&D Sites at Uwangaon (extended upto 31/10/18)	0.33	0.10
PCD-68	M/s Bira Furniture	Construction of Prefab Structure at Tumlingtar	9.63	2.49
PCD-95	M/s KM Engineers & Builders Pvt Ltd	Renovation of damaged building at P-House	0.21	0.04

4) Comparative Information

Previous year's figures have been regrouped/rearranged wherever necessary to facilitate comparison

5) Rounding Off

Though the books of accounts have been maintained in paisa, figures in the financial statement have been rounded off to the nearest rupees Lakh.

(Sujit Jha)	**(Jitendra Yadav)**	**(S.K. Sharma)**
Company Secretary	**CFO**	**CEO**

2.1 Property, Plant & Equipment

(₹ Lakh)

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2017	Additions during the year	Deductions/ Adjustments	As at March 31, 2018	As at April 1,2017	For the year	Deduction	As at March 31, 2018	As at March 31, 2018	As at April 1,2017
1	Land										
	Free hold Land (including development expenses)	7516	-	-	7516	-	-	-	-	7516	7516
2	Buildings	78	1	-	79	15	3	-	18	61	63
3	Plant and Machinery	-	18	-	18	-	-	-	-	18	-
4	Furniture, Fixture and Equipments	34	7	-	41	3	5	-	8	33	31
5	Electrical Works	14	42	-	56	4	2	-	6	50	10
6	Electrical Equipments	11	-	-	11	-	1	-	1	10	11
7	Office Equipments	13	1	-	14	2	1	-	3	11	11
8	Data processing Equipments	13	9	-	22	-	9	-	9	13	13
	Total	**7679**	**78**	**-**	**7757**	**24**	**21**	**-**	**45**	**7712**	**7655**
	Previous Year :	138	7544	3	7679	18	12	6	24	7655	120

2.2 Capital Work-in-progress

(₹ Lakh)

Sl. No.	Particulars	As at April 1,2017	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2018	Capitalised during the year	As at March 31, 2018
1	Building	-	499	-	499	-	499
2	Roads, Bridges & Culverts	1168	2510	-	3678	-	3678
3	Electrical Works	-	23	-	23	-	23
4	Preliminary	4361	305	-	4666	-	4666
5	Expenditure attributable to construction (Note No. 2.2.1)	6321	2385	-	8706	-	8706
	Total	**11850**	**5722**	**-**	**17572**	**-**	**17572**
	Previous Year :	8516	3105	(229)	11850	-	11850

2.2.1 Expenditure Attributable to Construction

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Employee Benefits Expense:			
Salaries,Wages, Allowances and Benefits	1439		1084
Contribution to Provident and Other Funds	105		224
Leave Salary and Pension Contribution	-		4
Welfare Expenses	207		352
		1751	1665
Repair and Maintenance:			
Buildings	44		33
Others	28		35
		72	68
Other Expenses:			
Rent		33	33
Security Expenses		5	5
Electricity Charges		11	3
Travelling & Conveyance		91	53
Training and Recruitment Expenses		14	-
Legal Expenses		7	1
Professional and Consultancy Charges		95	61
Communication Expenses		9	7
Printing & Stationery	5		6
Less: Receipts from Sale of Tenders	-		1
		5	5
Advertisement & Publicity		130	8
EDP Expenses		6	4
Hiring of Vehicles		74	42
Entertainment Expenses		2	5
Expenses on Transit Camps		1	-
Books & Periodicals		1	-
Business Promotion Expenses		1	-
Miscellaneous Expenses		55	2
Rehabilitation Expenses		63	-
Depreciation and Amortization Expense		21	12
Interest and Finance Charges:			
Other finance charges		-	2
Total expenses		**2447**	**1975**
Recovery and Receipts:			
Interest Income:			
Banks		4	-
Employees		9	7
Contractors		29	-
Misc Income		20	31
Total		**62**	**38**
Net expenditure attributable to construction Projects		**2385**	**1937**

2.3 Investment Property — Nil

2.4 Goodwill — Nil

2.5 Other Intangible Assets — Nil

2.6 Intangible assets under development — Nil

2.7 Investments — Nil

2.8 Trade receivable — Nil

2.9 Loans

(₹ Lakh)

	As at March 31, 2018		As at March 31, 2017
Loans to other Employees			
- Secured considered good	166		131
- Unsecured considered good	24		24
- Doubtful	-		-
		190	155
Total		**190**	**155**

2.10 Others **Nil**

2.11 Deferred Tax Assets (Net) **Nil**

2.12 Regulatory Deferral Account Debit Balance **Nil**

2.13 Other Non - current Assets

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Capital Advances		
Advances to Govt Departments	973	1224
Total Other Non-current Assets	**973**	**1224**

2.14 Inventories **Nil**

2.15 Investment **Nil**

2.16 Trade Receivables **Nil**

2.17 Cash and Cash Equivalents

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
Current Accounts	146	371
Total	**146**	**371**

2.18 Others Bank Balances

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Margin Money for BG/ Letter of Credit and Pledged deposits	6	6
Total	**6**	**6**

2.19 Loans

(₹ Lakh)

	As at March 31, 2018		As at March 31, 2017
Loans to other Employees			
- Secured considered good	34		30
- Unsecured considered good	7		8
- Doubtful	-		-
		41	38
Other Advances:			
Unsecured considered good			
-Directors	-		-
-Oficers of the Company	-		-
-Other Employees	21		20
		21	20
Total Loans		**62**	**58**

2.20 Other Financial Assets **Nil**

2.21 Current Tax Assets(Net)

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Tax deducted at Source	1	-
Total	**1**	**-**

2.22 Other Current Assets

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
Other Advances			
Advances to Officers of the Company	-		-
Advances to other employees of the Company	-		1
		-	1
Advances to Govt Departments			
- Secured considered good	-		-
- Unsecured considered good	305		305
- Doubtful	-		-
	305		305
Less Provision for Expenditure	-		-
		305	305
Advances to Others			
- Secured considered good	-		-
- Unsecured considered good	16		-
- Doubtful	-		-
	16		-
Less Provision for Doubtful Advances	-		-
		16	-
Total		**321**	**306**

2.23 Equity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
Equity Shares of par value ₹ 62.50/- each	247500000	154688	247500000	154688
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹ 62.50/- each fully paid up	11056522	6910	11056522	6910
Total		**6910**		**6910**

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of Shares	%
	-	-	-	-
SJVN Limited	11056522	100	11056522	100

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

Particulars	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
Number of shares at the beginning	11056522	6910	-	-
No. of shares issued during the year	-	-	11056522	6910
Number of shares at the end	11056522	6910	11056522	6910

2.24 Other Equity

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Retained Earnings		
Opening Balance	(52)	(27)
Add: Profit for the Year as per Statement of Profit and Loss	(2)	(25)
Total Other Equity	**(54)**	**(52)**

2.25 Borrowings **Nil**

2.26 Trade Payable **Nil**

2.27 Other Financial Liabilities **Nil**

2.28 Non Current Provisions **Nil**

2.29 Deferred Tax Liabilities (Net) **Nil**

2.30 Other Non-current Liabilities **Nil**

2.31 Borrowings **Nil**

2.32 Trade Payables

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Micro and Small Scale Enterprises	-	-
Others	15	4
Total	**15**	**4**

2.33 Other Financial Liablities-Current

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Others Payables:		
-Liability for Employees' Remuneration and Benefits	17	42
Liability for Purchase/Construction of Fixed Assets:		
- Micro and Small Scale Enterprises	-	-
- Others	125	-
Amount Payable to Holding Company	19259	14361
Deposits, Retention Money from Contractors and Others	236	132
TDS and Other Taxes Payable	24	76
Total	**19661**	**14611**

2.34 Other Current Liablities

(₹ Lakh)

	As At March 31, 2018	As At March 31, 2017
Others	14	-
Total	**14**	**-**

2.35 Provisions

(₹ Lakh)

Particulars	As at April 1, 2017	For the year			As at March 31, 2018
		Additions	Write Back/ Transfer	Utilization	
Pay Revision	111	250	-	-	361
Performance Related Pay	41	76	-	41	76
Total	**152**	**326**	**-**	**41**	**437**
Previous Year	33	157	25	13	152

2.36 Current Tax Liabilities (Net) — Nil
2.37 Revenue from Operations — Nil
2.38 Other Income — Nil
2.39 Employee Benefits Expense — Nil
2.40 Finance Costs — Nil

2.41 Depreciation and Amortization Expense

(₹ Lakh)

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Depreciation for the Year	21	12
Less: Depreciation attributable to Construction	21	12
Depeciation Charged to Statement of Profit & Loss	**-**	**-**

2.42 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Payment to Auditors:			
As Auditor	-		-
For other Services	1		-
Reimbursement of Expenses	1		-
		2	-
C.S.R./ Sustainable Development Expenses		-	25
Total		**2**	**25**

CONSOLIDATED FINANCIAL STATEMENTS

Annexure- XII

INDEPENDENT AUDITOR'S REPORT

To
The Members of SJVN LIMITED
Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS 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, 2018, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.(hereinafter referred to as "the consolidated Ind AS financial statements").

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the matters stated in Section 134 (5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these consolidated Ind AS financial statements that give a true and fair view of the consolidated state of affairs (consolidated financial position), consolidated profit or loss (consolidated financial performance including other comprehensive income) , consolidated cash flows and consolidated changes in equity of the Group and jointly controlled entities in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act read with relevant rules issued there under.

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; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, 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 the 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 Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS 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 including the Ind AS, of the consolidated state of affairs (financial position) of the Group and jointly controlled entities as at 31st March, 2018, its consolidated profit/loss (financial performance including other comprehensive income), its consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Emphasis of Matter

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

a) Note No. 2.32 to the consolidated Ind AS financial statements in respect of accounting of sales on provisionally approved tariff.

b) Note No. 2.40 to the consolidated Ind AS financial statements, regarding the uncertainty related to the outcome of the claims/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the Company/ lost in lower courts and the company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.

c) Note 2.43 to the Ind AS financial statements, which describes that a fire break out at Charanka Solar Power Project on 14 Feb, 2018 which resulted into shut down of whole plant for almost 69 days, causing loss of revenue to the company.

d) Note 2.44 to the Ind AS financial statements, regarding the certain balances which are subject to reconciliation / confirmation and respective consequential adjustments.

Our opinion is not modified in respect of these matters.

Other Matters

1. The audit of prior period financial statements was performed by another auditor and law or regulation permits us being the auditor for the current period to refer to the report of the predecessor auditor on corresponding figures. Accordingly we state:

a. That the audit of prior period financial statements was performed by another auditor.

b. That the predecessor auditors had expressed Modified Opinion based on the excessive payments (Hydro Allowance) being made by the company against the capital works which leads to overstatement of Property Plant and Equipment and correspondingly understatement of Profits due to enhanced depreciation. However, the same is resolved in the current year.

c. The date of audit report on prior period financial statements is 29th May, 2017.

2. 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 2018, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in consolidated Ind AS financial statements.

(₹ Lakh)

Name of the Company	Assets	Revenues	Net Cash flows
Subsidiaries:			
SJVN Thermal Private Limited	49948	-	(56)

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 Ind AS 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 subsections (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.

We did not audit the financial statements/financial information of the following subsidiaries and jointly controlled companies whose financial statements/financial information reflect the details given below of assets as at 31 March 2018, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated Ind AS financial statements.

(₹ Lakh)

Name of the Company	Assets	Revenues	Net Cash flows
Subsidiaries:			
SJVN Arun-III Power Development Company Private Limited	26983	-	(225)
Joint Ventures:			
Cross Border Power Transmission Company Limited	6961	337	-
Kholongchhu Hydro Energy Limited	10414	-	-

The Results of Bengal Birbhum Coalfields Limited. (Joint Venture Entity) has not been consolidated as the JV agreement is in the process of termination and has been shown as Current Investment. These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS 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 its 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 Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors 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, based on our audit and on the consideration of report of the other auditors on separate Ind AS financial statements and the other financial information of the subsidiaries and jointly controlled entities, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the report of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of consolidated Ind AS financial statements.

d) In our opinion, the aforesaid Consolidated Ind AS Financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act read with relevant rules issued there under.

e) In view of the exemptions given vide Notification No. G.S.R. 463 (E) dated 5th June 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Companies Act, 2013 regarding disqualification of directors, are not applicable to the company.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in **"Annexure A"**; and

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 and based on the consideration of the report of the other auditors on separate Ind AS financial statements as also the other financial information of Jointly Controlled Entities, as noted in the 'Other Matters' paragraph:

i. The Company have disclosed the impact of pending litigations on its financial position in Note No. 2.40 to the consolidated Ind AS financial statements;

ii. The Group and its jointly controlled entity has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts,

iii. There has been no delay in transferring amounts which were required to be transferred to Investor Education and Protection Fund by the Holding Company, subsidiary company and jointly controlled entity.

For A P R A & Associates
Chartered Accountants
FRN - 011078N /N500064

(Arun Kumar Gupta)
Partner
M.No.089657

Place: New Delhi
Date: 28th May 2018

"ANNEXURE-A" TO THE AUDITOR'S REPORT

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls under Clause (i) of sub — section 3 of section 143 of the Companies Act, 2013 ("the Act") for the year ended 31st March, 2018.

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2018, we have audited the internal financial controls over financial reporting of **SJVN Limited** (hereinafter referred to as "the Holding Company") and its subsidiary companies 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 companies and jointly controlled companies, which are 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 the 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 Guidance note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standard 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 and 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 statement, 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 details, accurately and fairly reflect the transactions and disposition of the assets of the company;(2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statement 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 limitation 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 respect, an adequate internal financial controls systems over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, 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, the following deficiencies in Internal Financial Control were observed during audit:

i) *A theft occurred on 05-09-2016 in a Materials Store at Rampur Hydro Power Station stealing G. V. Upper & Lower bushes worth ₹ 80 Lakh. Management has Lodged FIR for the same. No accounting treatment was given to the same in the previous year. However, decapitalization of asset has been done and the corresponding depreciation is reversed during the year.*

(ii) *The Contract for 'House Keeping and Pest Control Services along with cleaning material in regard to Delhi office was awarded for amount of ₹ 18.30 lakh with further extension by ₹ 10.13 lakh and ₹ 5.06 lakh on respective dates, by brushing aside clause 1.2 (iii) (c) of the Internal Audit Manual which says that party applying for tender must not be related to each other whereas in the above mentioned tender all the three qualified bidders were surely related to each other, which point out that financial prudence was not there and internal financial control are somewhere weak in the organization.*

(iii) *Four Contracts were awarded to M/s Inox Wind Ltd to the tune of ₹ 36223 lakh for installation and maintenance of 25 WEGs of 2 MW each at Sadla, which were scheduled to be installed by 25-11-2017. PPA agreement for 38 MW (19 WEGs) was signed by SJVN Ltd on 02-01-2018. In spite of exorbitant delay, the contractor was able to commission just one WEG up to 31-03-2018. This has resulted in blocking of huge investment and loss of revenue on daily basis.*

There are various issue in relation to contract with M/s Inox Wind Ltd:

— *There is a delay in Installation of project by Inox Wind Ltd.*

— *LDs have not been imposed and deferred.*

— *As per terms of contract no direct Payments can be made to Sub — Contractor but the Company has made some direct payments.*

— *Bills raised by the Contractor were found to be inaccurate i.e. same bill numbers and challan numbers appeared in different bills (8 instances), some delivery challans are unavailable, duplicate and undated.*

— *Some invoices were approved even though containing detail of expired insurance.*

— *In RA-6, two bills no 333 & 334 are dated 24-03-2017 and as per record, also received in March 2017, but not capitalized in CWIP for the year ended 31st March 2017.*

— *It is observed that the same LR No. is used in different place for two different* bills. The "Consignor Copy" (Pink Color) is attached with RA - 7 and "Consignee Copy" (White Color) is attached with RA — 6.

— *In RA-8 & 10, sum of respective packing list cum delivery challan is not matching with invoice amount. (5 bills difference of ₹ 24.00 lakh in each bill). Total difference of ₹ 120.00 lakh found*

(iv) *There is weakness in GST and service tax compliances. In respect of some transactions like Canteen Expenses recovered from Employees, Liquidated damages recovered from contractors, Mobile supplied to employees and recovery towards private use of vehicles from employees, the company is not paying GST/Service tax. Also there are non-compliances in respect of format of invoices, information to be captured in GST returns etc. The amount wise details of these transactions are disclosed in Clause No. VII (a) of CARO, 2016.*

(v) *Presently the Investment in TDRs and FDRs by Organization is done based on email/fax received from various FI/Banks. To inculcate the accountability in system, good number of organizations has moved from Manual to E-Bidding, Reverse Bidding process, which not only fetch better rate of interest but also brings transparency in system.*

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 (one subsidiary & 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 A P R A & Associates
Chartered Accountants
FRN - 011078N /N500064

(Arun Kumar Gupta)
Partner
M.No.089657

Place: New Delhi
Date: 28th May 2018

Annexure-XIII

Management's reply on Statutory Auditors'Observations on Internal Financial Control-Annexure-A to the Auditor's report

Auditors' Observations	Management's Reply
The following deficiencies in internal financial controls were observed during audit: i) A theft occurred on 05-09-2016 in a Materials Store at Rampur Hydro Power Station stealing G.V. Upper & Lower bushes worth ₹80 Lakh. Management has Lodged FIR for the same. No accounting treatment was given to the same in the previous year. However, decapitalization of asset has been done and the corresponding depreciation is reversed during the year.	As pointed out by the auditor necessary adjustments have already been carried in the financial statements and disclosure of the same has also been given in note no 2.1 to the Financial Statements.
ii) The Contract for House Keeping and Pest Control Services along with cleaning material in regard to Delhi office was awarded for amount of ₹18.30 lakh with further extension by ₹10.13 lakh and ₹5.06 lakh on respective dates, by brushing aside clause 1.2 (iii) (c) of the Internal Audit Manual which says that party applying for tender must not be related to each other whereas in the above mentioned tender all the three qualified bidders were surely related to each other, which point out that financial prudence was not there and internal financial control are somewhere weak in the organization.	This tender was open e-tender which was published on SJVN websites i.e.www.sjvn.nic.in, *https://sjvn.abcprocure.com* and Govt. tender portal *www.tenders.gov.in* and open for all bidders to participate. Only three bidders have participated in the tender process even after extension of bid submission date. Further, even participation by one bidder against open tender would have been considered for award after ascertaining the reasonability of rate. The award has been placed to lowest bidder after negotiation and awarded amount was found to be justified. Hence, financial prudence exist in the organization.
iii) Four Contracts were awarded to M/s Inox Wind Ltd. to the tune of ₹36223 lakh for installation and maintenance of 25 WEGs of 2 MW each at Sadla, which were scheduled to be installed by 25-11-2017. PPA agreement for 38 MW (19 WEGs) was signed by SJVN Ltd. on 02-01-2018. In spite of exorbitant delay, the contractor was able to commission just one WEG up to 31-03-2018. This has resulted in blocking of huge investment and loss of revenue on daily basis. There are various issue in relation to contract with M/s Inox Wind Ltd: - There is a delay in Installation of project by Inox Wind Ltd. - LDs have not been imposed and deferred. - As per terms of contract no direct Payments can be made to Sub-Contractor but the Company has made some direct payments. - Bills raised by the Contractor were found to be inaccurate i.e. same bill numbers and challan numbers appeared in different bills (8 instances), some delivery challans are unavailable, duplicate and undated. - Some invoices were approved even though containing detail of expired insurance. - In RA-6, two bills no 333 & 334 are dated 24-03-2017 and as per record, also received in March 2017, but not capitalized in CWIP for the year ended 31st March 2017 - It is observed that the same LR No. is used in different place for two different bills. The "Consignor Copy" (Pink Color) is attached with RA-7 and "Consignee Copy" (White Color) is attached with RA-6. - In RA-8 & 10, sum of respective packing list cum delivery challan is not matching with invoice amount. (5 bills difference of ₹24.00 lakh in each bill). Total difference of ₹120.00 lakh found.	There is a proper internal financial control system in the company for accounting/ payments to contractors which has also been reviewed by the firm of Chartered Accountants appointed for this purpose during FY 2017-18. Necessary improvements in the system is carried out by the company on the basis of review of the system internally as well as by external agencies. Keeping in view the deficiencies reported by the auditor and in order to complete the project at the earliest, the management has constituted a high power committee and posted them at site to resolve the issues including LD etc.

iv) There is weakness in GST and service tax compliances. In respect of some transactions like Canteen Expenses recovered from Employees, Liquidated damages recovered from contractors, Mobile supplied to employees and recovery towards private use of vehicles from employees, the company is not paying GST/Service tax. Also, there are non-compliances in respect of format of invoices, information to be captured in GST returns etc. The amount wise details of these transactions are disclosed in Clause No. VII (a) of CARO, 2016.	GST act came into operation w.e.f. 01.07.2017. Several clarifications/ amendments are being issued by Govt. from time to time regarding its implementation etc. Being new law, necessary steps have been taken continuously to comply with the provisions of the GST Act including appointment of consultant. Opinion on issues raised by auditor has been obtained from GST consultant and shall be regulated accordingly keeping in view the practice followed by other CPSEs.
v) Presently the Investment in TDRs and FDRs by Organization is done based on email/fax received from various FI/Banks. To inculcate the accountability in system, good number of organizations has moved from Manual to E-Bidding, Reverse Bidding process, which not only fetch better rate of interest but also brings transparency in system	Process of 'E-Bidding' for Investment of Surplus Funds is being incorporated in the new ERP system of SJVN and shall be implemented alongwith with ERP system.

Annexure-XV

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 2018

The preparation of consolidated financial statements of SJVN Limited for the year ended 31 March 2018 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 28 May 2018.

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 2018. We conducted a supplementary audit of the financial statements of SJVN Limited and SJVN Thermal Private Limited but did not conduct supplementary audit of the financial statements of Cross Border Power Transmission Company 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 Kolongchhu 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 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 Auditor's report.

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

Vikram D. Murugaraj
19-07-18

(Vikram D. Murugaraj)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi

Place: New Delhi
Dated : 19 July 2018

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2018

(₹ Lakh)

	Note No.		As at March 31, 2018	As at March 31, 2017
ASSETS				
Non - current Assets				
Property, Plant and Equipment	2.1		808456	842420
Capital Work-in-progress	2.2		93463	65902
Other Intangible Assets	2.3		241	60
Intangible assets under development	2.4		931	227
Investments in Joint Venture/ Associates	2.5		12023	8984
Financial Assets				
Investments	2.6	-		1
Trade receivables	2.7	1273		-
Loans	2.8	4628		4423
Others	2.9	-		3
			5901	4427
Deferred Tax Assets (Net)	2.10		35072	42278
Regulatory Deferral Account Debit Balance	2.11		15262	10152
Other Non-current Assets	2.12		22544	23625
Current Assets				
Inventories	2.13		5050	3956
Finacial Assets				
Investment	2.14	1		-
Trade Receivables	2.15	28899		61284
Cash and cash equivalents	2.16	16226		77810
Bank Balance other than above	2.17	345228		354165
Loans	2.18	1221		1163
Others	2.19	33381		29217
			424956	523639
Current Tax Assets	2.20		9140	6888
Other Current Assets	2.21		6006	6622
Total Assets			1439045	1539180
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.22	392980		413663
Other Equity	2.23	677036		735292
			1070016	1148955
Liabilities				
Non- current Liabilities				
Financial Liablities				
Borrowings	2.24	203534		222947
Other Financial Liablities	2.25	24		21
			203558	222968
Provisions	2.26		4955	4854
Other Non-current Liabilities	2.27		78721	82482
Current Liabilities				
Financial Liablities				
Trade Payables	2.28	2560		2708
Other Financial Liablities	2.29	52283		50361
			54843	53069
Other Current Liabilities	2.30		4635	4247
Provisions	2.31		22317	22605
Total Equity and Liabilities			1439045	1539180
Significant Accounting Policies	1			

The accompanying notes from 2.1 to 2.63 form an integral part of the financial statements.

For and on behalf of the Board of Directors

(Soumendra Das)	**(Amarjit Singh Bindra)**	**(Nand Lal Sharma)**
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03495554

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

For A P R A & Associates LLP

Chartered Accountants

(Arun Kumar Gupta)

Partner

M.No. 089657

Place: New Delhi

Date : May 28,2018

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Income			
Revenue from Operations	2.32	222850	267914
Other Income	2.33	35545	43825
Total Income		**258395**	**311739**
Expenses			
Employee Benefits Expense	2.34	26537	25356
Finance Costs	2.35	8382	4570
Depreciation and Amortization Expense	2.36	36451	67998
Other Expenses	2.37	27629	23596
Total Expenses		**98999**	**121520**
Profit before non-controlling interests / Share in Net- profit of Joint Venture / Associate and net movement in regulatory deferral account balance and tax		**159396**	**190219**
Share in profit of Joint Venture/ Associates		304	410
Profit before net movement in regulatory deferral account balance and tax		**159700**	**190629**
Net movement in regulatory deferral account balance	2.11	5110	(3122)
Profit Before Tax		**164810**	**187507**
Tax Expenses:			
- Current Tax		35143	39994
- Deferred Tax	2.10	7206	(7015)
Profit for the period		**122461**	**154528**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
-Remeasurement of the net defined benefit liability/asset		(1518)	(504)
-Income tax on above item		324	108
Total		**(1194)**	**(396)**
Total Comprehensive Income for the period		**121267**	**154132**
Profit Attributable to:			
Equity holders of the parent		122157	154118
Non Controlling Interests		304	410
		122461	**154528**
Total Comprehensive Income Attributable to:			
Equity holders of the parent		120963	153722
Non Controlling Interests		304	410
		121267	**154132**
Earnings Per Equity Share (excluding net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		2.87	3.79
Earnings Per Equity Share (including net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		2.97	3.74
Significant Accounting Policies	1		

The accompanying notes from 2.1 to 2.63 form an integral part of the financial statements.

For and on behalf of the Board of Directors

(Soumendra Das)	(Amarjit Singh Bindra)	(Nand Lal Sharma)
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03495554

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

For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657
Place: New Delhi
Date : May 28, 2018

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(₹ Lakh)

		For the Year Ended March 31, 2018		For the Year Ended March 31, 2017
CASH FLOW FROM OPERATING ACTIVITES				
Profit before tax		164810		187507
Adjustment for:				
Depreciation and amortization	36451			67988
Interest on term deposits	(29353)			(33330)
Share in profit of Joint Venture	(304)			(410)
Finance cost	8382			4570
Loss on disposal/ write off of fixed assets	73			1
Profit on sale of fixed assets	(48)			(14)
		15201		38805
Adjustment for assets and liabilities				
Inventories	(1094)			(35)
Trade receivables and unbilled revenue	33610			38113
Loans, other financial assets and other assets	572			(1655)
Trade payable	(148)			971
Other financial liabilities and other liabilities	(4855)			3397
Regulatory deferral account debit balance	(5110)			3122
Provisions	(1779)			3104
		21196		47017
Cash generated from operating activities		**201207**		**273329**
Income tax paid		(37071)		(35688)
Net cash generated by operating activities		**164136**		**237641**
CASH FLOW FROM INVESTING ACTIVITIES:				
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(34945)			(59432)
Term deposits with bank (having maturity more than three months)	8937			(87113)
Interest on term deposits	30012			31871
Dividend from Joint Ventures	405			-
Investment in joint ventures	(2900)			(5249)
Net cash used in investing activities		**1509**		**(119923)**
CASH FLOW FROM FINANCING ACTIVITIES:				
Buyback of Equity Shares (including Premium on Buyback and Buyback Expenditure)	(80716)			-
Repayment of borrowings	(18609)			(48304)
Proceeds from borrowings	-			30008
Interest and finance charges	(8432)			(8409)
Dividend Paid	(99261)			(112516)
Tax on Dividend	(20211)			(22906)
Cash used in financing activities		**(227229)**		**(162127)**
Net increase in cash and cash equivalents		**(61584)**		**(44409)**
Opening balance of cash & cash equivalents		**77810**		**122219**
Closing balance of cash & cash equivalents		**16226**		**77810**
Restricted cash balance				
Earmarked Balance (Unpaid Dividend)		104		86
Margin Money for BG/ Letter of Credit and Pledged deposits		6198		5541
Total		**6302**		**5627**

The accompanying notes from 2.1 to 2.63 form an integral part of the financial statements.

For and on behalf of the Board of Directors

(Soumendra Das)	**(Amarjit Singh Bindra)**	**(Nand Lal Sharma)**
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03495554

This is the Consolidated Statement of Cash Flows referred to in our report of even date.

For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657
Place: New Delhi
Date : May 28, 2018

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018

A. Equity Share Capital

Particulars	Amount (₹ Lakh)
Opening Balance as at April 1,2017	413663
Equity Shares issued during the year	-
Equity Shares bought back during the year	20683
Closing Balance as at March 31, 2018	392980

B. Other Equity (₹ Lakh)

Particulars	Reserves and Surplus			Total Other Equity
	Capital Redemption Reserve	Securities Premium	Retained Earnings	
Opening Balance as at April 1,2017	-	1313	733979	735292
Profit for the Period	-	-	122461	122461
Other Comprehensive Income	-	-	(1194)	(1194)
Total Comprehensive Income	-	-	121267	121267
Transfer from Retained Earnings for Buyback of Equity Shares	20683	-	(20683)	-
Utilization for Buyback of Equity Shares	-	(1313)	(58151)	(59464)
Utilization for Expenditure on Buyback of Equity Shares	-	-	(569)	(569)
Dividends				
Final Dividend 2016-17	-	-	(20683)	(20683)
Interim Dividend 2017-18	-	-	(78596)	(78596)
Dividend Tax				
Final Dividend 2016-17	-	-	(4211)	(4211)
Interim Dividend 2017-18	-	-	(16000)	(16000)
Closing Balance as at March 31, 2018	**20683**	**-**	**656353**	**677036**

For and on behalf of the Board of Directors

(Soumendra Das)
Company Secretary
FCS-4833

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

(Nand Lal Sharma)
Chairman & Managing Director
DIN:03495554

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.
For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657
Place: New Delhi
Date : May 28,2018

I. Company Information and Significant Accounting Policies

A. Reporting Entity

SJVN Limited (the "Company") is a Company domiciled in India and limited by shares (CIN: L40101HP1988GOI008409). The address of the company's registered office is Shakti Sadan, Shanan, Shimla-171006 (H.P.).These consolidated financial statements comprise the financial statements of the Company and its subsidiaries (referred to collectively as the 'Group') and the Group's interest in its joint ventures. Electricity generation is the principal business activity of the Group. The Group is also engaged in the business of providing consultancy.

B. Significant Accounting Policies

1.1 Basis of Preparation:

These consolidated financial statements are prepared in compliance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

Use of estimates and management judgments:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may impact the application of accounting policies and the reported value of Assets, Liabilities, Income, Expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. The estimates and management's judgements are based on previous experience and other factor considered reasonable and prudent in the circumstances. Actual results could vary from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that may have the most significant effect on the amount recognized in the financial statements is as under:

a) Useful life of Property, Plant & Equipment:

The estimated useful life of property, plant & equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditure required to obtain the expected future cash flow from the asset.

Useful life of the asset used for generation of electricity is determined by the Central Electricity Regulatory Commission (CERC) tariff regulations in accordance with Part-B of schedule-II of the Companies act 2013.

b) Recoverable amount of property, plant and equipment:

The recoverable amount of property, plant and equipment is based on estimates and assumptions regarding, in particular, the expected market outlook and future cash flows associated with the power plants. Any changes in these assumptions may have a material impact on the measurement of the recoverable amount and could result in impairment.

c) Post-employment benefits plan:

Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increases and the inflation rate. The Group considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have an impact on the resulting calculations.

d) Revenues:

The Group recognizes revenue from sale of power based on tariff approved by the CERC. However, in cases where tariff rates are yet to be approved, provision rates are adopted considering the applicable CERC tariff regulations.

1.2 Basis of Measurement:

The consolidated financial statements have been prepared on accrual basis and under the historical cost convention except following which have been measured at fair value:

- financial assets and liabilities except certain Investments and borrowings carried at amortised cost,
- assets held for sale – measured at fair value less cost of disposal,
- defined benefit plans – plan assets measured at fair value.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value. However, when the Group determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The consolidated financial statements are presented in Indian Rupees (₹), which is the Group's functional and presentation currency and all amounts are rounded to the nearest lakh, except as stated otherwise.

1.3 Basis of Consolidation:

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent group, i.e., year ended on 31 March. When the end of the reporting period of the parent is different from that of a subsidiary, the subsidiary prepares, for consolidation purposes, additional financial information as of the same date as the financial statements of the parent to enable the parent to consolidate the financial information of the subsidiary, unless it is impracticable to do so.

a) Subsidiaries

i) A subsidiary is an entity over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

ii) The Group combines the financial statements of the parent and its subsidiaries on a line by line basis, adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries are consistent with the policies adopted by the Group.

iii) A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

iv) If the Group loses control over a subsidiary, it derecognizes the assets, liabilities, carrying amount of any non-controlling interests and the cumulative translation differences recorded in equity.

b) Joint ventures

i) A joint venture is a joint arrangement whereby parties that have joint control of the arrangement have rights to the net assets of the arrangement. Interests in joint ventures are initially recognized at cost and thereafter accounted for using the equity method.

ii) Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and other comprehensive income of the investee in the Statement of Profit and loss and Other Comprehensive Income of the Group. Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

iii) When the Group's share of losses in a joint venture equals or exceeds its investment in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the joint venture.

iv) Unrealised gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where the accounting policies of joint ventures are different from those of the Group, appropriate adjustments are made for like transactions and events in similar circumstances to ensure conformity with the policies adopted by the group.

v) Any gain or loss on dilution arising on a reduced stake in the joint venture, but still retaining the joint control, is recognized in the Statement of Profit and Loss.

vi) When the investment ceases to be a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value with the change in carrying amount recognized in the Statement of Profit and Loss. The fair value of the retained interest becomes the initial carrying amount for the purpose of accounting for the retained interest as an associate or as a financial asset. Any amounts previously recognized in other comprehensive income in respect of that joint venture are reclassified to the Statement of Profit and Loss.

1.4 Property, plant and equipment (PPE)

a) The Company has opted to utilize the option under para D7AA of Appendix D to Ind AS 101 which permits to continue to use the Indian GAAP carrying amount as a deemed cost under Ind AS at the date of transition to Ind AS. Therefore, the carrying amount of property, plant and equipment according to the Indian GAAP as at April 1, 2015 i.e. Company's date of transition to Ind AS, were maintained in transition to Ind AS.

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

c) PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. 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.

d) After initial recognition, Property, Plant & Equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

e) Deposits, Payments / liabilities made provisionally towards compensation, rehabilitation and other expenses relatable to land in possession are treated as cost of land.

f) Asset created on land not belonging to the company where the company is having control over the use and access of such asset are included under Property, Plant and Equipment.

g) Items of spare parts, stand-by equipment and servicing equipment which meet the definition of property, plant and equipment are capitalized. The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised when no future economic benefits are expected from its use or upon disposal. The costs of the day-to-day servicing of property, plant and equipment are recognised in statement of profit and loss as and when incurred. Other spares are treated as "stores & spares" forming part of the inventory and expensed when used/ consumed.

h) Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the company and the cost of the item can be measured reliably.

i) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset.

j) Property, plant and equipment is derecognized when no future economic benefits are expected from its use or upon its disposal. Gains and losses on disposal of an item of property, plant and equipment is recognized in the statement of profit and loss.

1.5 Capital Work-in-progress

a) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital work in Progress (CWIP). Such cost comprises of purchase price of asset including other costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner.

b) Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, depreciation on assets used in construction of projects, interest during construction and other costs if attributable to construction of projects. Such costs are accumulated under "Expenditure Attributable to Construction (EAC)" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects.

c) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential for construction of the project is carried under "Capital work in progress" and subsequently allocated on systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects. Expenditure of such nature incurred after completion of the project, is charged to Statement of Profit and Loss.

d) Expenditure on Survey and Investigation of the Project 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.

e) 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.

f) Claims for price variation/ exchange rate variation in case of contracts are accounted for on acceptance.

1.6 Investment Property

a) Land or a building or part of building or both held by company to earn rentals or for capital appreciation or both is classified as Investment property other than for:

i. Use in the production or supply of goods or services or for administrative purpose; or

ii. Sale in the ordinary course of business.

b) Investment property is recognised as an asset when, and only when:

i. It is probable that the future economic benefits that are associated with the investment property will flow to the entity; and

ii. The cost of the investment property can be measured reliably.

c) Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are carried at cost less accumulated depreciation and accumulated impairment loss, if any.

d) Investment properties are derecognised either when they have been disposed off or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the statement of profit and loss in the period of derecognition.

e) Transfers to or from investment property is made when and only when there is a change in use.

1.7 Intangible Assets

a) Upto March 31, 2015, Intangible assets were carried in the balance sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by IND AS 101, to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

b) Intangible assets are identifiable non-monetary asset without physical substance. Intangible assets are recognised if:

i. It is probable that the expected future economic benefit that are attributable to the asset will flow to the entity; and

ii. the cost of the asset can be measured reliably.

c) Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

d) Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

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

f) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

1.8 Regulatory deferral accounts

a) Expenses/ income recognized in the Statement of Profit & Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as 'Regulatory deferral account balances' as per Ind AS-114.

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

1.9 Impairment of non-financial assets

a) The carrying amounts of the Company's non-financial assets primarily include property, plant and equipment, which are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU's) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets of the Company. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. The resulting impairment loss is recognised in the Statement of Profit and Loss.

b) In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

c) Impairment losses recognized in earlier period are assessed at each reporting date for any indication that loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognized.

1.10 Inventories

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

b) Inventories and Certified Emission Reduction (CERs-Carbon Credit) are valued at the lower of cost and net realizable value.

c) Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on weighted average basis.

d) Net realizable value is the estimate selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

e) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for. Scrap is accounted for as and when sold.

1.11 Foreign Currency Transactions:

a) Functional and presentation currency:

Separate financial statements have been presented in Indian Rupees (₹), which is the Company's functional and presentation currency.

b) Transactions and balances

i. Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of fixed assets entered up to March 31, 2016 are adjusted to carrying cost of fixed assets.

The Company has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities.

1.12 Financial instruments – initial recognition, subsequent measurement and impairment

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

a) Financial Assets

A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition that are potentially favourable to the Company. A financial asset is recognized when and only when the Company becomes party to the contractual provisions of the instrument. Financial assets of the Company comprise cash and cash equivalents, Bank Balances, Advances to employees/ contractors, security deposit, claims recoverable etc.

Initial recognition and measurement:

i. All financial assets except trade receivables are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.

ii. The company measures the trade receivables at their transaction price if the trade receivables do not contain a significant financing component. A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business.

Subsequent measurement:

i. Financial Assets are measured at amortized cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics.

ii. After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss.

iii. Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.

iv. Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

Impairment of financial assets:

i. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.

ii. In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss and follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind-AS 18.

iii. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

iv. For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.

v. Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

Derecognition:

A financial asset is derecognised when all the cash flows associated with the financial asset has been realised or such rights have expired.

b) Financial liabilities

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

Classification, initial recognition and measurement:

i) Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Any difference between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

ii) Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Subsequent measurement:

i) After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset, when the liabilities are derecognised as well as through the EIR amortisation process.

ii) Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

Derecognition:

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

1.13 Investment in joint ventures and associates

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

b) An associate is an entity over which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

c) The investment in joint ventures and associates are carried at cost. The cost comprises price paid to acquire investment and directly attributable cost.

1.14 Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. Appendix C, Ind AS 17 deals with the identification of contracts that do not take the legal form of a lease but conveys right to customers/ suppliers to use an asset in return for a payment or series of payment.

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. An operating lease is a lease other than a finance lease.

Power Purchase Agreements (PPAs) in the nature of embedded lease with a single beneficiary where the minimum lease term is for the major part of the plant's economic life and the minimum lease payments amount to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

A. Finance Lease:

a) Assets given by lessor under finance lease are recorded as receivable at the lower of the fair value of the leased property and the present value of the minimum lease payments. Lease receipts are apportioned between the reduction of lease receivable and finance income so as to achieve a constant rate of interest on the remaining balance of the receivable for each period. The corresponding rent receivables, net of finance charges, are included in current and non-current other financial asset. The interest element of lease is accounted in the Statement of Profit and Loss over the lease period.

b) Assets taken on leases are capitalised at the commencement of the lease at the inception date at lower of fair value of the leased property or present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the Statement of Profit or Loss. A leased asset is depreciated over the useful life of the asset.

c) Assets held under finance leases are recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to the Statement of Profit and Loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's policy on borrowing costs.

B. Operating Lease

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on the basis of generation from such Plant. The respective leased assets are included in the balance sheet based on their nature.

1.15 Government Grants

a) Government grants with a condition to purchase, construct or otherwise acquire long-term assets are initially measured based on grant receivable under the scheme. Such grants are recognised in the Statement of Profit and Loss on a systematic basis over the useful life of the asset. Amount of benefits receivable in excess of grant income accrued based on usage of the assets is accounted as Government grant received in advance. Changes in estimates are recognised prospectively over the remaining life of the assets.

b) Government revenue grants relating to costs are deferred and recognised in the Statement of Profit and Loss over the period necessary to match them with the costs that they are intended to compensate.

1.16 Borrowing costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs. Borrowing costs directly attributable to the acquisition, construction/erection or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended uses are complete. All other borrowing costs are expensed in the period in which they occur.

1.17 Provisions, Contingent Liabilities and Contingent Assets

a) A provision is recognised when:

i. the Company has present legal or constructive obligation as result of past event;

ii. it is probable that an outflow of economic benefits will be required to settle the obligation; and

iii. a reliable estimate can be made of the amount of the obligation.

b) If the effect of the time value of money is material, provision are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as finance cost.

c) The amount recognised as provision is the best estimate of consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

d) When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

e) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

f) 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.

g) Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.18 Revenue Recognition and Other Income

a) Revenue from sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission (CERC). In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff

Regulations. Further, recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis. Revenue from sale of energy is recognized once the electricity has been transmitted to customers. As at each reporting date, energy revenue includes an accrual for sales transmitted to customers but not yet billed (unbilled revenue).

b) Rebate to customers as early payment incentive is deducted from the amount of revenue from energy sales.

c) Incentives/disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.

d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the Hydro Power Station, considering the total useful life of the Hydro Power Station as 35 years.

e) Revenue from consultancy services rendered is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/ technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy contracts.

f) Interest/Surcharge on late payment/ overdue sundry debtors for sale of energy are recognised when no significant uncertainty as to measurability or collectability exists.

g) Dividend income is recognized when the group's right to receive payment is established.

h) Interest/surcharge/liquidated damages recoverable from suppliers and contractors, wherever there is uncertainty of realisation/ acceptance are accounted for on receipts/acceptance.

i) Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the effective interest method. Interest income on impaired loans/ receivable is recognised using the original effective interest rate.

j) Income arising from sale of CERs-carbon credit is recognized on transfer/ sale of carbon credits i.e. when there is certainty regarding ultimate collection.

k) Compensation from third parties including from insurance are accounted for on certainty of realization.

1.19 Employee Benefits

Employee benefits consist of wages, salaries, benefits in kind, provident fund, pension, gratuity, post-retirement medical facilities, leave benefits and other terminal benefits etc.

a) Defined Contribution Plans

i) A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trust and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the periods during which services are rendered by employees.

ii) The Group also has Defined Contribution Pension Scheme for providing pension benefit. The obligation of the company is to contribute the extent of amount not exceeding 30% of basic pay and dearness allowance less employer contribution/liability towards provident fund, gratuity, post-retirement medical facility (PMRF). 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. A defined benefit plan is a post-employment plan other than a defined contribution plan.

ii. The Group pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. The obligation of the group is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI.

iii. The gratuity scheme is funded by the group and is managed by a separate trust. Group's liability is determined by the qualified actuary using the projected unit credit method at the year-end and any shortfall in the fund size maintained by the trust is additionally provided for by the group.

iv. The Group has a Retired Employee Health Scheme (REHS), under which retired employees, spouse and eligible parents of retired employee are provided medical facilities in the Group hospitals/ empanelled hospitals. They can also avail treatment as Out- patient subject to a ceiling fixed by the Group.

v. The Group also has other benefit plans i.e. leave encashment, allowance on retirement/ death and momento on superannuation.

vi. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The liability is ascertained at the year-end by the qualified actuary using the projected unit credit method.

vii. Service cost & net interest on the net defined benefit liability (asset) are recognized in Profit or loss unless another Standard permits inclusion in the cost of asset.

viii. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

c) Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period in which the service is provided.

d) Terminal Benefits

Expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes, if any, are charged to the profit and loss in the year of incurrence of such expenses.

1.20 Depreciation and amortization

a) Depreciation on Property, Plant & Equipment of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff in accordance with Schedule-II of the companies act 2013 except for assets specified in policy no. 1.20(c) below.

b) Depreciation on Property, Plant & Equipment of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in policy no. 1.20(c) below.

c) Depreciation on the following items of Property, Plant and Equipment is charged on straight line method on estimated useful life:

i. Computer & Peripherals depreciated fully (100%) in 3 years.

ii. Mobile Phones depreciated fully (100%) in 2 years.

d) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the month on which the asset is available for use / disposed.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization.

f) Assets costing upto ₹ 5000/- are fully depreciated in the year of acquisition.

g) Expenditure on software recognized as 'Intangible Asset' and is amortized fully on straight line method over a period of legal right to use or three years, whichever is less. Other intangible assets with a finite useful life are amortized on a systematic basis over its useful life.

h) Leasehold land is fully amortized through depreciation over the period of lease or 35 years, whichever is lower, following the rates and methodology notified by CERC for the purpose of fixation of tariff as amended from time to time.

i) Tangible Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

j) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such asset determined following the applicable accounting policies relating to depreciation/ amortization.

k) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

l) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by the CERC.

m) 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.

1.21 Income Taxes

Income tax expense comprises current tax and deferred tax. Current Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

a) Current income tax

Current tax is expected tax payable on taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustments to tax payable in respect of previous years.

b) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is \ recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.22 Dividend Distribution:

a) Final Dividends and interim dividends payable to Group's shareholders are recognized and accounted for in the period in which they are approved by the shareholders and the Board of Directors respectively.

b) Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

1.23 Segment Reporting:

a) Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Management.

b) Electricity generation is the principal business activity of the group. Other operations viz., Consultancy works etc. do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.

c) The Group is having a single geographical segment as all its Power Stations are located within the Country.

1.24 Statement of Cash Flows

a) Cash and cash equivalents includes cash/Drafts/Cheques on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b) Statement of cash flows is prepared in accordance with the indirect method (whereby profit or loss is adjusted for effects of non-cash transactions) prescribed in Ind AS-7 "Statement of Cash Flows".

1.25 Material prior period errors

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

1.26 Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle.

b) Held primarily for the purpose of trading.

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in the normal operating cycle.

b) It is held primarily for the purpose of trading.

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

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

2.1 Property, Plant & Equipment

(₹ Lakh)

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2017	Additions during the year	Deductions/ Adjustments	As at March 31, 2018	As at April 1,2017	For the year	Deductions/ Adjustments	As at March 31, 2018	As at March 31, 2018	As at March 31, 2017
1	Land										
	Lease hold Land (including development expenses)	1099	6	-	1105	40	19	-	59	1046	1059
	Free hold Land (including development expenses) ##	58328	97	-	58425	-	-	-	-	58425	58328
2	Buildings $	113799	3509	999	116309	9074	4206	102	13178	103131	104725
3	Roads and Bridges	5313	98	-	5411	496	221	-	717	4694	4817
4	Plant and Machinery	1443	190	17	1616	173	74	-	247	1369	1270
5	Generating Plant and Machinery *	254944	3964	201	258707	38642	11401	24	50019	208688	216302
6	Hydraulic Works(Dams, Tunnel, etc.) **	535096	1591	6610	530077	86487	21281	1084	106684	423393	448609
7	Vehicles	340	222	16	546	63	45	-	108	438	277
8	Furniture, Fixture and Equipments	1689	92	53	1728	168	117	14	271	1457	1521
9	Electrical Works	2384	316	(12)	2712	308	166	(2)	476	2236	2076
10	Electrical Equipments	358	36	16	378	45	27	3	69	309	313
11	Office Equipments	3062	335	55	3342	233	269	24	478	2864	2829
12	Data processing Equipments	651	372	268	755	357	234	242	349	406	294
	Total	**978506**	**10828**	**8223**	**981111**	**136086**	**38060**	**1491**	**172655**	**808456**	**842420**
	Previous Year :	945341	34009	844	978506	67904	68322	140	136086	842420	877437

Group has restated the opening balances of PPE during the year as per Ind-AS.

During the year Gross Block of PPE has been decapitalised by ₹ 7061 lakh (after adjusting Depreciation of ₹ 341 lakh pertaing to period prior to 01.04.2015) (P.Y.: Nil) on account of amount recoverable from contractors of RHPS in respect of Hydro Allowance. Depreciation amounting to ₹ 1458 lakh (P.Y.: Nil) has also been written back.

Lease deed for leasehold land measuring Nil (P.Y.: 39-88-05 hectare) is yet to be executed.

Possession of freehold land measuring 0-05-22 hectare (P.Y.: 0-05-22 hectare) is still to be handed over to the Group.

The process of mutation of land measuring 1065.41 acres ((P.Y.:1064.69 acres) in favour of the Group consists of two stages. Stage 1 issue of "Shudhi Patra" wherein name of previous owner is replaced with name of new owner. In respect of 1058.335 acres of land ((P.Y.: 1030.63) "shudhi patra" has been issued by circle officer, Chausa, distt. Buxar. In stage 2 wherever the shudhi patra has been issued the same is required to be entered into register II of land revenue record which is also completed.

$ Title deeds/ title in respect of buildings costing ₹ 15 lakh (P.Y.: ₹ 15 lakh) are yet to be executed / passed in favour of the Group. Expenses on stamp duty etc. shall be accounted for on registration.

$ Includes ₹ 713 lakh (P.Y.: Nil) capitalised during the year on account of provision made on the basis of arbitration award.

* Generating Plant & Machinery includes assets under operating lease having net block of ₹ 25702 lakh (P.Y.: ₹ 23398 lakh), the disclosure of arrangement of lease and terms have been made in note 2.53.

* Generating Plant & Machinery includes assets having gross value of ₹ 80 lakh (P.Y.: Nil) and W.D.V of ₹ 68 lakh (P.Y.: Nil) being theft for which provision has been made.

** Includes ₹ 1509 lakh (P.Y.: Nil) capitalised during the year on account of provision made on the basis of arbitration award.

2.2 Capital Work-in-progress

(₹ Lakh)

Sl. No.	Particulars	As at April 1,2017	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2018	Capitalised during the year	As at March 31, 2018
1	Building	1108	1299	2	2405	1332	1073
2	Civil Works	14	2317	-	2331	2303	28
3	Roads, Bridges & Culverts	1194	3452	-	4646	98	4548
4	Plant and Machinery	-	13	-	13	-	13
5	Electrical Works	444	82	(2)	528	495	33
6	Electro Mechanical Works	1125	783	-	1908	640	1268
7	Preliminary	28661	14478	20	43119	1313	41806
8	Expenditure attributable to construction (Note No. 2.2.1)	33356	11351	6	44701	7	44694
	Total	**65902**	**33775**	**26**	**99651**	**6188**	**93463**
	Previous Year	50352	33334	-	83686	17784	65902

2.2.1 Expenditure Attributable to Construction

(₹Lakh)

	For the Year Ended March 31, 2018		For the Year Ended March 31, 2017
Employee Benefits Expense:			
Salaries,Wages, Allowances and Benefits	7295		5656
Contribution to Provident and Other Funds	774		772
Leave Salary and Pension Contribution *	25		167
Welfare Expenses	1001		806
		9095	7401
Repair and Maintenance:			
Buildings	61		82
Plant & Machinery	2		2
Office Equipments & Furnitures	8		8
Electro Mechanical Works	-		1
Vehicles	11		14
Others	140		127
		222	234
Other Expenses:			
Rent		220	220
Insurance		1	1
Security Expenses		251	155
Electricity Charges		48	28
Research and Development		-	7
Travelling & Conveyance		247	176
Training and Recruitment Expenses		78	29
Legal Expenses		8	3
Professional and Consultancy Charges		137	94
Communication Expenses		76	64
Printing & Stationery	26		25
Less: Receipts from Sale of Tenders	3		3
		23	22
Payment to Auditors		1	-
Advertisement & Publicity		247	38
EDP Expenses		15	11
Hiring of Vehicles		306	237
Entertainment Expenses		12	15
Expenses on Transit Camps		151	64
Books & Periodicals		3	3
Stores Written Off		2	1
Loss on Disposal/Write off of Fixed Assets		2	-
Foundation Stone Laying Ceremony Expenses		47	-
Business Promotion Expenses		2	-
Fees and subscription		4	134
Environment & Ecology Expenses		-	4
Safety Expenses		1	-
Miscellaneous Expenses		86	49
Rehabilitation Expenses		63	482
Depreciation and Amortization Expense		115	98
Interest and Finance Charges:			
Other finance charges		-	2
Total expenses (A)		**11463**	**9572**
Less: Recovery and Receipts:			
Interest Income:			
Banks		4	1
Employees		31	21
Contractors		35	-
Misc Income		42	53
Total (B)		**112**	**75**
Net expenditure attributable to construction Projects (A-B)		**11351**	**9497**

* Leave Salary and Pension Contribution is on account of retirement benefits of deputationists working in the company payable to their parent organisations.

2.3 Other Intangible Assets

(₹Lakh)

Sl. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2017	Additions during the year	Deductions/ Adjustments	As at March 31, 2018	As at April 1,2017	For the year	Deduction	As at March 31, 2018	As at March 31, 2018	As at April 1,2017
1	Software	136	297	70	363	76	115	69	122	241	60
	Total:	**136**	**297**	**70**	**363**	**76**	**115**	**69**	**122**	**241**	**60**
	Previous Year :	123	13	-	136	33	43	-	76	60	90

Company has restated the opening balances of Other Intangible Assets duirng the year as per Ind-AS.

2.4 Intangible Assets under Development

(₹Lakh)

Sl. No.	Particulars	As at April 1,2017	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2018	Capitalised during the year	As at March 31, 2018
1	Software	227	931	-	1158	227	931
	Total :	**227**	**931**	**-**	**1158**	**227**	**931**
	Previous Year :	113	114	-	227	-	227

2.5 Investments in Joint Venture / Associates

(₹Lakh)

	As at March 31, 2018	As at March 31, 2017
Kholongchhu Hydro Energy Ltd.		
Non-current Assets	20714	11807
Current Assets	114	390
Non-current Liabilites	(47)	(25)
Current Liabilites	(849)	(641)
Equity	19932	11531
Proportion of the Group's ownership	50%	50%
Share Application money pending allotment	-	1300
Carrying Amount of the Investment in KHEL (A)	**9966**	**7066**
Cross Border Power Transmission Company Limited (CPTC)		
Non-current Assets	20025	21000
Current Assets	6749	7787
Non-current Liabilites	(16434)	(17838)
Current Liabilites	(2427)	(3573)
Equity	7913	7376
Proportion of the Group's ownership	26%	26%
Carrying Amount of the Investment in CPTC (B)	**2057**	**1918**
Total (A+B)	**12023**	**8984**

2.6 Investments

(₹Lakh)

	As at March 31, 2018	As at March 31, 2017
Investment in Equity instrutments		
Non Trade-Unquoted (at cost)		
NIL (P.Y:7707) Equity Shares of ₹ 10/- each in Bengal Birbhum Coal Fields Ltd *	-	1
Total	**-**	**1**

* The JV agreement is in the process of termination and accordingly has been classified as Current Investment (Note no 2.13).

2.7 Trade Receivables

(₹Lakh)

	As at March 31, 2018	As at March 31, 2017
Unsecured considered Good	1273	-
Total	**1273**	**-**

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

2.8 Loans

(₹Lakh)

		As at March 31, 2018	As at March 31, 2017
Security Deposits			
- Secured considred good	-		-
- Unsecured considered good	72		54
- Doubtful	-		-
		72	54
Loans to Related Parties			
Loans to Directors			
- Secured considred good	-		5
- Unsecured considered good	-		-
- Doubtful	-		-
		-	5
Other Loans			
Loan to officers of the company			
- Secured considered good	4		15
- Unsecured considered good	7		4
- Doubtful	-		-
		11	19
Loans to other Employees			
- Secured considered good	4089		3894
- Unsecured considered good	456		451
- Doubtful	-		-
		4545	4345
Total		**4628**	**4423**

2.9 Others

(₹Lakh)

	As at March 31, 2018	As at March 31, 2017
Bank Deposit with more than 12 months maturity	-	3
Total	**-**	**3**

2.10 Deferred Tax Assets (Net)

(₹Lakh)

	As at April 1, 2017	Additions/ (Adjustments) during the period	As at March 31, 2018
Deferred Tax Assets			
Temporary Difference in Depreciation	41714	(6863)	34851
Temporary Difference in Expenses	564	(343)	221
Total	**42278**	**(7206)**	**35072**
Previous Year	35263	7015	42278

2.11 Regulatory Deferral Account Debit Balance

(₹Lakh)

	As at April 1,2017	Movement during the year	As at March 31, 2018
Foreign exchange rate variation on foreign currency loans regarded as borrowing cost	7716	(399)	7317
Employee benefits expense (pay revision)	2436	5509	7945
Total	**10152**	**5110**	**15262**
Previous Year:	13274	(3122)	10152

2.12 Other Non - current Assets

(₹Lakh)

	As at March 31, 2018	As at March 31, 2017
Capital Advances		
Advances to Suppliers and Contractors		
Unsecured considered good		
-Covered by Bank Guarantees	990	95
-Others	13194	14826
Advances to Govt Departments	6544	6511
Total - Capital Advances	**20728**	**21432**
Advance other than capital advances		
Accrued Interest on Advances to Contractors	6	-
Total - Others Advances	**6**	**-**
Others		
Material at Site (Capital)	-	235
Prepaid Expenses	7	1
Deferred Empoyee Benefits Expense	1803	1957
Total - Others	**1810**	**2193**
Total Other Non-current Assets	**22544**	**23625**

2.13 Inventories

(₹Lakh)

		As at March 31, 2018	As at March 31, 2017
Loose Tools	36		37
Stores and Spares	5020		3923
		5056	3960
Less : Provision for Shortage of store and Obsolescence		6	4
Total		**5050**	**3956**

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

2.14 Investment

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Investment in Equity instrutments		
Non Trade-Unquoted (at cost)		
(a) Joint Venture Companies		
7707(P.Y: NIL) Equity Shares of ₹ 10/- each in Bengal Birbhum Coal Fields Ltd *	1	-
Total	**1**	**-**

* The JV agreement is in the process of termination and accordingly has been classified as Current Investment

2.15 Trade Receivables

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Unsecured considered good	28899	61284
Total	**28899**	**61284**

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

2.16 Cash and Cash Equivalents

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Balances with Banks		
Current Accounts	8662	1405
Term Deposits (having original maturity of upto 3 months)	7564	76405
Total	**16226**	**77810**

2.17 Other Bank Balances

(₹Lakh)

	As at March 31, 2018	As at March 31, 2017
Earmarked Balance (Unpaid Dividend)	104	86
Margin Money for BG/ Letter of Credit and Pledged deposits	6198	5541
Other Term Deposits(having original maturity of more than 3 months)	338926	348538
Total	**345228**	**354165**

2.18 Loans

(₹Lakh)

	As at March 31, 2018		As at March 31, 2017
Loans to Related Parties			
Loans to Directors			
- Secured considred good	5		5
- Unsecured considered good	-		1
- Doubtful	-		-
		5	6
Loans to Other Related Parties			
Joint ventures:			
- Secured considred good	-		-
- Unsecured considered good	168		131
- Doubtful	-		-
		168	131
Other Loans			
Loan to officers of the company:			
- Secured considered good	3		8
- Unsecured considered good	4		6
- Doubtful	-		-
		7	14
Loans to other Employees			
- Secured considered good	497		461
- Unsecured considered good	148		144
- Doubtful	-		-
		645	605
Other Advances:			
Unsecured considered good			
-Directors	-		1
-Oficers of the Company	1		-
-Other Employees	395		406
		396	407
Total		**1221**	**1163**

2.19 Other Financial Assets

(₹Lakh)

	As at March 31, 2018	As at March 31, 2017
Interest Accrued but not due on deposits with Banks	12827	13486
Unbilled Revenue	11605	14103
Amount Receivable from Others	292	82
Amount Recoverable from Contractors & Suppliers	8657	1305
Dividend Receivable	-	241
Total	**33381**	**29217**

2.20 Current Tax Assets (Net)

(₹Lakh)

	As at March 31, 2018		As at March 31, 2017
Advance Tax Deposit	198808		164350
Tax deducted at Source	16111		13497
		214919	177847
Less: Provision for Tax		205779	170959
Total		**9140**	**6888**

2.21 Other Current Assets

(₹Lakh)

	As at March 31, 2018		As at March 31, 2017
Advances other than Capital Advances			
Other Advances			
Advances to Officers of the Company	1		-
Advances to other employees of the Company	4		11
		5	11
Advance to Suppliers and Contractors			
- Secured considered good	-		-
- Unsecured considered good	7		61
- Doubtful	9		10
	16		71
Less: Provision for Doubtful Advances	9		10
		7	61
Advances to Govt Departments			
- Secured considered good	-		-
- Unsecured considered good *	3312		3660
- Doubtful	-		-
	3312		3660
Less: Provision for Expenditure	1723		1738
		1589	1922
Advances to Others			
- Secured considered good			
- Unsecured considered good	216		111
- Doubtful	-		-
	216		111
Less: Provision for Doubtful Advances	-		-
		216	111
Others			
Surplus Stores/Equipments	1473		1463
Less: Provision for Shortage/ Obsolescence	1152		1154
		321	309
Prepaid Expenses		3708	3915
Deferred Empoyee Benefits Expense		160	293
Amount Recoverable from Ex-Employees	7		7
Less: Provisions	7		7
		-	-
Total		**6006**	**6622**

*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 under Other Advances.

2.22 Equity Share Capital

	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
AUTHORISED				
Equity Shares of par value ₹10/- each	7000000000	700000	7000000000	700000
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹10/- each fully paid up	3929795175	392980	4136626500	413663
Total		**392980**		**413663**

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 @ ₹ 1.90 (P.Y.: ₹ 2.25) and final dividend for the year 2016-17 @ ₹ 0.50 (P.Y.: ₹ 0.47) per equity share of par value ₹ 10/- each. The Board of Directors of the company have proposed final dividend for the year 2017-18 @ ₹ 0.20 (P.Y.: ₹ 0.50) amounting to ₹ 7860 lakh (P.Y.: ₹ 20683 lakh).

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	%	No. of Shares	%
Government of India (GoI)	2512259826	63.93	2666611700	64.46
Government of Himachal Pradesh (GoHP)	1055014800	26.85	1055014800	25.51

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

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
Number of shares at the beginning	4136626500	413663	4136626500	413663
No. of shares issued during the year	-	-	-	-
No. of shares Bought Back during the year	206831325	20683	-	-
Number of shares at the end	**3929795175**	**392980**	**4136626500**	**413663**

The Board of DIrectors of the Company approved a proposal for buy back of equity shares at its meeting held on 8th January 2018. As per approval, the Company completed buyback of 206831325 shares of ₹ 10 each (representing 5% of total paid up equity capital) on 12th March 2018, from the shareholders on a proportionate basis by way of a tender offer at a price of ₹ 38.75 per equity share for an aggregate amount of ₹ 80147 lakh in accordance with the provisions of the Companies Act 2013 and the SEBI regulations.

2.23 Other Equity

(₹Lakh)

		As at March 31, 2018	As at March 31, 2017
A	**Capital Redemption Reserve***		
	Opening Balance	-	-
	Add: Transfer from Retained Earnings for Buyback of Equity Shares	20683	-
	Closing Balance	**20683**	**-**
B	**Security Premium Reserve**		
	Opening Balance	1313	1313
	Add: Security Premium credited on share issue	-	-
	Less: Utilization for Buyback of Equity Shares	1313	-
	Closing Balance	**-**	**1313**
C	**Retained Earnings**		
	Opening Balance	733979	715269
	Add: Profit for the Year as per Statement of Profit and Loss	122461	154528
	Add: Other comprehensive income during the year	(1194)	(396)
	Less: Utilisation for Buyback of shares and related expenses	79403	-
	Less: Dividends		
	Final Dividend 2016-17	20683	19442
	Interim Dividend 2017-18	78596	93074
	Less: Tax on Dividend:		
	Final Dividend 2016-17	4211	3958
	Interim Dividend 2017-18	16000	18948
	Closing Balance	**656353**	**733979**
	Total Other Equity(A+ B+C)	**677036**	**735292**

* The company is required to create a capital redemption reserve from distributable profit if the buy back of shares is out of free reserve, the nominal value of the shares bought back is required to be transferred to capital redemption reserve.
During the year, the Company has paid interim dividend @ ₹ 1.90 (P.Y.: ₹ 2.25) and final dividend for the year 2016-17 @ ₹ 0.50 (P.Y.: ₹ 0.47) per equity share of par value ₹ 10/- each. The Board of Directors of the company have proposed final dividend for the year 2017-18 @ ₹ 0.20 (P.Y.: ₹ 0.50) amounting to ₹ 7860 lakh (P.Y.: ₹ 20683 lakh).

2.24 Borrowings

(₹ Lakh)

		As at March 31, 2018	As at March 31, 2017
	Term Loans		
	From Banks:		
A	**Secured #**		
	Axis Bank Limited	21128	25568
	(Repayable in quarterly instalments from March 2017 to December 2023, carrying interest@ 8.05% p.a. reset after every three months)		
	Total (A)	**21128**	**25568**
#Secured by equitable mortgage/hypothecation of all present and future fixed assets and book debts as first charge of RHPS.			
B	**Unsecured:**		
	Foreign Currency Loans		
	(Guaranteed by Govt of India)		
	World Bank (IBRD)	182406	197379
	(Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)		
	Total (B)	**182406**	**197379**
	Total Borrowings (A+B)	**203534**	**222947**

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

2.25 Other Financial Liabilities

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Deposits, Retention Money from Contractors and Others	24	21
Total	**24**	**21**

2.26 Non Current Provisions

(₹ Lakh)

Particulars	As at April 1, 2017	For the year			As at March 31, 2018
		Additions	Write Back/ Transfer	Utilization	
Unfunded Employee Benefits	4854	377	(2400)	2676	4955
Total	**4854**	**377**	**(2400)**	**2676**	**4955**
Previous Year	8952	736	4752	82	4854

2.27 Other Non-current Liabilities

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Income Received in Advance:		
- Advance Against Depreciation	77549	81242
Deferred Revenue:		
- Government Grant	6	19
- Deferred Income from Foreign Currency Fluctuation	1166	1221
Total	**78721**	**82482**

2.28 Trade Payables

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Micro and Small Scale Enterprises	10	7
Others	2550	2701
Total	**2560**	**2708**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.59.

2.29 Other Financial Liablities-Current

(₹ Lakh)

		As At March 31, 2018	As At March 31, 2017
Current Maturities of Long Term debt			
Secured			
- Rupee Term Loans	4440		4440
Unsecured			
- Foreign Currency Loans (Guaranteed by GOI)	15094		14255
		19534	18695
Interest Accrued but not due on:			
- Foreign Currency Loans : World Bank	1413		1498
: Others	-		-
		1413	1498
Unpaid Dividend		104	86
Others Payables:			
-Liability for Employees' Remuneration and Benefits		4360	4316
Liability for Purchase/Construction of Fixed Assets:			
- Micro and Small Scale Enterprises		48	-
- Others		10220	7559
Deposits, Retention Money from Contractors and Others		15631	16016
Amount Payable to Gratuity Trust		393	1523
TDS and Other Taxes Payable		558	659
Others		22	9
Total		**52283**	**50361**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.59.
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 2.24.

2.30 Other Current Liablities

(₹ Lakh)

	As at March 31, 2018	As at March 31, 2017
Income Received in Advance:		
- Advance against Depreciation	3693	3693
Others	942	554
Total	**4635**	**4247**

2.31 Provisions

(₹ Lakh)

Particulars	As at April 01, 2017	For the year			As at March 31, 2018
		Additions	Write Back/ Transfer	Utilization	
Unfunded Employee Benefits	7067	402	2400	4667	402
Pay Revision	1174	6933	-	8	8099
Performance Related Pay	3202	261	285	1480	1698
Interest on Arbitration Awards	10338	2118	1229	-	11227
Others	824	67	-	-	891
Total	**22605**	**9781**	**3914**	**6155**	**22317**
Previous Year	15243	7616	(4752)	5006	22605

2.32 Revenue from Operations

(₹Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Sales			
Energy Sales	215871		246704
Less:			
Regulated Power Adjustment- Margin	3009		1497
Regulated Power Adjustment- Expenses	369		357
	212493		244850
Advance Against Depreciation	3693		-
	216186		244850
Less: Rebate to Customers	491		244
		215695	244606
Consultancy Income		-	123
Income from Operating Lease			
Revenue from Operating Lease	3442		2120
Less: Rebate to Customers	2		-
		3440	2120
Total		**219135**	**246849**
Other operating revenues			
Late Payment Surcharge/Interest from Beneficiaries		3715	21065
Total		3715	21065
Total Revenue from Operations		**222850**	**267914**

CERC vide its Order dated 18.05.2017 has provisionally determined the Annual Fixed Charges (AFC) at ₹ 136883 lakh for the year 2017-18 as compared to ₹ 165684 lakh for the year 2016-17 in respect of Nathpa Jhakri Hydro Power Station (NJHPS). The reduction in AFC is mainly due to reduction in depreciation as per the CERC regulations which provide that, "the depreciable value as on 31st March of the year closing after a period of 12 years from the effective date of commercial operation of the station shall be spread over the balance useful life of the assets." Sales/billing to the beneficiaries have been made in accordance with the aforesaid Order.

CERC vide its order dated 27.01.2015 have provisionally determined the tariff of Rampur Hydro Power Station (RHPS) for the period 2014-16. Further, CERC vide its order dated 15.02.2017 has directed that the interim tariff granted by order dated 27.01.2015 in respect of RHPS shall continue to be in force till the tariff of the generation station for the period 2014-19 is determined. The sales/billing to the beneficiaries have been made in accordance with the above order.

During the year, the Group has regulated the power of BYPL (P.Y: BYPL and J&K) after this company failed to pay outstanding dues and sold the power allocated to this company through PTC as per CERC(Regulations of Power Supply) Regulations,2010. Accordingly 166.17 MUs (P.Y: 175.250 MUs) of power was sold through PTC amounting to ₹ 5331/- lakh (P.Y.: ₹ 4322/- lakh) and included in Energy Sales. An amount of ₹ 3009 /-lakh (P.Y. : ₹ 1497/- lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Trade receivables and Sales after adjusting the expenses of ₹ 369/- lakh (P.Y.: ₹ 357/- lakh) on Sale through PTC.

2.33 Other Income

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Interest Income			
Banks	29353		33330
Employees	636		454
Contractors	8		835
		29997	34619
Other Non-Operating Income			
Interest on Income Tax Refund		31	468
Receipt of Maintenance of ICF		222	224
Foreign Currency Fluctuation Adjustment		55	189
Sale of Scrap		45	17
Sales of Carbon Credit		-	6453
Miscellaneous Income #		5195	1855
Total		**35545**	**43825**
# Details of Miscellaneous Income:			
Hire Rental Charges from Contractor		2	2
Profit on Sale of Fixed Assets		48	14
Rent Recovery from Staff/Others		50	54
Excess Provision Written Back		1412	22
Liquidated Damages recovered		3205	137
Claim Received from Insurance Company		8	326
Other Misc. Receipts		470	1300
Total		**5195**	**1855**

2.34 Employee Benefits Expense

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Salaries,Wages, Allowances and Benefits	21179		20055
Contribution to Provident and Other Funds	2802		3095
Leave Salary and Pension Contribution*	94		647
Welfare Expenses	2594		1717
		26669	25514
Less: Transferred to C.S.R. Expenses (Note No 2.37)		132	158
		26537	**25356**

*Leave Salary and Pension Contribution is on account of retirement benefits of deputationists working in the group payable to their parent organisations.

2.35 Finance Costs

(₹ Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Interest Expenses on:			
Foreign Currency Loans	3228		2958
Rupee Term Loans	2272		3240
Exchange differences regarded as adjustment to borrowing costs.	35		(4676)
		5535	1522
Other Borrowing Costs			
Finance Charges		2847	3048
Total		**8382**	**4570**

2.36 Depreciation and Amortization Expense

(₹Lakh)

	For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Depreciation for the Year	38175	68365
Less: Depreciation attributable to Construction (Note No 2.2.1)	115	98
Less: Depreciation written back	1609	269
Depeciation Charged to Statement of Profit & Loss	**36451**	**67998**

2.37 Other Expenses

(₹Lakh)

		For the Year Ended March 31, 2018	For the Year Ended March 31, 2017
Repair and Maintenance:			
Buildings	1395		1133
Roads	218		724
Plant & Machinery	865		584
Office Equipments & Furnitures	45		39
Civil Works	878		827
Electro Mechanical Works	2545		2892
Vehicles	92		97
Others	473		342
		6511	6638
Rent		867	917
Rates & Taxes		24	29
Insurance		4729	4355
Security Expenses		3877	2256
Electricity Charges	1525		1297
Less: Recovered from Employees & Contractors	39		40
		1486	1257
Research and Development		-	64
Travelling & Conveyance		449	380
Training and Recruitment Expenses	366		215
Less: Cost of Application Forms Received	3		8
		363	207
Legal Expenses		127	143
Professional and Consultancy Charges		229	132
Communication Expenses		207	196
Printing & Stationery	156		95
Less: Receipts from Sale of Tenders	15		22
		141	73
Payment to Auditors		25	25
Advertisement & Publicity		349	255
EDP Expenses		84	104
Hiring of Vehicles		847	737
Entertainment Expenses		33	34
Expenses on Transit Camps		47	105
Books & Periodicals		13	12
C.S.R./ Sustainable Development Expenses		3750	3419
Stores Written Off		10	8
Loss on Disposal/Write off of Fixed Assets		73	1
Directors Sitting Fees		20	14
Business Promotion Expenses		326	109
Fees and subscription		301	248
Environment & Ecology Expenses		124	153
Safety Expenses		642	434
Interest on arbitration awards		1704	948
Miscellaneous Expenses		197	277
Exchange Rate Variation		74	(49)
Project Inauguration Expenses		-	115
Expenses on Regulated Power	369		357
Less: Regulated Power Adjustment - Sales	369		357
		-	-
Total		**27629**	**23596**
Stores Consumption Included in Repairs and Maintenance		**1598**	**1931**

NOTE-2.38 : Disclosure on Financial Instruments and Risk Management
(1) Fair Value Measurement
A) Financial Instruments by category

(₹Lakh)

Particulars	Notes	As at March 31, 2018	As at March 31, 2017
		Amortised Cost	Amortised Cost
Financial assets			
Non-current Financial assets			
(i) Non-current investments			
-Equity Instrument (Unquoted)	2.5	-	1
(ii) Trade receivables	2.7	1273	-
(iii) Loans (to employee & others)	2.8	4628	4423
(iv) Others:			
-Bank Deposits with more than 12 Months Maturity	2.9	-	3
Current Financial assets			
(i) Current Investments	2.14	1	-
(ii) Trade receivables	2.15	28899	61284
(iii) Cash and cash equivalents	2.16	16226	77810
(iv) Bank balances other than (iii) above	2.17	345228	354165
(v) Short-term loans (to employee & others)	2.18	1221	1163
(vi) others :			
(a) Amount recoverable	2.19	8949	1387
(b) interest receivable on investments and bank deposits	2.19	12827	13486
(c) other receivables	2.19	11605	14344
Total		**430857**	**528066**
Financial Liabilities			
Non-current Financial Liabilities			
(i) Long-term borrowings			
a) Term Loan From Domestic Bank	2.24	21128	25568
b) Term Loan from others	2.24	182406	197379
(ii) Deposits/Retention Money-non current	2.25	24	21
Current Financial Liabilities			
(i) Trade Payables including MSMED	2.28	2560	2708
(ii) Other Current financial liabilities			
a) Current Maturity of Term Loan from Domestic bank	2.29	4440	4440
b) Current Maturity of Term Loan from others	2.29	15094	14255
c) interest accrued but not due on borrowings	2.29	1413	1498
d) Deposits/Retention Money	2.29	15631	16016
e) Liability against Capital Works/Supplies	2.29	10268	7559
f) Other Payables	2.29	5437	6593
Total		**258401**	**276037**

Note: The company does not classify any financial asset/financial liability at fair value through profit or loss (FVTPL) & fair value through other comprehensive income (FVTOCI).

B) FAIR VALUATION MEASUREMENT

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has to classify its financial instruments into the three levels prescribed under the accounting standards.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date. The group has no financial instruments that are listed and traded in recongised Stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes security deposits/ retention money and loans at below market rates of interest.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed: (₹ in Lakh)

	Note No.	As at March 31, 2018			As at 31.03.2017		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Loans (to employee & others)	2.8 & 2.18	-	5849	-	-	5586	-
(ii) Others -Bank Deposits with more than 12 Months Maturity	2.9	-	-	-	3	-	-
Total Financial Assets		**-**	**5849**	**-**	**3**	**5586**	**-**
Financial Liabilities							
(i) Long-term borrowings (inclding Current Maturity and interest)	2.24 & 2.29	-	224481	-	-	243140	-
(ii) Deposits/Retention Money (including Current)	2.25 & 2.29	-	15655	-	-	16037	-
Total Financial Liabilities		**-**	**240136**	**-**	**-**	**259177**	**-**

(ii) Valuation techniques and process used to determine fair values

The Group values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

-Use of Quoted market price or dealer quotes for similar intruments.

- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

The group has a team that performs the valuation of financial assets and liabilities required for financial reporting purpose.

(iii) Fair value of Financial Assets and liabilities measured at Amortised Cost (₹ Lakh)

	Note No.	As at March 31, 2018		As at March 31, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortised Cost					
(i) Loans	2.8 & 2.18	7812	5849	7836	5586
(ii) Bank Deposits with more than 12 Months Maturity	2.9	-	-	3	3
Total Financial Assets		**7812**	**5849**	**7839**	**5589**
Financial Liabilities at Amortised Cost					
(i) Long-term borrowings (inclding Current Maturity and interest)	2.24 & 2.29	224481	224481	243140	243140
(ii) Deposits/Retention Money (including Current)	2.25 & 2.29	15659	15655	16040	16037
Total Financial Liabilities		**240140**	**240136**	**259180**	**259177**

Significant Estimates:

Note: 1. The Carrying amount of current investments, Trade and other receivables, Cash and cash equivalents, Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilitties are considered to be the same as their fair values, due to their short term nature.

2. For financial assets and financial liabilites measured at fair value, the carrying amounts are equal to the fair value.

(2) Financial Risk Management

Financial risk factors

The Group's principal financial liabilities comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to manage finances for the group's operations. The Group has loan and other receivables, trade and other receivables, investments and cash and short-term deposits that arise directly from its operations. The Group's activities expose it to a variety of financial risks:

The ageing of trade receivables is as below:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Trade receivables and financial assets measured at amortised cost	Ageing analysis	diversification of bank deposits,credit limits and letter of credit.
Liquidity Risk	Borrowings and other facilities	Rolling cash flow forecasts	availability of committed credit lines and borrowing facilities.
Market Risk-Interest rate	Long term borrowings at variable rates	sensitivity analysis	1. Diversification of fixed rate and floating rates. 2. Refinancing 3. Actual interest is recovered through tariff as per CERC Regulation.
Market Risk-foreign exchange	Recognised financial liabilities not denominated in INR	sensitivity analysis	Foreign exchange rate variation on loans is recovered through tariff as per CERC regulation.

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities including deposits with banks and financial institutions.

ii) Liquidity risk.

Liquidity risk is the risk that the group may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.

iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks. Financial instruments affected by market risk include loans and borrowings, deposits, investments. Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. This is based on the financial assets and financial liabilities held as at 31st March, 2018 and 31st March, 2017.

The group operates in regulated environment. Tariff of the group is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components: 1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above, Foreign Currency Exchange Variation and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the group.

The group's risk management is carried out as per policies approved by Board of Directors from time to time.

(A) Credit Risk

The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

a) Trade Receivables

The Group extends credit to customers in normal course of business. The Group monitors the payment track record of the customers. Outstanding customer receivables are regularly monitored. The Group evaluates the concentration of risk with respect to trade receivables as low, as its customers are mainly state government authorities and operate in largely independent markets.

CERC tariff regulations 2014-19 allows the group to raise bills on beneficiaries for late-payment surcharge which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables.

b) Financial assets at amortised cost

Employee Loans: The Group has given loans to employees at concessional rates as per the group's policy which have been measured at amortised cost at Balance Sheet date. The recovery of the loan is on fixed installment basis from the monthly salary of the employees. Management has assessed the past data and does not envisage any probability of default on these loans.

c) Financial instruments and cash deposits

The Group considers factors such as track record, size/networth of the institution/bank, market reputation and service standards and limits and policies as approved by the board of directors to select the banks with which balances and deposits are maintained. The Group invests surplus cash in short term deposits with scheduled Banks.

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

The group's objective is to maintain optimum levels of liquidity at all times to meet its cash and collateral requirements. The Group relies on a mix of borrowings, capital infusion and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Group monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the group does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Maturities of Financial Liabilities:

The table below provides undiscounted cash flows towards group's financial liabilities into relevant maturity based on the remaining period at the balance sheet to the contractual maturity date. Balance due within 1 year is equal to their carrying balances as the impact of discounting is not significant. (refer Note 2.24,2.25, 2.28 and 2.29 of balance sheet).

As at March 31, 2018 (₹ Lakh)

Contratual maturities of financial liabilities	Note No.	Outstanding Debt As at March 31, 2018	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Years
1. Borrowings (including interest accrued but not due)	2.24 & 2.29	224481	19534	19534	41766	143647
2. Other financial Liabilities	2.25 & 2.29	31360	31336	24	-	-
3. Trade Payables	2.28	2560	2560	-	-	-
Total Financial Liabilities		**258401**	**53430**	**19558**	**41766**	**143647**

As at March 31, 2017 (₹ Lakh)

Contratual maturities of financial liabilities	Note No.	Outstanding Debt As at March 31, 2017	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Years
1. Borrowings (including interest accrued but not due)	2.24 & 2.29	243140	18695	39930	43665	140850
2. Other financial Liabilities	2.25 & 2.29	30189	30168	21	-	-
3. Trade Payables	2.28	2708	2708	-	-	-
Total Financial Liabilities		**276037**	**51571**	**39951**	**43665**	**140850**

(C) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligations provisions and on the non-financial assets and liabilities. The sensitivity of the relevant Statement of Profit and Loss item is the effect of the assumed changes in the respective market risks. The Group's activities expose it to a variety of financial risks, including the effects of changes in interest rates.

(i) Interest rate risk and sensitivity

The Group's exposure to the risk of changes in market interest rates relates primarily to the group's long term debt obligations with floating interest rates and any changes in the interest rates environment may impact future cost of borrowing. Group does not have fixed rate borrowings.

The exposure of the group's borrowing to interest rate changes at the end of the reporting period are as follows: (₹ Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Variable Rate Borrowings (FC)	197500	211634
Variable Rate Borrowings (INR)	25568	30008
Total	**223068**	**241642**

Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings.

(₹ Lakh)

Particulars	As at March 31, 2018	As at March 31, 2017
Effect on Profit Before Tax with rise of 25 basis points	(558)	(604)
Effect on Profit Before Tax with rise of 50 basis points	(1115)	(1208)

(ii) Price Risk:

(a) Exposure

The Group has no exposure to price risk as there is no investment in equity shares which are listed in recognised stock exchange and are publicly traded in the stock exchanges.

(iii) Foreign Currency Risk

The Group is compensated for variability in forign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations

(a) Foreign Currency Risk Exposure:

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

Particulars	As at March 31, 2018	As at March 31, 2017
Foreign Currency	**USD**	**USD**
Net Exposure to foreign currency risk(asset)	-	-
Financial Liabilities:		
Foreign currency loan including interest accrued but not due (₹ in Lakh)	198913	213132
Net Exposure to foreign currency risk (liabilities) (₹ in Lakh)	**198913**	**213132**

i. The above foreign currency risk exposure is for foreign currency loans taken for construction of Rampur Hydro Power Station from World Bank. As per accountig policy of the group transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of fixed assets entered up to March 31, 2016 are adjusted to carrying cost of fixed assets.

The Group has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities. However, there is no impact on the Profit & Loss of the group due to change in foreign currency rates as the same is the pass through item to the beneficiaries as per CERC guidlines applicable to the period 2014-19.

(3) Capital Management

(a) Capital Risk Management

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The primary objective of the group's capital management is to maximize the shareholder value. The group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2018.

The Group monitors capital using Debt Equity ratio, which is net debt divided by total capital. The Debt Equity ratio are as follows:

Statement of Debt Equity Ratio		(₹ in Lakh)
Particulars	**As at March 31, 2018**	**As at March 31, 2017**
(a) Total Debt	224481	243140
(b) Total Capital	1070016	1148955
Debt Equity Ratio (a/b)	0.21	0.21

Note: For the purpose of the group's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(b) Loan Covenents:

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenents:-

1. Group shall maintain credit rating AA and if rating comes down, rate of interest shall be increased by 65 basis point for each notch below AA rating in accordance with the applicable rates.
2. Debt to net worth should not exceed 2:1.

During the year the group has complied with the above loan covenants.

(c) Dividends: (₹ in Lakh)

(i) Equity Shares	As at March 31, 2018	As at March 31, 2017
Final dividend for the year 2016-17 of ₹ 0.50 per fully paid share approved in Sep-2017. (₹ 0.47 per fully paid share for FY 2015-16 approved in Sep-2016).	20683	19442
Interim dividend for the year ended 31st March, 2018 of ₹ 1.90 per fully paid share(For the year ended 31st March 2017- ₹ 2.25 per fully paid share).	78596	93074
(ii) Dividend not recognised at the end of the reporting period	**7860**	**20683**

Other Explanatory Notes to Accounts

2.39 Basis of Preparation

These consolidated financial statements are prepared in compliance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 and subsequent amendments thereto, the Companies Act, 2013 (to the extent notified and applicable), applicable provisions of the Companies Act, 1956, and the provisions of the Electricity Act, 2003 to the extent applicable.

Group information

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

Name of entity	Principal Activities	Country of Incorporation	% Equity Interest	
			As at 31.03.2018	As at 31.03.2017
1. SJVN Arun-3 Power Development Group Pvt. Ltd	Generation/ Transmission of Power	Nepal	100%	100%
2. SJVN Thermal Pvt. Ltd	Generation of Power	India	100%	100%

The Holding Company

SJVN Ltd. is the holding company of the group.

Entities in which Group has Joint arrangement / Significant Influence :

1. The group has 50% interest in Kholongchhu Hydro Energy Limited
2. The group has 26% interest in Cross Border Power Transmission Company Limited.
3. The group has 7.7% interest in Bengal Birbhum Coalfields Limited. The JV agreement is in the process of termination and accordingly has been shown as Current Investments.

2.40. Contingent Liabilities:-

a) Claims against the Group not acknowledged as debts in respect of: (₹ Lakh)

Particulars	As at 31.03.2018	As at 31.03.2017
Capital Works	36889	25552
Land Compensation	1790	1794
Disputed Service Tax Demand*	-	1236
Others	165	165
Total	**38844**	**28747**

(i) Capital works

Contractors have lodged claims aggregating to ₹ 37715 Lakh (previous year ₹ 27607 Lakh) against the Group on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the group as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Group.

(ii) Land Compensation cases

In respect of land acquired for the projects, some of the land losers have filed claims for higher compensation amounting to ₹ 1787 Lakh (previous year ₹ 1791 Lakh) before various authorities/courts and a demand of ₹ 3 Lakh (previous year ₹ 3 Lakh) raised in respect of SJVN Thermal Pvt. Ltd. for Govt. Land. Group has shown the same as contingent liability as possibility of any outflow in settlement of these claims is considered as remote.

(iii) Others

Claims on account of other miscellaneous matters is amounting to ₹ 165 lakh (previous year ₹ 165 lakh) mainly on account of notice served by H.P Govt. under Himachal Pradesh Public Premises and Land (Eviction and Rent Recovery) Act, 1971. Writ petition in respect of above mentioned case was admitted by Hon'ble High court and is pending for hearing.

(a) The above is summarized as below: (₹ Lakh)

Sl. No.	Particulars	Claims as on 31.03.2018	Provision against the claims	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Net Addition of contingent liability for the period
1.	Capital Works	37715	826	36889	25552	11337
2.	Land Compensation	1790	-	1790	1794	(4)
3.	Disputed Service Tax demand	-	-	-	1236	(1236)
4	Others	165	-	165	165	-
	Total	**39670**	**826**	**38844**	**28747**	**10097**

(b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) The group's management does not expect that the above claims/obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the group's results of operations or financial condition.

2.41 Detail of Contingent Assets: (₹ Lakh)

Particulars	As on 31.03.2018	As on 31.03.2017
1) JHC Pertaining of demand of SJVN for recovery of cost in lieu of non returning of dewatering equipment.	43	43
2) Late Payment Surcharge due from beneficiaries	55007	48434
3) Counter Claim for Interest accrued on advance paid to JHC	10369	10369
4) Amount expected to be due against final Tariff of RHPS	68637	47437
5) Insurance claims	60	116
Total	**134116**	**106399**

2.42 Estimated amount of commitments not provided for is as under: (₹ Lakh)

Particulars	As on 31.03.2018	As on 31.03.2017
Estimated amount of contracts remaining to be executed on capital account and not provided for	381392	54579
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	14173	7800
Total	**395565**	**62379**

2.43 On 14.02.2018, an earth fault followed by over current took place in the 3.3 MVA 11kV HT incomer & Y-Phase of 6.25 MVA 11/66 kV transformer at 66 kV switchyard of Charanka Solar Power Project. This resulted into fire in HT panel & transformer and shut down of the whole plant till 24.04.2018. As per condition of the contract, a fire policy has been taken by the contractor, who is responsible for preparing and conducting all and any claim made under the said policy.

2.44 Balances of trade receivables, advances, deposits, trade payables, are reconciled periodically. However, as on 31.03.2018 out of ₹ 50900 lakh trade receivables, deposits, material lying with third parties etc. an amount of ₹ 42961 lakh has been confirmed and balance amount of ₹ 7939 lakh are subject to confirmation and consequential adjustment. Further trade payables amounting to ₹ 2560 lakh which includes provisions/estimated liabilities are yet to be confirmed, which in the opinion of the management will not have a material impact.

2.45 The effect of foreign exchange fluctuation during the year is as under: (₹ Lakh)

		Year ended 31.03.2018	Year ended 31.03.2017
(i)	*Amount charged to Statement of Profit and Loss excluding depreciation: - As FERV - As Borrowing cost	 74 35	 (49) (4676)
(ii)	Amount charged to Expenditure Attributable to Construction: - As FERV - As Borrowing cost	 - -	 - -
(iii)	Amount adjusted by addition to carrying amount of fixed assets	-	-

* There is however no impact on profitability of the Group, as the impact of change in foreign exchange rates is recoverable from beneficiaries in terms of prevailing CERC (Terms & Conditions of tariff) Regulations.

2.46 Disclosure under the provisions of IND-AS-19 'Employee Benefits':-

General description of various defined employee benefits are as under:

a) Defined Contribution plans:

(i) Pension:

The Group 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 group and managed by separate trust created for this purpose.

b) Defined benefit plans:

(i) Employers contribution to Provident Fund:

The Group pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. The obligation of the group is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI. The liability for the same is recognized on the basis of actuarial valuation. Further, contribution to employee pension scheme is paid to the appropriate authorities.

(ii) Gratuity:

The Group 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 group and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation.

(iii) Leave encashment:

The Group 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 is recognised on the basis of actuarial valuation.

(iv) Retired Employee Health Scheme:

The Group has a Retired Employee Health Scheme, under which retired employee, spouse and eligible parents of retired employee are provided medical facilities in the group hospitals/empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the group. The scheme is being managed by a separate trust created during the year for the purpose and obligation of the group is to make contribution to the trust based on actuarial valuation. The liability towards the same is recognised on the basis of actuarial valuation.

(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 is paid as per the rules of the group. The liability towards the same is recognised on the basis of actuarial valuation.

(vi) Service Reward on Retirement:

Gift at the time of retirement is given to the employee as per the rules of the group. The liability towards the same is recognised on the basis of actuarial valuation.

I. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As at 31.03.2018	As at 31.03.2017
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.60%	7.50%
Future Salary Increase	6.50%	6.00%

II. Employee benefit obligations at the end of year: (₹ Lakh)

Particulars	As on 31-03-2018			As on 31-03-2017		
	Current	Non-current	Total	Current	Non-current	Total
Leave obligations	394	4678	5072	496	6469	6966
Gratuity	408	6690	7098	353	6074	6427
Post Retirement Medical Scheme (PRMS)	6	6000	6006	5	4695	4699
Long Service Award Liability	3	132	134	2	112	114
Settlement Allowance On Retirement (Exit)	7	143	151	7	135	142
Total employee benefit obligations	818	17643	18461	863	17485	18348

III. Change in Present Benefit Obligation (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present value of obligation as at the beginning of the period	6966	5154	6427	4735	4699	4094	142	115	114	81
Acquisition adjustment	-	-	-	38	-	-	-	-	-	-
Interest Cost	522	413	482	379	353	328	11	9	9	6
Service Cost	424	725	487	571	311	278	12	13	10	9
Past Service Cost including curtailment (Gains)/Losses	-	-	-	516	-	-	-	-	-	-
Benefits Paid	(4048)	(623)	(181)	(264)	(137)	(141)	(20)	(22)	(8)	(9)
Total Actuarial (Gain)/Loss on Obligation	1208	1297	(117)	452	780	141	6	27	9	26
Present value of obligation as at the End of the period	5072	6966	7098	6427	6006	4699	151	142	134	114

IV. Amount Recognized in Balance Sheet (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of the obligation at end	5072	6966	7098	6427	6006	4699	151	142	134	114
Fair value of plan assets	-	-	6705	4904	6006	-	-	-	-	-
Unfunded Liability/ provision in Balance Sheet	(5072)	(6966)	(393)	(1523)	-	(4699)	(151)	(142)	(134)	(114)
Unfunded Liability recognized in Balance Sheet	(5072)	(6966)	(393)	(1523)	-	(4699)	(151)	(142)	(134)	(114)

V. Amount Recognized in the Statement of Profit and Loss/EDC Account (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Total Service Cost	424	725	487	1086	311	278	12	12	10	9
Net Interest Cost	522	412	-	-	353	328	11	9	9	7
Net actuarial (gain) / loss recognized in the period	1208	1297	-	-	-	-	-	-	-	-
Expense recognized in the Income Statement	2154	2434	487	1086	664	606	23	21	19	16

VI. Amount Recognized in the Statement of Other Comprehensive Income (OCI) (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-	-	-	-	-	-	-
Actuarial gain / (loss) for the year on PBO	-	-	(119)	(452)	(780)	(141)	(6)	(27)	(9)	(26)
Actuarial gain /(loss) for the year on Asset	-	-	(23)	5	-	-	-	-	-	-
Unrecognized actuarial gain/(loss) at the end of the year	-	-	(142)	(447)	(780)	(141)	(6)	(27)	(9)	(26)

VII. Sensitivity Analysis

a) Impact of the change in discount rate (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of Obligation at the end of the period	5072	6966	7098	6427	6006	4699	151	142	134	114
Impact due to increase of 0.50 %	(209)	(329)	(301)	(280)	(361)	(317)	(7)	(6)	(6)	(6)
Impact due to decrease of 0.50 %	226	358	325	303	372	323	7	6	6	6

b) Impact of the change in Salary Increase / Medical Cost rate (₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Long Service Award Liability		Settlement Allowance On Retirement (Exit)	
	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017	31.03.2018	31.03.2017
Present Value of Obligation at the end of the period	5072	6966	7098	6427	6006	4699	151	142	134	114
Impact due to increase of 0.50 %	227	362	155	184	376	325	7	6	6	6
Impact due to decrease of 0.50 %	(212)	(335)	(164)	(194)	(368)	(319)	(7)	(6)	(6)	(6)

VIII. a) Change in Present Benefit Obligation (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Present value of obligation as at the beginning of the period	35406	30886
Acquisition adjustment	-	-
Interest Cost	2655	2471
Service Cost	990	1222
Contributions by Planned Participants/employees	2242	3299
Benefits Paid	(1552)	(2757)
Total Actuarial (Gain)/Loss on Obligation	375	264
Settlement/Transfer in	25	21
Present value of obligation as at the End of the period	40141	35406

b) Amount Recognized in Balance Sheet (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Present Value of the obligation at end	40141	35406
Fair value of plan assets	40366	35627
Deficit/(Surplus) of funded plans	225	221
Unfunded Liability/Asset recognized in Balance Sheet	-	-

c) Amount Recognized in the Statement of Profit and Loss/EDC Account (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Total Service Cost	990	1223
Past Service Cost including curtailment (Gains)/Losses	-	(20)
Expense Recognized in Income Statement	990	1203

d) Amount Recognized in the Statement of Other Comprehensive Income (OCI) (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain / (loss) for the year on PBO	(375)	(263)
Actuarial gain /(loss) for the year on Asset	379	218
Unrecognized actuarial gain/(loss) at the end of the year	4	(45)

e) Sensitivity analysis of the Defined Benefit Obligation.

Impact of the change in discount rate (₹ Lakh)

Particulars	Provident Fund	
	31.03.2018	31.03.2017
Present Value of Obligation at the end of the period	40141	35406
Impact due to increase of 0.50 %	(4)	(4)
Impact due to decrease of 0.50 %	4	4

IX. Risk exposure

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such group is exposed to various risks as follows-

A) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Medical cost increase- Increase in actual medical cost per retiree will increase the plans liability. Increase in medical cost per retiree rate assumption will also increase the liability.

C) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

D) Discount Rate : Reduction in discount rate in subsequent valuations can increase the plan's liability.

E) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

F) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

The expected maturity analysis of Gratuity, Earned leave encashment, TTA/Settlement allowance on retirement, Employee Provident fund, Retirement gifts and Post Retirement Medical Scheme.

Particulars 31-Mar-18	Less than a year	Between 1-5 years	Over 5 years	Total
Gratuity	408	847	5843	7098
Earned Leave encashment	395	1554	3123	5072
TTA/Settlement allowance on retirement (exit)	3	26	105	134
Employee Provident fund	3857	9078	27206	40141
Retirement Gifts/Long service award liability	7	33	111	151
Post Retirement Medical Scheme	127	655	5224	6006
TOTAL	**4797**	**12193**	**41612**	**58602**
Particulars 31-Mar-17				
Gratuity	353	998	5076	6427
Earned Leave encashment	496	1787	4683	6966
TTA/Settlement allowance on retirement (exit)	2	23	89	114
Employee Provident fund	2884	7538	24984	35406
Retirement Gifts/Long service award liability	7	29	106	142
Post Retirement Medical Scheme	92	480	4127	4699
TOTAL	**3834**	**10855**	**39065**	**53754**

2.47 Segment information:

a) Operating Segments are defined as components of an enterprise for which financial information is available that is evaluated regularly by the Management in deciding how to allocate resources and assessing performance.

b) Electricity generation is the principal business activity of the Group. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS – 108 on 'Segment Reporting'.

c) The Group is having a single geographical segment as all its Power Stations are located within the Country.

d) Information about major customers:

S. No	Name of Customer	Revenue from Customers (₹ Lakh)		Revenue from customer as a % of total revenue from sales	
		F.Y. 2017-18	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2016-17
1	Govt. of H.P.	54661	63783	24.94	25.84
2	PDD, J&K	26522	25799	12.10	10.45
3	U.P. Power Corporation	38605	52262	17.62	21.17
4	Punjab State Power Corporation Ltd	23821	28187	10.87	11.42

e) Revenue from External Customers: The group is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below : (₹ Lakh)

S.No	Revenue from External Customers	F.Y. 2017-18	F.Y. 2016-17
1	Nepal (Consultancy)	147	20
2	Bhutan (Consultancy)	-	5
	Total	**147**	**25**

2.48 Information on 'Related Party Disclosures' as per Ind AS 24 is provided as under:

a) List of Related Parties –

i) Directors & Key Management Personnel:

Shri Nand Lal Sharma	Chairman and Managing Director (CMD) w.e.f 01.12.2017 Director (Personnel) up to 30.11.2017
Shri Ramesh Narain Misra	Chairman and Managing Director (CMD) up to 30.11.2017
Shri Amarjit Singh Bindra	Director (Finance)
Shri Rakesh Kumar Bansal	Director (Electrical)
Shri Kanwar Singh	Director (Civil)
Smt. Archana Agrawal	Nominee Director, Government of India
Shri Ram Dass Dhiman	Nominee Director, Government of Himachal Pradesh
Shri Ganesh Dutt	Independent Director
Dr. Rajni Sarin	Independent Director
Sh. Pravin Bhai Patel	Independent Director
Sh. Shamsher Singh Uppal	Independent Director
Shri Soumendra Das	Company Secretary

ii) Entities where control / significant influence exists

Subsidiaries:

Name of Entity	Principal Place of Operation/ Country of Incorporation	Principal activities	% of Shareholding/ voting Power As at March 31, 2018	As at March 31, 2017
SJVN Arun-3 Power Development Company Pvt. Ltd (Incorporated in Nepal)	Nepal	Power Generation	100%	100%
SJVN Thermal Pvt. Ltd (Incorporated in India)	India	Power Generation	100%	100%

iii) Joint Ventures:

Name of Entity	Principal Place of Operation/ Country of Incorporation	Principal activities	% of Shareholding/ voting Power As at March 31, 2018	As at March 31, 2017
Cross Border Power Transmission Company Ltd.	India	Power Transmission	26%	26%
Kholongchhu Hydro Energy Limited	Bhutan	Power Generation	50%	50%
Bengal Birbhum Coalfields Limited*	India	Coal Mining	7.7%	7.7%

*The JV agreement is in the process of termination and accordingly has been shown as Current Investments.

iv) **List of Other Related Parties:**

Name of Related Parties	Principal place of operation	Nature of Relationship
NJPC Ltd. Employees Provident Fund Trust	India	Post-employment benefit plan of SJVN
NJPC Ltd. Employee Gratuity Fund	India	Post-employment benefit plan of SJVN
SJVN Employees Defined Contribution Pension Fund.	India	Post-employment benefit plan of SJVN
Fund for SJVN Post Retirement Medical Scheme (PRMS)	India	Post-employment benefit plan of SJVN
SJVN Foundation Trust	India	CSR-Trust

b) Transactions with related parties-

i) Transactions with Joint Ventures and Key Management Personnel (KMP) are as follows. (₹ Lakh)

Particulars		Joint Ventures Companies		Key Management Personnel (KMP)& their relative	
		F.Y. 2017-18	F.Y. 2016-17	F.Y. 2017-18	F.Y. 2016-17
A. Transactions During the Year					
1.	**Investment in Share Capital**				
a)	Cross Border Power Transmission Company Ltd.	-	229	-	-
b)	Bengal Birbhum Coalfields Limited	-	-	-	-
c)	Kholongchhu Hydro Energy Limited	4200	3720	-	-
2.	**Share Application Money.**				
a)	Cross Border Power Transmission Company Ltd.	-	-	-	-
b)	Kholongchhu Hydro Energy Limited	-	1300	-	-
3.	**Consultancy Fee Received**				
a)	Cross Border Power Transmission Company Ltd.	-	85	-	-
4.	**Dividend**				
a)	Cross Border Power Transmission Company Ltd.	164	241	-	-
5.	**Sitting Fees**	-	-	20	14
6.	**Remuneration**	-	-	6	2
B.	**Outstanding Balances at the year end.**				
1.	**Amount Recoverable**				
a)	Cross Border Power Transmission Company Ltd.	-	-	-	-
b)	Kholongchhu Hydro Energy Limited	168	131	-	-

ii) Loans to/from Key Management Personnel (KMP) **(₹ Lakh)**

Particulars	**Key Management Personnel (KMP)**	
	31.03.2018	**31.03.2017**
Loan to KMPs		
Beginning of the Year	13	23
Loans advanced	-	5
Loan repayments received	5	15
Interest charged	-	1
Interest received	2	1
End of the year/period	6	13

Note: Loan/ Recoverable from/to JVs is ₹ 168 Lakh (Previous Year ₹ 131 Lakh). Loan from Key Management Personnel (KMP), their relatives & enterprise over which KMPs have significant influence is NIL (Previous Year NIL)

Terms & conditions:

1) Loans to KMPs include House Building Advance and Education Loan. These advances are interest bearing at concessional rates as per policy of the Group.
2) Management/Consultancy services provided to subsidiaries/Joint Ventures and other transactions were on normal commercial terms and conditions at market rates.

iii) Transaction with Trust created for Post employment Benefit plans/CSR of SJVN are as follows:- (₹ Lakh)

Sr. No.	Name of the Trust	Nature of transaction	2017-18	2016-17
1	Nathpa Jhakri Power Corporation Ltd. Employees Provident Fund Trust	Contributions during the year	4902	4766
2	NJPC Ltd. Employee Gratuity Fund	Contributions during the year	1523	199
3	SJVN Employees Defined Contribution Pension Fund.	Contributions during the year	1821	1791
4	Fund for SJVN PRMS	Contributions during the year	6140	-
5	SJVN Foundation Trust	Contributions during the year	3750	3394

2.49 Remuneration to Directors & Key Managerial Personnel (₹ lakh)

		Year ended 31.03.2018	Year ended 31.03.2017
i)	Short Term Employee Benefits	296	234
ii)	Post Employment Benefits	5	9
iii)	Other Long Term Employee Benefits	26	27
	Total	327	270

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

2.50 Interest in Other Entities:

a) Subsidiaries

The group's subsidiaries as at 31st March, 2018 are set out below. The equity share capital of these companies is held directly by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal Activities	Country of Incorporation	% Equity Interest	
			As at 31.03.2018	As at 31.03.2017
1 SJVN Arun-3 Power Development Company Pvt. Ltd	Generation/ Transmission of Power	Nepal	100%	100%
2 SJVN Thermal Pvt. Ltd	Generation of Power	India	100%	100%

b) Interest in joint ventures

The group's interest in joint ventures as at 31st March, 2018 are set out below which in the opinion of the management, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held. (₹ lakh)

Name of entity	Place of Business	% of ownership interest	Relationship	Quoted Fair Value		Carrying amount	
				31st March 2018	31st March 2017	31st March 2018	31st March 2017
Kholongchhu Hydro Energy Limited	Bhutan	50	Joint Venture (1)	*	*	9966	7066
Cross Border Power Transmission Company Limited	India	26	Joint Venture (2)	*	*	2057	1918

* Unlisted entity- no quoted price available

1. The Group has 50% interest in Kholongchhu Hydro Energy Limited, which is a joint venture with Druk Green Power Corporation Limited of Bhutan. The joint venture is involved in the construction and operation of Kholongchhu Hydro Power Project in Bhutan.

2. The Group has 26% interest in Cross Border Power Transmission Company Limited. The company is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Company is principally engaged in establishment, operation & maintenance and transfer of Indian Portion of Indo-Nepal Cross Border Transmission Line from Muzaffarpur to Dhalkebar.

Summarised Balance Sheet as at 31st March 2018 using the Equity Method : **(₹ Lakh)**

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	As at 31.03.2018	**As at 31.03.2017**	**As at 31.03.2018**	**As at 31.03.2017**
Current Assets				
Cash and Cash equivalents	76	367	1037	2261
Other Assets	38	23	5712	5526
Total Current Assets	**114**	**390**	**6749**	**7787**
Total Non-current Assets	**20714**	**11807**	**20025**	**21000**
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	140	147	1646	1844
Other Liabilities	709	493	781	1729
Total Current Liabilities	**849**	**640**	**2427**	**3573**
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	47	25	15995	17274
Other Liabilities	-	-	439	564
Total Non-current Liabilities	**47**	**25**	**16434**	**17838**
Net Assets	**19932**	**11532**	**7913**	**7376**

Summarised statement of Profit and Loss using Equity Method: **(₹ Lakh)**

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	31.03.2018	**31.03.2017**	**31.03.2018**	**31.03.2017**
Revenue	-	-	447	560
Interest Income/Other Income	-	-	3149	3564
Cost of raw material and components consumed	-	-	-	-
Depreciation & amortization	-	-	2	2
Finance cost	-	-	1771	1835
Employee benefit	-	-	104	120
Other expense	-	-	423	403
Profit before tax	-	-	1295	1765
Profit for the year (continuing operations)	-	-	1295	1765
Total comprehensive income for the year (continuing operations)	-	-	1295	1765

2.51 Earnings Per Share:-

Calculation of Earnings Per Share (Basic and Diluted) is as under:

	Year Ended 31.03.2018	Year Ended 31.03.2017
Net Profit after Tax but before Regulatory Income used as numerator (₹ Lakh)	118442	156984
Net Profit after Tax and Regulatory Income used as numerator (₹ Lakh)	122461	154528
Weighted Average number of equity shares used as denominator	4125293277	4136626500
Earnings per Share before Regulatory Income (₹) – Basic & Diluted	2.87	3.79
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	2.97	3.74
Face value per share (₹)	10	10

2.52 Impairment of Assets-

Ind AS 36, in the opinion of the management there is no indication of any significant impairment of assets during the year.

2.53 Disclosure Regarding Embedded Lease:

The Group has entered into arrangement with

i) Maharashtra State Electricity Board (MSEB) for sale of wind power from Khirvire Wind power station for a period of 13 years. Under the agreements, the MSEB is obliged to purchase the output at fixed per unit price.

ii) Gujarat Urja Vikas Nigam Limited (GUVNL) for sale of Solar power from Charanka Solar Park for a period of 25 years .

iii) Gujarat Urja Vikas Nigam Limited (GUVNL)) for sale of wind power from Sadla Wind Power Project for a period of 25 years.

Accordingly, the group has classified the Power Station as Operating Leases as per Appendix-C to Ind AS 17- Leases.
Revenue from operation under note no. 2.32 includes an amount of ₹ 3440 Lakh (P.Y ₹ 2120 lakh) from sale of power from this plant.
Future minimum rental receivable under non-cancellable operating leases as on 31.03.2018 are as follows.

Particulars	31.03.2018	31.03.2017
Within one year	NIL	NIL
After one year but not more than five years	NIL	
Total	**NIL**	**NIL**

2.54 Other disclosures as per Schedule-III of the Companies Act,2013 are as under:- (₹ Lakh)

(A)	**Expenditure in foreign currency**	**Year ended 31.03.2018**	**Year ended 31.03.2017**
i)	Consultancy	-	-
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	-	-
iv)	Interest on World Bank Loan	3228	2958
v)	Dividend Paid	-	-
vi)	Other Miscellaneous Matters	175	81
(B)	**Earnings in foreign currency**	-	-
(C)	**Value of Import calculated on CIF basis**		
i)	Capital Goods	-	-
ii)	Spare Parts	151	76
(D)	**Value of components, stores and spare parts consumed**		
i)	Imported	101 (6.32%)	41 (2.12%)
ii)	Indigenous	1497 (93.68%)	1890 (97.88%)

2.55 Quantitative details in respect of energy generated & sold :

a) Hydro Power:-

Sr. No.	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1912	1912
iii)	Actual Generation (Million Units)	9222.60	9010.99

b) Wind/Solar Power:-

Sr. No.	Particulars	Year ended 31.03.2018	Year ended 31.03.2017
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	54.60	52.60
iii)	Actual Generation (Million Units)	57.67	33.94

2.56 Payment to Auditors includes: **(₹lakh)**

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
As Auditors		
- Statutory Audit	11	10
- Tax Audit	2	2
- Limited Review	4	7
For other services (Certificates etc.)*	3	1
Reimbursement of Expenses	4	2
Reimbursement of Service Tax/GST	3	3
Total	**27**	**25**

* includes payment on account of fees for buy back of shares accounted in other equity.

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

(₹ Lakh)

PARTICULARS	CURRENCY	As at 31.03.2018	As at 31.03.2017
Borrowings, including Interest Accrued but not due thereon	USD	198913	213132

2.58 Disclosure related to Corporate Social Responsibility (CSR)

During the year an amount of ₹ 3750 lakh (P.Y: ₹ 3394 lakh) has been paid 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 2017-18 is as below. (₹ Lakh)

S.N	Activities	Amount
1	Health and hygiene	457.16
2	Education and Skill Development	665.85
3	Infrastructural Development and Community Development	993.97
4	Preservation and promotion of culture, Melas, Sports etc.	358.06
5	Sustainable Development	1035.25
6	Assistance to the victims of natural disasters/ calamities	144.36
7	Miscellaneous CSR activities& Administrative Exp.	221.25
	Total	**3875.90**

2.59 Information in respect of micro and small enterprises as at 31st March 2018 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Year ended 31.03.2018	Year ended 31.03.2017
a) Amount remaining unpaid to any supplier:		
Principal amount	58	7
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.	-	-

2.60 CERC (Terms & Conditions of Tariff) Regulations provide for levy of late payment surcharge by generating company in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. An amount of ₹ 55007 Lakh (P.Y.: ₹ 48434 Lakh) is due but not recognised on account of surcharge till 31.03.2018 due to significant uncertainties in the timing of its collection from the customers.

2.61 Disclosure relating to creation of Regulatory Deferral Accounts as per Ind AS 114:

a) The company is mainly engaged in generation and sale of electricity. The price to be charged by the company for electricity sold to its customers is determined by the CERC which provides extensive guidance on the principles and methodologies for determination of the tariff for the purpose of sale of electricity. The tariff is based on allowable costs like interest, depreciation, operation & maintenance expenses, etc. with a stipulated return. This form of rate regulation is known as cost-of-service regulations which provide the Company to recover its costs of providing the goods or services plus a fair return.

b) As per the CERC Tariff regulations any gain or loss on account of exchange rate variation during the construction period shall form part of the capital cost till the declaration of commercial operation date. Exchange differences arising from settlement/translation of monetary item denominated in foreign currency to the extent recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized on an undiscounted basis as regulatory deferral account debit/credit balance by credit/debit to movements in regulatory deferral account balances and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries.

c) Pay revision of employees of CPSUs is due from 1st January, 2017. Accordingly, Impact of proposed revision of pay includes expenses recognized in the Statement of Profit & Loss and other comprehensive income (OCI) for enhancement in pay and allowances. CERC Tariff regulations 2014-19 provides that the impact of actual increase in employee cost on account of wage revision of operational power stations is recoverable from beneficiaries in future through Tariff. Accordingly, additional expenditure on employee benefit due to pay revision to the extent charged to the Statement of Profit & Loss or to the Other Comprehensive Income and recoverable from beneficiaries in subsequent periods as per Tariff Regulations are being recognized as Regulatory Deferral Account Balances.

The company has created regulatory assets and recognized corresponding regulatory income up to period ended 31.03.2018 as under:

(₹ Lakh)

Regulatory asset created in relation to:	Up to FY 2016-17	For the year ended 31.03.2018	Total up to 31.03.2018
Exchange rate variation regarded as Borrowing Costs	7716	(399)	7317
Employee Benefits expense (Pay- revision w.e.f 01.01.2017)	2436	5509	7945
Total	**10152**	**5110**	**15262**

2.62 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
A. Parent (SJVN Ltd.)				
Balance as on 31.03.2018	91.87	983060	99.76	122176
Balance as on 31.03.2017	93.29	1071899	99.76	154153
B. Indian Subsidiaries				
SJVN Thermal Private Limited				
Balance as on 31.03.2018	4.57	48876	(0.01)	(17)
Balance as on 31.03.2017	4.08	46853	(0.01)	(12)
C. Foreign Subsidiaries				
SJVN Arun-3 Power Development Company Private Limited.				
Balance as on 31.03.2018	2.44	26055	-	(2)
Balance as on 31.03.2017	1.85	21219	(0.02)	(25)
D. Indian Joint Ventures				
Cross Border Power Transmission Company Limited.				
Balance as on 31.03.2018	0.19	2057	0.25	304
Balance as on 31.03.2017	0.17	1918	0.27	410
E. Foreign Joint Ventures				
Kholongchhu Hydro Energy Limited				
Balance as on 31.03.2018	0.93	9966	-	-
Balance as on 31.03.2017	0.61	7066	-	-
TOTAL AS ON 31.03.2018	**100**	**1070014**	**100**	**122461**
TOTAL AS ON 31.03.2017	**100**	**1148955**	**100**	**154526**

2.63 Opening balances/corresponding figures for previous year/period have been re-grouped/re- arranged, wherever necessary.

For and on behalf of the Board of Directors

(Soumendra Das)	**(Amarjit Singh Bindra)**	**(Nand Lal Sharma)**
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03495554

These are the notes referred to in Consolidated Balance Sheet and Statement of Profit and Loss.

For A P R A & Associates LLP
Chartered Accountants

(Arun Kumar Gupta)
Partner
M.No. 089657
Place: New Delhi
Date: May 28.2018

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 Ist April 2017 to 31st March, 2018	From 15th July 2016 to 14th July, 2017
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	6910
6	Reserves & surplus	(31)	(54)
7	Total assets	49948	26983
8	Total Liabilities	6311	20127
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	(17)	(2)
12	Provision for taxation	-	-
13	Profit after taxation	(17)	(2)
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 31.03.2018.

Part "B": Associates and Joint Ventures

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

(₹ Lakh)

Name of Associates/Joint Ventures	Cross Border Power Transmission Company Limited	Kholongchhu Hydro Energy Limited	Bengal Birbhum Coalfields Ltd.*
1. Latest audited Balance Sheet Date	Audited up to 31.03.2017 (Unaudited as on 31.03.2018)	Audited up to 31.12.2017 (Unaudited as on 31.03.2018)	Audited as on 31.03.2017
2. Shares of Associate/Joint Ventures held by the company on the year end	26%	50%	7.7%
No. of shares	1,26,10,000 shares of ₹ 10 each	9,96,60,000 Equity Shares of ₹ 10/- each	7707 shares of ₹ 10/- each
Amount of Investment in Associates/Joint Venture	1261	9966	1
Extent of Holding %	26%	50%	7.7%
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Not Consolidated
5. Net Worth attributable to Shareholding as per latest Unaudited Balance Sheet	2057	9966	N/A
6. Profit / Loss for the year (After tax)	1295	-	-
i. Considered in Consolidation	337	-	-
iI. Not Considered in Consolidation	-	-	-

* Accounts of Bengal Birbhum Coalfields Limited have not been consolidated as the JV agreement is in the process of termination and has been shown as Current Investments.

Kholongchhu Hydro Energy Limited is yet to commence business.

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 30th Annual General Meeting of the Company, to be held on **Tuesday, September 25, 2018 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, 2018 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 ₹1.90 per share and to declare the final dividend, if any, on equity shares for the financial year 2017-18		
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.		
5	To fix remuneration of Statutory Auditors for the financial year 2018-19 and onwards.		
6	Ratification of Remuneration of Cost Auditor for the Financial Year 2018-19.		

Affix a
₹ 1/-
Revenue
Stamp

Signed this ______ day of______ 2018.

____
Signature of Shareholder

____
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

SJVN LIMITED

CIN : L40101HP1988GOI008409

Registered Office: SJVN Corporate Office Complex, Shanan, Shimla – 171 006, Himachal Pradesh.

ATTENDANCE SLIP

PLEASE FILL ATTENDENCE 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 30TH ANNUAL GENERAL MEETING of the Company held on **Tuesday, September 25th, 2018 at 1500 HRS at "Hotel Peterhoff, Chaura Maidan, Shimla – 171004".**

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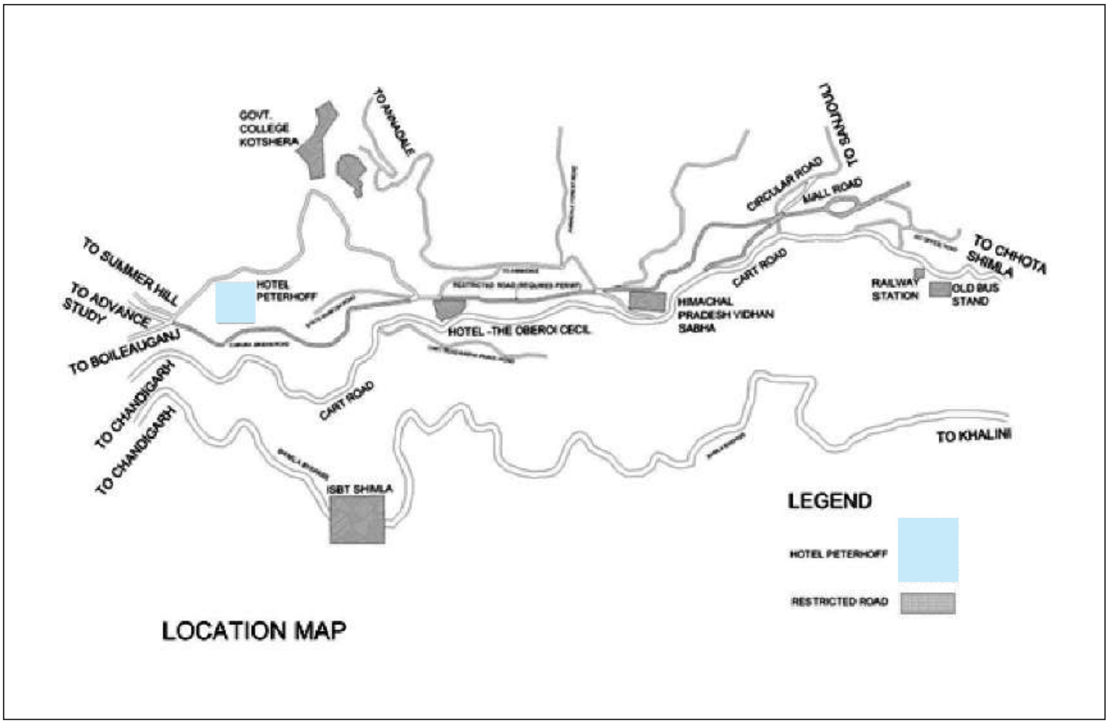
Signature of Shareholder

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.	2017-18	Interim	₹ 1.90	09-02-2018	22-02-2018
2.	2016-17	Final	₹ 0.50	22-09-2017	15-09-2017
3.	2016-17	Interim	₹ 2.25	13-02-2017	24-02-2017
4.	2015-16	Final	₹ 0.47	22-09-2016	15-09-2016
5.	2015-16	Interim	₹ 0.63	04-02-2016	17-02-2016
6.	2014-15	Final	₹ 0.42	22-09-2015	15-09-2015
7.	2014-15	Interim	₹ 0.63	05-02-2015	18-02-2015
8.	2013-14	Final	₹ 0.98	09-09-2014	02-09-2014
9.	2012-13	Final	₹ 0.96	12-09-2013	05-09-2013
10.	2011-12	Final	₹ 0.94	03-09-2012	27-08-2013
11.	2010-11	Final	₹ 0.80	26-08-2011	19-08-2011
12.	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&T)
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

Hon'ble Prime Minister of India, Shri Narendera Modi &
Hon'ble Prime Minister of Nepal, Shri K.P. Sharma Oli
jointly laid the Foundation Stone of SJVN's 900 MW Arun-3 Hydro Electric Project.

Hon'ble Union Minister of State (Independent Charge) Power,
Shri R.K. Singh & Hon'ble Chief Minister of Uttrakhand, Shri Trivender Singh Rawat
laid the foundation stone of SJVN's 60 MW Naitwar Mori Hydro Electric Project.

एसजेवीएन लिमिटेड
SJVN Limited
(A Joint Venture of Govt. of India & Govt. of H.P.)
A Mini Ratna & Schedule "A" PSU

CIN : L40101HP1988GOI008409

Regd. Office: SJVN Corporate Offiice 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 **Website:** www.sjvn.nic.in

Interads'18