CIN: L40101HP1988GOI008409

एसजेवीएन लिमिटेड

SJVN Limited

(A Joint Venture of GOI & GOHP)
A Mini Ratna & Schedule "A" Company

SJVN/CS/93/2019- Date: 29/08/2019

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 2018-19

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 of the Company for the Financial Year 2018-19.

The same is also being dispatched to the shareholders simultaneously.

Kindly take the above information on record and oblige.

Thanking you,

Yours Faithfully,

(Soumendra Das)
Company Secretary

पंजीकृत एवं कॉर्पोरेट कार्यालय: एसजेवीएन कॉर्पोरेट ऑफिस कॉम्प्लेक्स, शनान, शिमला - 171006 हिमाचल प्रदेश
Registered & Corporate Office: SJVN Corporate Office Complex, Shanan, Shimla – 171006 Himachal Pradesh
दूरभाष /Tel No.0177-26600075, **फ़ैक्स /Fax**: 0177-26600071, **ईमेल/ Email:** cs.sjvn@sjvn.nic.in , **वेबसाइट/ Website** : www.sjvn.nic.in

YEARS OF CELEBRATING THE MAHATMA

एसजेवीएन SJVN

वार्षिक रिपोर्ट | Annual Report

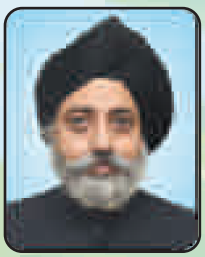
2018-19

Reaching miles...
Bringing Smiles

BOARD OF DIRECTORS

Nand Lal Sharma
Chairman & Managing Director

Functional Directors



Amarjit Singh Bindra
Director (Finance)

Rakesh Kumar Bansal
Director (Electrical)

Geeta Kapur
Director (Personnel)

Surinder Pal Bansal
Director (Civil)

Govt. Nominee Directors

Aniruddha Kumar
Nominee Director (GoI)

Prabodh Saxena
Nominee Director (GoHP)

Independent Directors

Dr. Rajni Sarin
Independent Director

Pravinbhai Patel
Independent Director

Shamsher Singh Uppal
Independent Director

Subhash Chander Negi
Independent Director

Dr. Rajnish Pande
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 29 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 37 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.

Smt. Geeta Kapur, has been appointed as Director (Personnel) w.e.f. 18th October 2018. Prior to this, she held the post of General Manager (Human Resource) at SJVN Limited. Mrs. Kapur is a Post Graduate in Management from Himachal Pradesh, University, Shimla. She has more than 3 (three) decades of experience in core areas of Human Resource (HR), out of which 24 years in SJVN. She started her career with Punjab Wireless Systems (PUNWIRE) a Punjab State Industrial Development Corporation (PSIDC) owned concern in Mohali, Punjab. She was 1st woman officer to join the HR Team in 1986. She also happens to be the first woman Functional Director of the Company.

During her tenure in SJVN, in addition to policies and defining appropriate standard operating procedures, she played a vital role in Wage Settlements with Unions since inception. As a Head of Policy Section, she implemented Pay Revision applicable to Executives and Board Level Executives w.e.f. 01.01.1997 and 01.01.2007. Drawing inspiration from the concept of variable pay introduced by DPE w.e.f. 01.01.2007, she headed the section which introduced the concept of Balanced Score Card (BSC). Thus, driving a strategic performance management framework to drive performance for payment of variable pay generally referred to as Performance Related Pay. The payment was based on three Parameters namely- MOU, BSC and Individual Contribution as a key differentiators. To promote general well being, create congenial atmosphere, sustainable hand holding upon superannuation various schemes like Voluntary Superannuation Scheme, Group Saving Linked Insurance Scheme, Benevolent Fund Scheme and Defined Contributory Pension Scheme were implemented. This positively impacted all palpable measures reflecting HR culture in the organization. As a Human Resource Director, she envisions an Organization which finds a place in the Revered List of "Great Place To Work" amongst India's CPSEs.

Sh. Surinder Pal Bansal, has been appointed as whole time Director (Civil) w.e.f 1st April 2019. Mr. Bansal holds B. Tech in Civil Engineering from Punjab University, Chandigarh and Masters in Civil Engineering Structures from Thapar Institute of Engineering & Technology, Patiala. He has more than 31 years of experience as Civil Engineer in various organizations including SJVN. Prior to joining SJVN as Director, he held the post of Chairman & Managing Director of Hindustan Salts Limited. He started his career in 1987 with Punjab State Electricity Board and he also has teaching experience at REC, Kurukshetra. He joined SJVN in 1993 as Civil Engineer and worked in various departments and projects and rose to the level of Addl. General Manager before joining Hindustan Salt Limited as Chairman & Managing Director.

During his previous tenure in SJVN, he worked at various positions and completed various significant assignments. He was associated with Quality Control, Design, Contract/Arbitration, Planning & Monitoring and Business Development. He also headed Expediting Group and has vast experience of Corporate Planning/Monitoring and Business Development with critical assignments. He took the charge of CMD Hindustan Salts Ltd. (HSL) & Sambhar Salts Ltd. (SSL) on 27th May 2015 and after analysing the problems faced by the CPSE, hetook a number of radical & aggressive steps/ decisions to improve the performance. He has few publications in leading International & Indian Journals and has also participated in large number of Conferences/Workshops/Seminar/Training programs in various areas on Engineering/ Management/Finance.

GOVERNMENT NOMINEE DIRECTORS

Shri 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 31 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 Prabodh Saxena, Principal Secretary (MPP & Power) has been appointed as Nominee Director of Government of Himachal Pradesh on the Board of SJVN Limited w.e.f. 24th October 2018. Shri Saxena is a 1990 batch, Indian Administrative Services Officer of Himachal cadre. He holds Bachelor's as well as Master's Degrees in Law and Economics. In addition, he has acquired training and experience in diverse areas of Governance and Management from various prestigious educational and administrative Institutions of the country and abroad.

Mr. Saxena is presently heading the MPP & Power, Urban Dev., Town & Country Planning and Housing departments in Himachal Pradesh State Government. He is also the Chairman HP Appellate Sales Tax Tribunal in addition to his incumbents as Nominee Director in a number of State Government Corporation like Beas Valley Power Corporation, Himachal Pradesh State Electricity Board Limited, H. P. Power Transmission Corporation Limited, Himachal Pradesh Power Corporation Limited etc. During his career spanning over 26 years he has served on many key administrative positions in various Ministries & Department of Government of India and Himachal Pradesh State Government, like - Joint Secretary & Director - Department of Economic Affairs, Ministry of Finance, Govt. of India; Sr. Adviser to Executive Director - Asian Development Bank (ADB), Manila; Principal Secretary - MPP & Power, Urban Dev; Town & Country Planning, Housing, Home & Vigilance and Health Departments; Director - Home, Vigilance, Prosecution & Litigation Departments.; Managing Director - Civil Supplies Corporation; Chief Executive Officer - Power Department; Member Secretary - Science & Technology Department; Deputy Commissioner/ADC/Settlement Officer/SDM/Assistant Commissioner - Kangra, Mandi and Bilaspur.

INDEPENDENT DIRECTORS

Shri Parvinbhai Patel is on our board as an Independent Director since 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 is on our board as an Independent Director since 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 is on our board as an Independent Director since 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 organizations. 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.

Shri Subhash Chander Negi, has been appointed as Independent Director on our board w.e.f. 25th March 2019. Shri Negi, is a retired Indian Administrative Services Officer of Himachal cadre - 1978 batch. He holds Bachelor's Degree in Science. In addition, he has acquired training and experience in diverse areas of Governance and Management from various prestigious educational and administrative Institutions of the country and abroad. During his career spanning over 39 years he has served on many key administrative positions in various Department of Himachal Pradesh State Government, like - Chairman / CMD - Himachal Pradesh State Electricity Board (HPSEB), Principal Secretary/ Secretary to GoHP Departments of MPP & Power, Home & Vigilance, Industries, Tribal Development, Public Works Department, Personnel and Revenue, Managing Director - State Tourism Corporation, Member/ Director - Departments of Industries and Rural Development, Deputy Commissioner / Commissioner of two Districts. In addition, Mr. Negi has also served in IPS (Kerela - 76) and as Chairman, of HP State Electricity Regulatory Commission from February 2011 to September 2015.

Dr. Rajnish Pande, has been appointed as Independent Director on our Board w.e.f. 29th March 2019. Dr. Pande, is presently working as Professor in Kumaun University and specializes in Labour Economics. He obtained Doctorate, Masters & Bachelor's Degrees in Economics from Kumaun University. He started his career as a Lecturer in Kumaun University in 1988 and was subsequently elevated as Sr. Lecturer, Reader and Professor. He has a number of Research Papers, Articles and Abstracts published in leading national and international Journals to his credit. In addition, he has also edited three Books and one Research Project.

PROJECT PORTFOLIO

A.	**Generation Projects**		
S. N.	**Name of Project**	**Location**	**Capacity (MW)**
Projects under Operation			
1.	Nathpa Jhakri Hydro Power Station	Himachal Pradesh	1500
2.	Rampur Hydro Power Station	Himachal Pradesh	412
3.	Khirvire Wind Power Plant	Maharashtra	47.6
4.	Charanka Solar Power Plant	Gujarat	5.6
5.	Sadla Wind Power Plant	Gujarat	50
Projects under Construction			
1.	Arun-3 HE Project (Executed by Subsidiary: SAPDC)	Nepal	900
2.	Naitwar Mori Hydro Electric Project	Uttarakhand	60
3.	Buxar Thermal Power Project (Executed by Subsidiary:STPL)	Bihar	1320
4.	Kholongchhu HE Project (Executed by JV: KHEL)	Bhutan	600
Projects under Pre-Construction & Investment Approval			
1.	Luhri Stage-I Hydro Electric Project	Himachal Pradesh	210
2.	Dhaulasidh Hydro Electric Project	Himachal Pradesh	66
3.	Devsari Hydro Electric Project	Uttarakhand	252
4.	Jakhol Sankri Hydro Electric Project	Uttarakhand	44
Projects under Survey & Investigation			
1.	Luhri Stage-II Hydro Electric Project	Himachal Pradesh	172
2.	Sunni Dam Hydro Electric Project	Himachal Pradesh	382
3.	Jangi Thopan Powari Hydro Electric Project	Himachal Pradesh	780

B.	**Transmission Projects**	
S.N.	**Name of Project**	**Location**
Project under Operation		
1	400 kV, D/C Cross Border Transmission Line (Operated by JV: CPTC)	Muzaffarpur to Sursand
Project under Construction		
1	400 kV Double Circuit Transmission Line for evacuation of power from 900 MW Arun-3 Project, Nepal to India. (Executed by Subsidiary: SAPDC)	Diding to Dhalkebar (Nepal) to Muzzafarpur, India.

CONTENTS

REFERENCE INFORMATION

Company Secretary	:	Soumendra Das
Statutory Auditors	:	M/s A P R A & Associates LLP
Cost Auditors	:	M/s Balwinder & Associates
Secretarial Auditors	:	M/s SGS Associates
Registered & Corporate Office	:	SJVN Corporate Office Complex, Shanan, Shimla - 171 006
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 YES Bank Central Bank of India IDBI Bank Oriental Bank of Commerce Axis Bank Punjab National Bank Indian Bank

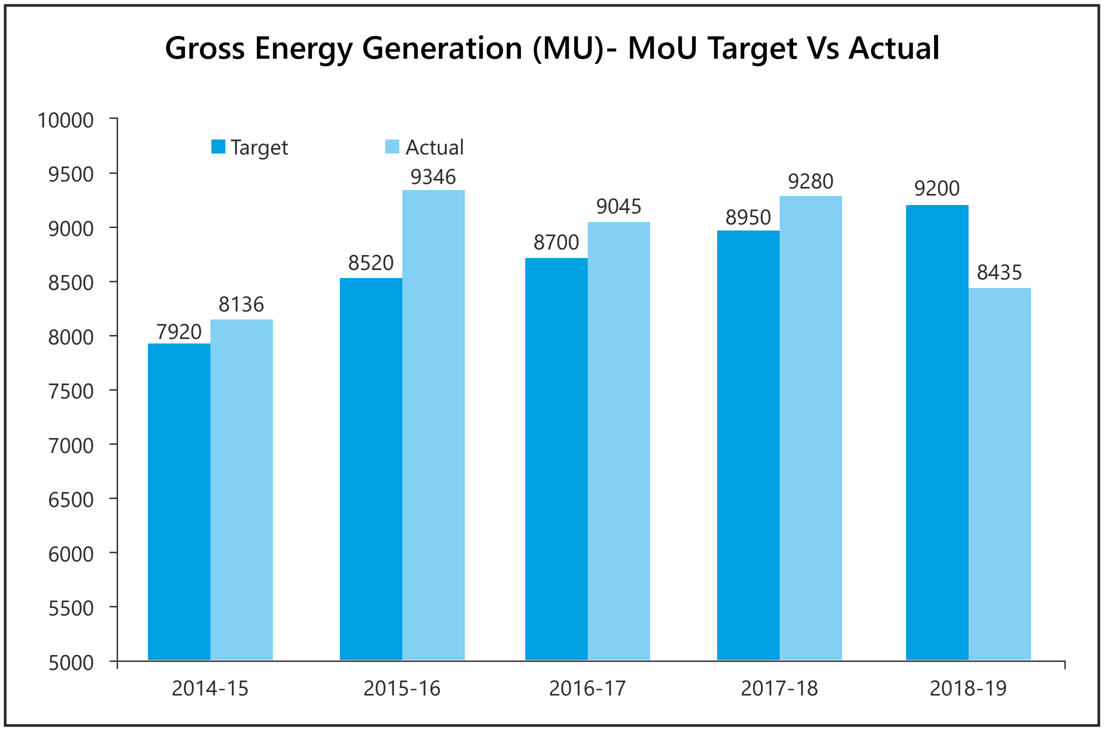
SELECTED FINANCIAL INFORMATION*

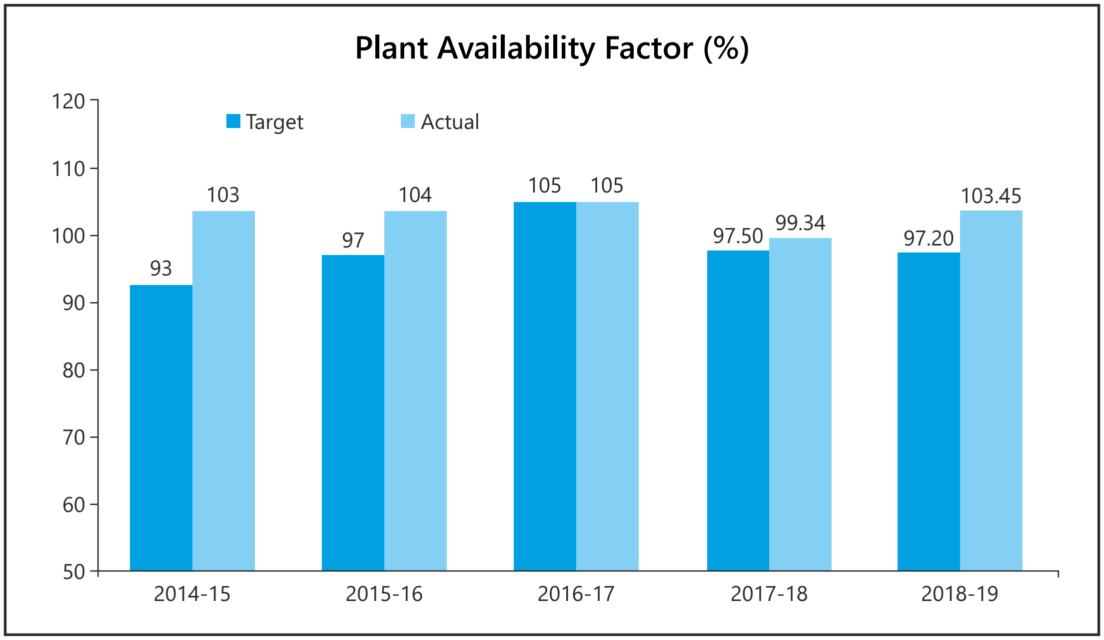
(₹ crore)

		2018-19	2017-18	2016-17	2015-16	2014-15#
A.	**Revenue**					
	Revenue from operations(net)	2655.77	2229.97	2679.31	2493.96	2817.53
	Other Income	253.22	357.10	440.59	409.86	438.39
	Total Revenue	2908.99	2587.07	3119.90	2903.82	3255.92
B.	**Expenses**					
	Employees Benefits Expense	315.81	265.22	253.39	215.38	199.57
	Other Expenses	305.28	276.25	235.68	225.72	184.13
	Profit before depreciaton, finance cost , exceptional items, net movement in regulatory deferral account balance and tax	2287.90	2045.60	2630.83	2462.72	2872.22
	Depreciation and Amortization Expense	390.26	364.51	679.98	677.16	641.00
	Profit before finance cost, exceptional items, net movement in regulatory deferral account balance and tax	1897.64	1681.09	1950.85	1785.56	2231.22
	Finance Costs	235.33	83.82	45.70	208.96	55.08
	Profit before exceptional items, net movement in regulatory deferral account balance and tax	1662.31	1597.27	1905.15	1576.60	2176.14
	Exceptional Items (+) income (-) loss	(57.08)	-	-	-	(132.28)
	Profit before net movement in regulatory deferral account balance and tax	1605.23	1597.27	1905.15	1576.60	2043.86
	Net movement in regulatory deferral account balance	187.31	51.10	(31.22)	127.61	3.39
	Profit before tax	1792.54	1648.37	1873.93	1704.21	2047.25
	Tax (Net)	428.25	423.49	329.79	296.87	370.50
	Profit after tax	1364.29	1224.88	1544.14	1407.34	1676.75
	Other Comprehensive Income (Net of Tax)	(14.82)	(11.94)	(3.96)	(0.87)	-
	Total Comprehensive Income	1349.47	1212.94	1540.18	1406.47	1676.75
	Dividend for the year (Accrual Basis)	844.91	864.56	1137.57	455.03	434.35
	Dividend tax for the year (Accrual Basis)	173.68	176.16	231.59	92.63	89.71
	Dividend for the year (Cash Basis)	668.07	992.79	1125.16	434.35	666.00
	Dividend Tax during the year (Cash Basis)	137.33	202.11	229.06	89.40	122.26
	Retained Profit	558.89	29.98	189.92	883.59	888.49
C.	**Assets**					
	Fixed assets (net block)					
	Property Plant & Equipment	7683.00	7638.29	7979.31	8411.46	9052.16
	Other Intangible assets	1.75	2.41	0.59	0.88	0.22
	Capital work-in-progress including Intangible Assets under Development	765.46	642.42	441.76	341.05	252.58
	Total Fixed Assets (Net block)	8450.21	8283.12	8421.66	8753.39	9304.96
	Investments (Non-current Financial Asset)	1292.39	863.03	764.66	563.56	149.50
	Deferred Tax Assets (Net)	308.47	350.72	422.78	352.63	285.37
	Regulatory Deferral Account Debit Balance	339.93	152.62	101.52	132.74	5.13
	Other non-current assets including financial assets other than investments	172.71	269.36	263.48	207.65	189.82
	Current assets	4356.94	4446.74	5402.69	5369.93	4659.67
	Total Assets	14920.65	14365.59	15376.79	15379.90	14594.45
D.	**Liabilities**					
	Borrowings	1940.46	2035.34	2229.47	2464.06	2453.42
	Other Non-current liabilities including financial liabilities and provisions other than borrowings.	886.88	837.00	873.57	953.71	945.31
	Current liabilities (inclusive of current maturities of long term borrowings)	854.53	798.54	789.92	664.26	992.68
E.	**Net-worth**					
	Share Capital	3929.80	3929.80	4136.63	4136.63	4136.63
	Other Equity	7308.98	6764.91	7347.20	7161.24	6066.41
	Net-worth	11238.78	10694.71	11483.83	11297.87	10203.04
	Total Liabilities	14920.65	14365.59	15376.79	15379.90	14594.45
F.	**Number of employees**	**1579**	**1602**	**1686**	**1750**	**1819**
G.	**Ratios**					
	Return on net worth (%)	12.14%	11.45%	13.45%	12.46%	16.43%
	Book Value per Share (₹)	28.60	27.21	27.76	27.31	24.67
	Earnings per share (₹)	3.47	2.97	3.73	3.40	4.05
	Current ratio	5.10	5.57	6.84	8.08	4.69
	Debt to equity (including current maturities of long term borrowings)	0.19	0.21	0.21	0.23	0.26

* Standalone
# As per Previous GAAP

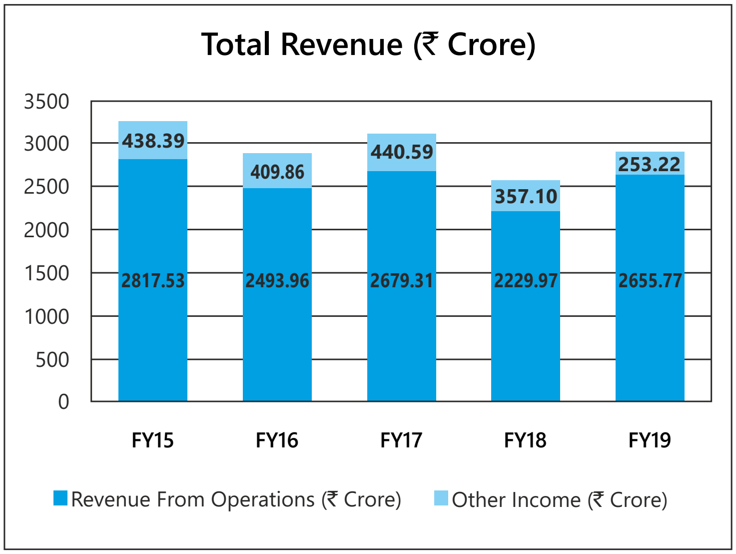
OPERATIONAL PERFORMANCE

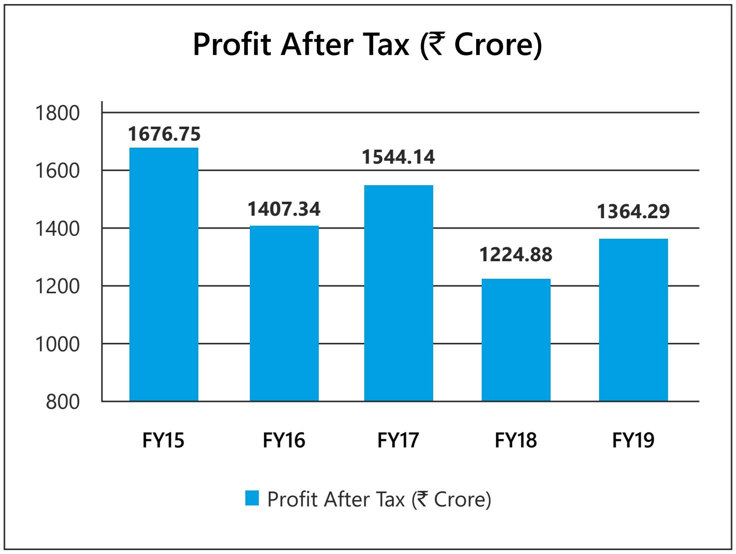


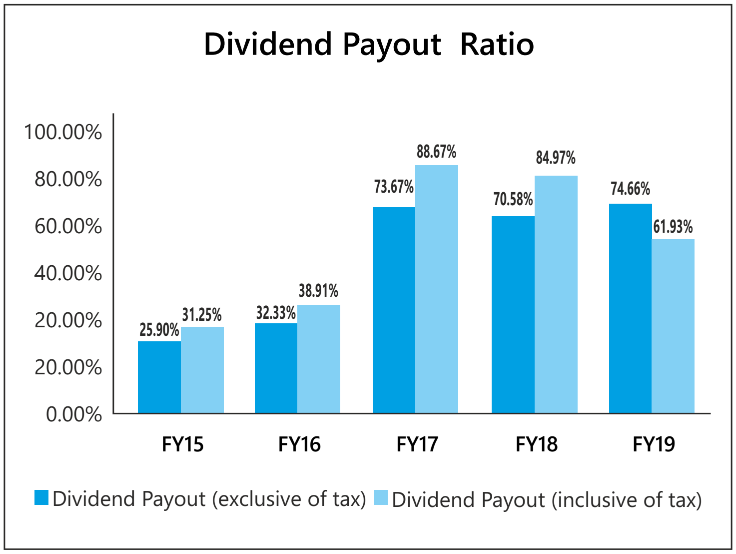


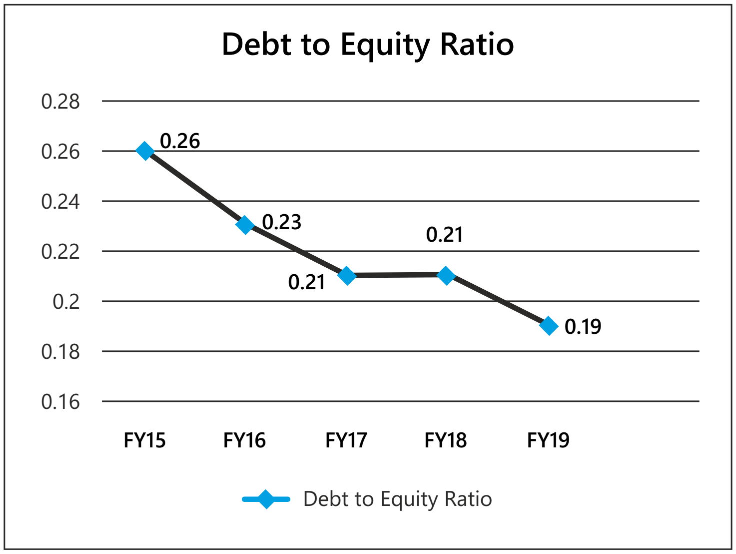
** PAF for 2016-17–NJHPS only*

STRONG FINANCIAL PERFORMANCE

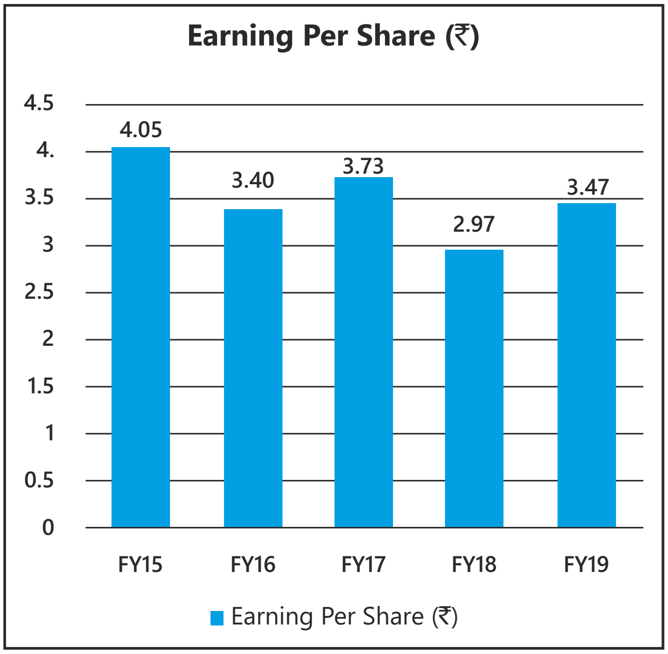


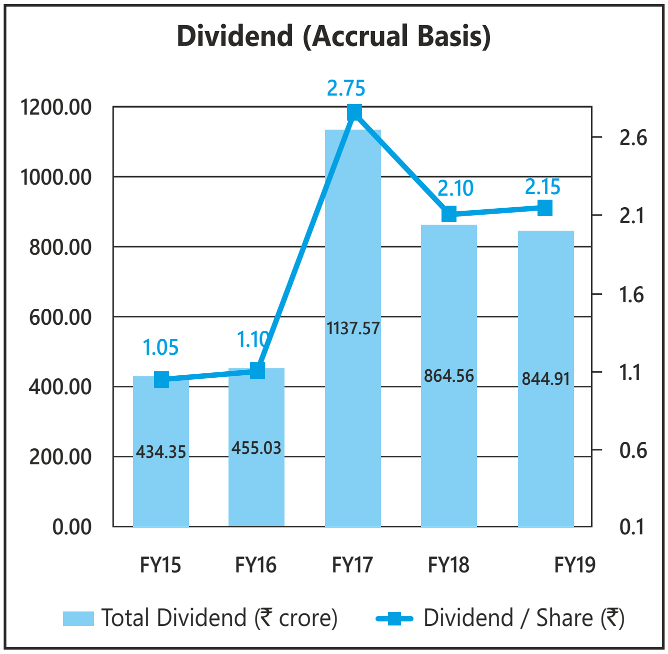


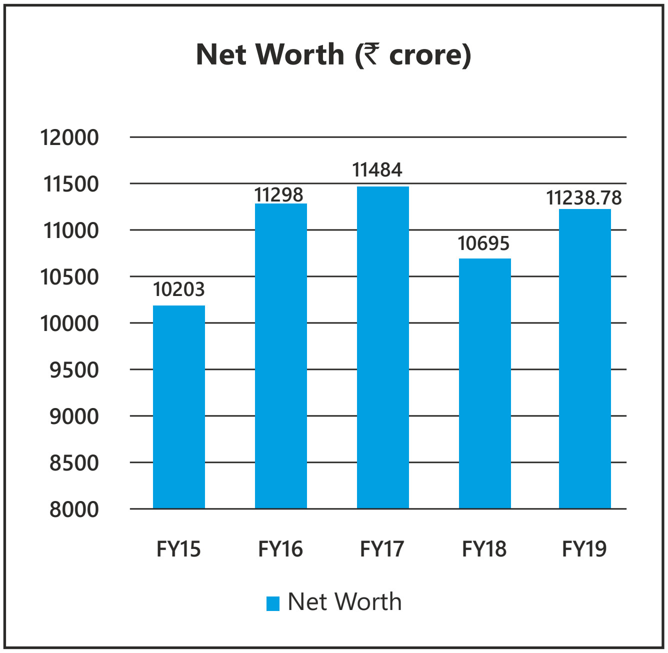


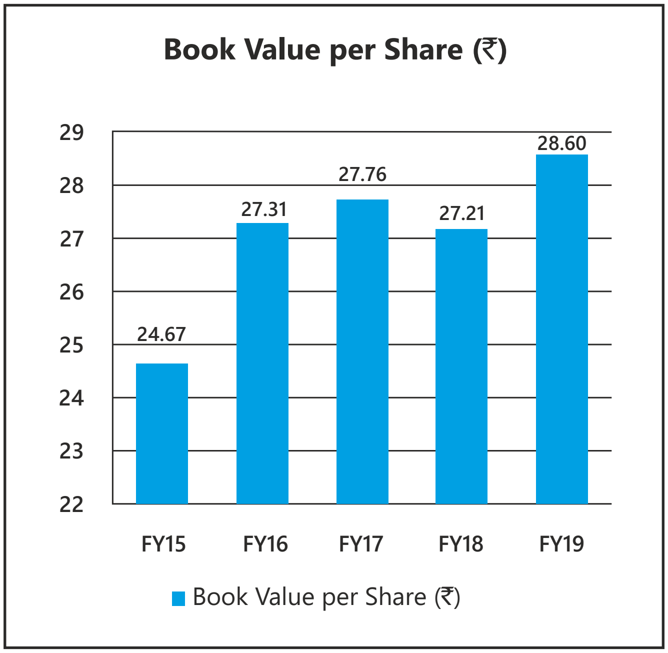


STRONG FINANCIAL PERFORMANCE









SJVN LIMITED
CIN: L40101HP1988GOI008409
Registered Office: SJVN 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 **31st Annual General Meeting** of the Members of SJVN Limited will be held on **27th September 2019, Friday at 1500 HRS at SJVN Corporate Office Complex, Shanan, Shimla -171006, 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, 2019 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 ₹1.50 per share and to declare the final dividend, if any, on equity shares for the financial year 2018-19.

3. To appoint a Director in place of **Shri Rakesh Kumar Bansal [DIN 06395552]**, who retires by rotation and being eligible, offers himself for re-appointment.

4. To appoint a Director in place of **Shri Amarjit Singh Bindra [DIN 03358160]**, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Appointment of Shri Shubash Chander Negi as Independent Director:**

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

   "RESOLVED THAT, pursuant to the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of Shri Shubash Chander Negi (DIN 01830394) as an Independent Director of the Company w.e.f. 25th March, 2019 by the President of India vide Ministry of Power, Government of India's order 20/6/2017-Coord.(II) dated 25.03.2019 in exercise of powers conferred under Article 32 of the Articles of Association of the Company be and is hereby approved."

6. **Appointment of Dr. Rajnish Pande as Independent Director:**

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

   "RESOLVED THAT, pursuant to the provisions of Section 149, 152, Schedule IV and all other applicable provisions of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), the appointment of Dr. Rajnish Pande (DIN 08406125) as an Independent Director of the Company w.e.f. 29th March,2019 by the President of India vide Ministry of Power, Government of India's order 20/6/2017-Coord.(II) dated 25.03.2019 in exercise of powers conferred under Article 32 of the Articles of Association of the Company be and is hereby approved."

7. **Ratification of remuneration of Cost Auditor for financial year 2019-20:**

   To consider and, if thought fit, to pass with or without modifications, the following Resolution 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 2019-20, 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

Date: 12th August, 2019
Place: New Delhi

(Soumendra Das)
Company Secretary
FCS-4833

NOTES:-

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e. latest by **(03:00 PM)** on, **25th September 2019**. Blank proxy form is enclosed.
3. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. With effect from April 01, 2014, inter-alia, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Therefore, the directors to retire by rotation have been re-ascertained on the date of this notice.
5. As required by 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 are annexed. 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 **21st September 2019 (Saturday) to 27th September 2019 (Friday)** (both days inclusive).
10. **The Board has recommended a Final Dividend @ ₹0.65 per share at its 274th meeting held on 29th May 2019. 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 20th September 2019 (Friday).**
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 3rd October 2019.
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 banker's 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 2019-20 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 2018-19 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 2018-19 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 notice will also be available at ***www.evotingindia.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 business to be transacted at the annual general meeting can be transacted through the electronic voting system.
2. The notice of annual general meeting will be sent to the members, whose names appear in the register of members/ depositories as at closing hours of business, on 23rd August 2019.
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 anyone Director of the Company on/ or after annual general meeting within the prescribed time limits.
7. The result of the e-voting will also be placed at the website of the Company viz. ***www.sjvn.nic.in*** and also on ***www.evotingindia.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 **24th September 2019** and ends on **5.00 p.m.** on **26th September 2019**. 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 20th September 2019, 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./Members

(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 of 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 changed 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. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. 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.5:

Shri Subhash Chander Negi (DIN 01830394) as an Independent Director of the Company by the President of India vide Ministry of Power, Government of India's order 20/6/2017-Coord.(II) dated 25.03.2019 in exercise of powers conferred under Article 32 of the Articles of Association of the Company.

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

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

Name	**Shri Subhash Chander Negi**
DIN	**01830394**
Date of Birth	22nd September,1950
Date of Appointment	25th March,2019
Qualification	Shri Shubhash Chander Negi holds Bachelor's Degree in Science. In addition, he has acquired training and experience in diverse areas of Governance and Management from various prestigious educational and administrative Institutions of the country and abroad.
Expertise in Specific Functional Area	Shri Subhash Chander Negi, has been appointed as Non-Official Independent Director on the Board of SJVN Limited w.e.f. 25th March 2019. Shri Negi is a retired Indian Administrative Services Officer of Himachal cadre - 1978 batch. During his career spanning over 39 years he has served on many key administrative positions in various Department of Himachal Pradesh State Government, like - Chairman / CMD - Himachal Pradesh State Electricity Board (HPSEB), Principal Secretary/Secretary to GoHP Departments of MPP & Power, Home & Vigilance, Industries, Tribal Development, Public Works Department, Personnel and Revenue, Managing Director - State Tourism Corporation, Member/ Director - Departments of Industries and Rural Development, Deputy Commissioner / Commissioner of two Districts. In addition, Mr. Negi has also served in IPS (Kerela - 76) and as Chairman, of HP State Electricity Regulatory Commission from February 2011 to September 2015
Directorship held in other Listed Companies	Nil
Names of other Listed Entities in which the person holds the membership of the Committees	Nil
Relationships Between Directors Inter-se	Nil
Number of Shares Held	Nil

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

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

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

Item No.6

Dr. Rajnish Pande (DIN 08406125) as an Independent Director of the Company by the President of India vide Ministry of Power, Government of India's order 20/6/2017-Coord.(II) dated 25.03.2019 in exercise of powers conferred under Article 32 of the Articles of Association of the Company. Subsequently his appointment was taken note of by the Board with effect from 29.03.2019.

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

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

Name	**Dr. Rajnish Pande**
DIN	**08406125**
Date of Birth	04th April,1962
Date of Appointment	29th March,2019
Qualification	Dr. Rajnish Pande has done his Doctorate, Masters & Bachelor's Degrees in Economics from Kumaun University
Expertise in Specific Functional Area	Dr. Rajnish Pande is presently working as Professor in Kumaun University and specializes in Labour Economics. He obtained Doctorate, Masters & Bachelor's Degrees in Economics from Kumaun University. He started his career as a Lecturer in Kumaun University in 1988 and was subsequently elevated as Sr. Lecturer, Reader and Professor. He has a number of Research Papers, Articles and Abstracts published in leading national and international Journals to his credit. In addition, he has also edited three Books and one Research Project.

Directorship held in other Listed Companies	Nil
Names of other Listed Entities in which the person holds the membership of the Committees.	Nil
Relationships Between Directors Inter-se	Nil
Number of Shares Held	Nil

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

None of the Directors or Key Management Personnel of the Company or their relatives except Dr. Rajnish Pande is in any way, concerned or interested financially or otherwise in the resolution.

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

Item No.7:

The Board, on the recommendation of the Audit Committee has, vide its 275th meeting dated 12th August, 2019 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 2020.

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. 7 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2020.

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. 7 of the Notice.

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

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION AT THE 31ST 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 37 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 other 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,

My heartiest greetings to you all on behalf of SJVN and its employees.

Your participation in our business is one of the fundamental drivers of SJVN's sustained growth and its contribution to the Power landscape of the country. Protecting shareholder interests through sustained value creation is top priority for the Company. I thank you heartily for your continued support.

Three decades of sustained hardwork and excellence has enabled your Company carve itself a place amongst its peers in the Power Sector. Through sheer performance and execution, SJVN has transformed from a single project Special Purpose Vehicle (SPV) into a diversified Power major having presence in six states and two neighbouring countries.

It gives me great pleasure to present the 31st Annual Report of your Company for the financial year 2018-19. The Audited Financial Statements of the Company along with the Reports of the Auditors and Directors for the year 2018-19 are presented for your approval and I take this opportunity to share the achievements of your company during the past year with you.

HIGHLIGHTS OF THE YEAR 2018-19

As head of Team SJVN, my heart is filled with pride, to see the growth of our organization with a rich legacy of hard work & dedication. I am pleased to share with you that your Company is progressing in leaps & bounds towards the shared vision of achieving 5000 MW installed capacity by 2023, 12,000 MW by 2030 and 25000 MW by 2040. I am delighted to inform our Shareholders that the past year has been one of the most eventful and momentous years in the history of the Company.

During the year, two of our Hydro Projects namely Arun-3 HEP and Naitwar Mori HEP have progressed into construction stage. Major Civil, Electrical and Hydro-Mechanical works for Naitwar Mori HEP have been awarded. Diversion of River Tons within one year of laying the foundation stone is testimony of the Company's Hydro Power expertise and professional competence of our dedicated employees.

Generation license for our overseas project Arun-3 Hydro Electric Project has been issued by Government of Nepal on 3rd May 2018. Arun-3 HEP is a project of International importance for both India and Nepal and is under constant scrutiny of governments of both the countries. I inform with great pleasure that all four major work packages for the Project have been awarded and construction is going on in full swing. Investment approval has also been accorded for Indo-Nepal portion of 217 km Transmission line from Arun-3 Power House (Diding) to Nepal Border (Bathnaha) on 28th February 2019. Tendering and awarding of all five packages of transmission component are under process.

We have made appreciable progress on Luhri Stage -1, Sunni Dam, Devsari and Jakhol Sankri Hydroelectric projects. It will be my priority that we obtain the necessary clearances and approvals for these projects within this year, and start the construction works at the earliest. We are also making efforts to make the Dhaulasidh HEP financially viable by optimizing cost and seeking some concessions from the Government of Himachal Pradesh.

Amongst other major developments, CCEA accorded investment approval for the Buxar Thermal Power Project on 8th March 2019 and Foundation stone was laid by Hon'ble Prime Minister of India on 9th March 2019. Main plant works as single EPC package have been awarded.

Jangi Thopan Powari HEP with proposed capacity of 780 MW located on river Satluj in Distt. Kinnaur of Himachal Pradesh has been allocated by GoHP to SJVN on 24th November 2018.

On the renewables front, Commissioning and Commercial Operations of all 25 WEGs of 50MW Sadla Wind Power Project have also been completed. Your Company is now a 2015 MW company.

On the Operational front, despite exceptionally poor hydrological conditions during the year, Company's major operational Hydro projects namely NJHPS and RHPS managed to perform fairly well. A total of 8435 MUs of Energy was generated by the Company during the year, out of which 8335 MUs were generated by Hydro Power Projects and remaining 100 MUs by Solar/ Wind Power Projects. Nathpa Jhakri Hydro Power Station surpassed the milestone of generating a cumulative 100 billion units electricity in this fiscal.

The financial performance of the Company continues to remain robust. The Revenue from operations increased by ₹426 crore to ₹2656 crores compared to ₹2230 crores during previous year. Profit After Tax increased by ₹139 crore to ₹1364 crores compared to ₹1225 crores during previous year. An interim dividend of ₹1.50 per share was paid in the month of February 2019. In addition, your Board has recommended a final dividend of ₹0.65 per share. Thus, subject to your approval, a total dividend of ₹2.15 per share is proposed to be paid for FY 2018-19 as against ₹2.10 paid during the previous year.

At the organizational level, the implementation of Enterprise Resource Planning (ERP) system has been initiated which will help in boosting performance and ensuring overall organizational efficiency and effectiveness in the long run.

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

HIGHLIGHTS OF THE YEAR 2019-20

Your company's Management and employees are moving closer to their milestones with each passing day. In the first quarter of the Financial Year 2019-20, against the annual target of 9100 MU for excellent rating, 3200 MU of power has already been generated. Out of this, NJHPS generated 2465 MUs, RHPS generated 691 MU, Renewable Power Projects have generated a total of 44 MUs till 30th June 2019.

In the subsequent quarters, SJVN aims to achieve the assigned target of 9100 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 ₹2450 crores.

MACRO ECONOMIC SCENARIO AND GOVERNMENT POLICY

Access to reliable and affordable energy supply is an important factor affecting the quality of life and economic development in any country. Therefore, the Government is committed to ensure 24 X7 power supply for all. Towards this goal, many important milestones have been achieved and the year 2018 has been historic as electricity reached every village on 28th April, 2018 under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) and Electrification of 99.99% households across the country was achieved under "Saubhagya" Scheme. Energy deficit has been reduced to almost zero and India has emerged as net exporter of electricity. India's rank has improved to 24 in 2018 from 137 in 2014 on World Bank's Ease of doing business - "Getting Electricity" Ranking.

Several steps have been taken to reform and strengthen the power sector as a whole including power generation, transmission and distribution. These also include not only achievements in capacity addition but also important reforms being undertaken on increasing energy efficiency and increasing accountability and transparency by launching Mobile applications like PRAAPTI, Ash Track etc.

In order to encourage Renewable Generation, Government extended the waiver of ISTS Transmission charges and losses for Solar and Wind based Projects upto March 2022 and also issued Long Term Growth trajectory Renewable Purchase Obligation (RPO) for Solar as well as Non-Solar till the year 2022.

Off-late, the Government has recognized that, besides being environment friendly, hydropower has several other unique features like ability for quick ramping, black start, reactive absorption etc. which make it ideal for peaking power, spinning reserve and grid balancing/ stability. Further, hydropower also provides water security, irrigation and flood moderation benefits, apart from socio-economic development of the entire region by providing employment opportunities and boosting tourism etc. The importance of hydropower is increasing even more as the country has targeted to add 160 GW of intermittent Solar and Wind power by 2022 and 40% of the total capacity from non-fossil fuel sources by 2030 to honour its Nationally Determined Contribution (NDC) for Climate Change. Consequently, Government has undertaken special measures and incentives to promote and support Hydro Power Sector which is good news for your company. Major reform initiatives are being taken by Ministry of Power which include addressing various issues being faced by electricity sector through draft amendments proposed in Electricity Act 2003 and Tariff Policy, 2016.

The Union Cabinet approved a new Hydro Electricity Policy 2018-28 that, amongst other things, has brought large hydro projects (above 25 MW) within the ambit of renewable energy which entails a paradigm shift in country's Power landscape.

The Policy makers have at last recognized that there has to be an ideal thermal, hydro and renewables mix. Each of the three sources has its own advantages and disadvantages. Hydro is one of the few sources where you can get peaking power which is critical for grid stability. Other highlights of the new Hydro Electricity Policy include - Hydro Purchase Obligation (HPO) as a separate entity within non-solar Renewable Purchase Obligation; The trajectory of annual HPO targets will be notified by Ministry of Power based on the projected capacity addition plans in hydropower sector; Necessary amendments will be introduced in the Tariff Policy and Tariff Regulations to operationalize HPO. Tariff rationalization measures including providing flexibility to the developers to determine tariff by back loading of tariff after increasing project life to 40 years, increasing debt repayment period to 18 years and introducing escalating tariff of 2%. Budgetary support for funding flood moderation component of hydropower projects on case to case basis; and Budgetary support for funding cost of enabling infrastructure i.e. roads and bridges on case to case basis as per actual, limited to ₹1.5 crore per MW for upto 200 MW projects and ₹1.0 crore per MW for above 200 MW projects. All these measures spell good news for your Company in specific and Hydro Power Segment in general.

FUTURE BUSINESS STRATEGY

Your Management's highest priority would be to execute the projects in hand, with special focus on projects under construction, within the planned schedule. 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 harness the untapped hydro potential of the State. This would go a long way in making Hydro Projects in the State economically viable and enable construction of these Projects.

As a part of plan for accomplishing our cherished vision of achieving 5000 MW installed capacity by 2023, 12,000 MW by 2030 and 25000 MW by 2040, the Management has formulated aggressive strategies which include both organic as well as inorganic modes for growth. A Board level Business Expansion Committee has been constituted and also a dedicated Business Expansion Cell has been formed within the organization to identify, assess and implement various avenues for growth and expansion of business. The Company is already charting out expansion strategies like acquisition of stressed companies through NCLT or otherwise, formation of consortiums & strategic partnerships with peer group CPSEs / established players for bidding of power projects in India and South East Asia, acquisition of existing projects in various stages of survey & investigation or construction or O&M, adding new hydro projects in portfolio via MoU route etc.

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 more than 2015 MW, the other projects, namely, Luhri (Stage I & II), Sunni Dam, Dhaulasidh and Jhangi Thopan Powari 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; totalling up to 4786 MW of capacity, are at different stages of construction and development.

CORPORATE SOCIAL RESPONSIBILITY

Your Company's resolve towards its social and environmental obligations is amply displayed, in the way it functions and operates. We believe in optimum utilization of resources, for environment friendly socio-economic development resulting in growth with sustainability. The challenges ahead are big, but I am sure that the expertise and drive of our employees will see us vanquishing them.

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.

Your Company spent a total amount of ₹40.25 crore on CSR and Sustainability activities during FY 2018-19 which is ₹5.40 more than 2.00% of the average net profit during last three years i.e ₹34.85 crore. This demonstrates your Company's firm commitment towards its social obligations in letter and spirit.

Your Company is engaged in a wide spectrum of CSR & Sustainability Projects & activities in verticals like Healthcare, Sanitation (including Swachh Bharat Mission), Education and Skill Development, Empowerment of vulnerable section of Society, Sustainable Development, Preservation and promotion of Culture, heritage and iconic places, Promotion of Sports, Assistance to the victims of natural disasters/ calamities, Infrastructural development and Community Asset Creation etc.

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 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

Date: 12th August, 2019
Place: New Delhi

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

DIRECTORS' REPORT 2018-19

Dear Members,

Your Directors are pleased to present the Thirty first Directors' Report of the Company for the year ended March 31, 2019 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, 2019 briefly encapsulate the performance of your company:-

1. FINANCIAL HIGHLIGHTS

(₹ in crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2018-19	2017-18	2018-19	2017-18
REVENUE				
Revenue from Operations	2655.77	2229.97	2654.05	2228.50
Other Income	253.22	357.10	253.89	355.45
Total Revenue	**2908.99**	**2587.07**	**2907.94**	**2583.95**
EXPENSES				
Employees' Benefits Expense	315.81	265.22	316.41	265.37
Finance Cost	235.33	83.82	235.33	83.82
Depreciation and Amortization Expenses	390.26	364.51	390.26	364.51
Other Expenses	305.28	276.25	305.34	276.29
Total Expenses	**1246.68**	**989.80**	**1247.34**	**989.99**
Profit before exceptional items, net movement in regulatory deferral account balance and tax	1662.31	1597.27	1660.60	1593.96
Exceptional items	57.08	—	57.08	—
Profit before net movement in regulatory deferral account balance and tax	1605.23	1597.27	1603.52	1593.96
Share in Profit of JVs & Associates	—	—	3.98	3.04
Net movement in regulatory deferral account balance	187.31	51.10	187.31	51.10
Profit before tax	**1792.54**	**1648.37**	**1794.81**	**1648.10**
Tax Expenses:				
- Current Tax	345.64	340.52	345.64	340.52
- Tax expense pertaining to regulatory deferral account balance	40.36	10.91	40.36	10.91
- Deferred Tax	42.25	72.06	42.25	72.06
Profit for the Year	**1364.29**	**1224.88**	**1366.56**	**1224.61**
Other comprehensive Income/ (Expense) (Net off tax expense)	(14.82)	(11.94)	(14.82)	(11.94)
Total Comprehensive Income for the year	**1349.47**	**1212.94**	**1351.74**	**1212.67**

2. GENERATION

Gross Energy Generation from various operational plants of the Company during FY 2018-19 is as under:-

(Million Units (MU))

Plant	2018-19	2017-18
NJHPS	6507.125	7207.666
RHPS	1828.762	2014.925
KWPS	62.053	52.760
CSPS	7.397	6.572
SWPP	29.690	-
Total	**8435.027**	**9281.923**

3. REVENUE AND PROFITS

The standalone revenue from operation increased by ₹425.80 crore to ₹2655.77 crore during the financial year 2018-19 compared to ₹2229.97 crore during the previous year. The standalone Profit After Tax (PAT) increased by ₹139.41 crore to ₹1364.29 crore against ₹1224.88 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 increase in profit of consolidated group by ₹2.27 crore, PY ₹0.20 crore mainly due to inclusion of proportionate share of profit of 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 ₹1.50 per share has been paid in the month of February 2019. In addition, your Board has recommended a final dividend of ₹0.65 per share. Thus, subject to your approval, a total dividend of ₹2.15 per share (₹844.91 crore) is proposed to be paid for FY 2018-19 against ₹2.10 per share (₹864.56 crore) paid during the previous year.

6. PROJECTS UNDER PROGRESS

6.1 HIMACHAL PRADESH PROJECTS

a) LUHRI HEP Stage-1 (210MW), Luhri HEP Stage-2 (172MW) & Sunni Dam HEP (382MW):

Luhri Hydro Electric Project is located on river Satluj in Shimla, Kullu and Mandi districts of Himachal Pradesh. It was advised by GoHP in March, 2015 to review the possibility of executing 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-1 - 210 MW, Luhri HEP Stage-2 - 172 MW and Sunni Dam HEP - 382 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-1 (210 MW)

It is a Run-of-the-River (RoR) scheme with installed capacity of 210 MW, located on river Satluj, near Nirath village spread over Shimla and Kullu Districts of Himachal Pradesh. The project has potential of generating 758 MU of electric energy in a 90% dependable year. Investment approval for pre-construction activities amounting to ₹86.53 Crore was received from GoI on 08.02.2018.

DPR of project has been concurred by CEA for an estimated project cost of ₹1912.59 Crs. at July, 2017 price level. Forest Clearance Stage-1 and Forest Clearance Stage-2 has been accorded by MoEF&CC on 19.09.2018 and 28.03.2019 respectively.

Environment Clearance has been recommended by EAC in its meeting held on 27.08.2018. However, MoEF&CC is linking Environment Clearance with report on Cumulative Environment Impact Assessment study report of Satluj Basin. The report was put up to EAC on 28.01.2019 and EAC has suggested additional points for incorporating in the report.

For the acquisition of private land, SIA report has been approved by GoHP on 17.10.2018. Administrative cost amounting to ₹5 Crore has been deposited to respective DCs on 30.03.2019. Issuance of notification under section-11 of Land Act is under process with GoHP.

For investment approval, draft PIB memo on the basis of draft CERC tariff regulations 2019-24 was submitted to MOP on 29.01.2019. Matter is being taken up with GoHP for getting concessions to bring down the tariff. Revised PIB memo shall be submitted as per final CERC tariff regulations 2019-24 and decision of GoHP, for reduction in tariff.

Works of shifting of HT and LT lines from project area has been awarded by HPSEB Limited on 07.03.2019 & 08.03.2019 respectively and are in progress.

For evacuation of power, location of common pooling station has been finalized by CEA at village Nanj. Preliminary survey of transmission line from power house to common pooling station was completed on 19.11.2018. Work for carrying out detailed survey for finalization of route is under process of tendering.

LUHRI HEP STAGE-2 (172 MW)

It is a run-of-the-river type project proposed on river Satluj near village Nanj, in Shimla, Kullu and Mandi districts of Himachal Pradesh. The Project shall generate 632 MU of energy in a 90% dependable year. Investment approval for carrying out pre-construction activities amounting to ₹72.478 Crores has been approved by GoI on 16.03.2018.

First consultation meeting for preparation of DPR was held in CEA on 11.06.2018. Five Chapters i.e Hydrology, Power potential, Storage vs RoR, International aspects and Interstate aspects have been cleared. Balance four pre-DPR chapters are under preparation.

For Environment Clearance, work for preparation of EIA/ EMP report was awarded to M/s R. S. Environlink Technologies Pvt. Ltd. on 27.06.2018 and 3rd progress report has been received on 15.01.2019.

For acquisition of private land, application for conducting SIA study was submitted to GoHP on 29.09.2018. The proposal was forwarded to SIA unit HIPA by Principal Secretary (Power) on 24.11.2018. Finalization of agency by SIA unit, HIPA, GoHP is under process.

Drilling and drifting works for geological investigation were awarded in November, 2018. As on 31.03.19, 115m drifting out of 540 m and 467m drilling out of 2500 m have been completed.

For diversion of forest land, application was submitted on 08.10.2018. Obtaining NOCs regarding "non-availability of non-forest land for project components" and "Compensatory afforestation land" is in process and request letters were sent to respective SDMs on 31.10.2018. For NOC of "non-availability of non-forest land for project components", all the three joint inspections by respective departments have been completed. DC (Mandi) has issued the NoC on 19.03.2019. Joint inspection reports I.R.O. district Shimla and Kullu are under approval. NOC has been issued by DC (Shimla) on 29.01.2019 for non-availability of non-forest land for compensatory afforestation land and NOC from DC (Kullu) is awaited.

Consultancy work for the preparation of CAT plan has also been awarded on 31.08.2018 and third progress report submitted by Consultant on 19.01.2019.

For evacuation of power from project, location of common pooling station for projects has been finalized by CEA at village Nanj near project site. Walkover and preliminary survey works for 220 KV line from project to common pooling station are under progress.

SUNNI DAM HEP (382 MW)

It is a run of river type scheme situated on river Satluj near Khaira village in Shimla and Mandi districts of Himachal Pradesh. The Project shall generate 1382 MU of energy in a 90% dependable year.

First consultation meeting for preparation of DPR was held in CEA on 17.08.2017. Eight out of nine pre-DPR chapters have been cleared by CEA. Drifting work (720m) completed on 11.12.2018 and in-situ tests are in progress. Drilling work is nearing completion with 2388m out of 2500m drilling completed.

Draft EIA/ EMP report was submitted by the consultant on 01.09.2018. Balance data from DPR and SIA study for inclusion in the EIA/ EMP report are being prepared.

For diversion of forest land, application was submitted on 31.08.2018 to Nodal Officer. Case is with DFOs for want of land for Compensatory Afforestation and enumeration of trees. 778 ha. land is required for compensatory afforestation and so far, 355 ha land has been identified by Forest deptt.

Draft CAT plan was submitted to CCF (Rampur) on 29.09.2018 and the same is under process of approval with Forest deptt.

For acquisition of private land, SIA study has been awarded to Plan Foundation by GoHP on 23.01.2019 and work is in progress.

For evacuation of power, location of common pooling station for projects has been finalized by CEA at village Nanj. Walkover and preliminary survey works for 220 KV line from project to common pooling station are under progress.

b) DHAULASIDH HEP (66 MW)

The Dhaulasidh Hydro-electric Project with installed capacity of 66 MW is a run of river Project, located on river Beas, in Hamirpur and Kangra Districts of Himachal Pradesh. The project holds potential of generating 247 million units of electric energy in a 90% dependable year.

Govt of Himachal Pradesh accorded TEC of DPR on 25.06.2011. Environment Clearance was accorded by GoI on 21.02.2013. Forest clearance stage-1 was accorded by MoEF, Govt. of India on 06.03.2012 and was valid up to 01.11.2018. Proposal for extension of FC stage-1 is under process with MoEF & CC, Delhi after recommendation from State Govt.

For the acquisition of private land, consultancy work for carrying out

SIA has been awarded by GoHP on 21.02.2019 and SIA study is in progress.

For investment approval, PIB Memo with estimated cost of ₹810 crores was submitted to MoP on 06.06.2018. As desired by CEA, consent of GoHP on project cost with 80:20 debt equity ratio was submitted to MoP and is under process.

Matter for reducing the tariff of project is being taken up with GoHP. A request sent to Ministry of Power for taking up issue with GoHP to consider reducing rate of free power for initial years, reimbursement of State GST, waiving of LADA, reducing private land cost, etc. for making project commercially viable. Revised PIB memo shall be submitted as per final CERC tariff regulations 2019-24 and decision of GoHP, for reduction in tariff.

c) JANGI THOPAN POWARI HEP (780 MW)

Jangi Thopan Powari HEP with proposed capacity of 780 MW is located on river Satluj in Distt. Kinnaur of Himachal Pradesh. GoHP allotted Jangi Thopan Powari HEP to SJVN on 24.11.2018 on BOOT basis for a period of 70 years. Signing of MOU with GoHP for the implementation of the project is under process.

PFR of project has been prepared and approved by the Board on 08.02.2019. Preparation of pre-DPR chapters and process for obtaining other statutory clearances are in progress.

Project office at Reckong Peo has been established and made operational.

6.2 UTTARAKHAND PROJECTS

a) DEVSARI HEP (252 MW)

Project is a Run-of-the-River (RoR) scheme with proposed installed capacity of 252 MW, located on river Pinder, a major tributary of river Alaknanda in District Chamoli of Uttarakhand. The project will generate 937 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. DPR is being revised, taking into consideration increase in e-flows as notified by MoWR Gazette notification dated 09.10.2018.

Forest clearance stage-1 was accorded by MoEF on 26.02.2018. Compliance report of FC Stage-1 submitted to MoEF & CC on 28.11.2018. Observations raised by MoE&CC have been replied, through GoUK.

Environment Clearance has been recommended by EAC in its meeting held on 27.03.2018 subject to conditions applicable for FC-1 and also with additional recommendation that e-flows shall be as per recommendations of EB-II report.

For acquisition of private land, payment amounting to ₹ 41.48 crore has been released to State Govt. in March, 2017. Preparation of award under Section-23 is under process with DM (Chamoli).

For obtaining investment approval for pre-construction activities, draft PIB Memo for investment approval of pre-construction activities amounting to ₹ 281.46 crore has been submitted to MoP and is under examination.

Construction of office building at village Kulsari has been completed. Construction of bachelor accommodation is in progress. NITs for construction of 3 nos. bridges i.e. at Power house, Adit-2 & Adit-3 have been issued and are under process.

b) NAITWAR MORI HEP (60 MW)

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.

Memorandum of Understanding for execution of Naitwar Mori project was signed with the Government of Uttarakhand on 21.11.2005. Techno-economic clearance of DPR was given by CEA on 02.03.2010. Environment clearance was accorded on 16.06.2016 and stage-II Forest clearance on 05.08.2016. Private land required for the project was acquired on 23.05.2017. For diversion of Forest land required for the project, lease agreement was signed on 01.12.2017.

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 of construction i.e. from 05.12.2017.

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.

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

Contracts for construction of Project offices, Guest House and residential accommodation have been awarded and construction is in progress.

Main Civil Works of Project was awarded on 05.12.2017 to M/s Jaiprakash Associates Ltd. Work at various fronts is being taken up by the contractor. River was diverted on 31.01.2019 and excavation of barrage foundation is in progress. Excavation of Adit-1 has been completed on 19.11.2018 and excavation of Head Race Tunnel from, face-1, face-2 (Adit-1 u/s) & face-3 (Adit-1 d/s) is in progress. Excavation of desilting Tank, Adit-2, Adit to Surge Shaft, Cable cum Ventilation Tunnel and Main Access Tunnel is in progress.

Hydro-Mechanical works package awarded on 18.04.2018 to M/s GMW Pvt. Ltd. Electro-Mechanical works package was awarded on 11.06.2018 to M/s Voith Hydro Pvt. Ltd. First coordination meeting of Electro-mechanical package held between SJVN and contractor.

The project is scheduled for commissioning by 04.12.2021.

c) JAKHOL SANKRI HEP (44 MW)

The Jakhol Sankri HEP with proposed installed capacity of 44 MW is located on River Supin, a tributary of River Tons in Uttarkashi District of Uttarakhand. The project is designed as run-of-the-river project and will generate 166 MU of energy in a 90% dependable year. Investment approval for carrying out pre-construction activities of project has been accorded by GoI at an estimated cost of ₹ 84.50 crores on 15.09.2017.

DPR of project having 44 MW capacity considering revised e-flows was submitted to GoUK on 19.08.2016. Approval of DPR without payment of upfront premium was processed by Urja Cell, GoUK on 11.10.2018. TEA of DPR is under process of approval with GoUK.

EIA & EMP report submitted to Uttarakhand Environment Protection and Pollution Control Board on 23.04.2018. Public hearing concluded on 01.03.2019 and final EIA/EMP report is under finalization and submission.

Online application for diversion of Forest Land was submitted to MoEF & CC, GoI on 05.12.2016. Case was further forwarded by State Govt. to RO, MoEF & CC Dehradun on 02.11.2018. Approval of FC-1 is under process.

For private land acquisition, draft SIA report has been prepared and submitted to SDM on 16.07.2018. After public consultation meeting, final draft SIA report submitted to SDM on 23.02.2019. SIA report is under approval with GoUK.

Drifting work at powerhouse site is in progress, 175 m drift out of 187 m completed.

6.3 NEPAL PROJECT

a) ARUN-3 HEP (900 MW)

Memorandum of Understanding was signed with Government of Nepal for the execution of 900 MW Arun-3 Hydro-Electric Project on 02.03.2008. The project was allotted to SJVN on BOOT basis, to be operated by SJVN for 25 years after construction and thereafter transfer back to Government to Nepal. SJVN Arun-3 Power Development Company Pvt. Ltd (SAPDC) was registered on 25.04.2013 under the Nepalese Companies Act 2063 with an aim to plan, promote, organize and execute the Arun-3 Hydro-Electric Project. The project is located on Arun River in Sankhuwasabha District of Nepal, which is 657 km from Kathmandu. The project is a run-of the river scheme with 4 hours peaking and will generate 3924 MU of energy. The Project was techno-economically appraised by CEA, GoI on 09.06.2014. Project Development Agreement (PDA) was signed with Investment Board of Nepal (IBN), GoN on 25.11.2014. As per PDA, it is scheduled to be completed in 5 years reckoned from financial closure. Government of Nepal has extended the date of Financial Closure up to 30.06.2019. 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. Government of India has accorded investment approval for generation component of the project at an estimated cost of Rs. 5723.72 Crores at May, 2015 price level. Government of Nepal has issued generation license and transmission license on 04.05.2018 and 12.02.2019 respectively. Memorandum of Understanding for loan amounting ₹ 5000 crores signed with SBI India and two Nepal banks on 30.03.2019 and SBI Board has further given in principal sanction for the loan of INR 4100 crores debt for project on 10.04.2019.

Main Civil package-1 i.e. Dam area civil works plus 3.1 km HRT was awarded to M/s Jaiprakash Associates Limited on 22.09.2017. Work is under progress at various fronts. Excavation of diversion tunnel is under progress. HRT excavation under this package is in progress. Dam abutment stripping at left and right bank is in progress.

Civil package - 2 i.e. Power House civil works plus 8.6 km HRT was awarded on 19.03.2018 to M/s Patel Engineering Limited and contract agreement signed on 29.03.2018. Work at all fronts is under progress. Excavation of various adits to HRT, excavation of MAT and CAT to power house and open excavation of surge shaft is under progress.

HM Package and EM Package awarded on 11.04.2018 and 30.04.2018 respectively. These packages are currently under design and planning stage.

Construction power: The work for 56 km long construction power line from Tirtire sub-station to project site is under execution.

Power Evacuation System: Power Evacuation system consists of 310 km long 400 kV DC transmission line from Diding (project area) in Nepal through Dhalkebar (Nepal Border) to Muzzafarpur, India. Out of this, Nepal portion of 217 km from Arun-3 power house (Diding) to Bathnaha (Nepal Border) is being constructed by SAPDC.

Government of India accorded investment approval amounting to ₹1236.13 crores for the Nepal portion of transmission line constructed by SAPDC on 28.02.2019. For diversion of forest land, case for 6 out of 7 districts is under process of forest approval and tree enumeration is under progress for the remaining district. Land verification completed in all districts. Resettlement Action Plan of all districts submitted to Investment Board of Nepal and is under approval. MoU signed with PGCIL for project management consultancy for execution of transmission line. Tower packages are under tendering stage and for substation package, bid document is under preparation.

6.4 PROJECTS IN BHUTAN

a) Kholongchhu HEP (600 MW)

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

Inter-Governmental Agreement between Royal Government of Bhutan (RGoB) and Government of India (GoI) for implementation of project 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. Concession Agreement is under approval of RGoB.

Construction of two bridges and 32 km approach roads to various work fronts have been completed. Construction of one additional road (848m) to desilting chamber is under progress for which trace cutting has been completed and widening work is in progress.

For construction power, 132 kV transmission line commissioned on 05.03.2019. All works of 33 kV distribution line and 132/33 kV sub-station have been completed. Installation of transformers in sub-station is in progress.

Construction of site offices at various work sites are in progress. Work for the construction of residential and non-residential buildings has been awarded on 16.10.2018 and is in progress.

Main civil works of project in 3 packages are under tendering process.

6.5 THERMAL PROJECT

a) Buxar Thermal Power Project (1320 MW)

An 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 04.07.13. The name of Buxar Bijlee Company Private Limited was changed to SJVN Thermal Private Limited (STPL), a wholly owned subsidiary company of SJVN Limited on 17.10.2013.

Investment approval for carrying out pre-construction activities of the project amounting to ₹ 436.68 Cr. was accorded by GoI on 26.05.2015. 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 transferred in the name of STPL.

CCEA accorded investment approval of main works on 08.03.2019, amounting to ₹ 10,439.09 crore with completion period of 58 months. Foundation stone for the project was laid by Hon'ble Prime Minister of India on 09.03.2019. NIT for single EPC package for main plant works issued on 22.08.2018, technical bids opened and are under evaluation as on 31.03.2019.

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. Approval of supplementary DPR for revised rail route taking Magadh - Amrapali mines as source of coal is in process. Further, long-term domestic linkage from Coal India Limited (CIL) for BTPP has been granted by Ministry of Coal on 21.08.2017. For coal linkage, Letter of Assurance issued by Central Coalfields Ltd. (CCL) on 10.12.2018, identifying Amrapali and Magadh coal blocks as source. Approval of supplementary DPR for revised rail route taking Magadh - Amrapali mines as the source is in process.

Work for the construction of boundary wall completed on 19.03.2019. For acquiring land for water pipeline corridor, Main Gate & extra land, LoA for conducting SIA study issued on 07.03.2019 to A N Sinha Institute of Social Studies (ANSISS), Patna.

Work for construction power i.e. construction of 33 KV line & 33 KV/11 KV sub-station completed. Initial security money deposited to South Bihar Power Distribution Company Limited (SBPDCL) on 15.02.2019 for charging of line for 1 MVA load and installation of energy meters and lightning arrestors is in process.

6.6 SOLAR PROJECTS

a) CHARANKA SOLAR POWER STATION

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. Total 11,759 RECs have been traded in FY 2018-19 with no pending inventory. The project has generated 7.40 MUs in the FY 2018-19.

6.7 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. The project has been registered with IREDA for availing of Generation Based Incentive (GBI) @ ₹ 0.50 / kWh with a cap of ₹ 1 Crore per MW. Total Gross Generation from the plant for FY 2018-19 has been 62.05 MU.

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

SJVN has successfully commissioned its second Wind Power Project of 50 MW capacity, comprising 25 WEGs each of capacity 2 MW at village Sadla, Distt. Surendranagar, Gujarat. The project has been fully commissioned on 18.04.2019. As on 31.03.2019, total 29.69 MU had been generated. PPA was signed with Gujarat Urja Vikas Nigam Limited (GUVNL) for 38 MW on 30.01.2018 and for balance 12 MW on 30.03.2019.

6.8 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.

7. ENVIRONMENT

The rapid and responsible deployment of clean renewable energy is crucial to meet the goal of the Paris Climate Change Agreement. Countries world over have assembled to decide the practical implementation of Paris Agreement, so that we create a sustainable environment for the generations to come. SJVN as a responsible company, has a keen concern to generate clean energy by promoting and developing hydropower and other renewable sources of energy. Although hydropower is known to be clean, green & renewable, however, it has some environmental and social costs. Therefore, at SJVN we have been making perpetual endeavours to better our environment and ensure that the impacts are minimized & sufficiently compensated.

SJVN has been religiously complying with all the stipulatory and regulatory requirements on environment. This applies not just to Clearances concerning Environment or Forests, we are also committed to newly introduced legislations on e-waste, solid waste management, hazardous waste, etc. and all compliance. In addition, we believe in promoting good environmental practices, like targeting efficient use of paper & recycling waste.

Rooftop Solar PV 40 kW (AC) plant at Rampur Hydro Power Station is catering to the load requirements for operation, control and illumination at Butterfly Valve House (BVH) since May 2018. Hence, the requirement of auxiliary consumption has reduced. Energy conservation measures have been taken at Nathpa Jhakri Hydro Power Station by installing solar street lights. Sensor based lighting system and LED lights have been installed at Naitwar Mori HEP (NMHEP). In the latter project, old heating appliances have been replaced with more efficient 4 - star rated appliances. RHPS has installed an advanced warning cum alert system on River Satluj, so that inhabitants staying near its banks are watchful of flood like situations. This system shall alert people who are living within fifteen kilometers downstream of station tailrace.

Solid waste generated at our project sites & offices, is segregated in colored dustbins & disposed off in an environmentally sound manner. The solid waste generated at RHPS Township is being treated for wet waste by 25 kg capacity Organic Waste Converter. The vermi-composting units are also being developed at RHPS & NJHPS. Biodegradable waste generated from NJHPS canteen is being treated by the installed 40-60 kg Biomethanation Unit. Waste to energy plant, having capacity of 1MW, is being proposed at the identified location of Wadhal (Kinnaur). Our corporate office building has a provision of 5000 litre rainwater harvesting system, which is utilized in horticulture & for recharging of groundwater. Entire biodegradable waste generated from corporate office building is processed in Bio- composter plant & the compost is utilized as manure in horticulture.

SJVN has been spreading ideas on environment conservation by organizing various competitive activities, Energy Awareness Programmes etc. Painting, declamation, quizzes, photography, Craft from waste, essay competitions, etc., promoting the theme "Beating Plastic Pollution", was organized to commemorate the World Environment Day, 2018. For a cleaner and greener environment, plantation has been carried out at various offices & projects of SJVN. Further SJVN joined hands with HP State Pollution Control Board in their campaign on Pollution Abating Plants Abhiyan (PAPA), wherein 160995 outdoor saplings and 1210 indoor saplings have been planted. The campaign has bagged Skoch Order-of-Merit Award in 2018 for qualifying amongst the top environment projects in India.

8. 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 2018-19 in format prescribed under Companies (CSR Policy) Rules 2014 is annexed as **Annexure-V** and forms an integral part of this Directors' Report.

9. REHABILITATION AND RESETTLEMENT

SJVN, being 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 benefits 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 on the basis of 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. In order to have a constant interaction with local people, a Project Information Centre has been set up at project level.

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 (NMHEP) Uttrakhand. Several benefits under R&R Plan, like providing alternate agriculture 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 land acquisition process under Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 for all the three stages of Luhri hydroelectric projects (LHEP) has been initiated. The Social Impact Assessment Study of 210 MW LHEP stage-I (H.P) has been carried out by GoHP empanelled agency and the preliminary notification under section 11 is under process. Award of social impact assessment study of 172 MW LHEP stage -II is under process. The social impact assessment study of 382 MW LHEP stage -III (Sunni Dam) is being carried out through GoHP empanelled agency.

For 66 MW Dhaulasidh Hydro Electric Project, Social Impact Assessment study under section 4 of RFCTLARR Act, 2013 is being carried out. The survey has been completed and draft report is expected to be submitted soon by SIA Expert team.

In the 1320 MW Bihar Thermal Power Project (BTPP), the acquisition of private land has been made in accordance with the provisions of the Land Acquisition Act, 1894 and the compensation has been calculated and paid as per the provisions under RFCTLARR Act, 2013. Acquisition of few more private lands is being carried out under RFCTLARR Act, 2013.

In 44 MW Jakhol Sankri Hydro Electric Project (JSHEP) Uttrakhand, preparation of SIA study under section 4 of RFCTLARR Act, 2013 is under process. The Public hearing for SIA under section 5 has been conducted on 28/11/2018. The draft report has been received on 23/02/2019 and appraisal of SIA report by an expert group under section 7 is under pipeline.

In Devsari Hydro Electric Project (DHEP) Uttrakhand, Land acquisition process under RFCTLARR Act, 2013 is in a advance stage. The R&R plan for Project Affected Families (PAFs) has been prepared in line with RFCTLARR Act, 2013 and Environmental Expert Committee (EAC) recommendation of Ministry of Environment, Forest and Climate Change, Government of India. The Award is likely to be declared and once award is declared, the provisions and R&R benefits laid down in the R&R plan will be disbursed to PAFS.

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

10. RESEARCH AND DEVELOPMENT

In line with the DPE guidelines, SJVN has laid special attention on Research and Development, Innovation, Technology Up-gradation for Process Improvement, Product Development etc. in its area of operation.

Specific area in which R&D has been carried out during FY 2018-19 in line with MoU signed with MoP is as following:

Formulation of strategic plan for Silt management of Satluj river catchment area-The study report in this regard has been accepted.

In addition to above, SJVN has also undertaken following additional R&D/Innovative studies for overall development and system improvement :-

1. Installation of centrally controlled Remote hooter operation cum advance warning system for the safety of people from sudden release of water from NJHPS Dam.
2. Use of improved design bearing pads in TGB to improve operational parameter of machine in NJHPS.
3. Supply, Installation, Modification, Testing & Commissioning of Independent Water makeup Expansion Tank for Secondary Cooling Water Circuit at NJHPS.
4. Installation & Commissioning of paperless QR/BARCODE based software and hardware system for tracking of entry & exit of men and vehicles at Dam site, BTRDT, SFT, GVG at Nathpa.
5. Reduction in APM days (<50 Machine days) of Rampur HEP.
6. MIVs & BFVs pipeline modification for forced closing in unbalance condition in RHPS.

The R&D/Innovative projects have been successfully completed for FY 2018-19 under the guidance of eminent professionals from various Engineering fields and in collaboration with renowned Institutions.

11. HUMAN RESOURCES

The total manpower on the rolls of SJVN (Direct Recruits and Absorbed employees) was 1475 as on 31.03.2019. The strength of HPSEB / HP Govt. employees on deputation on the above date was 104.

Representation of Women Employees is as under:-

Total Employees as on 31.03.2019	Number of Women employees	Percentage of overall staff strength
1475	151	10.24

Representation of Physically Challenged Employees is as under:-

Total Employees as on 31.03.2019	Physically Challenged Employees				Percentage of Physically challenged employees
	VH	HH	OH	Total	
1475	8	7	17	32	2.17

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

Total Employees (as on 31.03.2019)	Representation					
	SCs	SC%	STs	ST%	OBC	OBC%
1475	306	20.75	97	6.58	184	12.47

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 2018-19, 90% employees were imparted essential two mandays training and 5930 training mandays have been achieved. The trainings were imparted through organizations of national repute like IITs, IIMs, IMI, Saksham Social Welfare Society etc. The programs were conducted on topics like Enterprise Risk Management, Project Management, Leadership and Management Development Program, Building Corporate Strategy for Effective Risk Management, Modern Technology Trends in Power Transformers including OLTC, Bushing etc., Creating Gender Sensitivity & Dealing with Sexual Harassment, Yoga & Stress Management etc. to mention a few.

12. INDUSTRIAL RELATIONS

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

13. STATUTORY AND OTHER INFORMATIONS

The information required to be furnished as per the Companies Act 2013, Listing Agreements, Government Guidelines, and Code of Corporate Governance of your Company, on the following matters is placed at respective annexures and form integral part of Directors Report:-

a. Management Discussion and Analysis - **Annexure - I**
b. Report on Corporate Governance - **Annexure - II**
c. Certificate from Practicing Company Secretary on Corporate Governance Compliance- **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**

14. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors' state that :

- in the preparation of the annual accounts for the year ended March 31, 2019, 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, 2019 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.

15. 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.

16. SECRETARIAL STANDARDS

The Company has complied with the applicable Secretarial Standards during the Financial Year ending 31.03.2019.

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 2018-19:-

No. of complaints received in 2018-19	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 SGS & Associates, PCS, to conduct Secretarial Audit for the Financial Year 2018-19. The Report of the Secretarial Auditors for the year ended 31.03.2019 is placed at **Annexure-VIII**. Reply of Management to observations of Secretarial Auditor are placed at **Annexure-IX.**

19. STATUTORY AUDIT

M/s A P R A & Associates LLP, Chartered Accountants, were appointed by Comptroller & Auditor General as Statutory Auditors of the Company for the financial year 2018-19.

The Report of the Statutory Auditors to the Members on the Standalone and Consolidated Accounts for the year ended 31.03.2019 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 31.03.2019 are placed at **Annexure-XIV** and **Annexure-V** 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 Balwinder & Associates, Cost Accountants, as Cost Auditor for the year 2018-19. The Cost Audit Report for the year ended 31st March 2018 was filed with MCA on 05.10.2018.

21. INTERNAL FINANCIAL CONTROLS

Internal controls are the mechanisms, rules, and procedures implemented by a company to ensure the integrity of financial and accounting information, promote accountability and prevent fraud. Financial controls are processes, policies and procedures that are implemented to manage finances.

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

The company has sufficient internal control over financial reporting to ensure assurance regarding the reliability of financial reporting and in the preparation of financial statements for external purposes in accordance with generally accepted accounting principles

In order to ensure adequacy of internal control system, internal audit is conducted by the independent Chartered Accountants firms in close coordination with company's own internal Audit Department. The internal Audit process includes review and evaluation of effectiveness of existing processes, controls and compliances. It also ensures adherence to rules, procedures, policies and systems and mitigation of the operational risks perceived for each area under audit.

It is also informed that significant Audit observations and Action Taken reports are placed before the Audit Committee headed by Independent Directors. The recommendation and directions of the Audit Committee are carried out and complied with.

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 2018-19, the following changes took place in the composition of the Board of Directors of the Company:-

a. Shri Ram Dass Dhiman, Principal Secretary (MPP & Power), GoHP has ceased as Part-Time Official Director (GoHP Nominee) on withdrawal of Nomination by appointing authority w.e.f. 12th May 2018. Consequently, Sh Tarun Kapur, ACS (MPP & Power), was appointed as Part-Time Director (GoHP Nominee) w.e.f. 21st June, 2018.

b. 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

c. Shri Tarun Kapoor, ACS (MPP & Power), GoHP, ceased as Part-Time Official Director (GoHP Nominee) on withdrawal of Nomination by appointing authority w.e.f. 29th September 2018

d. Smt. Geeta Kapur was appointed as Whole Time Director (Personnel) w.e.f. 18th October 2018

e. Shri Prabodh Saxena, Principal Secretary (MPP & Power), was appointed as Part-Time Official Director (GoHP Nominee) w.e.f. 24th October 2018.

f. Pursuant to the order of Ministry of Power, Shri S. S. Uppal, Dr. Rajni Sarin and Shri Pravinbhai Patel were reappointed as the Part-Time Non-

Official Independent Directors for a period of one year with effect from the date of completion of their existing tenure i.e. w.e.f from 17th November 2018.

g. Shri Ganesh Dutt ceased to be Part-Time Non-Official Independent Director on 16th November 2018 on completion of his tenure.

h. Shri Subhash Chander Negi was appointed as Part-Time Non-Official Independent Director w.e.f. 25th March 2019

i. Dr. Rajnish Pande was appointed as Part-Time Non-Official Independent Director w.e.f. 29th March 2019

j. Shri Kanwar Singh ceased to be the Whole Time Director (Civil) of the Company on 31st March 2018 on reaching age of superannuation. Pursuant to the orders of Ministry of Power, Shri Surender Pal Bansal was appointed as Whole Time Director (Civil) with effect from 1st April 2019.

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 2018-19 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. 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 Payment of increment of three months during the year, for doing his / her whole office work in Hindi and during the year and under this scheme a total 141 Employees / Officers were awarded cash prizes amounting ₹4,34,670/-. 19 Hindi workshops / seminars have been organized and 308 no. of executives and non-executives have been trained. Organizing of Hindi quiz competitions on national/important occasions and other competition (i.e. Nibhand (Essay writing), Kahani, Noting-drafting, Shabdarth gyan, Sulekh & Vichar Abhivyakti competition) is a regular feature and besides this number of competitions were also organized during "Hindi fortnight". In these competitions 306 no. of employees were awarded cash prizes amounting to ₹1,53,250/-.

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 185 no. students were awarded cash prizes amounting to ₹2,03,500/-.

Govt. of India , Ministry of Home Affairs, Department of Official Language has awarded Rajbhasha Kirti Purskar (Third prize) in PSU category to SJVN for its outstanding performance in implementation of Official Language during the year 2017-18.

To popularize Hindi in a big way a 'Akhil Bhartiya Kavi Sammelan' was organized on 04.08.2018 at Corporate Office, Shimla.

Half yearly meetings of the Town Official Language Implementation Committee, Shimla (Office-2) constituted for the CPSUs & Banks etc. were held on 30.07.2018 & 27.12.2018.

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, 75.44% of amount was spent on purchase of Hindi books.

27. AWARDS & ACHIEVEMENTS

During the Financial year 2018-19, your Company & Directors received commendation for work in form of various Awards and Accolades as under:-

1. March 25, 2019: SJVN was conferred with 4th EKDKN Exceed Award 2018 by Ek Kaam Desh Ke Naam, Delhi.
2. March 09, 2019: Hon'ble Prime Minister of India unveiled the Foundation Stone of SJVN's 1320 MW Buxar Thermal Power Project.
3. March 03, 2019: SJVN Foundation was awarded with Achievement Award 2019 & Partner in Progress Trophy for Social Development & Impact during 11th CIDC Vishwakarma Award 2019 by Construction Industry Development Council, Delhi.
4. February 26, 2019: SJVN was felicitated with 6th Annual Greentech Award for its CSR initiatives by Greentech Foundation, Delhi.
5. February 22, 2019: Shri A S Bindra, Director (Finance), SJVN was conferred with Top Rankers Excellence Award for Finance Leadership during 20th National Management Sumit-2019 at New Delhi.
6. February 22, 2019: A historic feat was achieved when SJVN's flagship 1500 MW Nathpa Jhakri Hydro Power Station in Himachal Pradesh crossed a cumulative 100 billion units electricity generation.
7. February 18, 2019: SJVN was awarded with ET Now CSR Leadership Award 2019 for effectively implementing its CSR initiatives during World CSR Day.
8. February 16, 2019: Shri. Nand Lal Sharma, Chairman & Managing Director, SJVN was honored with the prestigious CEO with HR Orientation Award by ET Now during World HRD Congress.
9. February 16, 2019: Mrs. Geeta Kapur, Director (Personnel) was conferred with the prestigious Women Super Achiever Award during World HRD Congress by ET Now.
10. December 05, 2019: Shri Amarjit Singh Bindra, Director (Finance), SJVN was conferred with the prestigious BHARAT JYOTI Award by India International Friendship Society.
11. November 26, 2018: SJVN was felicitated with the prestigious IPPAI Power Awards-2018 under the Category of Best Hydro Power Generator during 19th Independent Power Producers Association of India (IPPAI) Retreat 2018.
12. November 22, 2018: SJVN was awarded with Aqua Foundation Excellence Award 2018 in the category of Sustainable Development in Hydro Power Sector (Public Sector) during XII World Aqua Congress International Conference 2018.

13. October 01, 2018: SJVN Foundation was conferred with Gold Plate Award by HelpAge India.
14. September 15, 2018: SJVN's 900 MW Arun 3 Hydro Electric Project bagged the prestigious Kaarobar Best Initiative Development Project.
15. September 14, 2018 SJVN was honored with Rajbhasha Kirti (3rd Prize) Award for successful implementation of official language Hindi in official works.
16. May 12, 2018: Foundation Stone of SJVN's 900 MW Arun-3 Hydro Electric Project was jointly laid by Hon'ble Prime Minister of India & Hon'ble Prime Minister of Nepal.

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 2.16 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. The company has not made any buyback of shares during the year under review.

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

Place: 12th August, 2019
Date: New Delhi

Annexure - I

MANAGEMENT DISCUSSION AND ANALYSIS

1. INDUSTRY OVERVIEW / INDUSTRY STRUCTURE AND DEVELOPMENT

All India installed power generation capacity as on 31.03.2019 was 3,56,100 MW. A capacity addition of 8,106 MW was targeted during the year 2018-19 comprising 7,266 MW of thermal and 840 MW of hydro power. Capacity addition of 5,922 MW comprising 5,782 MW of thermal and 140 MW of hydro power stations was achieved up to 31.03.2019.

Above industry scenario indicates that there is ample opportunity for consistent growth of business in hydro, renewable and thermal energy sector in the times to come with growth in demand. 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 and 60 MW Naitwar Mori HEP in Uttarakhand under construction. Company also commissioned 50 MW Sadla Wind Power Project in Gujarat.

As regards hydro potential, India has an estimated potential of about 1,50,000 MW out of which as on 31.03. 2019 only about 45,399 MW has been commissioned. 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 sector in near future.

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 mega hydro power projects, execution, large value contract award, management and project operation.
- 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 has 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 more than one lac MW 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 remote locations and are prone to natural calamities such as cloud burst, land slide, road block etc. These natural calamities also contribute to delays, unforeseen.
- 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 is 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 our 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 identify all the business related activities followed by activity related potential risks followed by identification of various triggers and other factors associated with risks and their mitigation measures to overcome them with minimum effect 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 2019 vis-à-vis fiscal 2018.

Reference to Note(s) in the following paragraphs refers to the Notes to the Standalone financial statements for the financial year 2018-19 placed elsewhere in this report.

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

A. RESULTS OF OPERATIONS

1. INCOME:

	F.Y. 2018-19		F.Y. 2017-18	
Units of Electricity Generated (Million Units)	**8435.03**		**9281.93**	
INCOME	**₹ in Crore**			
1. Revenue from Operations		2655.77		2229.97
2. Other income				
a) Interest				
- On deposits	264.21		296.07	
- On advances to employees & Contractors	7.17		6.44	
Total interest		271.38		302.51
b) Dividend from Joint Venture		1.26		1.64
c) Others		(19.42)		52.95
Total Income		**2908.99**		**2587.07**

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 2019 is ₹2908.99 crore as compared to ₹2587.07 crore in the previous year registering a increase of 12.44%.The increase in gross income is mainly due to increase in revenue from operations by ₹425.80 crore partially offset by decrease in other income by ₹103.88 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. 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 2019. Company is entitled to receive incentives for achieving higher Plant Availability Factor against NAPAF.

Revenue from operations also includes:

i) Sale of Wind Power from the project in Maharashtra and is regulated as per the Power Purchase Agreement (PPA) signed with Maharashtra State Electricity Development Corporation Limited(MSEDCL).

ii) Sale of wind power from Sadla Wind Power Project in Gujarat and is regulated as per the Power Purchase Agreement (PPA) signed with Gujarat Urja Vikas Nigam Limited (GUVNL).

iii) 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 2.30)

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 financial year 2018-19 have been provisionally recognized at ₹2630.34 crore as compared to ₹2191.35 crore during the financial year 2017- 18 registering an increase of ₹438.99 crore.

During the year, there is increase in installed capacity by 36MW on commissioning of 18 units of Sadla Wind power project in the state of Gujarat.

The CERC has issued the provisional tariff orders for NJHPS and RHPS for the period 2014-19 and beneficiaries are billed based on such tariff orders issued by CERC.

Energy sales in respect of NJHPS during the year has decreased by ₹71.79 crore (current year ₹1512.10 crore (previous year ₹1583.89 crore). Decrease is on account of finalization of tariff for the period 2004-09 by CERC and reduction in generation during the year. The amount of Advance Against Depreciation (AAD) has been revised in the said order from ₹849.35 crore to ₹918.21 crore which will be included in sales in future years as per the accounting policy of the company.

During the year, company has filed a revised tariff petition in respect of Rampur Hydro Power Station (RHPS) for the period 2014-19 on the basis of revised cost of ₹4233.21 crore approved by CEA and Public Investment Board(PIB). Pending finalization of tariff order , sales in respect of RHPS has been accounted for on the basis of 85% of the Capital Cost filed with CERC. Accordingly, Sales during the year include ₹304.01 crore pertaining to earlier years i.e. F.Y.2014-15 to F.Y. 2017-18.

Sales includes an amount of ₹172.08 crore (previous year ₹126.51 crore) on account of capacity incentive in respect of hydro power stations mainly due to achievement of higher plant availability factor as compared to Normative Plant Availability Factor. However, Gross Annual Generation for the current year has been lower as compared to previous year and design energy due to decrease in water discharge.

The details of Generation & Plant Availability Factor (PAF) is given below:

Particulars	NJHPS		RHPS	
	2018-19	2017-18	2018-19	2017-18
Design Energy (MUs)	6612	6612	1878	1878
Gross Generation (MUs)	6507.13	7207.67	1828.76	2014.93
Normative PAF (%)	90	90	82	82
Actual PAF (%)	103.51	99.28	103.26	99.59

Sales also includes Unscheduled Interchange (UI) Charges amounting to ₹39.17 crore (previous year ₹60.33 crore) for the positive deviation in generation with respect to schedule, (payable or receivable) at rates notified by CERC from time to time.

Revenue from Wind/Solar Power Projects

The revenue from sale of Wind and Solar Power Projects has also increased by ₹14.38 crore [current year ₹48.78 crore (previous year ₹34.40 crore)] due to increase in generation of Wind and Solar Power by 39.81 MUs (current year 99.14 MUs) (Previous year: 59.33 MUs).

Revenue from operations also includes an amount of ₹1.72 crore (Previous Year ₹1.47 crore) from consultancy. This is on account of consultancy provided to SAPDC, Nepal, a subsidiary company.

Other Operating Revenue

Other Operating Revenue mainly includes Interest /Late payment surcharge from beneficiaries. During the year same has decreased by ₹27.73 crore (current year ₹9.42 crore, previous year ₹37.15 crore). Other operating revenue also includes an amount of ₹12.43 crore (previous year: nil) on account of compensation for performance deficiency in respect of Khirvire Wind Power Project for F.Y. 2014-15 to 2017-18 recognised during the year.

Revenue from operations for F.Y. 2018-19 constitutes 91.30% of total income as compared to 86.20% for F.Y. 2017-18.

Other Income (Note 2.31)

Other income mainly comprises interest income on short term deposits with banks, interest from employees and contractors etc.. Other income for the year has decreased by ₹103.88 crore to ₹253.22 crore as compared to ₹357.10 crore during previous year registering a decrease of 29.09%.

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

Income	Financial Year 2018-19	Financial Year 2017-18
Interest from Banks	264.21	296.07
Dividend from Joint Venture Company	1.26	1.64
Other Miscellaneous Income (Including excess provision/sundry credit balances written back, receipt of maintenance of ICF, Interest from Employees & Contractors and foreign currency fluctuation adjustment)	(12.25)	59.39
Total Income	**253.22**	**357.10**

The income from bank term deposits has registered a decline of 10.76 % from last financial year attributed to decrease in earning by ₹31.86 crore mainly due to decrease in investable funds and reduction in rate of interest on Short term deposit with banks.

Decrease is also due to reversal of liquidated damages amounting to ₹29.96 crore during the year after the receipt of arbitration award in favour of contractor which was recognised as income during the previous year etc.

2. EXPENDITURE **(₹ In Crore)**

Expenditure	Financial Year 2018-19	Financial year 2017-18
Employee Benefits Expense (Note 2.32)	315.81	265.22
Finance Costs (Note 2.33)	235.33	83.82
Depreciation and Amortisation (Note 2.34)	390.26	364.51
Other Expenses (Note 2.35)	305.28	276.25
Total Expenditure	**1246.68**	**989.80**

The total expenditure of the Company has increased by 25.95 % to ₹1246.68 crore in the fiscal 2019 from ₹989.80 crore in Fiscal 2018 on account of increase in employee benefits expense by ₹50.59 crore, finance cost by ₹151.51 crore, Depreciation by ₹25.75 crore and Other expenses by ₹29.03 crore.

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 25.33 % of total expenditure in Fiscal 2019 as compared to 26.80 % in Fiscal 2018.

The Employee Benefits Expense during the year was ₹315.81 crore (previous year ₹265.22 crore) i.e. increase of ₹50.59 crore in comparison to the previous year. The increase is mainly due to provision for regularization of pay scales of below Board level executives w.e.f. 01.01.1997 for the year 2018-19, higher provision of PRP on enhanced pay after revision and regularisation of 2017 and 1997 pay scales respectively .There is also normal increase on account of annual increment & increase in DA etc.

Finance Costs

The Finance Cost mainly consists of interest on Rupee 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 ₹151.51 crore(current year ₹235.33 crore, previous year ₹83.82 crore). This is mainly due to increase of FERV on restatement of foreign currency loans as on 31.03.2019 (increase in foreign currency rate from ₹65.34 (31.03.2018) to ₹69.63 (31.03.2019). However, there will be no impact on the profitability as the same has also been accounted for as regulatory income.

Finance costs represent 18.88 % of total expenditure during fiscal 2019 in comparison to 8.47 % during fiscal 2018.

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 increased by ₹25.75 crore (C.Y. ₹390.26 crore; P.Y. ₹364.51 crore). The increase in depreciation is mainly due to capitalisation of Sadla Wind Power Project and expediting office, Delhi during the year.

Depreciation represents 31.30 % of our total expenditure during fiscal 2019 in comparison to 36.83 % during fiscal 2018.

Other Expenses

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

Other Expenses represents 24.49 % of total expenditure during fiscal 2019 in comparison to 27.91 % during fiscal 2018. In absolute terms the expenses were ₹305.28 crore in fiscal 2019 as compared to ₹276.25 crore during previous year i.e. increase of ₹29.03 crore. The increase is mainly due to increase of Repair & Maintenance of Plant & Machinery by ₹14.60 crore, Buildings by ₹3.15 crore, Civil works by ₹2.54 crore, Security expenses by ₹3.36 crore and CSR expenditure by ₹2.60 crore etc.

Exceptional Items (Note 2.36)

Ministry of Power, Government of India vide its order dated 29th January, 2019 has regularized the pay scales of below Board level executives of the company w.e.f. 01.01.1997. Accordingly a provision of ₹50.75 crore has been made for regularization of pay scales as per the said order. The amount of ₹41.40 crore & ₹4.41 crore have been charged to profit & loss as exceptional item and employee benefits expense respectively during the year. The balance amount of ₹4.94 crore has been recognized as expenditure attributable to construction.

During the year an amount of ₹15.68 crore has been written off in respect of 80 MW Doimukh Hydro Electric Project which was withdrawn by Arunachal Government .

Net Movement in Regulatory Deferral Account Balance (Note 2.9)

The company is mainly engaged in generation and sale of electricity. The price to be charged by the company for electricity sold from hydro power projects 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 ₹114.17 crore (Previous year ₹(3.99) crore has been accounted as FERV and credited to Regulatory Deferred Account Debit Balance.

Pay revision of employees of CPSEs has revised from 1st January, 2017. Accordingly, Impact of revision of pay included in employee benefit expenses recognized in the Statement of Profit & Loss and other comprehensive income (OCI). CERC Tariff regulations 2014-19 provides that the impact of actual increase in employee cost on account of pay revision of operational power stations is recoverable from beneficiaries in future through Tariff. Accordingly, additional expenditure on employee benefit on 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 ₹73.14 crore (Previous year ₹55.09 crore)has been recognized as Regulatory Income.

Accordingly, for the financial year 2018-19 the regulatory income recognized in the statement of Profit and Loss on account of FERV and employee benefits expense together amount to ₹187.31 crore (Previous year ₹51.10 crore).

Profit before Tax

Profit before tax increased by 8.75 % to ₹1792.54 crore during fiscal 2019 as against ₹1648.37 crore during previous fiscal due to the reasons explained above.

Current Tax Expense (Note 2.44)

The Company recognises tax on income including regulated income 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) @21.55%. The Current Tax for the year is ₹386.00 crore as compared to ₹351.43 crore during previous year. Increase in current tax is due to increase in profit for the year by ₹144.17 crore to ₹1792.54 crore as compared to ₹1648.37 crore during previous year.

Deferred Tax (Note 2.8)

Deferred tax liability for the year is on account of timing difference between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Accordingly, an amount of ₹42.25 crore has been recognised as deferred tax during fiscal 2019 as against ₹72.06 crore during the fiscal 2018.

Other Comprehensive Income

The Other Comprehensive Income (OCI) is on account of re measurement of net defined benefit liability/asset . OCI net of tax for the fiscal 2019 is ₹(14.82) crore in comparison to ₹ (11.94) crore during fiscal 2018.

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 Schedule III to the Companies Act,2013 & subsequent amendments thereto.

The items of the Balance Sheet are as under:

ASSETS :

1. Non-Current Assets (₹ in Crore)

	As of March 31, 2019	As of March 31, 2018
Property, Plant and Equipment (Note 2.1)	7683.00	7638.29
Capital Work-in-progress (Note 2.2)	748.54	633.11
Other Intangible Assets (Note 2.3)	1.75	2.41
Intangible Assets Under Development (Note 2.4)	16.92	9.31
Financial Assets		
- Investments (Note 2.5)	1292.39	863.03
- Trade Receivables (Note 2.6)	-	12.73
- Loans (Note 2.7)	44.40	44.38
Deferred Tax Assets(Net) (Note 2.8)	308.47	350.72
Regulatory Deferral Account Debit Balance (Note 2.9)	339.93	152.62
Other Non-Current Assets (Note 2.10)	128.31	212.25
Total	**10563.71**	**9918.85**

Non-Current Assets as on March 31, 2019 has increased by 6.50 % to ₹10563.71 crore (Previous year ₹9918.85 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. Gross Block of PPE during the year increased by ₹432.94 crore to ₹9796.74 crore (Previous year ₹9363.80 crore). The increase is mainly due to capitalisation of 18 units of Sadla Power Project, Gujarat and expediting office building, Delhi during the year. However, Net Block of PPE at the end of current year is ₹7683.00 crore (Previous year ₹7638.29 crore) due to charging of depreciation on PPE during the year.

Capital Work-in-progress

Capital Work-in-progress during Current year registered an increase of 18.23% to ₹748.54 crore (Previous year ₹633.11 crore) mainly due to increase in Capital work-in-progress of Naitwar Mori, Devasari and Luhri hydroelectric projects etc.

Other Intangible Assets

Other Intangible Assets includes Software only. Other Intangible Assets at the end of Current year is ₹1.75 crore (previous year ₹2.41 crore).

Intangible Assets under Development

Intangible Assets under Development at the year end is ₹16.92 crore (Previous year-₹9.31 crore) for implementation of ERP software.

Financial Assets

All financial assets except trade receivables and investments in subsidiaries & Joint Ventures 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

Investments are intended for long term and carried at cost which consists of investments in Subsidiaries and Joint Venture Companies. Total Investments at the year end is ₹1292.39 crore (Previous year ₹863.03 crore).

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. Loans at the end of current year is ₹44.40 crore (Previous year ₹ 44.38 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 ₹42.25 crore (current year ₹308.47 crore, previous year ₹350.72 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" in line with the Guidance Note on " Accounting for Rate Regulated Activities" issued by the Institute of Chartered Accountants of India and also keeping in view the provisions of Ind AS 114-Regulatory Deferral Accounts. Regulatory deferral account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

Regulatory deferral account balances include foreign exchange rate variation on foreign currency loans regarded as borrowing cost and employee benefit 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 ₹339.93 crore (Previous year ₹152.62 crore).

Other Non-current Assets

Other non-current assets mainly consist of Capital Advances given to Contractors for execution/mobilisation of Naitwar Mori Project, govt. deptt. / organisations mainly for 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 ₹128.31 Crore (Previous year ₹212.25 crore).The decrease is mainly due to reduction in capital advances after capitalisation of expediting office building, Delhi during the year.

2. Current Assets **(₹ In Crore)**

	As of March 31, 2019	As of March 31, 2018
Inventories (Note 2.11)	44.90	50.50
Financial Assets		
-Investment (Note 2.12)	-	0.01
-Trade Receivables (Note 2.13)	276.80	290.06
-Cash and Cash Equivalents (Note 2.14)	35.01	160.34
-Bank Balances Other than cash and cash equivalents (Note 2.15)	2871.07	3452.22
-Loans(Note 2.16)	16.88	11.59
-Others(Note 2.17)	858.53	333.81
Current Tax Assets (Net) (Note 2.18)	123.28	91.39
Other Current Assets (Note 2.19)	130.47	56.82
Total	**4356.94**	**4446.74**

Current Assets as on March 31, 2019 has decreased by 2.02% to ₹4356.94 crore (Previous year ₹4446.74 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 ₹44.90 crore as on 31st March, 2019 (Previous year ₹50.50 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 2.17).Trade Receivables during the Current year has decreased by 4.57 % to ₹276.80 crore (Previous year ₹290.06 crore). Trade receivables are 6.35 % of current assets.

Cash and Cash Equivalents & Bank Balances other than cash and cash equivalents (Note 2.14 & 2.15)

Cash and Cash Equivalents & Bank Balances other than cash and cash equivalents include mainly balances in Term Deposits.

Cash and Cash Equivalents & Bank Balances other than cash and cash equivalents during the current year decreased by ₹706.48 crore to ₹2906.08 crore (Previous year ₹3612.56 crore).

Net cash generated from Operating Activities was ₹1039.85 crore during the year 2018-19 (Previous year ₹1564.37 crore).

Net cash from investing activities was ₹(58.16) crore as compared to ₹94.89 crore in the previous year. Expenditure in investing activity is mainly on Property, Plant & Equipment, CWIP and investment in subsidiary & joint venture companies etc. Cash inflows arise from interest on Term Deposits from banks.

During the year the company used net cash of ₹1107.02 crore for financing activities (Previous year ₹2272.29 crore) as detailed below:

Loan amounting to ₹205.45 crore was repaid in the year 2019 (Previous year ₹186.09 Crore). In the year 2019, cash outflow on account of payment of dividend including interim dividend and tax thereon was ₹805.29 crore (Previous year ₹1194.72 crore). During the previous year 2017-18, company used an amount of ₹807.16 crore for buy back of Equity shares including expenditure thereon. Interest & Finance charges paid during the year was ₹96.28 crore (Previous year ₹84.32 crore).

Cash and Cash Equivalents & Bank Balances other than cash and cash equivalents are 66.70% of current assets.

Loans

Current loans as at 31.03.2019 is ₹16.88 crore (Previous year ₹11.59 crore). Current loans during the year has increased by ₹5.29 crore mainly due to increase in short term loans to employees.

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. Other financial assets increased by ₹524.72 crore to ₹858.53 crore during current year (Previous year ₹333.81 crore). The increase is mainly due to additional unbilled amount of ₹460.00 crore in respect of sales of Rampur Hydro Power Station (RHPS) accounted for during the year on the basis of 85% of the Capital Cost filed with CERC for the period 2014-19.

Current Tax Assets (Net)

Current Tax Assets includes advance tax, tax deducted at source less provision for tax. Current tax assets at the year end is ₹123.28 crore (Previous year ₹91.39 crore)

Other Current Assets

Other Current Assets mainly include advances to Govt Departments other than capital advances and prepaid expenses etc. Other Current Assets increased by ₹73.65 crore to ₹130.47 crore during current year (Previous year ₹56.82 crore). This is mainly due to increase in amount of advances to Govt Departments(deposit with court for arbitration cases in respect of Khirvire and Rampur Projects etc.) and prepaid expenses(Insurance & Guarantee fee etc.).

3. EQUITY AND LIABILITIES

Total Equity

Total Equity of the Company at the end of the financial year 2018-19 has increased to ₹11238.78 crore from ₹10694.71 crore in the previous year registering an increase of 5.09% as per details given below:

(₹ In Crore)

Particulars	Total Equity
Opening Balance as on 01.04.2018	10694.71
Add: Profit for the year	1364.29
Less: Other Comprehensive Income	14.82
Less: Dividend & Dividend Tax	805.40
Balance as on 31.03.2019	11238.78

The increase in total equity resulted in increase in the book value per share to ₹28.60 during current year (Previous year ₹27.21 per share).

LIABILITIES

Non-current Liabilities

Financial Liabilities

(₹ In Crore)

Particulars	As of March 31, 2019	As of March 31, 2018
Borrowings (Note 2.22)	1940.46	2035.34
Other Financial Liabilities (Note 2.23)	0.12	0.24
Provisions (Note 2.24)	69.49	49.55
Other Non-current Liabilities(Note 2.25)	817.27	787.21
Total	**2827.34**	**2872.34**

Borrowings

Borrowings as on March 31, 2019 were ₹1940.46 crore as against ₹2035.34 crore as on March 31, 2018. Out of these ₹166.88 crore (previous year ₹ 211.28 crore) is Secured and ₹1773.58 Crore (previous year ₹1824.06 crore) is Unsecured. Secured Loans is borrowed from Axis Bank. Over the last year, Borrowings excluding current maturities of long term debts have registered a decrease of 4.66 % amounting to ₹94.88 crore.

- Above borrowings do not include an amount of ₹214.65 crore (Secured ₹44.40 crore and Unsecured ₹170.25 crore) drawn for Rampur Hydro Power Station (RHPS) and shown under 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 2.77% amounting to ₹50.48 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 2018-19 of the company is 0.19 (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 ₹0.12 crore (Previous year ₹0.24 crore).

Non-current Provisions

Non- current Provisions consists of amount provided towards employee benefits on the basis of Actuarial Valuation and includes leave encashment 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 ₹19.94 crore to ₹69.49 crore during current year (Previous year ₹49.55 crore).

Other Non-current Liabilities

Other non-current liabilities include Advance against Depreciation and Deferred Foreign Currency Fluctuation Liability etc.

Other non-current liabilities have registered an increase of ₹30.06 Crore to ₹817.27 crore (Previous year ₹787.21 crore) mainly due to increase in the amount of AAD after the finalisation of tariff of NJHPS by CERC for the period 2004-09 .

4. CURRENT LIABILITIES

Financial Liabilities

(₹ In Crore)

	As of March 31, 2019	As of March 31, 2018
Trade Payables (Note 2.26)	24.40	25.45
Other Financial Liabilities (Note 2.27)	593.59	512.07
Other Current Liabilities(Note 2.28)	40.23	47.00
Provisions (Note 2.29)	196.31	214.02
Total	**854.53**	**798.54**

The Current Liabilities as at March 31, 2019 and 2018 were ₹854.53 crore and ₹798.54 crore respectively. The Current Liabilities have increased by 7.01 % 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 ₹24.40 crore (Previous year ₹25.45 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 ₹81.52 crore to ₹593.59 crore (Previous year ₹512.07 crore) mainly due to providing of liability towards regularisation of pay scales of below board level executives w.e.f. 01.01.1997 and increase in current maturities of long term foreign currency loans.

Other Current Liabilities

Other Current Liabilities mainly includes current liability of Advance against Depreciation. Other Current Liabilities at the year-end was ₹40.23 crore (Previous year ₹47.00 crore).

Provisions

Short Term Provisions include Unfunded Employees Benefits payable within Twelve Months as per Actuarial Valuation, Interest on Arbitration Awards and Performance Related Pay etc. Provisions have decreased by ₹17.71 crore in the fiscal 2019 to ₹196.31 crore (Previous year ₹214.02 crore) mainly due to payment of wage revision w.e.f. 01.01.2017 partially offset by increase in Performance Related Pay.

C. CONTINGENT LIABILITIES

The following are the components of claims against the company not acknowledged as debt as at March 31,2019 and 2018:

(₹ in crore)

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Works	554.71	368.89
Land Compensation	44.46	17.87
Disputed Income Tax Demand	32.22	-
Others	1.65	1.65
Total	**633.04**	**388.41**

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

Contingent Liabilities increased by 62.98 % to ₹633.04 crore as of March 31, 2019 (Previous year ₹388.41 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 31.03.2019. 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 is 100% subsidiary company of SJVN Ltd. The authorized share capital of SJVN Thermal Pvt. Ltd. is ₹3000 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 ₹ 1546.88 crore (NPR 2475.00 crore). The company has been formed to execute the 900MW Arun-3 Hydroelectric Project in Nepal. This project is to be installed in the Sankhuwasabha District of Nepal.

2. Joint Venture Companies

Company has two joint ventures as at 31.03.2019. During the year, the Joint Venture agreement with Bengal Birbhum Coal Fields Limited has been terminated . 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 600MW Kholongchhu Hydro Project on the river Kholongchhu, Bhutan which is in construction stage. SJVN has invested an amount of ₹137.29 Crore as on 31.03.2019 (Previous Year ₹99.66 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 2018-19 was ₹36.30 Crore (previous year ₹35.96 crore) and ₹15.30 Crore (previous year ₹12.95 crore) respectively. Dividend received during the year from CPTC amounting to ₹1.26 crore (previous year ₹1.64 crore) has been shown as other income in SJVN Standalone Accounts.

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-28 -Investments in Associates & Joint Ventures, Ind AS-112 'Disclosure of Interests in other entities' and are included in the Annual Report.

The Financial Statements of the company and its subsidiaries are combined on line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealized profit or losses.

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

(₹ in Crore)

Particulars	FY 2018-19	FY 2017-18
Total Revenue	2907.94	2583.95
Profit before Tax	1794.81	1648.10
Profit after Tax	1366.56	1224.61
Other Comprehensive Income (net of tax)	(14.82)	(11.94)
Total Comprehensive Income	**1351.74**	**1212.67**

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 61.93:26.85:11.22 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 2019, the Company's Board comprised of twelve (12) members, consisting of Five Whole-Time Directors including Chairman & Managing Director, Two Part-Time Government Nominee Directors representing Government of India and Government of Himachal Pradesh and Five 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Guidelines on Corporate Governance for CPSE issued by DPE. Further the Stock Exchanges have issued monetary fines for non-compliance with the requirements pertaining to the appointment of Independent Directors as provided in Regulation 17 of SEBI (LODR) Regulations.

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 two (2) 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 re-appointed/appointed for a period of one/three years or until further order, whichever is earlier.

The 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. Based on the same, it is confirmed that in the opinion of the Board, the Independent Directors fulfill the conditions as specified in SEBI Listing Regulations and Companies Act, 2013.

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 2018-19, Nine (9) Board Meetings were held, (i) 24th April 2018 (ii) 28th May 2018 (iii) 22nd June 2018 (iv) 3rd August 2018 (v) 14th September 2018 (vi) 12th November 2018 (vii) 24th December 2018 (viii) 8th February 2019 (ix) 18th March 2019. The maximum interval between any two meetings during this period was 59 days.

Details of Board Meetings, attendance of the Directors, etc. for the year 2018-19 are as under:

Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (30th) held on 25.09.2018	No. of other Directorship held on 31.03.2019*	No. of Committee memberships in other companies on 31.03.2019**	
I	**EXECUTIVE DIRECTORS**					As Chairman	As Member
A	**Functional Directors**						
1	Shri Nand Lal Sharma Chairman & Managing Director	9	9	Yes	1	0	0
2	Shri Amarjit Singh Bindra Director (Finance)	9	8	Yes	1	0	1
3	Shri Rakesh Kumar Bansal Director (Electrical)	9	9	Yes	2	0	0
4	Shri Kanwar Singh, Director (Civil) (upto 31st March 2019)	9	9		2	0	1

Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (30th) held on 25.09.2018	No. of other Directorship held on 31.03.2019*	No. of Committee memberships in other companies on 31.03.2019**	
I	**EXECUTIVE DIRECTORS**					**As**	**As**
5	Smt. Geeta Kapur Director (Personnel) (w.e.f. 18th October 2018)	4	4	NA	1	0	0
II	**NON-EXECUTIVE DIRECTORS**						
B	**Part-Time Official Directors (Government Nominee Directors)**						
1	Smt. Archana Agrawal, Joint Secy. (Hydro), Ministry of Power, Government of India (GOI) (upto 29th July 2018)	3	1	No	Ceased w.e.f. 29th July 2018		
2	Shri Aniruddha Kumar, Joint Secy. (Hydro), Ministry of Power, Government of India (GOI) (w.e.f. 30th July 2018)	6	4	No	3		
3	Shri Ram Dass Dhiman Principal Secy (Power), Government of Himachal Pradesh (GoHP) (upto 12th May 2018)	1	1	NA	Ceased w.e.f. 12th May 2018		
4	Shri Tarun Kapur Principal Secy (Power), Government of Himachal Pradesh (GoHP) (from 21st May 2018 upto 29th September 2018)	3	2	Yes	Ceased w.e.f. 29th September 2018		
5	Shri Prabodh Saxena, Principal Secy (Power), Government of Himachal Pradesh (GoHP) (w.e.f. 24th October 2018)	4	4	NA	7		
C	**Part-Time Non-Official Directors (Independent Directors)**						
1	Shri Ganesh Dutt (upto 16th November 2018)	6	6	Yes	Ceased w.e.f. 16th November 2018		
2	Shri Pravinbhai Patel	9	8	Yes			
3	Dr. Rajni Sarin	9	5	Yes	Nil		
4	Shri Shamsher Singh Uppal	9	9	Yes	Nil		
5	Shri Subhash Chander Negi (w.e.f. 25th March 2019)	0	0	NA	Nil		
6	Dr. Rajnish Pande (w.e.f. 29th March 2019)	0	0	NA	Nil		

**Does not include Directorship in Private Companies, Section 8 Companies under the Companies Act, 2013 and Foreign Companies. None of the Directors except Sh. Aniriuddha Kumar who is also a Director in NHPC Ltd hold office in any other listed company.*

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

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 28th May 2018 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 2019, 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 Kanwar Singh, Director(Civil)** — **Member**

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

During the Financial Year 2018-19, 6 (Six) Audit Committee meetings were held, i.e. (i) 28th May 2018 (ii) 3rd August 2018 (iii) 14th September 2018 (iv) 12th November 2018 (v) 8th February 2019 (vi) 18th March 2019.

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	6	6
2.	Shri Shamsher Singh Uppal	6	6
3.	Shri Ganesh Dutt (upto 16th November 2018)	4	4
4.	Shri Kanwar Singh (w.e.f. 24th December 2018)	2	2

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 2019, 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 2018-19, 5 (Five) Nomination & Remuneration Committee meetings were held, i.e. (i) 28th May 2018 (ii) 22nd June 2018 (iii) 23rd August 2018 (iv) 29th October 2018 (v) 28th January 2019

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	5	5
2.	Dr. Rajni Sarin	5	5
3.	Shri Pravinbhai Patel	5	4

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. The core skills/expertise/competencies as required in the context of its business are determined by the Appointing Authority i.e., President of India acting through the administrative Ministry i.e., 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 2019, the Committee consists of the following Members:

1. **Dr. Rajni Sarin, Independent Director** — **Chairman**
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 2018-19 1 (One) Stakeholders Relationship Committee meeting was held i.e. on 29th October 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 2018-19 is as under:-

Particulars	Opening	Received during the year	Resolved during the year	Pending (31.03.2019)
Complaints	01	9	10	0

8.0 Committee for Allotment and Post-Allotment Activities

As on 31st March 2019, 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 2019, the Corporate Social Responsibility, Sustainable Development and Research & Development Committee consists of:-

1. **Dr. Rajni Sarin, Independent Director** — **Chairman**
2. **Shri Rakesh Kumar Bansal, Director (Electrical)** — **Member**
3. **Smt. Geeta Kapur, Director (Personnel)** — **Member**

During the Financial Year 2018-19, 5 (Five) Corporate Social Responsibility, Sustainable Development and Research & Development Committee meetings were held, i.e. (i) 11th June 2018 (ii) 21st August 2018 (iii) 29th October 2018 (iv) 28th January 2019 (v) 6th March 2019

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 (upto 16th November 2018)	3	3
2	Shri Nand Lal Sharma (upto 24th December 2018)	2	2
3	Shri Rakesh Kumar Bansal	5	4
4	Dr. Rajni Sarin (w.e.f. 24th December 2018)	2	2
5	Smt. Geeta Kapur (w.e.f. 24th December 2018)	3	3

10.0 Investment Committee

As on 31st March 2019, 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 2019, 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 Business Expansion Committee

The Committee shall comprise of at least four Director Members of which at least two members shall be Independent Directors. The scope of work includes examining /recommending the proposal in regard to acquiring various Hydro Projects through MoU, formation of Joint Ventures & Subsidiaries, appraisal & oversight of activities of Business Expansion Cell.

13.0 Remuneration details of Directors and Key Managerial Personnel

The remuneration details of Executive/ Functional Directors and Key Managerial Personnel for the Financial year 2018-19 are as under :-

(Amount ₹)

Sr. No.	Name	Salary	Benefits	PRP	Total
1.	Shri Nand Lal Sharma, Chairman & Managing Director	57,89,078	18,33,808	32,58,672	1,08,81,558
2.	Shri Amarjit Singh Bindra, Director (Finance) & CFO	59,67,026	12,63,866	30,96,252	1,03,27,144
3.	Shri Rakesh Kumar Bansal Director (Electrical)	59,75,927	10,67,830	29,26,159	99,69,916
4.	Shri Kanwar Singh Director (Civil)	71,07,665	11,69,145	29,35,324	1,12,12,134
5.	Smt Geeta Kapur Director (Personnel) (w.e.f. 18th October 2018)	17,68,959	4,36,682	6,18,338	28,23,979
6.	Shri Soumendra Das Company Secretary	27,91,415	7,91,137	8,26,379	44,08,931
	Total	**2,94,00,070**	**65,62,468**	**1,36,61,124**	**4,96,23,662**

14.0 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 2018-19 is as under:-

No. of Meetings Attended

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total
1	Shri Ganesh Dutt (upto 16th November 2018)	6	4	4	14
2	Shri Pravinbhai Patel	8	6	6	20
3	Shri Shamsher Singh Uppal	9	6	7	22
4	Dr Rajni Sarin	5	NA	9	14

Amount (₹)

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total
1	Shri Ganesh Dutt (upto 16th November 2018)	1,20,000	80,000	80,000	2,80,000
2	Shri Pravinbhai Patel	1,60,000	1,20,000	1,20,000	4,00,000
3	Shri Shamsher Singh Uppal	1,80,000	1,20,000	1,40,000	4,40,000
4	Dr. Rajni Sarin	1,00,000	NA	1,80,000	2,80,000

Note:- The amount of sitting fees stated here in above 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.

15.0 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 2019.
>
> (Nand Lal Sharma)
> Chairman & Managing Director
> DIN: 03495554

16.0 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 has been aligned in line with the requirements of the SEBI (Prohibition of Insider Trading)(Amendment) Regulations,2018.

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

17.0 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 2018-19 :-

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	

18.0 PREVENTION OF SEXUAL HARASSMENT

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 2018-19:-

No. of complaints received in 2018-19	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

19.0 GENERAL BODY MEETINGS

19.1 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
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
30th	25th September 2018	Tuesday	1500 hrs	Hotel Peter Hoff, Shimla, Himachal Pradesh	No Special Resolution was passed

19.2 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.

20.0 Disclosures

It is certified that during the Financial Year 2018-19 :-

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 29th May 2019 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 2019 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**

21.0 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 its Quarterly/Annual Results, disclosures as required under SEBI Listing Regulations including the presentations made to institutional investors/Analyst, if any through its website www.sjvn.nic.in and appropriate disclosure to the Stock Exchanges wherever mandated.

The financial results of the company for the year ending 31st March 2019 were published on 30th May 2019 in Financial Express, The Tribune, Mail Today, The Statesman, Economic Times, Dainik Bhaskar, Dainik Nyay Setu, Apka Faisala, Navbharat Times, Ajit Samachar, etc.

22.0 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.

23.0 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 with 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 web link:

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

24.0 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 web link:

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

25.0 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 web link:

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

26.0 SHAREHOLDERS' INFORMATION

i. **31st Annual General Meeting**

Date: 27th September 2019 (Friday)
Time: 1500 HRS
Venue: SJVN Corporate Office Complex Shanan, Shimla - 171006

ii. **Financial Calendar:**

Particulars	Date
Accounting Period	1st April 2019 to 31st March 2020
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 2020
AGM (Next year)	September 2020 (tentative)

iii. **Dates of Book Closure:** 21st September 2019 to - 27th September 2019 (both days inclusive)

iv. **Dividend Payment Date:** 3rd October 2019 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 2019-20 was paid to both National Stock Exchange of India Limited and BSE Limited before April 30, 2019. Also, the Annual Custodian Fee for the Financial Year 2019-20 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)** **(₹ in crore)**

Financial Year	Interim Dividend			Final Dividend			Total
	Date of Declaration	Rate	Dividend per share (₹)	Date of Declaration	Rate	Dividend per share	Dividend
2018-19	08-02-2019	15.0%	1.50	To be declared at 31st AGM			
2017-18	09-02-2018	19.0%	1.90	25-09-2018	2.0%	0.20	864.54
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	328.20

vii. **Dividend Distribution Policy**

In accordance with Regulation 43A of the SEBI Listing Obligations and Disclosure Requirements Regulations, the Company has adopted a Dividend Distribution Policy duly approved by the Board of Directors.

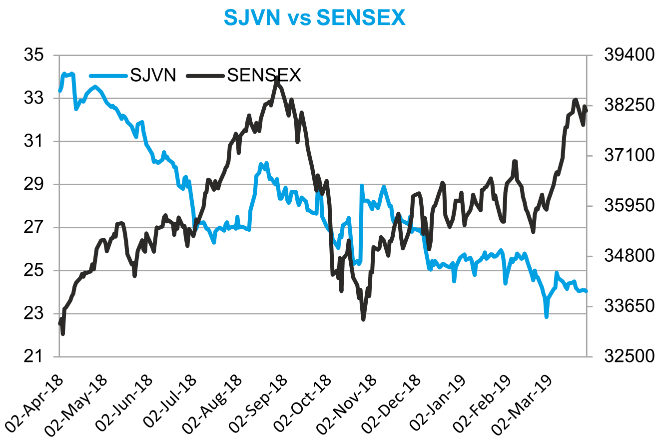
The Risk Management Policy has been disclosed on the website of the company and may be accessed at the following web link:

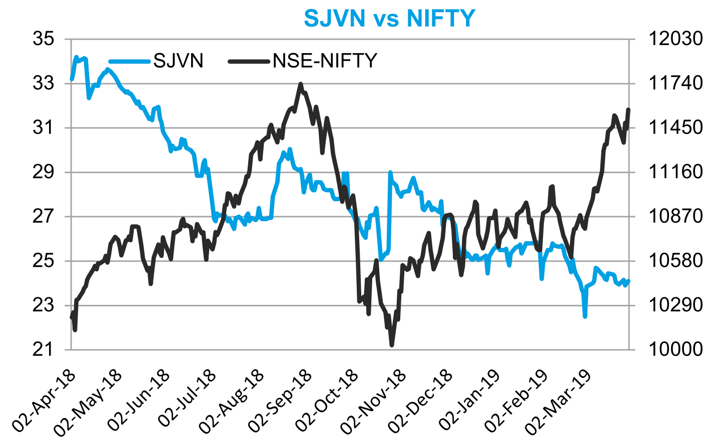
http://sjvn.nic.in/writereaddata/Portal/Images/Dividend_Distribution_Policy_25_5_17.pdf

viii. Stock Code & Market Price Data **(Price in ₹)**

	National Stock Exchange (NSE)-			Bombay Stock Exchange (BSE)		
Stock Code	**SJVN-EQ**			**533206**		
Month	**High**	**Low**	**Close**	**High**	**Low**	**Close**
Apr-18	35.50	32.10	33.30	35.35	32.30	33.30
May-18	33.45	30.75	30.85	33.40	30.75	30.85
Jun-18	31.10	28.75	29.15	31.10	28.60	29.15
Jul-18	29.20	26.30	26.95	29.50	26.25	26.95
Aug-18	31.05	26.70	28.45	31.05	26.25	28.35
Sep-18	29.85	27.25	27.40	30.00	27.25	27.50
Oct-18	30.50	24.75	28.05	29.90	24.95	28.00
Nov-18	29.05	26.50	27.00	29.45	26.50	26.95
Dec-18	27.10	24.05	25.55	27.45	24.25	25.60
Jan-19	26.00	23.45	24.20	26.35	23.80	24.40
Feb-19	26.50	21.85	22.50	26.35	22.25	22.85
Mar-19	27.40	22.75	24.20	27.40	22.80	24.20

ix . Performance in comparison to broad based indices NSE NIFTY and BSE SENSEX during F.Y. ended 31st March 2019.





x. Registrar and Share Transfer Agent

Alankit Assignments Limited,
Alankit House,
4E/2 Jhandewalan Extension,
New Delhi, Pincode-110055
Telephone: +911142541957
Fax No. : +911142541201
Email ID: rameshk1@alankit.com
Website: www.alankit.com

xi. 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.

xii. 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 2018-19, an amount of ₹4,55,486 has been transferred to Investor Education and Protection Fund (IEPF), in respect of unpaid and unclaimed dividend amount pertaining to the Financial Year 2011-12. 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, SJVN 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.

xiii. 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 Corporate Affairs.

xiv. 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.

xv. Distribution of Shareholding as on 31st March 2019

As on 31st March 2019, the shareholding of the Company was held by the Government of India, Government of Himachal Pradesh and the Public in the ratio 61.93:26.85:11.22

xvi. Changes in Shareholding Pattern during FY 2018-19 (₹ in crore)

Category	As on 31st March 2019		As on 31st March 2018		Change (%)
	Total Shares	% to Equity	Total Shares	% to Equity	
A) Shareholding of Promoter and Promoter Group					
Central Government / State Government	3,48,88,90,366	88.78	3,56,72,74,626	90.78	-2.00
B) Public Shareholding					
1) Institutions					
Mutual Funds	9,27,76,010	2.36	4,07,39,323	1.04	1.28
Financial Institutions/Banks	33,48,269	0.09	31,16,703	0.08	0.01
Central Government / State Government(s)	33,368	0.00	19,681	0.00	
Insurance Companies	5,37,46,152	1.37	9,60,74,455	2.44	-1.07
Foreign Portfolio Investors	12,07,29,120	3.07	11,80,36,040	3	0.07
2) Non Institutions					
Body Corporate	5,35,55,661	1.36	1,75,84,647	0.45	0.91
Individual shareholders holding nominal share capital up to ₹2 lakh	7,29,73,055	1.86	5,85,00,654	1.49	0.37
Individual shareholders holding nominal share capital in excess of ₹2 lakh	2,88,58,722	0.73	1,88,79,702	0.48	0.25
Trust & Foundations	14,70,247	0.04	7,63,150	0.02	0.02
HUF	58,98,376	0.15	45,63,253	0.12	0.03
Clearing Members	16,46,730	0.04	5,32,727	0.01	0.03
Non Resident	58,13,350	0.15	34,35,516	0.09	0.06
NBFCs Registered with RBI	42,351	0.00	2,74,698	0.00	0.00
Total	**3,92,97,95,175**	**100**	**3,92,97,95,175**	**100**	

xvii. Dematerialization of Shares and liquidity as on 31st March 2019

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 2018-19 has been submitted to Stock Exchanges within the stipulated time.

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

xix. Number of Shares held by Directors and Relationships between Directors Inter-Se as on 31st March, 2019:

Sr. No	Name of Director	No. of Shares held	Relationship between Directors Inter-Se
i.	Shri Nand Lal Sharma Chairman & Managing Director	2457	Nil
ii.	Shri Amarjit Singh Bindra, Director (Finance)	Nil	Nil
iii.	Shri Rakesh Kumar Bansal, Director (Electrical)	1000	Nil
iv.	Shri Kanwar Singh, Director (Civil)	1750	Nil
v.	Smt. Geeta Kapur, Director (Personnel)	Nil	Nil

vi.	Shri. Aniruddha Kumar, GOI Nominee Director	Nil	Nil
vii.	Shri Prabodh Saxena, GoHP Nominee Director	Nil	Nil
viii.	Shri Pravinbhai Patel Independent Director	Nil	Nil
ix.	Dr. Rajni Sarin Independent Director	Nil	Nil
x.	Shri Shamsher Singh Uppal Independent Director	Nil	Nil
xi.	Shri Subhash Chander Negi Independent Director	Nil	Nil
xii.	Shri Rajnish Pande Independent Director	Nil	Nil

xx. Plant/ Project Office locations:

1.	**Nathpa Jhakri Hydro Power Station** - Post Office Jhakri, District Shimla, Himachal Pradesh, Pincode - 172201
2.	**Rampur Hydro Power Station** - Bayal, Post Office Koyal, Tehsil Nirmand, District Kullu, Himachal Pradesh, Pincode - 172023
3.	**Luhri Hydro Electric Project** - Bithal Pincode - 172029
4.	**Devsari Hydro Electric Project** - Tharali, District Chamoli, Uttarakhand, Pincode - 246481
5.	**Naitwar-Mori and Jakhol Sankri Hydro Electric Projects** - Tehsil Mori, Uttarkashi, Uttarakhand , Pincode - 249185
6.	**Dhaulasidh Hydro Electric Project** - House No. 113, Ward No. 1, Krishna Nagar, District Hamirpur, Himachal Pradesh Pincode-177001
7.	**Jangi Thopan Hydro Electric Project** - Shudarang, Near DFO Office, Reckong Peo Distt. Kannaur (HP) – 172107
8.	**SJVN Arun** - III Hydro Electric Project - Koshi Highway, Khandwari, District Sakhuwasabha, Nepal
9.	**Kholongchu Hydro Electric Project-** Village Zangpozor, P.O. Duksum, District Trashiyangtse, Bhutan
10.	**Buxar Thermal Project:** Gupta Building, Teachers Colony, Opp. ITI Field, Charitravan, Buxar (Bihar) - 802101
11.	**Khirvire Wind Power Project Office** - Agaman Bunglow, Plot No. 51, Shivaji Nagar, Sinnar, District Nashik, Maharashtra Pincode - 422103
12.	**Charnaka Solar Project** - Plot No. 89B, 90B, 111B Charanka, Tehsil Santalpur District Patan, Gujrat, Pincode - 385350
13.	**Sadla Wind Power Project** - 5&6, Shree Vashupujya Housing Society, Gurukul Road, Surendranagar, Gujrat, Pincode - 363001
14.	**Transmission Line Office** - Singh Complex, 1st Floor, Hajipur Road, Bhikhanpura, Ramdayalu, Muzaffarpur, Bihar, Pincode - 842001

xxi. 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

CERTIFICATE ON CORPORATE GOVERNANCE

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, 2019 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)

Date: 25th June, 2019
Place: Ghaziabad

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

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

During the financial year 2018-19, NJHPS generated 6507.125 MU against MOU Target of 7100 MU and achieved 103.506% PAF against MOU Target of 97.200%.

i) The steps taken by the company for utilizing alternate sources of Energy are:

(a) Replaced CFL type Street lights with energy efficient LED Street Lights at Jhakri and Kotla

(b) Capacity addition of 70 KW (AC)/80 KE (DC) in the existing 270KW (AC)/310KWp (DC), Grid Connected Captive Solar Power Plant at Surge Shaft of 1500 MW NJHPS

200KW (AC)/230 KWp (DC) Solar Power Plant at Surge Shaft Jhakri was successfully installed & commissioned on 16.05.2017. The capacity addition of 70KW (AC)/80KWp (DC) at existing 200KW (AC)/230 KWp (DC) Solar Power Plant at Surge Shaft Jhakri was successfully completed on 02.07.2018. The total present capacity of the Surge Shaft Solar Power Plant is 270KW (AC)/310KWp (DC).

(c) Installation of Alternate Phase switching lightning control panels

Energy conserved/saved is Energy generated. In underground sites at Dam site, all lights are "on" for 24X7. Continuous operation of lights in one way reduces the effective life of lighting fixtures, on the other hand a lot of energy is consumed which can otherwise be saved/conserved. 2/3rd of the lights in the tunnels/unmanned sites can be switched OFF during odd hours and can be switched on during working hours without having any adverse impact on operational activities. Also their switching can be programmed as per requirement.

The innovative, best and cheapest method for switching on and off lights automatically is alternate Phase switching lighting panel. Panel switches ON and OFF the lights by switching alternate phases from Main Distribution board in such a way that balancing of load on Main feeder's individual phases is maintained. The work of switching alternate phases is done by switching Contractors automatically with the help of programmable relay.

The panel can also be programmed/used for switching ON all lights during duty hours or as per requirement and switching OFF 2/3rd lights when sites are unmanned. The programmable relay of panel can be integrated with external sensors (Proximity or movement if required) for switching on all lights when needed.

2. RAMPUR HPS

The aspect for the conservation of energy and technology adoption has been successfully admitted and implemented in RHPS during Financial 2018-19.

i) A 40KWp Solar power plant has been installed and commissioned on roof top of Butterfly Valve House in Power House Complex of Rampur HPS. The Plant is operating and annual Energy of 48976 Kwh has been generated by Solar Plant towards meeting Auxiliary Energy Consumption Requirements of Rampur HPS.

ii) The conventional Sodium Vapour lamp (SVL)/Metal Halide lamp lighting fixtures at various locations in Project Colony, Office Complex, Power House Complex have been replaced by LED base lighting fixtures & LED tubes/LED lamps. A tentative Annual energy saving of 105134 Kwh is achieved by this FY 2018-19.

iii) To reduce the energy consumption, Rampur HPS has installed motion sensors for control of existing luminaries in stairs, corridors at Power House & Office Complex (i.e. in the areas where there is no frequent human movement). This has resulted in significant energy savings in illumination of the concerned areas.

iv) Use of Solar Water Heaters has been adopted at SJVN Guest House, Bayal to reduce use of conventional water heaters. Annual energy saving of approx. 27375 Kwh has been achieved in 2018-19 by this effort.

v) Turbo vent systems are working in Community hall at Duttnagar Colony and O&M store at Averi. Significant Energy Savings on Ventilation of these buildings has been achieved by installation of these systems.

vi) Three PV power supply units totalling 5.4 Kwp capacity at Primary School, Middle School & Panchayat Bhawan in Gram Panchyat Gadej have been installed. The PV Power Supply Units are operating, which is saving 6500 Kwh Grid energy annually.

vii) To meet Control Power supply of RTU (Remote Terminal Unit) in Surge Shaft area, a Solar energy based 1.5Kw Power supply arrangement has been installed and commissioned. Apart from providing reliable Power Supply Source in this remote location, the Solar Power Supply arrangement has saved 2120 Kwh Grid Energy annually.

viii) Solar Power based Security fence has been planned around Office / Guest House/ Hospital Building Complex of Rampur HPS at Bayal. The system after commissioning shall be useful in providing security to staff and other important installations from monkeys and unauthorized persons.

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. Retrofitting at existing 02 Nos, 400KV Line Feeder (NJ-Panchkula-I & II) of 420KV GIS System of NJHPS with latest GIS Circuit Breaker & Spring mechanism along with associated equipments

The 420KV Gas Insulated Switchgear (GIS) of NJHPS was originally Supplied, Erected & Commissioned by M/s ALSTOM T & D under Electro Mechanical Pkg-IV. The Gas Insulated Switchgear (GIS) GIS-II at NJHPS is in operation since May 2003 & Gas Insulated Switchgear (GIS) GIS-I is in operation since October 2003. Due to continuous switching operation of the existing obsolete line circuit breakers type FB-16D & changing grid condition, NJHPS has witnessed numerous failures of 400KV Line Circuit Breakers during opening switching operation of 400KV line. The originally supplied /existing FB 16D Line Circuit Breakers of GIS are of obsolete technology and are not being manufactured by the OEM due to limited worldwide use & high manufacturing cost. Moreover, OEM has also shown their limitation to provide technical support due to unavailability of expert of obsolete Circuit Breakers. Therefore FB-16D Line CB Pole being an obsolete model with higher cost & being in continuous operation for more than 15 years and keeping in view the larger & future interest of the power plant, the retrofitting of 400KV Line Circuit Breakers was required in phased manner as a step towards technology improvement.

The existing obsolete phased out 400KV Line Circuit Breaker type FB-16D (B-142 GIS Model) has been successfully retrofitted with latest technology type Line Circuit Breakers & associated equipments (T-155-3 GIS Model) at 400KV NJ- Panchkula-II Line feeder on 31.01.2018 & NJ- Panchkula-I Line feeder on 18.01.2019 at existing 420KV GIS System of 1500 MW NJHPS. The retrofitted Circuit Breaker pole has no Pre insertion resistor (PIR), Hydraulic mechanism and has single interrupting chamber with double acting motion and spring operating mechanism that makes the circuit breaker compact in size. The latest CB is equipped with full digital monitoring control and protection capabilities & point on wave control switching device in order to ensure zero switching during closing of CB Poles.

In retrofitting solution, the existing phased out 03 Nos FB-16D type CB poles along with 03 Nos hydraulic mechanism has been retrofitted with latest 03 Nos CB Pole type T-155-3 & Spring Mechanism & associated equipment's whereas other GIS bay Equipments such as Bus Bar Disconnector, Bus Earth switch, Line Disconnector & Line Earth switch shall remain intact except orientation of Current Transformer's & L- Bows etc.

The retrofitting of 400 KV CB's in running Power Station is the successful technology advancement at 1500 MW NJHPS which has been completed in the month of Jan, 2018 & Jan, 2019 during lean season when inflow in the river is minimum and without any monetary loss to SJVN on account of Generation as well as Plant Availability Factor (PAF). The retrofitting work was very challenging work because it has to interface with existing GIS Double Bus Bar System with limited Shutdown period. Moreover, the work was required to be executed very accurately with zero error otherwise any mismatch can lead to huge generation loss of 1500 MW NJHPS as well as 412 MW RHPS. Now this cost effective solution and a step towards Technology advancement in 400KV GIS system is performing to the satisfaction of SJVN/NJHPS in actual GRID condition.

2. Installation of Independent makeup water expansion tank for secondary water-cooling system of NJHPS Original design of makeup water expansion tank:

Only one no expansion water tank of capacity approximately 150 liters was provided. The expansion tank including water supply piping network was common for all the six units.

Demerit of the old system:

The head of tank was not sufficient to cater the makeup water demand during high leakage or sudden drop of secondary circuit pressure.

In case of unforeseen failure in any of the six secondary water circuit the water pressure drops in all the six-cooling circuit. This resulted in forced shut down of all the units till the pressure is normalized.

The storage capacity was very low and also the rate of makeup water flow was low, once the pressure drops the old system was able to cater make up water to only one unit a time, therefore, once the pressure drops the normalizing of pressure can be carried out one by one thereby further delaying the down time of units.

New Modified system:

The cooling circuit of each unit is provided with independent makeup water tank of capacity 800 liters with independent water supply piping network.

In case of unforeseen failure in secondary cooling circuit of any unit the other units in operation shall not be affected.

As the capacity of makeup water is high with independent piping network the recovery of affected unit can be carried out very fast without affecting any other unit in operation.

3. Installation & Commissioning of paperless QR/BARCODE based software and hardware system for tracking of entry & exit of men and vehicles at Dam site, BTRDT, SFT, GVG at Nathpa

For fast entry, better management & keeping track of visitors, a self-registration (KIOSK based) visitor management system has been installed at NJHPS, Nathpa. Major advantages of the visitor management system over the presently followed manual procedure are as follows:-

(a) Digitally storing all the ID proof with photograph of the visitor visiting the DAM site or offices and thus reducing paper work.

(b) Real time tracking of the visitors.

(c) Alert message via SMS & e-mail to the authorized person.

(d) Report generation of the Visitors details, on Daily, weekly, monthly & yearly basis & sorting them on the basis of alphabet, timing, Vehicle no. etc. and saving and exporting the report into in Microsoft Excel, Word, XML, HTML format.

(e) Fast entry & exit of the visitors.

(f) Mobile Application based Approval.

4. ERP

Successful ERP implementation is 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 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 organization to ensure smooth operation through deployment of various resources (Man, 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.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange outgo in terms of actual outflows during the year 2018-19 was ₹6114 Lakhs (equivalent value of various currencies). Foreign exchange earned in terms of actual inflows during the year 2018-19 was NIL.

Annexure - V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY FOR THE FINANCIAL YEAR, 2018-19

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 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 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. The CSR and Sustainability policy of SJVN has been put in public domain at **http://sjvn.nic.in/csr_policies1.htm**

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

- Dr. Rajni Sarin, Independent Director - Chairman
- Smt. Geeta Kapur, Director (Personnel) - Member
- Sh. 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:

SN	FYs	Net profit (Rupees in Crore)
1	2015-16	1704.21
2	2016-17	1873.93
3	2017-18	1648.37
4	Average of (1+2+3)	1742.17
5	2% of Average of 4	34.85

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

The prescribed CSR expenditure is ₹34.85 Cr. @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 spent for the financial year;

₹ 34.85 Cr. has been spent in FY 2018-19 which is 2.00% of the average net profit of SJVN during last three years. In addition, ₹5.40 Cr. was also spent thus making the total expenditure on CSR and Sustainability activities during FY 2018-19 to ₹40.25 Cr.

(b) Amount unspent, with (SJVN Foundation);

The entire amount of ₹34.85 Cr. was utilized and no amount remained unspent out of the prescribed CSR expenditure.

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S N	**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	**Eradicating hunger, poverty and malnutrition, promoting healthcare including preventive health care and sanitation including contribution to Swacchh Bharat Kosh set up by Central Govt. for the promotion of sanitation and making available safe drinking water**	**Healthcare**	HP-Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Solan, Palampur Uttrakhand-Uttarkashi, Chamoli, Dehradoon, Bihar-Buxar Maharashatra-Ahmednagar	555.00	652.23	652.23	HelpAge India, Indian Association of Muscular Dystrophy (IAMD), Chetna, Bilaspur, Dr. Hedgewar Samarak Samiti, Shimla, SJVN (Departmentally), Bhartiya
		Sanitation (Projects on Swachh Bharat Mission (SBM)	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Solan, Palampur Uttrakhand-Uttarkashi, Chamoli, Bihar-Buxar	190.00	77.91	77.91	Departmentally by SJVN.
2	**Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects**	**Education and Skill Development**	HP-Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Chamba Uttrakhand-Uttarkashi, Chamoli, Rudrapur-Dehradoon Bihar-Buxar, Haryana-Distt. Palwal, Chandigarh Delhi	1075.00	1095.62	1095.62	Technical Education, Vocational & Industrial Training Deptt, Himachal Pradesh, Sundernagar, 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, Chandigarh, ISCON, Society for Empowerment of Youth & Masses (SYPM), AAROHAN, Delhi, Bharat Lok Shiksha Parishad (Ekal Vidhayalyas), Dr. Y.S. Parmar University of Horticulture and Forestry, Nauni, CSK HP Krishi Vishwavidyalaya, Palampur etc.
3	**Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups**	**Empowerment of vulnerable section of Society**	HP-Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand- Uttarkashi, Chamoli, Rudrapur Uttar Pradesh- Lucknow Bihar -Buxar,	180.00	108.78	108.78	Gramin Awas Parishad, Luckhnow, Garhwal Sabha, Shimla, Manvi Ladies Welfare Origination, Gram Panchayat, Pujarli, Shimla -(Ambulance Road), Sh. Dudhia Baba Sanyas
4	**Ensuring environmental sustainability, ecological**	**Sustainable Development**	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra,	225.00	823.07	823.07	CBOs, local Govt. Panchayats, School

	balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean Ganga fund set-up by the Central Government for rejuvenation of river Ganga.		Lahul & Spiti Uttrakhand- Uttarkashi, Chamoli, Dehradoon, Uttar Pradesh- Lucknow Bihar-Buxar				Management Committees, Uttrakhand State Council for Science and Technology, Dehradoon, Gramin Aawas Parishad, Lucknow, Saraswati Vidya Mandir, Shimla, HIMURJA, Energy efficiency Services Ltd. (EESL) and departmentally by SJVN etc.
5	**Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.**	**Preservation and promotion of Culture, heritage and iconic places**	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand- Uttarkashi, Chamoli Bihar- Buxar, etc.	281.00	154.52	154.52	Shree Kali Deondar Mandir Prababdhan Samiti, Chopal, District administration (Respective state Governments), NGOs and other agencies etc.
6	**Training to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports**	**Promotion of sports**	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand- Uttarkashi, Chamoli	50.00	10.15	10.15	District administration (Respective state Governments), NGOs and other agencies etc.
7	**Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women**	**Assistance to the victims of natural disasters/ calamities/ contributions towards Relief Funds**	Uttrakhand	50.00	500.00	500.00	Govt. of Uttrakhand
8	**Rural development projects**	**Infrastructural development and Community Asset Creation**	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Uttrakhand- Uttarkashi, Chamoli Bihar- Buxar, etc.	600.00	579.82	579.82	SJVN (Departmentally), Community Based Organizations, Village Development Advisory Committees, Gram Panchayat-Pagog, Shimla (Crematorium), MC, Shimla etc.
9	**Miscellaneous and administrative expenditure**	**Misc.**	--	279.00	23.02	23.02	Administrative expenses
		Total:		**3485.00**	**4025.12**	**4025.12**	

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."

(Geeta Kapur)
Director (Personnel)
DIN: 018213642

(Dr. Rajni Sarin)
Chairman CSR, SD and R&D Committee
DIN: 07358450

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	2018-19
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 on March 31, 2019)

Paid up Capital (INR)	₹ 3,929.80 Crore
Total Turnover (INR) (Revenue from Operations)	₹ 2,655.77 Crore
Total profit after taxes (INR)	₹ 1,364.29 Crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the FY 2018-19, SJVN has spent ₹40.25 Crore which is more than 2% of the average standalone PBT as per Section 135 of the Companies Act, 2013 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 31.03.2019 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 are applicable 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	Sh. 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	Sh. 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	No
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 specified 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 communicated 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-conduct.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 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?

No complaint have been received in the FY 2018-19 from Employees as stake holders.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environment 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 @ 26%.

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 up to selection of Contracts) are based on the Standard procedure of the Bank and accordingly the same were followed. Presently, Standard Bid Document of SJVN is being followed wherein Bidder Selection procedure, Labour laws, Safety procedure and Environmental concerns have been incorporated suitably in line with industry practices mainly on World Bank conditions of tenders for main works packages. (after discussions with various peer PSUs in the sector) and CVC / Ministry guidelines in vogue.

Moreover, MoU was signed by the company on January 05, 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 organization and bidders/ contractor.
- Improved sense of ethics in organization and bidders.
- Reduction in complaints by bidders.
- Expeditious conclusion of tendering process.
- 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 25% of total annual procurements from MSEs, out of which 5% is to be procured from MSEs owned by Schedule Caste/Schedule Tribe entrepreneurs and 3% from MSEs owned by Women entrepreneurs. In compliance to this policy, SJVN, during the FY 2018-19, had procured 64.11% of its annual procurement from MSEs out of which 5.26% was procured from MSEs owned by SC/ST entrepreneurs & 6.28% from MSEs owned by Women Entrepreneurs. Eleven (11) No. Vendor Development Programme have been organized at Project Level to improve the capacity & capability of local and small vendors.

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?**

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 waste from stores such as steel, tyres, etc. are sold through auction which is facilitated by MSTC Ltd. (Metal Scrap Trading Corporation). Furthermore, organic waste generated from canteens or township is being treated for getting compost/biogas. Various methodologies like organic waste converter, vermicomposting, biomethanation, etc. are in place for the same. Company has also started to inventorize its e-waste and has filed returns for its Himachal Pradesh projects/offices to SPCB. The company intends to cover all its projects/offices in India to dispose e-waste through authorized vendor/recyclers only.

Principle 3

1. **Please indicate the total number of employees.**

As on March 31, 2019 there were 1579 employees in SJVN.

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

The number of employees hired on temporary/contractual/contract basis as per the available record on 31st March, 2019 is 1741. The number of workers with contractors are dynamic in nature and vary from time to time..

3. **Please indicate the number of permanent women employees.**

As on March 31, 2019, there were 151 permanent women employees on the rolls of the company.

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

As on March 31, 2019, there were 32 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 project areas.

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 31.03.2019.

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 SJVN. However, with regard to subsidiary 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 the 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 greenhouse 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/environment-policy.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 NABET 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 Khirvie Wind Power Project in Maharashtra and 50 MW Sadla Wind Power Project in Gujarat.
   - 5.6 MW Chranka Solar Power Project has been developed by the company in Gujarat.
   - The company is setting up 1 MW Solar Power Project at NJHPS in Himachal Pradesh.
   - 200 KW (AC)/230 KWp (DC) Solar Power Plant at Surge Shaft of NJHPS in Himachal Pradesh was successfully installed & commissioned on 16.05.2017. The capacity addition of 70KW (AC)/80KWp (DC) at existing 200KW (AC)/230 KWp (DC) Solar Power Plant at Surge Shaft Jhakri was successfully completed on 02.07.2018. The total present capacity of the Surge Shaft Solar Power Plant is 270 KW (AC)/310KWp (DC)
   - The company has commissioned 60 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 complied 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, 2019.**

   Single Show Cause Notice is reported to be issued to Project Hospital, NJHPS on January 07, 2019 in respect of Bio-medical Waste Management Rules, 2016 and Water (Prevention & Control of Pollution) Act, 1974. Project hospital is in process of installing/setting up Chemical Water Treatment System with latest technology to ensure that the chemical liquid waste is disposed as per statutory requirements. The award for installation of system is done and same shall be commissioned by May 15, 2019. Thereupon, HPSPCB shall inspect the system and withdraw the show cause notice.

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 Price water house Coopers 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 2018-19, an amount of ₹34.85 Crore was kept for CSR and Sustainability activities which is 2% of the Average net Profit of SJVN during last three years. In addition, ₹5.40 Cr. was also spent thus making the total expenditure on CSR and Sustainability activities during FY 2018-19 to ₹40.25 Cr. 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 2018-19 are given in **Annexure-V**

   During the FY 2018-19 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 benefit 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, 2019, 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, 2019. If so, provide details thereof, in about 50 words or so**

   As on March 31, 2019, 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

Form No. MGT-9
EXTRACT OF ANNUAL RETURN AS ON THE FINANCIAL YEAR ENDED ON 31st MARCH 2019

[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.	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 01-04-2018)				No. of Shares held at the end of the year (As on 31-03-2019)				% 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	2512259826	0	2512259826	63.93	2433875566	0	2433875566	61.93	-1.99
c)	State Govt(s)	1055014800	0	1055014800	26.85	1055014800	0	1055014800	26.85	0.00
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):-	**3567274626**	**0**	**3567274626**	**90.78**	**3488890366**	**0**	**3488890366**	**88.78**	**-1.99**
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)	**3567274626**	**0**	**3567274626**	**90.78**	**3488890366**	**0**	**3488890366**	**88.78**	**-1.99**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	40739323	0	40739323	1.04	92776010	0	92776010	2.36	1.32
b) Banks / FI	3116703	0	3116703	0.08	3348269	0	3348269	0.09	0.01
c) Central Govt/ State Govt(s)	19681	0	19681	0.00	33368	0	33368	0.00	0.00
d) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
e) Insurance Companies	96074455	0	96074455	2.44	53746152	0	53746152	1.37	-1.08
f) FIIs/FPIs	118036040	0	118036040	3.00	120729120	0	120729120	3.07	0.07
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)	**257986202**	**0**	**257986202**	**6.56**	**270632919**	**0**	**270632919**	**6.89**	**0.32**
2. Non Institutions									
a) Bodies Corp.					0	0	0	0.00	0.00
(i) Indian	17584647	0	17584647	0.45	53555661	0	53555661	1.36	0.92
(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals						0	0		
(i) Individual shareholders holding nominal share capital upto ₹ 2 lakh	58496441	4213	58500654	1.49	72970370	2685	72973055	1.86	0.37
(ii) Individual shareholders holding nominal share capital in excess of ₹ 2 lakh	18879702	0	18879702	0.48	28858722	0	28858722	0.73	0.25
c) Others(Specify)			0	0.00		0	0	0.00	0.00
(i) Non Resident Individual	3435516	0	3435516	0.09	5813350	0	5813350	0.15	0.06
(ii) Trust and Foundations	763150	0	763150	0.02	1470247	0	1470247	0.04	0.02
(iii) Clearing Members	532727	0	532727	0.01	1646730	0	1646730	0.04	0.03
(iv) HUF	4563253	0	4563253	0.12	5898376	0	5898376	0.15	0.03
(v) NBFCs registered with RBI	274698	0	274698	0.01	42351	0	42351	0.00	-0.01
(vi) Alternate Investment Fund	0	0	0	0	13398	1	13399	0.00	0.00
Sub-total(B)(2)	**104530134**	**4213**	**104534347**	**2.66**	**170269205**	**2685**	**170271890**	**4.33**	**1.67**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**362516336**	**4213**	**362520549**	**9.22**	**440902124**	**2685**	**440904809**	**11.22**	**1.99**
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)	**3929790962**	**4213**	**3929795175**	**100.00**	**3929792490**	**2685**	**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	2,51,22,59,826	63.93	0	2,43,38,75,566	61.93	0	-1.99
2.	Government of Himachal Pradesh	1,05,50,14,800	26.85	0	1,05,50,14,800	26.85	0	0
	Total	**3721626500**	**89.97**	**0**	**3488890366**	**88.78**	**0**	**-1.99**

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		2512259826	63.93	2512259826	63.93
	Date	Type of Transaction				
	15-06-2018	Sale	6288444	0.16	2505971382	63.77
	06-07-2018	Purchase	652275	0.02	2506623657	63.79
	08-09-2018	Sale	2506623657	63.79	0	0.00
	14-09-2018	Purchase	2506623657	63.79	2506623657	63.79
	07-12-2018	Sale	44371646	1.13	2462252011	62.66
	14-12-2018	Purchase	1105091	0.03	2463357102	62.68
	20-02-2019	Sale	9578964	0.24	2453778138	62.44
	22-03-2019	Sale	23408111	0.60	2430370027	61.84
	29-03-2019	Purchase	3505539	0.09	2433875566	61.93
	At the End of the year - Closing Balance				2433875566	61.93
2.	**Governor of Himachal Pradesh**					
	At the beginning of the year- Opening balance		1055014800	26.85	1055014800	26.85
	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		6676850	0.17	6676850	0.17
	Date	Type of Transaction				
	03-08-2018	Purchase	633122	0.02	7309972	0.19
	08-09-2018	Sale	7309972	0.19	0	0.00
	14-09-2018	Purchase	7309972	0.19	7309972	0.19
	At the End of the year - Closing balance		7309972	0.19		
2.	**BHARAT 22 ETF**					
	At the beginning of the year - Opening balance		3840629	0.10	3840629	0.10
	Date	Type of Transaction				
	06-04-2018	Purchase	15615	0.00	3856244	0.10

	13-04-2018	Sale	21051	0.00	3835193	0.10
	20-04-2018	Sale	99198	0.00	3735995	0.10
	27-04-2018	Sale	3906	0.00	3732089	0.09
	04-05-2018	Sale	49923	0.00	3682166	0.09
	11-05-2018	Sale	54559	0.00	3627607	0.09
	18-05-2018	Sale	52317	0.00	3575290	0.09
	25-05-2018	Sale	88802	0.00	3486488	0.09
	01-06-2018	Sale	52389	0.00	3434099	0.09
	08-06-2018	Sale	2970	0.00	3431129	0.09
	15-06-2018	Sale	4896	0.00	3426233	0.09
	22-06-2018	Sale	124412	0.00	3301821	0.08
	29-06-2018	Purchase	5603535	0.14	8905356	0.23
	06-07-2018	Sale	1641366	0.04	7263990	0.18
	13-07-2018	Sale	203042	0.01	7060948	0.18
	20-07-2018	Sale	46450	0.00	7014498	0.18
	27-07-2018	Sale	154258	0.00	6860240	0.17
	03-08-2018	Sale	1201783	0.03	5658457	0.14
	10-08-2018	Sale	53217	0.00	5605240	0.14
	17-08-2018	Purchase	3383	0.00	5608623	0.14
	22-08-2018	Sale	61245	0.00	5547378	0.14
	24-08-2018	Sale	115281	0.00	5432097	0.14
	31-08-2018	Sale	466812	0.01	4965285	0.13
	07-09-2018	Sale	20484	0.00	4944801	0.13
	08-09-2018	Sale	4944801	0.13	0	0.00
	14-09-2018	Purchase	4852403	0.12	4852403	0.12
	18-09-2018	Sale	266686	0.01	4585717	0.12
	21-09-2018	Sale	34594	0.00	4551123	0.12
	28-09-2018	Sale	274591	0.01	4276532	0.11
	05-10-2018	Purchase	5481	0.00	4282013	0.11
	12-10-2018	Sale	225	0.00	4281788	0.11
	19-10-2018	Purchase	1035	0.00	4282823	0.11
	26-10-2018	Sale	1305	0.00	4281518	0.11
	02-11-2018	Sale	1215	0.00	4280303	0.11
	09-11-2018	Sale	990	0.00	4279313	0.11
	16-11-2018	Sale	819	0.00	4278494	0.11
	23-11-2018	Sale	1620	0.00	4276874	0.11
	30-11-2018	Sale	7650	0.00	4269224	0.11
	07-12-2018	Purchase	3348	0.00	4272572	0.11
	14-12-2018	Purchase	5932034	0.15	10204606	0.26
	21-12-2018	Purchase	2496228	0.06	12700834	0.32
	28-12-2018	Purchase	1428617	0.04	14129451	0.36
	31-12-2018	Purchase	2538965	0.06	16668416	0.42
	04-01-2019	Purchase	661157	0.02	17329573	0.44
	11-01-2019	Purchase	1937117	0.05	19266690	0.49
	18-01-2019	Purchase	4581	0.00	19271271	0.49
	25-01-2019	Sale	2520	0.00	19268751	0.49

	01-02-2019	Sale	2763	0.00	19265988	0.49
	08-02-2019	Purchase	233922	0.01	19499910	0.50
	15-02-2019	Sale	8343	0.00	19491567	0.50
	20-02-2019	Sale	4716	0.00	19486851	0.50
	22-02-2019	Purchase	10043588	0.26	29530439	0.75
	01-03-2019	Sale	3878023	0.10	25652416	0.65
	08-03-2019	Sale	942860	0.02	24709556	0.63
	15-03-2019	Sale	1363149	0.03	23346407	0.59
	22-03-2019	Sale	308770	0.01	23037637	0.59
	29-03-2019	Sale	39560	0.00	22998077	0.59
	At the End of the year - Closing balance				22998077	0.59
3.	**ICICI Prudential Life Insurance Company Limited**					
	At the beginning of the year - Opening balance		44270229	1.13	44270229	1.13
	Date	Type of Transaction				
	06-04-2018	Sale	654323	0.02	43615906	1.11
	13-04-2018	Sale	136279	0.00	43479627	1.11
	20-04-2018	Sale	93028	0.00	43386599	1.10
	27-04-2018	Purchase	14814	0.00	43401413	1.10
	04-05-2018	Sale	426143	0.01	42975270	1.09
	11-05-2018	Sale	6220	0.00	42969050	1.09
	18-05-2018	Sale	506609	0.01	42462441	1.08
	25-05-2018	Purchase	506609	0.01	42969050	1.09
	01-06-2018	Purchase	55521	0.00	43024571	1.09
	15-06-2018	Purchase	130515	0.00	43155086	1.10
	27-07-2018	Purchase	392974	0.01	43548060	1.11
	03-08-2018	Purchase	418845	0.01	43966905	1.12
	10-08-2018	Purchase	195426	0.00	44162331	1.12
	17-08-2018	Purchase	78047	0.00	44240378	1.13
	22-08-2018	Sale	1202166	0.03	43038212	1.10
	24-08-2018	Sale	1097219	0.03	41940993	1.07
	31-08-2018	Purchase	200535	0.01	42141528	1.07
	07-09-2018	Purchase	264982	0.01	42406510	1.08
	08-09-2018	Sale	42406510	1.08	0	0.00
	14-09-2018	Purchase	42052824	1.07	42052824	1.07
	18-09-2018	Sale	106796	0.00	41946028	1.07
	21-09-2018	Sale	44764	0.00	41901264	1.07
	28-09-2018	Sale	8347	0.00	41892917	1.07
	05-10-2018	Sale	138524	0.00	41754393	1.06
	12-10-2018	Sale	58400	0.00	41695993	1.06
	26-10-2018	Sale	5256229	0.13	36439764	0.93
	02-11-2018	Sale	16207	0.00	36423557	0.93
	09-11-2018	Purchase	14231	0.00	36437788	0.93
	16-11-2018	Sale	145640	0.00	36292148	0.92
	07-12-2018	Sale	169838	0.00	36122310	0.92
	21-12-2018	Purchase	44640	0.00	36166950	0.92
	28-12-2018	Purchase	35149	0.00	36202099	0.92

	31-12-2018	Sale	503028	0.01	35699071	0.91
	04-01-2019	Purchase	90687	0.00	35789758	0.91
	11-01-2019	Sale	407024	0.01	35382734	0.90
	18-01-2019	Purchase	21696	0.00	35404430	0.90
	25-01-2019	Purchase	32535	0.00	35436965	0.90
	01-02-2019	Purchase	42926	0.00	35479891	0.90
	08-02-2019	Sale	178497	0.00	35301394	0.90
	15-02-2019	Sale	187067	0.00	35114327	0.89
	20-02-2019	Sale	79900	0.00	35034427	0.89
	22-02-2019	Purchase	58479	0.00	35092906	0.89
	01-03-2019	Purchase	31125	0.00	35124031	0.89
	08-03-2019	Sale	3161684	0.08	31962347	0.81
	15-03-2019	Sale	885217	0.02	31077130	0.79
	22-03-2019	Sale	8170	0.00	31068960	0.79
	At the End of the year - Closing balance				31068960	0.79
4.	**ICICI Lombard General Insurance Company Ltd**					
	At the beginning of the year - Opening balance		14858776	0.38	14858776	0.38
	Date	Type of Transaction				
	13-07-2018	Purchase	91926	0.00	14950702	0.38
	08-09-2018	Sale	14950702	0.38	0	0.00
	14-09-2018	Purchase	14950702	0.38	14950702	0.38
	At the End of the year - Closing balance				14950702	0.38
5.	**LIC Of India Profit Plus Growth Fund**					
	At the beginning of the year - Opening balance		37224616	0.95	37224616	0.95
	Date	Type of Transaction				
	08-09-2018	Sale	37224616	0.95	0	0.00
	14-09-2018	Purchase	37224616	0.95	37224616	0.95
	At the End of the year - Closing balance				37224616	0.95
6.	**Edgbaston Asian Equity Trust**					
	At the beginning of the year - Opening balance		32467848	0.83	32467848	0.83
	Date	Type of Transaction				
	27-04-2018	Purchase	515955	0.01	32983803	0.84
	04-05-2018	Purchase	224378	0.01	33208181	0.85
	06-07-2018	Sale	185260	0.00	33022921	0.84
	20-07-2018	Purchase	4876370	0.12	37899291	0.96
	27-07-2018	Purchase	4115455	0.10	42014746	1.07
	03-08-2018	Sale	409685	0.01	41605061	1.06
	17-08-2018	Purchase	318626	0.01	41923687	1.07
	22-08-2018	Purchase	672847	0.02	42596534	1.08
	08-09-2018	Sale	42596534	1.08	0	0.00
	14-09-2018	Purchase	42596534	1.08	42596534	1.08
	28-09-2018	Purchase	606202	0.02	43202736	1.10
	05-10-2018	Purchase	671842	0.02	43874578	1.12
	04-01-2019	Purchase	183240	0.00	44057818	1.12
	18-01-2019	Purchase	946552	0.02	45004370	1.15
	25-01-2019	Purchase	1226728	0.03	46231098	1.18

	01-02-2019	Purchase	324179	0.01	46555277	1.18
	08-02-2019	Purchase	1080709	0.03	47635986	1.21
	15-02-2019	Purchase	483944	0.01	48119930	1.22
	20-02-2019	Purchase	15426	0.00	48135356	1.22
	22-02-2019	Purchase	693935	0.02	48829291	1.24
	15-03-2019	Purchase	1146179	0.03	49975470	1.27
	29-03-2019	Purchase	393761	0.01	50369231	1.28
	At the End of the year - Closing balance				50369231	1.28
7.	**The Edgbaston Asian Equity (Jersey) Trust**					
	At the beginning of the year - Opening balance		9215082	0.23	9215082	0.23
	Date	Type of Transaction				
	27-04-2018	Purchase	146267	0.00	9361349	0.24
	04-05-2018	Purchase	63607	0.00	9424956	0.24
	06-07-2018	Purchase	185260	0.00	9610216	0.24
	20-07-2018	Purchase	1423103	0.04	11033319	0.28
	27-07-2018	Purchase	1201076	0.03	12234395	0.31
	03-08-2018	Purchase	409685	0.01	12644080	0.32
	17-08-2018	Purchase	146775	0.00	12790855	0.33
	22-08-2018	Purchase	309948	0.01	13100803	0.33
	08-09-2018	Sale	13100803	0.33	0	0.00
	14-09-2018	Purchase	13100803	0.33	13100803	0.33
	28-09-2018	Purchase	185643	0.00	13286446	0.34
	05-10-2018	Sale	671842	0.02	12614604	0.32
	18-01-2019	Purchase	268266	0.01	12882870	0.33
	25-01-2019	Purchase	131179	0.00	13014049	0.33
	01-02-2019	Purchase	34666	0.00	13048715	0.33
	08-02-2019	Purchase	306992	0.01	13355707	0.34
	15-02-2019	Purchase	134864	0.00	13490571	0.34
	20-02-2019	Purchase	4299	0.00	13494870	0.34
	22-02-2019	Purchase	193370	0.00	13688240	0.35
	08-03-2019	Purchase	227455	0.01	13915695	0.35
	15-03-2019	Purchase	323343	0.01	14239038	0.36
	At the End of the year - Closing balance				14239038	0.36
8.	**CPSE ETF**					
	At the beginning of the year - Opening balance					
	Date	Type of Transaction				
	02-11-2018	Purchase	8683920	0.22	8683920	0.22
	09-11-2018	Sale	24381	0.00	8659539	0.22
	16-11-2018	Sale	5670	0.00	8653869	0.22
	23-11-2018	Sale	1134	0.00	8652735	0.22
	30-11-2018	Sale	218295	0.01	8434440	0.21
	07-12-2018	Purchase	43247844	1.10	51682284	1.32
	14-12-2018	Sale	13350581	0.34	38331703	0.98
	21-12-2018	Sale	4507618	0.11	33824085	0.86
	28-12-2018	Sale	6489507	0.17	27334578	0.70
	31-12-2018	Sale	26572	0.00	27308006	0.69

	04-01-2019	Sale	10299	0.00	27297707	0.69
	11-01-2019	Sale	3195597	0.08	24102110	0.61
	18-01-2019	Sale	676938	0.02	23425172	0.60
	25-01-2019	Sale	340782	0.01	23084390	0.59
	01-02-2019	Sale	3807454	0.10	19276936	0.49
	08-02-2019	Sale	445559	0.01	18831377	0.48
	15-02-2019	Sale	452834	0.01	18378543	0.47
	20-02-2019	Sale	1159374	0.03	17219169	0.44
	22-02-2019	Purchase	118885	0.00	17338054	0.44
	01-03-2019	Sale	2397608	0.06	14940446	0.38
	08-03-2019	Sale	186822	0.00	14753624	0.38
	15-03-2019	Sale	292374	0.01	14461250	0.37
	22-03-2019	Sale	160312	0.00	14300938	0.36
	29-03-2019	Purchase	18578301	0.47	32879239	0.84
	At the End of the year - Closing balance				32879239	0.84
9.	**SBI Equity Hybrid Fund**					
	At the beginning of the year - Opening balance		36898694	0.94	36898694	0.94
	Date	Type of Transaction				
	08-09-2018	Sale	36898694	0.94	0	0.00
	14-09-2018	Purchase	36898694	0.94	36898694	0.94
	At the End of the year - Closing balance				36898694	0.94
10.	**Utilico Emerging Markets Trust Plc**					
	At the beginning of the year - Opening balance		0	0	0	0
	Date	Type of Transaction				
	15-03-2019	Purchase	15016090	0.38	15016090	0.38
	At the End of the year - Closing balance				15016090	0.38

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	2457	Negligible	No Change	2457	Negligible
2.	Shri Amarjit Singh Bindra, Director (Finance)	Nil	Nil	No Change	Nil	Nil
3.	Shri Rakesh Kumar Bansal, Director (Electrical)	1000	Negligible	No Change	1000	Negligible
4.	Shri Kanwar Singh Director (Civil) (upto 31st March 2019)	1750	Negligible	No Change	1750	Negligible
5.	Smt. Geeta Kapur Director (Personnel) (w.e.f. 18th October 2018)	Nil	Nil	No Change	Nil	Nil
6.	Smt Archana Agrawal Part -Time Official Director (upto 29th July 2018)	Nil	Nil	No Change	Nil	Nil
7.	Shri Anirudhha Kumar Part -Time Official Director (w.e.f. 30th July 2018)	Nil	Nil	No Change	Nil	Nil

8.	Shri Ram Dass Dhiman* Part -Time Official Director (upto 12th May 2018)	Nil	Nil	No Change	Nil	Nil
9.	Shri Tarun Kapur Part -Time Official Director (from 21st May 2018 upto 29th September 2018)	Nil	Nil	No Change	Nil	Nil
10.	Shri Prabodh Saxena Part -Time Official Director (w.e.f. 24th October 2018)	Nil	Nil	No Change	Nil	Nil
11.	Shri Ganesh Dutt Part-Time Non-Official Director (upto 16th November 2018)	Nil	Nil	No Change	Nil	Nil
12.	Shri. Pravinbhai Patel Part-Time Non-Official Director	Nil	Nil	No Change	Nil	Nil
13.	Dr.Rajni Sarin Part-Time Non-Official Director	Nil	Nil	No Change	Nil	Nil
14.	Shri Shamsher Singh Uppal Part-Time Non-Official Director	Nil	Nil	No Change	Nil	Nil
15.	Shri Subhash Chander Negi Part-Time Non-Official Director (w.e.f. 25th March 2019)	Nil	Nil	No Change	Nil	Nil
16.	Dr. Rajnish Pande Part-Time Non-Official Director (w.e.f. 29th March 2019)	Nil	Nil	No Change	Nil	Nil
B.	**KEY MANAGERIAL PERSONNEL**					
1.	Soumendra Das-Company Secretary	Nil	Nil	No Change	Nil	Nil

VI. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount (including current maturities)	25568	197500	NIL	223068
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	1413	NIL	1413
Total (i+ii+iii)	**25568**	**198913**	**NIL**	**224481**
Change in Indebtedness during the financial year				
- Addition	NIL	NIL	NIL	NIL
- Reduction	(4440)	(3117)	NIL	(7557)
Net Change	**(4440)**	**(3117)**	**NIL**	**(7557)**
Indebtedness at the end of the financial year				
i) Principal Amount	21128	194383	NIL	215511
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	2330	NIL	2330
Total (i+ii+iii)	**21128**	**196713**	**NIL**	**217841**

VII. 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	Amarjit Singh Bindra D(F)	Rakesh Kumar Bansal D(E)	Kanwar Singh D(C)	Geeta Kapur D(P)	Total Amount
1.	Gross Salary						
(a)	Salary as per provisions contained in Section	90,47,750	90,63,278	89,02,086	1,00,42,989	23,87,297	3,94,43,400

	17(1) of the Income-tax Act, 1961						
(b)	Value of perquisites u/s 17(2) Income-tax Act, 1961	10,66,773	3,20,274	2,94,672	7,55,198	1,63,057	25,99,974
(c)	Profits in lieu of salary undersection17(3) Income- tax Act,1961	Nil	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify...	Nil	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	7,67,035	9,43,592	7,73,158	4,13,947	2,73,625	31,71,357
6.	**Total (A)**	**1,08,81,558**	**1,03,27,144**	**99,69,916**	**1,12,12,134**	**28,23,979**	**4,52,14,731**
	Ceiling as per the Act						

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	2,80,000 NIL NIL	2,80,000 NIL NIL	4,00,000 NIL NIL	4,40,000 NIL NIL	-	-	-	-	-
	Total (1)	**2,80,000**	**2,80,000**	**4,00,000**	**4,40,000**					
2.	**Other Non-Executive Directors**	**-**	**-**	**-**	**-**	**Archana Agrawal**	**Aniruddha Kumar**	**Ram Dass Dhiman**	**Tarun Kapoor**	**Prabodh Saxena**
	• Fee for attending board/ committee meetings • Commission • Others, please specify	-	-	-	-	NIL NIL	NIL NIL	NIL NIL	NIL NIL	NIL NIL
	Total (2)					**NIL**	**NIL**	**NIL**	**NIL**	**NIL**
	Total (B)= (1+2)	**2,80,000**	**2,80,000**	**4,00,000**	**4,40,000**	**0**	**0**	**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.	N.A.	N.A.

C. Remuneration to Key Managerial Personnel Other Than MD /Manager /WTD **Amount (₹)**

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	**Gross salary**				
(a)	Salary as per provisions contained in section 17(1)of the Income-tax Act,1961	-	36,17,794	-	36,17,794
(b)	Value of perquisites u/s 17(2) Income-tax Act,1961	-	2,31,628	-	2,31,628
(c)	Profits in lieu of salary under section 17(3) Income-tax Act,1961	-	0	-	0
2.	**Stock Option**	-	0	-	0
3.	**Sweat Equity**	-	0	-	0
4.	**Commission** - as % of profit - others, specify...	- -	0 -	- -	0 0
5.	**Others, please specify**	-	5,59,509	-	5,59,509
6.	**Total**		**44,08,931**	**-**	**44,08,931**

VIII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

Annexure - VIII

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2019

{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 the "**company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our 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, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March 2019 ("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:

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 2019 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 there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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;

- (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 of Capital and Disclosure Requirements) Regulations ,2009 and amendments thereto from time to time **(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;
- (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 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;

- 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 viz. SS-1 and SS-2 as issued by The Institute of Company Secretaries of India

(ii) The Listing Agreements entered into by the Company with Stock Exchanges and the SEBI (Listing Obligations and Disclosure Requirements) 2015.

(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. 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.
2. Performance evaluation of the Directors as required under 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 has not been done by the Company.

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 recorded in the Minutes as the case may be.

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.

For **SGS ASSOCIATES**
Company Secretaries

D.P. Gupta
M N FCS 2411
C P No. 1509

Date: 21st June, 2019
Place: Shimla

Note; This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of the 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 record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis of our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of the laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to 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: 21st June, 2019
Place: Shimla

Annexure - IX

REPLY BY THE MANAGEMENT TO OBSERVATIONS OF SECRETARIAL AUDITOR

Sr. No.	Observation of Secretarial Auditor	Management Reply
1.	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.	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.	Performance evaluation of the Directors. as required under 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 has not been done by the Company.	SJVN is a Central Public Sector Undertaking (CPSU) and as per Articles 35A of Articles of Association of the Company, the Company is bound to adhere to any such directives, stipulations, guidelines, notifications and circulars issued by DPE or any other Department of Government. Rules and procedures for evaluation of performance of 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

Opinion

We have audited the accompanying standalone Ind AS financial statements of **SJVN LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, 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").

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, 2019, 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.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

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

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the standalone financial statements and our auditor's report thereon.

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Emphasis of Matter

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

a) Note No. 2.30 to the standalone Ind AS financial statements in respect of accounting of sales on provisionally approved tariff.

b) Note No. 2.39 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 2.42 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.

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.2.39 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

(Deepak Kataria)
Partner
M.No.504395

Date: 29th May 2019
Place: New Delhi

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, 2019)

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 RHPS neither any conveyance deed nor any lease deed has been executed for forest land.

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, 2019. 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 GST on the following transactions during the year under audit:

Name of the Statute	Nature of the Transaction	Taxable Amount (₹ Lakh)
GST	Food expenses recovered from employees	56.96
GST	Recovery towards private use of vehicles by employees	2.45

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
Income Tax Act, 1961	Income Tax	2,578	CIT(A)

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.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information/ explanation given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we have been informed of any such cases by the management.

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. 2.47 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

(Deepak Kataria)
Partner
M.No.: 504395

Date: 29th May 2019
Place: New Delhi

Annexure-B

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of **"SJVN LIMITED"** for the year ended 31st March, 2019 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 A P R A & Associates LLP
Chartered Accountants
FRN - 011078N / N500064

(Deepak Kataria)
Partner
M.No. 504395

Date: 29th May 2019
Place: New Delhi

"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, 2019.

Sr. No.	Directions	Actions Taken	Impact on Financial Statements
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the If yes, the financial impact may be stated. company's inability to repay the loan?	No such case come across during the audit.	NIL
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No such case come across during the audit.	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, 2019.

We have audited the internal financial controls over financial reporting of **SJVN LIMITED** ("the Company") as at March 31, 2019 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, 2019, 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 were observed during audit:

(i) *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. Till 31.03.2019, out of 25 WEGs only 19 WEGs have been installed. 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.*

(ii) *There is weakness in GST compliances. In respect of some transactions like Canteen Expenses recovered from Employees and recovery towards private use of vehicles from employees, the company is not paying GST/Service tax.*

(iii) *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

(Deepak Kataria)
Partner
M.No.504395

Date: 29th May 2019
Place: New Delhi

Annexure-XI

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

Auditors' Observations	Management' Reply
(i) Four Contracts were awarded to M/s Inox Wind Ltd. to the tune of ₹36223lakh 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. Till 31.03.2019, out of 25 WEGs only 19 WEGs have been installed. 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.	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 2018-19. 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. LD has also been imposed on the contractor. The direct payment to the sub contractors were made at the request of M/S Inox Wind Ltd, however, all the statutory compliances have been complied. The management had constituted a high power committee and the project has been fully commissioned on 18.04.2019 and started commercial generation.
(ii) There is weakness in GST compliances. In respect of some transactions like Canteen Expenses recovered from Employees and recovery towards private use of vehicles from employees, the company is not paying GST/Service tax.	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. Issues raised by the Statutory Auditors in their report for the F.Y. 2017-18 have been settled during the F.Y. 2018-19. GST on Canteen Expenses recovered from Employees and recovery towards private use of vehicles from employees is not payable in the opinion of the company. GST audit for the F.Y. 2017-18 has also been completed.
(iii) 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 along with ERP system.	Process of 'E-Bidding' for Investment of Surplus Funds is being incorporated in the new ERP system of SJVN and shall be implemented along with ERP system.

Annexure-XIV

COMMENTS OF 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 2019.

The preparation of financial statements of SJVN Limited for the year ended 31 March 2019 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 29.05.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SJVN Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. 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 supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6)(b) of the Act.

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

(Rina Akoijam)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III, New Delhi

Date: 26th July, 2019
Place: New Delhi

BALANCE SHEET AS AT MARCH 31, 2019

(₹ Lakh)

	Note No.		As at March 31, 2019	As at March 31, 2018
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	2.1		768300	763829
Capital Work-in-progress	2.2		74854	63311
Other Intangible Assets	2.3		175	241
Intangible assets under development	2.4		1692	931
Financial Assets				
Investments	2.5	129239		86303
Trade receivables	2.6	-		1273
Loans	2.7	4440		4438
			133679	92014
Deferred Tax Assets (Net)	2.8		30847	35072
Regulatory Deferral Account Debit Balance	2.9		33993	15262
Other Non-current Assets	2.10		12831	21225
Current Assets				
Inventories	2.11		4490	5050
Financial Assets				
Investments	2.12	-		1
Trade Receivables	2.13	27680		29006
Cash and cash equivalents	2.14	3501		16034
Bank Balance other than cash and cash equivalents	2.15	287107		345222
Loans	2.16	1688		1159
Others	2.17	85853		33381
			405829	424803
Current Tax Assets (Net)	2.18		12328	9139
Other Current Assets	2.19		13047	5682
Total Assets			**1492065**	**1436559**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.20	392980		392980
Other Equity	2.21	730898		676491
			1123878	1069471
Liabilities				
Non- current Liabilities				
Financial Liabilities				
Borrowings	2.22	194046		203534
Other Financial Liabilities	2.23	12		24
			194058	203558
Provisions	2.24		6949	4955
Other Non-current Liabilities	2.25		81727	78721
Current Liabilities				
Financial Liabilities				
Trade Payables	2.26	2440		2545
Other Financial Liabilities	2.27	59359		51207
			61799	53752
Other Current Liabilities	2.28		4023	4700
Provisions	2.29		19631	21402
Total Equity and Liabilities			**1492065**	**1436559**
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
FRN-011078N/N500064

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Income			
Revenue from Operations	2.30	265577	222997
Other Income	2.31	25322	35710
Total Income		**290899**	**258707**
Expenses			
Employee Benefits Expense	2.32	31581	26522
Finance Costs	2.33	23533	8382
Depreciation and Amortization Expense	2.34	39026	36451
Other Expenses	2.35	30528	27625
Total Expenses		**124668**	**98980**
Profit/ (Loss) before exceptional items and tax		**166231**	**159727**
Exceptional Items	2.36	5708	-
Profit before net movement in regulatory deferral account balance and tax		**160523**	**159727**
Net movement in regulatory deferral account balance	2.9	18731	5110
Profit Before Tax		**179254**	**164837**
Tax Expenses:			
- Current Tax	2.44	38600	35143
- Deferred Tax	2.8	4225	7206
Profit(Loss) for the period		**136429**	**122488**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
-Remeasurement of the net defined benefit liability/asset		(1889)	(1518)
-Income tax on above item		407	324
Total		**(1482)**	**(1194)**
Total Comprehensive Income for the period		**134947**	**121294**
Earnings Per Equity Share (excluding net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		3.10	2.87
Earnings Per Equity Share (including net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		3.47	2.97
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
FRN-011078N/N500064

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31,2019

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		179254	164837
Adjustment for:			
Depreciation and amortization	39026		36451
Interest on term deposits	(26421)		(29354)
Dividend from Subsidiary / Associate / Joint Venture	(126)		(164)
Finance cost	23533		8382
Loss on disposal/ write off of fixed assets	64		73
Profit on sale of fixed assets	(40)		(48)
		36036	15340
Adjustment for assets and liabilities			
Inventories	560		(1094)
Trade receivable and unbilled revenue	(48655)		33520
Loans, other financial assets and other assets	(8257)		(6318)
Trade payable	(105)		(159)
Other financial liabilities and other liabilities	6809		(5128)
Regulatory deferral account debit balance	(18731)		(5110)
Provisions	(1544)		(2381)
		(69923)	13330
Cash generated from operating activities		145367	193507
Income tax paid		(41382)	(37070)
Net cash generated by operating activities		103985	156437
CASH FLOW FROM INVESTING ACTIVITIES:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(46262)		(26966)
Term deposits with bank (having maturity more than three months)	58115		8937
Interest on term deposits	25267		30013
Dividend from Subsidiary / Associate / Joint Venture	-		405
Investment in subsidiaries and joint ventures	(42936)		(2900)
Net cash used in investing activities		(5816)	9489
CASH FLOW FROM FINANCING ACTIVITIES:			
Buyback of Equity Shares (including Premium on Buyback and Buyback Expenditure)	-		(80716)
Repayment of borrowings	(20545)		(18609)
Interest and finance charges	(9628)		(8432)
Dividend Paid	(66796)		(99261)
Tax on Dividend	(13733)		(20211)
Cash used in financing activities		**(110702)**	**(227229)**
Net increase in cash and cash equivalents		**(12533)**	**(61303)**
Opening balance of cash & cash equivalents (refer note 1 and 2 below)		**16034**	**77337**
Closing balance of cash & cash equivalents (refer note 1 and 2 below)		**3501**	**16034**
Restricted cash balance			
Earmarked Balance (Unpaid Dividend)		115	104
Margin Money for BG/ Letter of Credit and Pledged deposits		5974	6192
Total		**6089**	**6296**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31,2019

1. Cash and Cash equivalents consist of Cash in hand, cheques/drafts in hand, Bank Balances including Short Term Deposits having original maturity upto three months.
2. Reconciliation of Cash and Cash Equivalents:

Cash and Cash equivalents as per note no 2.14 **(₹ Lakh)**	3501	16034

3. Net Debt Reconciliation

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Cash & Cash Equivalents	3501	16034
Borrowings including current maturities and accrued interest	(217841)	(224481)
Net Debt	**(214340)**	**(208447)**

(₹ Lakh)

Particulars	Cash & Cash Equivalents	Non Current Borrowings	Total
Net Debt as at April 1, 2018	16034	(224481)	(208447)
Cash Flows	(12533)	20545	8012
Foreign Exchange adjustments	-	(12988)	(12988)
Interest Expenses	-	(7835)	(7835)
Interest Paid	-	6918	6918
Net Debt as at March 31, 2019	**3501**	**(217841)**	**(214340)**

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
FRN-011078N/N500064

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

For the year ended March 31, 2019

Particulars	**Amount (₹ Lakh)**
Opening Balance as at April 1,2018	392980
Equity Shares issued during the year	-
Equity Shares bought back during the year	-
Closing Balance as at March 31, 2019	**392980**

For the year ended March 31, 2018

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

For the year ended March 31,2019 **(₹ Lakh)**

Particulars	**Reserves and Surplus**			**Total Other Equity**
	Capital Redemption Reserve	**Securities Premium**	**Retained Earnings**	
Opening Balance as at April 1, 2018	20683	-	655808	676491
Profit for the Period			136429	136429
Other Comprehensive Income			(1482)	(1482)
Total Comprehensive Income			134947	134947
Dividends				
Final Dividend 2017-18			(7860)	(7860)
Interim Dividend 2018-19			(58947)	(58947)
Dividend Tax				
Final Dividend 2017-18			(1616)	(1616)
Interim Dividend 2018-19			(12117)	(12117)
Closing Balance as at March 31, 2019	**20683**	**-**	**710215**	**730898**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

For the year ended March 31,2018 (₹ 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 Changes in Equity referred to in our report of even date.

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

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

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.

These financial statements were authorised for issue by the board of directors on May 29, 2019.

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 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, provisional 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) Net realizable value of obsolete, unserviceable and surplus stores & spares is ascertained at the end of financial year and provided for, wherever required. 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.

iii. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

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 115.

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:

a) 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.

b) 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:

a) 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.

b) 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.

c) Non-monetary government grants are recorded at a nominal amount.

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 and control over the product is transferred to the 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 (PRMF). 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.

The useful life of these assets are reviewed at each financial year end and adjusted prospectively, wherever required.

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. The amortisation period and the amortisation method of intangible assets with a finite useful life is reviewed at each financial year end.

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) Spare 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 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

As at March 31, 2019 (₹ Lakh)

Sl.No.	Particulars	Gross Block: As at April 1,2018	Gross Block: Additions during the year	Gross Block: Deductions/ Adjustments	Gross Block: As at March 31, 2019	Depreciation: As at April 1, 2018	Depreciation: For the year	Depreciation: Deduction	Depreciation: As at March 31, 2019	Net Block: As at March 31, 2019
1	Land									
	Lease hold Land (including development expenses)	1105	500	-	1605	59	19	-	78	1527
	Free hold Land (including development expenses) #	14167	41	49	14159	-	-	-	-	14159
2	Buildings									
	-Freehold Buildings $	116191	514	41	116664	13161	4119	7	17273	99391
	-Leasehold Buildings	-	14200	-	14200	-	316	-	316	13884
3	Roads and Bridges	5411	701	-	6112	717	225	-	942	5170
4	Plant and Machinery	1598	326	8	1916	246	88	1	333	1583
5	Generating Plant and Machinery *	258707	26776	225	285258	50019	12711	51	62679	222579
6	Hydraulic Works(Dams, Tunnel, etc.)**	530077	121	365	529833	106684	20695	44	127335	402498
7	Vehicles	536	134	27	643	105	58	19	144	499
8	Furniture, Fixture and Equipments	1635	95	11	1719	251	108	4	355	1364
9	Electrical Works	2656	133	-	2789	469	148	-	617	2172
10	Electrical Equipments	295	160	6	449	58	43	3	98	351
11	Office Equipments	3306	154	48	3412	469	259	27	701	2711
12	Data processing Equipments	696	277	58	915	313	244	54	503	412
	Total	**936380**	**44132**	**838**	**979674**	**172551**	**39033**	**210**	**211374**	**768300**

As at March 31, 2018 (₹ Lakh)

Sl.No.	Particulars	Gross Block: As at April 1,2017	Gross Block: Additions during the year	Gross Block: Deductions/ Adjustments	Gross Block: As at March 31,2018	Depreciation: As at April 1, 2017	Depreciation: For the year	Depreciation: Deduction	Depreciation: As at March 31, 2018	Net Block: As at March 31, 2018
1	Land									
	Lease hold Land (including development expenses)	1099	6	-	1105	40	19	-	59	1046
	Free hold Land (including development expenses) #	14099	68	-	14167	-	-	-	-	14167
2	Buildings $	113720	3468	997	116191	9059	4203	101	13161	103030
3	Roads and Bridges	5313	98	-	5411	496	221	-	717	4694
4	Plant and Machinery	1442	172	16	1598	173	74	1	246	1352
5	Generating Plant and Machinery *	254944	3964	201	258707	38642	11401	24	50019	208688
6	Hydraulic Works(Dams, Tunnel, etc.)**	535096	1591	6610	530077	86487	21281	1084	106684	423393
7	Vehicles	329	222	15	536	61	44	-	105	431
8	Furniture, Fixture and Equipments	1608	79	52	1635	157	108	14	251	1384
9	Electrical Works	2370	274	(12)	2656	303	164	(2)	469	2187
10	Electrical Equipments	294	17	16	295	40	20	2	58	237
11	Office Equipments	3030	331	55	3306	228	264	23	469	2837
12	Data processing Equipments	610	352	266	696	337	218	242	313	383
	Total	**933954**	**10642**	**8216**	**936380**	**136023**	**38017**	**1489**	**172551**	**763829**

During the year Gross Block of PPE was decapitalised by Nil [P.Y.: ₹ 7061 lakh (after adjusting Depreciation of ₹ 341 lakh pertaing to period prior to 01.04.2015)] on account of amount recoverable from contractors of RHPS in respect of Hydro Allowance. Depreciation amounting to Nil(P.Y.: ₹ 1458 lakh) was also written back.

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 Nil (P.Y.: ₹ 713 lakh) capitalised during the year on account of provision made on the basis of arbitration award.

* Generating Plant & Machinery includes assets having gross value of ₹ 80 lakh (P.Y. ₹ 80 lakh) and W.D.V of ₹ 68 lakh (P.Y. ₹ 68 lakh) being theft for which provision has been made.

** Includes Nil (P.Y.: ₹ 1509 lakh) capitalised during the year on account of provision made on the basis of arbitration award.

2.2 Capital Work-in-progress

As at March 31, 2019 (₹ Lakh)

Sl.No.	Particulars	As at April 1,2018	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2019	Capitalised during the year	As at March 31, 2019
1	Buildings	575	2187	-	2762	348	2414
2	Civil Works	28	3882	-	3910	26	3884
3	Roads, Bridges & Culverts	870	424	-	1294	701	593
4	Plant and Machinery	13	7	-	20	20	-
5	Electrical Works	10	47	-	57	46	11
6	Electro Mechanical Works	1268	3059	-	4327	1765	2562
7	Preliminary	31531	6211	296	37446	23564	13882
8	Expenditure on Compensatory Afforestation/CAT Plan	-	14615	-	14615	-	14615
9	Expenditure attributable to construction (Note No. 2.2.1)	29016	9295	1272	37039	146	36893
	Total	**63311**	**39727**	**1568**	**101470**	**26616**	**74854**

As at March 31, 2018 (₹ 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**

2.2.1 Expenditure Attributable to Construction

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Employee Benefits Expense:			
Salaries,Wages, Allowances and Benefits	6370		4425
Contribution to Provident and Other Funds	724		503
Leave Salary and Pension Contribution *	23		21
Welfare Expenses	336		608
		7453	5557
Repair and Maintenance:			
Buildings	30		17
Plant & Machinery	4		2
Office Equipments & Furnitures	7		7
Vehicles	9		9
Others	81		64
		131	99
Other Expenses:			
Rent		115	124
Rates & Taxes		3	-
Insurance		2	1
Security Expenses		183	190
Electricity Charges	22		22
Less:- Recovered from Employees & Contractors	1		-
		21	22
Travelling & Conveyance		112	106
Training and Recruitment Expenses		16	24
Legal Expenses		189	1
Professional and Consultancy Charges		35	37
Communication Expenses		55	58
Printing & Stationery	22		14
Less: Receipts from Sale of Tenders	1		1
		21	13
Advertisement & Publicity		22	61
EDP Expenses		19	7
Hiring of Vehicles		211	206
Entertainment Expenses		8	9
Expenses on Transit Camps		90	101
Books & Periodicals		1	2
Stores Written Off		-	2
Loss on Disposal/Write off of Fixed Assets		8	2
Foundation Stone Laying Ceremony Expenses		44	47
Business Promotion Expenses		10	1
Fees and subscription		4	4
Environment & Ecology Expenses		14	-
Safety Expenses		2	1
Miscellaneous Expenses		27	23
Rehabilitation Expenses		482	-
Depreciation and Amortization Expense		80	72
Total (A)		**9358**	**6770**
Less: Recovery and Receipts:			
Interest Income:			
Banks		4	-
Employees		24	22
Contractors		-	6
Misc Income		35	18
Total (B)		**63**	**46**
Net expenditure attributable to construction Projects (A-B)		**9295**	**6724**

* Leave Salary and Pension Contribution is on account of retirement benefits of deputationists working in the company payable to their parent organisations. Employee Benefits Expense includes an amount of ₹ 494 lakh (P.Y.: Nil) on account of regularization of pay scales of below board level executives w.e.f. 01.01.1997 vide Ministry of Power, Govt. of India order dated 29.01.2019.

2.3 Other Intangible Assets

As at March 31, 2019 (₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation				Net Block
		As at April 1,2018	Additions during the year	Deductions/ Adjustments	As at March 31, 2019	As at April 1,2018	For the year	Deduction	As at March 31, 2019	As at March 31, 2019
1	Software	361	57	-	418	120	123	-	243	175
	Total:	**361**	**57**	**-**	**418**	**120**	**123**	**-**	**243**	**175**

As at March 31, 2018 (₹ 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
1	Software	134	296	69	361	75	115	70	120	241
	Total:	**134**	**296**	**69**	**361**	**75**	**115**	**70**	**120**	**241**

2.4 Intangible Assets under Development

As at March 31, 2019 (₹ Lakh)

Sl.No.	Particulars	As at April 1,2018	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2019	Capitalised during the year	As at March 31, 2019
1	Software	931	761	-	1692	-	1692
	Total	**931**	**761**	**-**	**1692**	**-**	**1692**

As at March 31, 2018 (₹ 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**

2.5 Investments

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Investment in Equity instruments		
Non Trade-Unquoted (at cost)		
(a) Subsidiary Companies		
436680000(P.Y:436680000) Equity Shares of ₹10/- each in SJVN Thermal Pvt. Ltd.	43668	43668
31178122(P.Y:11056522) Equity Shares of ₹62.50/- each in SJVN Arun-3 Power Development Company Pvt. Ltd.	19486	6910
(b) Joint Venture Companies		
12612473(P.Y:12612473) Equity Shares of ₹10/- each in Cross Border Power Transmission Company Ltd.	1261	1261
137291700(P.Y:99660500) Equity Shares of ₹10/- each in Kholongchhu Hydro Energy Ltd	13729	9966
Total Investment in Equity Instruments	**78144**	**61805**
Other Investments		
60 Fully Paid up Ordinary shares of ₹ 50/-each in NJP Employees Consumer Co-operative Store, Jhakri (₹3000/-)	-	-
Advance to Subsidiaries	51095	24498
Total Other Investment	**51095**	**24498**
Total Investments	**129239**	**86303**

2.6 Trade Receivables

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Unsecured Considered Good	-	1273
Total	**-**	**1273**

2.7 Loans

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Security Deposits			
- Secured Considered Good	-		-
- Unsecured Considered Good	71		71
- Doubtful	-		-
		71	71
Loans to Related Parties			
Loans to Directors			
- Secured considered good	-		-
- Unsecured considered good	5		-
- Doubtful	-		-
		5	-
Other Loans			
Loan to officers of the company			
- Secured considered good	22		4
- Unsecured considered good	4		7
- Doubtful	-		-
		26	11
Loans to other Employees			
- Secured considered good	3933		3923
- Unsecured considered good	405		433
- Doubtful	-		-
		4338	4356
Total		**4440**	**4438**
Loans to relatives of related party		NIL	NIL

2.8 Deferred Tax Assets (Net)

As at March 31,2019 (₹ Lakh)

	As at April 1,2018	Additions/ (Adjustments) during the period	As At March 31, 2019
Deferred Tax Assets			
Temporary Difference in Depreciation	34851	(4295)	30556
Temporary Difference in Expenses	221	70	291
Total	**35072**	**(4225)**	**30847**

As at March 31,2018 (₹ 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**

2.9 Regulatory Deferral Account Debit Balance

As at March 31,2019 (₹ Lakh)

	As at April 1,2018	Movement during the year	As at March 31, 2019
Foreign exchange rate variation on foreign currency loans regarded as borrowing cost	7317	11417	18734
Employee benefits expense (pay revision)	7945	7314	15259
Total	**15262**	**18731**	**33993**

As at March 31,2018 (₹ 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**

2.10 Other Non - current Assets

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Capital Advances			
Advances to Suppliers and Contractors			
Unsecured considered good			
-Covered by Bank Guarantees		2668	990
-Others		1994	13194
Advances to Govt Departments	6276		5225
Less: Provision for Expenditure	347		-
		5929	5225
Total - Capital Advance		**10591**	**19409**
Other Advances			
Accrued Interest on Advances to Contractors		142	6
Total - Others Advances		**142**	**6**
Others			
Material at Site (Capital)		14	-
Prepaid Expenses		178	7
Deferred Employee Benefits Expense		1906	1803
Total - Others		**2098**	**1810**
Total Other Non-current Assets		**12831**	**21225**

2.11 Inventories

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Loose Tools	49		36
Stores and Spares	4445		5020
		4494	5056
Less : Provision for Shortage of store and Obsolescence		4	6
Total		**4490**	**5050**

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

2.12 Investments

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Investment in Equity instruments		
Non Trade-Unquoted (at cost)		
Joint Venture Companies		
Nil (P.Y: 7707) Equity Shares of ₹10/- each in Bengal Birbhum Coal Fields Ltd	-	1
Total	**-**	**1**

The JV agreement with Bengal Birbhum Coal Fields Ltd has been terminated during the year

2.13 Trade Receivables

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Unsecured considered good*	27680	29006
Total	**27680**	**29006**
*Trade receivables includes amount due from subsidiaries	23	107

2.14 Cash and Cash Equivalents

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Balances with Banks		
Current Accounts	2162	8470
Term Deposits (having original maturity of upto 3 months)	1339	7564
Total	**3501**	**16034**

2.15 Bank Balance Other than Cash and Cash equivalents

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Earmarked Balance (Unpaid Dividend)	115	104
Margin Money for BG/ Letter of Credit and Pledged deposits	5974	6192
Other Term Deposits(having original maturity of more than 3 months)	281018	338926
Total	**287107**	**345222**

2.16 Loans

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Loans to Related Parties			
Loans to Directors			
- Secured considered good	-		5
- Unsecured considered good	2		-
- Doubtful	-		-
		2	5
Loans to Other Related Parties			
Joint Ventures:			
- Secured considered good	-		-
- Unsecured considered good	105		168
- Doubtful	-		-
		105	168
Other Loans			
Loan to officers of the company:			
- Secured considered good	17		3
- Unsecured considered good	3		4
- Doubtful	-		-
		20	7
Loans to other Employees			
- Secured considered good	969		463
- Unsecured considered good	210		141
- Doubtful	-		-
		1179	604
Other Advances:			
Unsecured considered good			
-Directors	-		-
-Officers of the Company	8		1
-Other Employees	374		374
		382	375
Total		**1688**	**1159**
Loans to relatives of related party		1	NIL

2.17 Other Financial Assets

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Interest Accrued but not due on deposits with Banks	13981	12827
Unbilled Revenue	62860	11605
Amount Receivable from Others	218	292
Amount Recoverable from Contractors & Suppliers	8668	8657
Dividend Receivable	126	-
Total	**85853**	**33381**

Unbilled revenue includes an additional amount of ₹ 46000 lakh (PY:Nil) in respect of sales of Rampur Hydro Power Station (RHPS) accounted for during the year on the basis of 85% of the Capital Cost filed with CERC, out of which ₹ 30401 lakh (P.Y.: Nil) pertains to earlier years i.e. F.Y. 2014-15 to 2017-18.

2.18 Current Tax Assets(Net)

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Advance Tax Deposit	189074		198808
Tax deducted at Source	14194		16110
		203268	214918
Less: Provision for Tax		190940	205779
Total		**12328**	**9139**

2.19 Other Current Assets

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Advances other than Capital Advances			
Other Advances			
Advances to Officers of the Company	-		1
Advances to other employees of the Company	11		4
		11	5
Advance to Suppliers and Contractors			
-Secured considered good	-		-
- Unsecured considered good	48		7
-Doubtful	9		9
	57		16
Less Provision for Doubtful Advances	9		9
		48	7
Advances to Govt Departments			
- Secured considered good	-		-
- Unsecured considered good*	7503		3007
-Doubtful	7503		3007
Less Provision for Expenditure	1278		1723
		6225	1284
Advances to Others			
- Secured Considered Good	-		-
- Unsecured, considered good	22		198
-Doubtful	-		-
		22	198
Others			
Surplus Stores/Equipments	1489		1473
Less: Provision for Shortage/ Obsolescence	1152		1152
		337	321
Prepaid Expenses		6194	3707
Deferred Employees Benefits Expense		210	160
Amount Recoverable from Ex-Employees	7		7
Less: Provisions	7		7
		-	-
Total		**13047**	**5682**

* 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 advance to 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.

2.20 Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	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	3929795175	392980
Total	**3929795175**	**392980**	**3929795175**	**392980**

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 @ ₹ 1.50 (P.Y.: ₹ 1.90) and final dividend for the year 2017-18 @ ₹ 0.20 (P.Y:₹ 0.50) per equity share of par value ₹ 10/- each. The Board of Directors of the company have proposed final dividend for the year 2018-19 @ ₹ 0.65 (P.Y ₹ 0.20) amounting to ₹ 25544 lakh (P.Y.: ₹ 7860 lakh) which has not been recognised.

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%	No. of shares	%
President of India	2433875566	61.93	2512259826	63.93
Governor of Himachal Pradesh	1055014800	26.85	1055014800	26.85

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
Number of shares at the beginning	3929795175	392980	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**	**3929795175**	**392980**

2.21 Other Equity

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
A	**Capital Redemption Reserve ***		
	Opening Balance	20683	-
	Add: Transfer from Retained Earnings for Buyback of Equity Shares	-	20683
	Closing Balance	**20683**	**20683**
B	**Security Premium Reserve**		
	Opening Balance	-	1313
	Less: Utilization for Buyback of Equity Shares	-	1313
	Closing Balance	**-**	**-**
C	**Retained Earnings**		
	Opening Balance	655808	733407
	Add: Profit for the Year as per Statement of Profit and Loss	136429	122488
	Add: Other comprehensive income during the year	(1482)	(1194)
	Less: Utilisation for Buyback of shares and related expenses	-	79403
	Less: Dividends paid		
	Final Dividend	7860	20683
	Interim Dividend	58947	78596
	Less: Tax on Dividend paid:		
	Final Dividend	1616	4211
	Interim Dividend	12117	16000
	Closing Balance	**710215**	**655808**
	Total (A+ B+C)	**730898**	**676491**

* Capital Redemption Reserve was created from distributable profit for the buyback of the shares in the FY 2017-18. There is no movement in the Capital Redemption Reserve during the year.

During the year, the Company has paid interim dividend @ ₹ 1.50 (P.Y.: ₹ 1.90) and final dividend for the year 2017-18 @ ₹ 0.20 (P.Y:₹ 0.50) per equity share of par value ₹ 10/- each. The Board of Directors of the company have proposed final dividend for the year 2018-19 @ ₹ 0.65 (P.Y ₹ 0.20) amounting to ₹ 25544 lakh (P.Y.: ₹ 7860 lakh) which has not been recognised.

2.22 Borrowings

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Term Loans		
From Banks:		
A Secured #		
Axis Bank Limited	16688	21128
(Repayable in quarterly instalments from March 2017 to December 2023, carrying interest@ 8.05% p.a. reset after every three months)		
Total (A)	**16688**	**21128**
#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)	177358	182406
(Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)		
Total (B)	**177358**	**182406**
Total (A+B)	**194046**	**203534**

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

2.23 Other Financial Liabilities

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Deposits, Retention Money from Contractors and Others	12	24
Total	**12**	**24**

2.24 Non-current Provisions

As at March 31,2019 (₹ Lakh)

Particulars	As At	For the year			As At
	April 1,2018	Additions	Write Back/Transfer	Utilization	March 31, 2019
Unfunded Employee Benefits	4955	2595	-	601	6949
Total	**4955**	**2595**	**-**	**601**	**6949**

As at March 31, 2018 (₹ Lakh)

Particulars	As At	For the year			As At
	April 1,2017	Additions	Write Back/Transfer	Utilization	March 31, 2018
Unfunded Employee Benefits	4854	377	(2400)	2676	4955
Total	**4854**	**377**	**(2400)**	**2676**	**4955**

2.25 Other non-current Liabilities

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Income Received in Advance		
- Advance Against Depreciation	80612	77549
Deferred Revenue:		
- Government Grant	5	6
- Deferred Income from Foreign Currency Fluctuation	1110	1166
Total	**81727**	**78721**

2.26 Trade Payables

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Micro and Small Scale Enterprises	579	10
Others	1861	2535
Total	**2440**	**2545**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note no. 2.57

2.27 Other Financial Liabilities-Current

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Current Maturities of Long Term debt			
Secured			
- Rupee Term Loans	4440		4440
Unsecured			
- Foreign Currency Loans (Guaranteed by GoI)	17025		15094
		21465	19534
Interest Accrued but not due on:			
- Foreign Currency Loans : World Bank		2330	1413
Unpaid Dividend		115	104
Others Payables:			
-Liability for Employees' Remuneration and Benefits		9474	4253
Liability for Purchase/Construction of Fixed Assets:			
- Micro and Small Scale Enterprises		139	48
- Others		10684	10095
Deposits, Retention Money from Contractors and Others		14262	15345
Amount Payable to Gratuity/Post Retirement Medical Trust		871	393
Others		19	22
Total		**59359**	**51207**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note no. 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 no. 2.22

2.28 Other Current Liabilities

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Revenue Received in Advance:		
- Advance against Depreciation	3224	3693
TDS and Other Taxes Payable	653	502
Others	146	505
Total	**4023**	**4700**

2.29 Provisions

As at March 31, 2019 (₹ Lakh)

Particulars	**As At April 1,2018**	**For the year**			**As At March 31, 2019**
		Additions	**Write Back/Transfer**	**Utilization**	
Unfunded Employee Benefits	402	683	-	402	683
Pay Revision	7445	-	-	7445	-
Performance Related Pay	1437	5308	-	1437	5308
Interest on Arbitration Awards	11227	1522	-	-	12749
Others	891	-	-	-	891
Total	**21402**	**7513**	**-**	**9284**	**19631**

As at March 31, 2018 (₹ 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**

2.30 Revenue from Operations

(₹ Lakh)

		For the Year Ended March 31, 2019	**For the Year Ended March 31, 2018**
Sales			
Energy Sales	260145		219313
Less:			
Regulated Power Adjustment- Margin	571		3009
Regulated Power Adjustment- Expenses	40		369
	259534		215935
Advance Against Depreciation	4292		3693
	263826		219628
Less: Rebate to Customers	792		493
		263034	219135
Consultancy Income		172	147
Total		**263206**	**219282**
Other operating revenues			
Late Payment Surcharge/Interest from Beneficiaries		942	3715
Others		1429	-
Total		**2371**	**3715**
Total Revenue from Operations		**265577**	**222997**

CERC vide its order dated 18.05.2017 has provisionally determined the Annual Fixed Charges (AFC) at ₹ 139566 lakh for the year 2018-19 as compared to ₹ 136883 lakh for the year 2017-18 in respect of Nathpa Jhakri Hydro Power Station (NJHPS). Sales/billing to the beneficiaries have been made in accordance with the aforesaid Order.

CERC vide its order dated 09.04.2019 has approved the tariff for the period 2004-09 of NJHPS and revised the annual fixed charges for the period. Consequently, energy sales is decreased by ₹ 6101 lakh (P.Y.: Nil). Decrease is mainly due to revision of amount of Advance Against Depreciation (AAD) from ₹ 84935 lakh to ₹ 91821 lakh which will be included in the sales over the balance useful life of the hydro power station in line with the policy no 1.18 (d).

During the year, company has filed a revised tariff petition with CERC in respect of Rampur Hydro Power Station (RHPS) for the period 2014-19 on the basis of revised cost of ₹ 423321 lakh approved by CEA and Public Investment Board (PIB). Final hearing on the tariff petition was concluded on 15.11.2018 and the order on the same has been reserved by CERC. Pending finalisation of tariff order, sales in respect of RHPS has been accounted for on the basis of 85% of the Capital Cost filed with CERC. Accordingly, Sales during the year include an amount of ₹ 46000 lakh (P.Y.: Nil) inclusive of ₹ 30401 lakh (P.Y.: Nil) pertaining to earlier years i.e. F.Y. 2014-15 to 2017-18.

During the year, the Company has regulated the power of UPPCL (P.Y: BYPL) after the same has 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 24.78 MUs (P.Y: 166.17 MUs) of power was sold through PTC amounting to ₹ 911 lakh (P.Y: ₹ 5331 lakh) and included in Energy Sales. An amount of ₹571 lakh (P.Y. : ₹ 3009 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹ 40 lakh (P.Y: ₹ 369 lakh) on Sale through PTC.

Other operating revenue includes an amount of ₹1243 lakh compensation for performance deficiency in respect of Khirvire Wind Power Project for F.Y. 2014-15 to 2017-18.

2.31 Other Income

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Income			
Banks	26421		29607
Employees	531		636
Contractors	186		8
		27138	30251
Other Non-Operating Income			
Interest on Income Tax Refund		-	31
Receipt of Maintenance of ICF		230	222
Dividend from Subsidiary / Associate / Joint Venture		126	164
Government Grant		1	-
Foreign Currency Fluctuation Adjustment		55	55
Sale of Scrap		62	45
Miscellaneous Income #		(2290)	4942
Total		**25322**	**35710**
# Details of Miscellaneous Income:			
Hire Rental Charges from Contractor		76	2
Profit on Sale of Fixed Assets		40	48
Rent Recovery from Staff/Others		56	50
Excess Provision Written Back		24	1412
Liquidated Damages recovered *		(2717)	3205
Claim Received from Insurance Company		78	8
Other Misc. Receipts		154	217
Total		**(2290)**	**4942**

* Includes an amount of ₹ 2996 lakh reversed during the year after receipt of arbitration award in favour of contractor which was recognised as income during the previous year.

2.32 Employee Benefits Expense

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Salaries, Wages, Allowances and Benefits	25966		21166
Contribution to Provident and Other Funds	3240		2800
Leave Salary and Pension Contribution *	67		94
Welfare Expenses	2308		2594
		31581	26654
Less: Transferred to C.S.R. Expenses (Note No 2.35)		-	132
Total		**31581**	**26522**

* Leave Salary and Pension Contribution is on account of retirement benefits of deputationists working in the company payable to their parent organisations.

Employee Benefits Expense includes an amount of ₹ 441 lakh (P.Y.: Nil) on account of regularization of pay scales of below board level executives w.e.f. 01.01.1997 vide Ministry of Power, Govt. of India order dated 29.01.2019.

2.33 Finance Costs

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Expenses on:			
Foreign Currency Loans	5830		3228
Rupee Term Loans	2005		2272
Exchange differences regarded as adjustment to borrowing costs.	12988		35
		20823	5535
Other Borrowing Costs			
Finance Charges		2710	2847
Total		**23533**	**8382**

2.34 Depreciation and Amortization Expense

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Depreciation for the Year	39156	38132
Less: Depreciation attributable to Construction (Note No 2.2.1)	80	72
Less: Depreciation written back	50	1609
Depreciation Charged to Statement of Profit & Loss	**39026**	**36451**

2.35 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Repair and Maintenance:			
Buildings	1710		1395
Roads	291		218
Plant & Machinery *	2325		865
Office Equipments & Furnitures	41		45
Civil Works	1132		878
Electro Mechanical Works	2394		2545
Vehicles	123		92
Others	647		473
		8663	6511
Rent		896	867
Rates & Taxes		21	24
Insurance		4629	4729
Security Expenses		4855	4519
Electricity Charges	1458		1525
Less:- Recovered from Employees & Contractors	50		39
		1408	1486
Travelling & Conveyance		569	449
Training and Recruitment Expenses	616		366
Less:- Cost of Application Forms Received	80		3
		536	363
Legal Expenses		90	127
Professional and Consultancy Charges		315	229
Communication Expenses		200	207
Printing & Stationery	136		157
Less: Receipts from Sale of Tenders	9		16
		127	141
Payment to Auditors		35	22
Advertisement & Publicity		372	349
EDP Expenses		56	84
Hiring of Vehicles		867	847
Entertainment Expenses		45	32
Expenses on Transit Camps		89	47
Books & Periodicals		12	13
C.S.R./ Sustainable Development Expenses		4010	3750
Stores Written Off		13	10
Loss on Disposal/Write off of Fixed Assets		64	73
Directors Sitting Fees		17	20
Business Promotion Expenses		409	326
Fees and subscription		323	301
Environment & Ecology Expenses		189	124
Interest on arbitration awards		1522	1704
Miscellaneous Expenses		175	197
Exchange Rate Variation		21	74
Expenses on Regulated Power	40		369
Less: Regulated Power Adjustment - Sales	40		369
		-	-
Total		**30528**	**27625**
Stores Consumption Included in Repairs and Maintenance		**1653**	**1598**

* Repair & Maintenance Expenses of Plant & Machinery includes ₹970 lakh towards maintenance charges of Khirvire Wind Power Project for F.Y. 2016-17 & 2017-18.

2.36 Exceptional Items

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Expenditure on abandoned Projects written off	1568	-
Others *	4140	-
Total	**5708**	**-**

*Others is on account of regularization of pay scales of below board level executives w.e.f. 01.01.1997 vide Ministry of Power, Govt. of India order dated 29.01.2019.

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, 2019	As at March 31, 2018
		Amortised Cost	Amortised Cost
Financial assets			
Non-current Financial assets			
(i) Non-current investments			
-Equity Instrument (Unquoted)	2.5	78144	61805
-Others	2.5	51095	24498
(ii) Trade receivables	2.6	-	1273
(iii) Loans (to employee & others)	2.7	4440	4438
Current Financial assets			
(i) Current Investments	2.12	-	1
(ii) Trade and other receivables	2.13	27680	29006
(iii) Cash and cash equivalents	2.14	3501	16034
(iv) Bank balances other than (iii) above	2.15	287107	345222
(v) Short-term loans (to employee & others)	2.16	1688	1159
(vi) others :			
(a) Amount recoverable	2.17	8886	8949
(b) interest receivable on investments and bank deposits	2.17	13981	12827
(c) other receivables	2.17	62986	11605
Total		**539508**	**516817**
Financial Liabilities			
Non Current Financial Liabilities			
(i) Long-term borrowings			
a) Term Loan From Domestic Bank	2.22	16688	21128
b) Term Loan from others	2.22	177358	182406
(ii) Deposits/Retention Money-non current	2.23	12	24
Current Financial Liabilities			
(i) Trade Payables including MSMED	2.26	2440	2545
(ii) Other Current financial liabilities			
a) Current Maturity of Term Loan from Domestic bank	2.27	4440	4440
b) Current Maturity of Term Loan from others	2.27	17025	15094
c) interest accrued but not due on borrowings	2.27	2330	1413
d) Deposits/Retention Money	2.27	14262	15345
e) Liability against Capital Works/Supplies	2.27	10823	10143
f) Other Payables	2.27	10479	4772
Total		**255857**	**257310**

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 recognised 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)**

		As at March 31, 2019			As at March 31, 2018		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Loans (to employee & others)	2.7 & 2.16	-	6128	-	-	5597	-
Total Financial Assets		**-**	**6128**	**-**	**-**	**5597**	**-**
Financial Liabilities							
(i) Long-term borrowings (including Current Maturity and interest)	2.22 & 2.27	-	217841	-	-	224481	-
(ii) Deposits/Retention Money (including Current)	2.23 & 2.27	-	14274	-	-	15369	-
Total Financial Liabilities		**-**	**232115**	**-**	**-**	**239850**	**-**

(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 instruments.

- 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)**

		As at March 31, 2019		As at March 31, 2018	
	Note No.	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortised Cost					
(i) Loans	2.7 & 2.16	8244	6128	7560	5597
Total Financial Assets		**8244**	**6128**	**7560**	**5597**
Financial Liabilities at Amortised Cost					
(i) Long-term borrowings (including Current Maturity and interest)	2.22 & 2.27	217841	217841	224481	224481
(ii)Deposits/Retention Money (including Current)	2.23 & 2.27	14274	14274	15372	15369
Total Financial Liabilities		**232115**	**232115**	**239853**	**239850**

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 liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities measured at fair value, the carrying amount 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:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Trade receivables and financial assets measured at amortised cost	Aging 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, 2019 and 31st March, 2018.

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 instalment 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 2.22, 2.23, 2.26 and 2.27 of balance sheet)

As at March 31, 2019 **(₹Lakh)**

Contractual maturities of financial liabilities	Note No.	Outstanding Debt As at March 31, 2019	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)	2.22 & 2.27	217841	23795	45972	49363	98711
2. Other financial Liabilities	2.23 & 2.27	35576	35564	12	-	-
3. Trade Payables	2.26	2440	2440	-	-	-
Total Financial Liabilities		**255857**	**61799**	**45984**	**49363**	**98711**

As at March 31, 2018 **(₹Lakh)**

Contractual 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)	2.22 & 2.27	224481	20947	19534	41766	142234
2. Other financial Liabilities	2.23 & 2.27	30284	30260	24	-	-
3. Trade Payables	2.26	2545	2545	-	-	-
Total Financial Liabilities		**257310**	**53752**	**19558**	**41766**	**142234**

(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 Company'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, 2019	As at March 31, 2018
Variable Rate Borrowings (FC)	194383	197500
Variable Rate Borrowings (INR)	21128	25568
Total	**215511**	**223068**

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, 2019	As at March 31, 2018
Effect on Profit Before Tax with rise of 25 basis points	(539)	(558)
Effect on Profit Before Tax with rise of 50 basis points	(1078)	(1115)

(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 foreign 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 :

Particulars	As at March 31, 2019	As at March 31, 2018
Foreign Currency	**USD**	**USD**
Net Exposure to foreign currency risk(asset)	-	-
Financial Liabilities:		
Foreign currency loan including interest accrued but not due (₹ in Lakh)	196713	198913
Net Exposure to foreign currency risk (liabilities) (₹ Lakh)	**196713**	**198913**

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 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 guidelines 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, 2019.

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 **(₹ in Lakh)**

Particulars	As at March 31, 2019	As at March 31, 2018
(a) Total Debt	217841	224481
(b) Total Capital	1123878	1069471
Debt Equity Ratio (a/b)	**0.19**	**0.21**

Note: For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Total debt includes long term borrowings current maturities of long term borrowings and interest accrued but not due.

(b) Loan Covenants:

Under the terms of the major borrowing facilities, the company is required to comply with the following financial covenants:-

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, 2019	As at March 31, 2018
Final dividend for the year 2017-18 of ₹ 0.20 per fully paid share approved in Sep-2018. (₹ 0.50 per fully paid share for FY 2016-17 approved in Sep-2017).	7860	20683
Interim dividend for the year ended 31st March, 2019 of ₹ 1.50 per fully paid share(For the year ended 31st March 2018- ₹ 1.90 per fully paid share).	58947	78596
(ii) Dividend not recognised at the end of the reporting period	**25544**	**7860**
(iii) Dividend Distribution Tax not recognised at the end of the reporting period	**5251**	**1616**

Other Explanatory Notes to Accounts

2.38 Changes in significant accounting policies:

During the year certain changes/additions have been made in the policies numbers 1.9 (e), 1.10 (b)(iii), 1.11(a), 1.15 (c), 1.18 (a) and 1.20(c) & (g) for improved disclosure. However, there is no impact on the financial statements due to the above changes.

2.39 Contingent Liabilities:-

a) Claims against the Company not acknowledged as debts in respect of: (₹ Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Works	55471	36889
Land Compensation	4446	1787
Disputed Income Tax Demand	3222	-
Others	165	165
Total	**63304**	**38841**

(i) Capital works

Contractors have lodged claims aggregating to ₹ 56297 Lakh (previous year ₹ 37715 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 ₹ 4446 lakh (previous year ₹1787 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) Disputed Income Tax Demand

During the year Income Tax Department has raised a demand of ₹3222 lakh (previous year Nil) for A.Y 2015-16 & 2016-17. The company is contesting the case & filed an appeal with CIT (Appeals).

(iv) 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.

The above is summarized as below: (₹ Lakh)

Sl. No.	Particulars	Claims as on 31.03.2019	Provision against the claims	Contingent liability as on 31.03.2019	Addition of Contingent Liability for the period	Adjustment/Deduction in Contingent Liability for the period	Contingent liability as on 31.03.2018
1.	Capital Works	56297	826	55471	26607	8025	36889
2.	Land Compensation	4446	-	4446	2659	-	1787
3.	Income Tax Demand	3222	-	3222	3222	-	-
4.	Others	165	-	165	-	-	165
	Total	**64130**	**826**	**63304**	**32488**	**8025**	**38841**

(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.

2.40 Detail of Contingent Assets:

(₹ Lakh)

	Particulars	As at 31.03.2019	As at 31.03.2018
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	61120	55007
3)	Counter Claim for Interest accrued on advance paid to JHC	10367	10369
4)	Amount expected to be due against final Tariff of RHPS	8118	68637
5)	Insurance claims	145	60
	Total	**79793**	**134116**

2.41 Estimated amount of commitments not provided for is as under:

(₹ Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	66600	63228
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	10770	14171
Total	**77370**	**77399**

2.42 Balances of trade receivables, advances, deposits, trade payables, are reconciled periodically. However, as on 31.03.2019 out of ₹ 89471 lakh trade receivables, advances and deposits etc an amount of ₹ 70005 lakh has been confirmed and balance amount of ₹19466 lakh are subject to confirmation, reconciliation and consequential adjustment. Further trade payables amounting to ₹ 2440 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 31.03.2019	Year ended 31.03.2018
(i) Amount charged to Statement of Profit and Loss excluding depreciation:		
- As FERV	21	74
- As Borrowing cost*	12988	35
(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 Disclosures as per Ind AS 12 'Income taxes'

(a) Income tax expense

i) Income tax recognised in the statement of profit and loss

(₹ Lakh)

Particulars	For the year ended	
	31st March 2019	31st March 2018
Current tax expense		
Current year	34564	34053
Pertaining to regulatory deferral account balances	4036	1090
Total Current tax expense	**38600**	**35143**

ii) Income tax recognized in other comprehensive income (₹ Lakh)

Particulars	For the year ended					
	31st March 2019			31st March 2018		
	Before Tax	Tax expense/ (benefit)	Net of tax	Before Tax	Tax expense/ (benefit)	Net of tax
Net actuarial gains/(losses) on defined benefit plans	(1889)	(407)	(1482)	(1518)	(324)	(1194)
Total	**(1889)**	**(407)**	**(1482)**	**(1518)**	**(324)**	**(1194)**

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

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
Profit before tax including movement in regulatory deferral account balances	179254	164837
Tax using the MAT rate @21.5488% (P.Y 21.3416%)	38627	35178
Tax effect of :		
Tax-exempt income	27	35
Items debited to Other Comprehensive Income not to be reclassified subsequently to profit or loss	407	324
Total tax expense recognized in the statement of profit and loss	**38193**	**34819**

b) MAT Credit available to the company in future but not recognised in the books: (₹ Lakh)

Financial Years	As at 31st March 2019	Expiry Date	As at 31st March 2018	Expiry date
For the year 2018-19	2958	31st March, 2034	-	-
For the year 2013-14	22344	31st March, 2029	22344	31st March, 2029
For the year 2012-13	11970	31st March, 2028	11970	31st March, 2028

2.45 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) Post retirement medical scheme:

The Company has a Post retirement medical 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 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.

(iv) Baggage Allowance:

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

(v) Service Reward on Retirement:

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

I. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As at 31.03.2019	As at 31.03.2018
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.75%	7.60%
Future Salary Increase	6.50%	6.50%

II. Employee benefit obligations at the end of year: (₹ Lakh)

Sr.	Particulars	As at 31-03-2019			As at 31-03-2018		
No		Current	Non-current	Total	Current	Non-current	Total
a)	Leave obligations	667	6646	7313	394	4678	5072
b)	Gratuity	667	7089	7756	408	6690	7098
c)	Post Retirement Medical Scheme (PRMS)	165	6561	6726	127	5879	6006
d)	Other Retirement Benefits	16	303	319	10	275	285
	Total employee benefit obligations	**1515**	**20599**	**22114**	**939**	**17522**	**18461**

III. Change in Present Benefit Obligation (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Present value of obligation as at the beginning of the period	5072	6966	7098	6427	6006	4699	285	256
b)	Acquisition adjustment	-	-	-	-	-	-	-	-
c)	Interest Cost	385	522	539	482	456	353	22	19
d)	Service Cost	798	424	499	487	328	311	23	22
e)	Past Service Cost including curtailment Gains/Losses	-	-	-	-	-	-	-	-
f)	Benefits Paid	(974)	(4048)	(523)	(181)	(192)	(137)	(37)	(28)
g)	Total Actuarial (Gain)/Loss on Obligation	2032	1208	143	(117)	128	780	26	16
h)	Present value of obligation as at the End of the period	7313	5072	7756	7098	6726	6006	319	285

IV. Change in Plan Assets (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Fair value of plan assets at the beginning of the period	-	-	7105	6427	6145	-	-	-
b)	Actual return on plan assets	-	-	524	459	464	5	-	-
c)	Employer contribution	-	-	-	-	21	6140	-	-
d)	Benefits paid	-	-	(524)	(181)	(192)	(138)	-	-
e)	Fair value of plan assets at the end of the period	-	-	7105	6705	6438	6007	-	-

V. Amount Recognized in Balance Sheet (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Present Value of the obligation at end	7313	5072	7756	7098	6726	6006	319	285
b)	Fair value of plan assets	-	-	7105	6705	6438	6007	-	-
c)	Unfunded Liability/provision in Balance Sheet	(7313)	(5072)	(651)	(393)	(288)	1	(319)	(285)
d)	Unfunded Liability recognized in Balance Sheet	-	-	-	-	(288)	1	(319)	(285)

VI. Amount Recognized in the Statement of Profit and Loss/Expenditure Attributable to Construction (EAC) (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Total Service Cost	798	424	499	487	328	311	23	22
b)	Net Interest Cost	385	522	-	-	-	353	22	19
c)	Net actuarial (gain) / loss recognized in the period	2032	1208	-	-	-	-	-	-
d)	Expense recognized in the Statement of Profit & Loss / EAC	3215	2154	499	487	328	664	45	41

VII. Amount Recognized in the Statement of Other Comprehensive Income (OCI) (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-	-	-	-	-
b)	Actuarial gain / (loss) for the year on PBO	-	-	(143)	117	(128)	(780)	(26)	(16)
c)	Actuarial gain /(loss) for the year on Asset	-	-	(16)	(23)	7	-	-	-
d)	Unrecognized actuarial gain/(loss) at the end of the year	-	-	(159)	94	(121)	(780)	(26)	(16)

VIII. Sensitivity analysis of the Defined Benefit Obligation

a) Impact of the change in discount rate (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Present Value of Obligation at the end of the period	7313	5072	7756	7098	6726	6006	319	285
b)	Impact due to increase of 0.50%	(311)	(209)	(312)	(301)	(405)	(361)	(13)	(13)
c)	Impact due to decrease of 0.50%	337	226	336	325	412	372	13	13

b) Impact of the change in Salary Increase / Medical Cost Rate (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Present Value of Obligation at the end of the period	7313	5072	7756	7098	6726	6006	319	285
b)	Impact due to increase of 0.50%	339	227	147	155	415	376	13	14
c)	Impact due to decrease of 0.50%	(316)	(212)	(152)	(164)	(406)	(368)	(13)	(13)

IX. a) Change in Present Benefit Obligation (₹ Lakh)

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Present value of obligation as at the beginning of the period	40140	35406
b)	Acquisition adjustment	-	-
c)	Interest Cost	3051	2655
d)	Service Cost	3970	990
e)	Contributions by Planned Participants/employees/Settlement Transfer	2165	2242
f)	Benefits Paid	(2229)	(1552)
g)	Total Actuarial (Gain)/Loss on Obligation	480	399
h)	Present value of obligation as at the End of the period	47577	40140

b) Change in Plan Assets (₹ Lakh)

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Fair value of plan assets at the beginning of the period	40365	35627
b)	Actual return on plan assets	3537	3035
c)	Indirect Income	75	-
d)	Indirect Expense	(100)	-
e)	Employer contribution	3970	989
f)	Plan Participants/Employer contribution	1507	2242
g)	Benefits paid	(2229)	(1553)
h)	Settlements/ Transfer in	658	25
i)	Fair value of plan assets at the end of the period	47783	40365

c) Amount Recognized in Balance Sheet (₹ Lakh)

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Present Value of the obligation at end	47577	40140
b)	Fair value of plan assets	47783	40365
c)	Unfunded (Liability)/Asset in Balance Sheet	205	225
d)	Unfunded (Liability)/Asset recognized in Balance Sheet	205	225

d) Amount Recognized in the Statement of Profit and Loss/ Expenditure Attributable to Construction (EAC) (₹ Lakh)

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Total Service Cost	3970	989
b)	Past Service Cost including curtailment Gains/Losses	-	-
c)	Expense Recognized in the Statement of Profit & Loss / EAC	3970	989

e) Amount Recognized in the Statement of Other Comprehensive Income (OCI) (₹ Lakh)

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Net cumulative unrecognized actuarial gain/(loss) opening	-	-
b)	Actuarial gain/(loss) for the year on PBO	(480)	(375)
c)	Actuarial gain/(loss) for the year on Asset	460	379
d)	Unrecognized actuarial gain/(loss) at the end of the year	(20)	4

f) Sensitivity analysis of the Defined Benefit Obligation Impact of the change in discount rate (₹ Lakh)

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Present Value of Obligation at the end of the period	47577	40140
b)	Impact due to increase of 0.50 %	(4)	(4)
c)	Impact due to decrease of 0.50 %	5	4

X. 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 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.

(₹ Lakh)

Particulars 31-03-19	Less than a year	Between 1-5 years	Over 5 years	Total
Gratuity	667	1026	6063	7756
Earned Leave encashment	667	552	6094	7313
TTA/Settlement allowance on retirement (exit)	5	24	121	150
Employee Provident fund	5894	10804	30879	47577
Retirement Gifts/Long service award liability	11	22	136	169
Post Retirement Medical Scheme	165	1049	5512	6726
TOTAL	**7409**	**13477**	**48805**	**69691**
Particulars 31-03-18				
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	27205	40140
Retirement Gifts/Long service award liability	7	33	111	151
Post Retirement Medical Scheme	127	655	5224	6006
TOTAL	**4797**	**12193**	**41611**	**58601**

c) Other Long Term Employee Benefit Plans

The company provides for earned leave benefit and half pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) and Half pay leave (HPL) are en-cashable subject to limits and other conditions specified for the same. The scheme is un-funded and liability for the same is recognised on the basis of actuarial valuations.

2.46 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:

Sr. No.	Name of Customer	Revenue from Customers (₹ Lakh)		Revenue from customer as a % of total revenue from sales	
		F.Y. 2018-19	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2017-18
1	Govt. of H.P.	55824	54661	21.03	24.93
2	PDD, J&K	25501	26522	9.61	12.10
3	U.P. Power Corporation	42535	38605	16.03	17.61
4	Punjab State Power Corporation Ltd	23283	23821	8.77	10.86

e) Revenue from External Customers: The company is domiciled in India. The amount of its revenue from external customers broken down by location of the customers is shown below : **(₹ Lakh)**

Sr. No	Revenue from External Customers	F.Y. 2018-19	F.Y. 2017-18
1	Nepal (Consultancy)	172	147
	Total	**172**	**147**

2.47 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)
Shri Amarjit Singh Bindra	Director (Finance)
Shri Rakesh Kumar Bansal	Director (Electrical)
Shri Kanwar Singh	Director (Civil) up to 31.03.2019
Smt. Geeta Kapur	Director (Personnel) w.e.f 18.10.2018
Shri Aniruddha Kumar	Nominee Director, Government of India
Shri Prabodh Saxena	Nominee Director, Government of Himachal Pradesh
Shri Ganesh Dutt	Independent Director up to 16.11.2018
Dr. Rajni Sarin	Independent Director
Shri Pravin Bhai Patel	Independent Director
Shri Shamsher Singh Uppal	Independent Director
Shri Subhash Chander Negi	Independent Director w.e.f 25.03.2019
Shri Rajnish Pande	Independent Director w.e.f 29.03.2019
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, 2019	As at March 31, 2018
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, 2019	As at March 31, 2018
Cross Border Power Transmission Company Ltd.	India	Power Transmission	26%	26%
Kholongchhu Hydro Energy Limited	Bhutan	Power Generation	50%	50%

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
Sh. Romesh Kumar Kapoor	India	Relative of Director
Ms. Priyapreet Kaur	India	Relative of Director

b) Transactions with related parties-

i) Transactions with subsidiaries, 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. 2018-19	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2017-18
A.	**Transactions During the Year**						
1.	**Investment in Share Capital**						
a)	SJVN Arun-3 Power Development Company Pvt. Ltd.	12576	-	-	-	-	-
b)	Kholongchhu Hydro Energy Limited	-	-	3763	4200	-	-
2.	**Consultancy Fee Received**						
a)	SJVN Arun-3 Power Development Company Pvt. Ltd.	172	147	-	-	-	-
3.	**Dividend**						
a)	Cross Border Power Transmission Company Ltd.	-	-	126	164	-	-
4.	**Sitting Fees**	-	-	-	-	17	20
5.	**Remuneration to relatives of KMP**	-	-	-	-	88	6
B.	**Outstanding Balances at the year end.**						
1.	**Advance**						
a)	SJVN Arun-3 Power Development Company Pvt. Ltd.	32887	19259	-	-	-	-
b)	SJVN Thermal Pvt. Ltd.	18208	5239	-	-	-	-
2.	**Amount Recoverable**						
a)	Kholongchhu Hydro Energy Limited (KHEL)	-	-	105	168	-	-

ii) Loans to/from Key Management Personnel (KMP) (₹ Lakh)

Particulars	Key Management Personnel (KMP)	
	31.03.2019	31.03.2018
Loan to KMPs		
Beginning of the Year	17	13
Loans advanced	-	-
Loan repayments received	3	5
Interest charged	-	-
Interest received	7	2
End of the year/period	7	6

Note: Advance to subsidiaries is ₹ 51095 Lakh (Previous Year ₹ 24498 Lakh) and Recoverable from JV's is ₹ 105 Lakh (Previous Year ₹ 168 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 Education Loan. This advance is 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	2018-19	2017-18
1	NJPC Ltd. Employees Provident Fund Trust	Contributions during the year	6887	4902
2	NJPC Ltd. Employee Gratuity Fund	Contributions during the year	393	1523
3	SJVN Employees Defined Contribution Pension Fund.	Contributions during the year	3012	1821
4	Fund for SJVN PRMS	Contributions during the year	21	6140
5	SJVN Foundation Trust	Contributions during the year	4010	3750

2.48 Remuneration to Directors & Key Managerial Personnel

(₹ lakh)

		Year ended 31.03.2019	Year ended 31.03.2018
i)	Short Term Employee Benefits	445	296
ii)	Post Employment Benefits	9	5
iii)	Other Long Term Employee Benefits	42	26
	Total	**496**	**327**

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

2.49 Interest in Other Entities:

a) Subsidiaries

The company's subsidiaries as at 31st March, 2019 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. **(₹ lakh)**

	Name of entity	Principal Activities	Country of Incorporation	% Equity Interest	
				As at 31.03.2019	As at 31.03.2018
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) Joint ventures

The company's interest in joint ventures as at 31st March, 2019 are set out below which in the opinion of the management, are material to the company. 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 2019	31st March 2018	31st March 2019	31st March 2018
Kholongchhu Hydro Energy Limited	Bhutan	50	Joint Venture (1)	*	*	13729	9966
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 2019 using the Equity Method : **(₹ Lakh)**

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	As at 31.03.2019 (Unaudited)	As at 31.03.2018 (Unaudited)	As at 31.03.2019 (Unaudited)	As at 31.03.2018 (Audited)
Current Assets				
cash and cash equivalents	630	76	1940	1037
Other Assets	93	38	5939	5712
Total Current Assets	**723**	**114**	**7879**	**6749**
Total Non-Current Assets	**26330**	**20714**	**19020**	**20025**
Current liabilities				
Current financial liabilities (excluding trade and other payables and provisions)	168	140	1608	1646
Other Liabilities	428	709	1281	781
Total Current Liabilities	**596**	**849**	**2889**	**2427**
Non-current liabilities				
non-current financial liabilities (excluding trade and other payables and provisions)	49	47	14715	15995
Other Liabilities	-	-	437	439
Total Non-current Liabilities	**49**	**47**	**15152**	**16434**
Net Assets	**26408**	**19932**	**8858**	**7913**

Summarised statement of Profit and Loss using Equity Method: **(₹ Lakh)**

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	31.03.2019 (Unaudited)	31.03.2018 (Unaudited)	31.03.2019 (Unaudited)	31.03.2018 (Audited)
Revenue	-	-	662	447
Interest Income/Other Income	-	-	2968	3149
Cost of raw material and components consumed	-	-	-	-
Depreciation & amortization	-	-	2	2
Finance cost	-	-	1608	1771
Employee benefit	-	-	144	105
Other expense	-	-	346	423
Profit before tax	-	-	1530	1295
Profit for the year (continuing operations)	**-**	**-**	**1530**	**1295**
Total comprehensive income for the year (continuing operations)	**-**	**-**	**1530**	**1295**

2.50 Earnings Per Share:-

Calculation of Earnings Per Share (Basic and Diluted) is as under:

	Year Ended 31.03.2019	Year Ended 31.03.2018
Net Profit after Tax but before Regulatory Income used as numerator (₹ Lakh)	121734	118469
Net Profit after Tax and Regulatory Income used as numerator (₹ Lakh)	136429	122488
Weighted Average number of equity shares used as denominator	3929795175	4125293277
Earnings per Share before Regulatory Income (₹) - Basic & Diluted	3.10	2.87
Earnings per Share after Regulatory Income (₹) - Basic & Diluted	3.47	2.97
Face value per share (₹)	10	10

2.51 Impairment of Assets-

In the opinion of the management there is no indication of any significant impairment of assets during the year as per Ind AS 36.

2.52 Other disclosures as per Schedule-III of the Companies Act,2013 are as under:-

(₹ Lakh)

(A)	Expenditure in foreign currency	Year ended 31.03.2019	Year ended 31.03.2018
i)	Consultancy	-	-
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	-	-
iv)	Interest on World Bank Loan.	5830	3228
v)	Dividend Paid	-	-
vi)	Other Miscellaneous Matters	284	175
(B)	**Earnings in foreign currency**		
(C)	**Value of Import calculated on CIF basis**		
i)	Capital Goods	245	-
ii)	Spare Parts	15	151
(D)	**Value of components, stores and spare parts consumed**		
i)	Imported	99 (5.09%)	101 (6.32%)
ii)	Indigenous	1554 (94.01%)	1497 (93.68%)

2.53 Quantitative details in respect of energy generated & sold :

a) Hydro Power:-

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1912	1912
iii)	Actual Generation (Million Units)	8335.89	9222.60

b) Wind/Solar Power:-

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	90.60	54.60
iii)	Actual Generation (Million Units)	99.14	59.33

2.54 Payment to Auditors includes:

(₹ lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
As Auditors		
- Statutory Audit	11	9
- Tax Audit	3	2
- Limited Review	8	4
For other services (Certificates etc.)	2	3
Reimbursement of Expenses	6	3
Reimbursement of Service Tax/GST	5	3
Total	**35**	**24**

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

(₹ Lakh)

PARTICULARS	CURRENCY	As at 31.03.2019	As at 31.03.2018
Borrowings, including Interest Accrued but not due thereon.	USD	196713	198913

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 ₹ 3485 lakh [(2% of Average Profit Before Tax of immediately previous three years (P.Y ₹ 3750 lakh, 2% of Average Profit Before Tax of immediately previous three years)] to be spent on CSR during the year. The company has paid an amount of ₹4010 lakh (P.Y: ₹ 3750 lakh) to the CSR trust formed to manage the CSR activities which has been booked to CSR expenses as per Accounting Policy .

a) Break-up of CSR expenditures incurred as intimated by CSR Trust under various heads is as below. **(₹ Lakh)**

Sr. No.	Activities	As at 31st March, 2019	As at 31st March, 2018
1	Health and hygiene	730	457
2	Education and Skill Development	1096	666
3	Infra structural Development and Community Development	580	994
4	Promotion of Gender Equality, Empowering women etc	109	-
5	Preservation and promotion of culture, Melas, Sports etc.	164	358
6	Sustainable Development	823	1035
7	Assistance to the victims natural disasters/ calamities	500	145
8	Miscellaneous CSR activities& Administrative Exp.	23	221
	Total	**4025**	**3876**

b) (i) Amount spent during the year ended 31st March 2019. **(₹ Lakh)**

	Particulars	In cash	Yet to be paid in cash	Amount
a)	Construction/Acquisition of any Asset	1975	-	1975
b)	On Purpose other than (a) above	2050	-	2050

(ii) Amount spent during the year ended 31st March 2018 **(₹ Lakh)**

	Particulars	In cash	Yet to be paid in cash	Amount
a)	Construction/Acquisition of any Asset	2408	-	2408
b)	On Purpose other than (a) above	1468	-	1468

2.57 Information in respect of micro and small enterprises as at 31st March 2019 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a)	Amount remaining unpaid to any supplier:		
	Principal amount	718	58
	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 ₹ 61120 Lakh (P.Y.: ₹ 55007 Lakh) is due but not recognised on account of surcharge till 31.03.2019 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 has revised from 1st January, 2017. 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.

d) Risks associated with future recovery/reversal of regulatory deferral account balances:

i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply.

ii) regulatory risk on account of changes in regulations and submission or approval of rate-setting application or the entity's assessment of the expected future regulatory actions.

iii) other market risks, if any.

The company has created regulatory assets and recognized corresponding regulatory income up to period ended 31.03.2019 as under: **(₹ Lakh)**

Regulatory asset created in relation to:	Up to FY 2017-18	For the year ended 31.03.2019	Total up to 31.03.2019
Exchange rate variation regarded as Borrowing Costs	7317	11417	18734
Employee Benefit expense (Pay- revision w.e.f 01.01.2017)	7945	7314	15259
Total	**15262**	**18731**	**33993**

2.60 Opening balances/corresponding figures for previous year/period have been re-grouped/re- arranged, wherever necessary.

Board of Directors authorised Director (Finance) and Company Secretary to rectify the errors and carry out modifications, if any.

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 Balance Sheet and Statement of Profit and Loss.

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

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

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	Sr. 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 2018 to 31st March, 2019	From 15th July 2017 to 14th July, 2018
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	19486
6	Reserves & surplus	(2)	(75)
7	Total assets	62863	55887
8	Total Liabilities	19197	36476
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	29	(21)
12	Provision for taxation	-	-
13	Profit after taxation	29	(21)
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 subsidiaries 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 31.03.2019.

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
1.	Latest audited Balance Sheet Date	Audited up to 31.03.2018 (Unaudited as on 31.03.2019)	Audited up to 31.12.2018 (Unaudited as on 31.03.2019)
2.	Shares of Associate/Joint Ventures held by the company on the year end	26%	50%
	No. of shares	1,26,12,473 shares of ₹ 10 each	13,72,91,700 Equity Shares of ₹10/- each
	Amount of Investment in Associates/Joint Venture	1261	13729
	Extent of Holding %	26%	50%
3.	Description of how there is significant influence	-	-
4.	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated
5.	Net Worth attributable to Shareholding as per latest Unaudited Balance Sheet	2303	13204
6.	Profit / Loss for the year (After tax)	1530	-
i.	Considered in Consolidation	398	-
iI.	Not Considered in Consolidation	-	-

Kholongchhu Hydro Energy Limited is yet to commence business.

Names of associates or joint ventures which have been liquidated or sold during the year. - Bengal Birbhum Coalfields Limited.

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

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

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

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 2019

DEAR MEMBERS,

Your Directors are pleased to present the Twelfth Annual Report of the Company for the year ended March 31, 2019 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 2019 briefly encapsulate the performance of your company:

FINANCIAL HIGHLIGHTS

A. PERFORMANCE (₹ Lakh)

Particulars	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Total Revenue	179	-
Total Expenses	150	17
Profit before Tax	**29**	**(17)**
Tax Expenses	-	-
Profit for the Year	**29**	**(17)**

B. POSITION (₹ Lakh)

Particulars	As on March 31, 2019		As on March 31, 2018	
ASSETS				
Non - Current Assets				
A) Property, Plant and Equipment		36914		36916
B) Capital Work-in-progress				
a) Preliminary	7452		5669	
b) Expenditure Attributable to Construction (EAC)	9481	16933	6967	12636
C) Other Intangible Assets		-		1
D) Other Non-Current Assets		347		346
Current Assets				
A) Financial Assets				
i) Cash and cash equivalents		18		46
ii) Bank Balance other than above		5673		-
iii) Loans		1		-
iv) Others		161		-
B) Current Tax Assets		18		-
C) Other Current Assets		2798		3
Total Assets		**62863**		**49948**

1. PROJECT REVIEW

1.1. INVESTMENT APPROVAL

During the year the project has received the approval of the Cabinet vide MoP memorandum dated 08.03.2019 at a project cost ₹10,439.09 Crore (At Jan 2018 Price Level). The EPC contract for Engineering Procurement and Construction of the main plant has been awarded on June 22, 2019 to Larsen & Toubro. The Project Management Consultancy during Post Award Stage for the main plant has been awarded to NTPC on May 30, 2019. Further the Project Management Consultancy for the Railway Infrastructure has also been awarded on June 13, 2019 to RITES. With all the major works awarded the construction of the project has been commenced. Govt. of Bihar has signed Power Purchase Agreement (PPA) for purchase of not less than 85% of the power generated from the project.

1.2 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

Letter of Assurance (LoA) for Long term coal linkage has been issued by Central Coalfields Ltd. (CCL), a Subsidiary of Coal India Ltd. on 19th December 2018. 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. Award for conduct of Social Impact Assessment (SIA) Study has been made by the Distt. Administration which is likely to commence soon.

1.3 RAILWAY SIDING AND INFRASTRUCTURE

Consequent to change in the source of Coal, Supplementary Detailed Project Report (DPR) has been submitted to Eastern Central Railways- Head Quarters on 10th October 2018 for approval.

1.4 CONSTRUCTION POWER

Transmission Line work was awarded to South Bihar Power Distribution Company Ltd. (SBPDCL) on deposit work basis. The Work of 33/11 kV transmission line has been completed along with erection of sub- station. Payment of ₹39.72 Lakh was deposited with SBPDCL on 15th February 2019 towards initial security money for charging of 1 MVA line. After Pre-charging inspection of line by SBPDCL, the line has been charged on June 30, 2019.

2. BOUNDARY WALL

Construction of Boundary Wall (Above HFL i.e. E.L. 64.0m) has been Completed as per scope.

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 2018-19 except the following:

(₹ Lakh)

Particulars	Holding Company		Directors/ Key Managerial Personnel (KMP)	
	FY 2018-19	FY 2017-18	FY 2018-19	FY 2017-18
Transactions During the Year				
1. Issue of share capital				
a) SJVN Limited	-	-	-	-
2. Advance from Holding Co.				
b) SJVN Limited	18208	5239	-	-

7. HOLDING COMPANY

SJVN Thermal Private Limited is a wholly owned subsidiary of SJVN Limited w.e.f. 04th July 2013.

8. CSR ACTIVITIES

Company does not fall under the ambit of Section 135 of the Companies Act, 2013 in respect of CSR, being under construction phase and 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 R. M. Associates., 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 2018-19. The Report of the Statutory Auditors to the Members on the Accounts for the year ended 31.03.2019 is placed at "**Annexure - II**".

Comments of the C&AG of India on the Accounts for the year ended 31.03.2019 are placed at "**Annexure-III**". Comments of the 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 2018-19. The Report of the Secretarial Auditor for the year ended 31.03.2019 is placed at "**Annexure - IV**". Reply of Management to observation of Secretarial Auditors are placed at "**Annexure - V**"

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

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 2018-19, 06 nos. of Board Meetings were held on 25th April 2018, 03rd May 2018, 25th July 2018, 11th September 2018, 12th December 2018 and 19th March 2019. The maximum interval between any two meetings during this period was 96 days.

The details of Board Meetings and attendance of the Directors for the year are as under:-

Sr. No	Name of Director (Shri/Smt.)	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (11th) held on 11-09-2018	Date of Appointment or Cessation of Director on the Board of Company
1	Nand Lal Sharma	06	06	Yes	Appointed w.e.f. 09-05-2013
2	Amarjit Singh Bindra	06	06	Yes	Appointed w.e.f. 09-05-2013
3	Rakesh Kumar Bansal	06	06	Yes	Appointed w.e.f. 09-05-2013
4	Kanwar Singh	06	06	Yes	Ceased w.e.f. 31-03-2019
5	Geeta Kapur	02	02	NA	Appointed w.e.f. 12-12-2018

15. 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.

16. BOARD OF DIRECTORS

As on 31st March 2019, 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
5	Smt. Geeta Kapur*	Director

**Shri Kanwar Singh ceased as Director on 31st March 2019 and Smt Geeta Kapur was appointed as Director of the Board of the Company w.e.f. 12th December 2018.*

ACKNOWLEDGEMENTS

The Board of Directors of the Company wish to place on record, their sincere thanks and appreciation to Ministry of Power, Ministry of Coal, Ministry of Railways, Ministry of Environment & Forest, Govt. of Bihar/ BSEB, SJVN Limited, Bankers, Contractors, Vendors, Consultants, Office of the Comptroller and Auditor General of India, Statutory Auditors and Staff for extending their continuous support and co-operation in the operations 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, 2019
Place: New Delhi

Annexure - I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVEVIEW

All India installed capacity as on 31.03.2019 was 356100 MW comprising 226279 MW of thermal, 45399 MW of hydro, 6780 MW of nuclear and 77641 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. The consumption is expected to increase further in light of Government's "Make in India" endeavour.

The portrayal of consumption of power in India with its peer nations signifies that, there will be space to have 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 2019:

(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 ₹179 Lakh (Previous Year: ₹ Nil) has been earned on short term deposit with Banks and shown as other income. A portion of employee benefit expenses related to Key Managerial Personnel amounting to ₹28 Lakhs (Previous Year: ₹15 lakh) and Statutory Audit Fees & Out of Pocket expense, filing fees, training & advertisement amounting to ₹122 Lakhs (Previous Year: ₹ 2 Lakh) in accordance with note 1.17 and 1.18 respectively have been charged in 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 earned a profit of ₹29 Lakhs (Previous Year: Loss of ₹17 Lakh) during the year ended 31st March 2019.

B. FINANCIAL POSITION

Assets and Liabilities in the Balance Sheet have been classified under head 'Current' and 'Non-Current'

The items of the Balance Sheet are as under:

i) Non-Current Assets (₹ Lakh)

Particulars	As on March 31,	
	2019	2018
Property, Plant and Equipment (Note 1.1)	36914	36916
Capital Work-in-Progress (Note 1.2)	16933	12636
Investment Property	-	-
Goodwill	-	-
Other Intangible Assets (Note 1.3)	-	1
Intangible Assets under development	-	-
Financial Assets	-	-
Deferred Tax Assets (Net)	-	-
Regulatory deferral account debit balance	-	-
Other Non-Current Assets (Note 1.4)	347	346
Total	**54194**	**49899**

Non-Current Assets as on March 31, 2019 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 8.61% to ₹ 54194 Lakh as compared to ₹ 49899 Lakh as on March 31, 2018. This increase is mainly due to expenditure of ₹1783 Lakh for preconstruction activities and balance ₹2514 Lakh for acquisition of Property, Plant and Equipment (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 ₹ 19 Lakh (previous year: ₹ 82 Lakh). The increase in net Property, Plant and Equipment is mainly due to addition in Plant & Machinery, 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 1065.41 Acres) has been acquired by the company. Out of the total land acquired, 1058.335 acres of land (previous year: 1058.335 Acre) has been mutated in the name of the Company.

Capital Work-In-Progress (CWIP)

Capital Work-in-Progress (CWIP) during current Fiscal Year registered an increase of nearly 34% to ₹16933 Lakh as compared to ₹12636 lakh in previous Fiscal Year due to increase in preliminary expenditure amounting to ₹712 Lakh and Expenditure Attributable to Construction (EAC) of ₹2556 Lakh as detailed below:

(a) Expenditure Attributable to Construction (EAC) **(₹ Lakh)**

Expenditure	Fiscal 2019	Fiscal 2018
Employee Benefits Expense (Note 1.2.1)	2071	1785
Finance Costs (Note 1.2.1)	-	-
Depreciation (Note 1.2.1)	20	23
Other Expenses (Note 1.2.1)	465	434
Total Expenditure	**2556**	**2242**

(b) Employee Benefit Expenses

The Employee Benefit Expenses includes Salaries and Wages, Allowances, Incentives, contribution to Provident Fund & other Funds and Welfare Expenses. These expenses accounted for 81% of the total expenditure in Fiscal 2019 as compared to 80% in Fiscal 2018.

(c) Depreciation and Amortisation Expenses

Depreciation cost has decreased marginally to ₹20 Lakh during the Fiscal 2019 as compared to ₹23 Lakh during Fiscal 2018.

(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 18% of total expenditure during Fiscal 2019 in comparison to 19% in Fiscal 2018. In absolute terms the expenses were ₹465 Lakh in Fiscal 2019 in comparison to ₹434 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 ₹347 Lakh in comparison to ₹346 Lakh in previous fiscal due to payment of ₹ 1 Lakh to SBPDCL towards new service connection (10KW) line.

ii) Current Assets **(₹ Lakh)**

Particulars	As on March 31,	
	2019	**2018**
Inventories	-	-
Financial Assets		
Investment	-	-
Trade Receivables	-	-
Cash and Cash Equivalents (Note 1.5)	18	46
Bank Balance other than above (Note 1.6)	5673	-
Loans (Note 1.7)	1	-
Others (Note 1.8)	161	-
Current Tax Assets (Note 1.9)	18	-
Other Current Assets (Note 1.10)	2798	3
Total	**8669**	**49**

Current Assets as on March 31, 2019 have increased by ₹ 8620 Lakh mainly due to Pledged deposits of ₹ 5673 Lakh in the form of FDR and advance to Distt. Land Acquisition Officer, Buxar for acquisition of additional Land of ₹2798 Lakh.

a) Cash and Cash Equivalents

Cash and Cash Equivalents decreased by ₹ 28 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 TDS on interest earned on short term bank deposits in current fiscal are ₹ 18 Lakh in comparison to ₹ Nil in previous fiscal.

c) Other Current Assets

Other Current Assets have increased to ₹ 2798 Lakh in comparison to ₹ 3 Lakh in previous fiscal mainly due to advance to Distt. Land Acquisition Officer, Buxar for acquisition of additional Land.

iii) Net Worth

Net Worth of the company at the end of Fiscal 2018-19 has increased to ₹43666 Lakh (Previous Year: ₹43637 Lakh) due to profit amounting to ₹ 29 Lakh earned in current fiscal.

iv) Current Liabilities **(₹ Lakh)**

Particulars	As on March 31,	
	2019	**2018**
Financial Liabilities		
Borrowings	-	-
Trade Payables	-	-
Other Financial Liabilities (Note 1.13)	481	171
Other Current Liabilities (Note 1.14)	18437	5662
Provisions (Note 1.15)	279	478
Total	**19197**	**6311**

The Current Liabilities during the year increased by ₹ 12886 lakh (204%) from ₹ 6311Lakh as on March 31, 2018 to ₹19197 Lakh as on March 31, 2019. This comprises other Financial Liabilities, other Current Liabilities and Short Term Provisions. Other Current Liabilities have increased by ₹12775 Lakh due to advances amounting to ₹12969 Lakh received from holding company for day to day establishment expenditure, payment for pre-construction activities & other project liabilities. Other Financial Liabilities increased by ₹310 lakh on account of increase in deposit/ retention money from contractors/suppliers and remuneration of employees whereas balance amount payable against statutory dues have decreased in comparison to previous fiscal. Provisions have decreased by ₹199 Lakh on account of payment against provisions for pay revision and performance related pay of employees.

v) Contingent Liabilities

The following component forms part of contingent liability:

(₹ Lakh)

Particulars	As on 31.03.2019	As on 31.03.2018
Land Compensation	3	3

The above amount is related to demand raised by Circle Officer, Chausa, Buxar in respect of Land. However, the same is being 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, SOP, 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 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 2019 ("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 2019 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 there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under; **(Not applicable to the Company during the Audit Period)**

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under 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;

- 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..

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 till 11th December 2018**. 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 Compliance 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 commensurate 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 : 21st June, 2019
Place : Shimla

Annexure-A

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: 21st June, 2019
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 till 11th December 2018	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 was no Functional Woman Director as such on the Board of the Holding Company till 17th October 2018 and as per present guidelines, the Appointment of Directors is required to be done by the Concerned Administrative Ministry. However, Holding Company appointed the Woman Director w.e.f. 12th December 2018 on the Board of SJVN Thermal Private Limited.

Annexure-VI

Form No. MGT-9

EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON 31ST March, 2019

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

I. REGISTRATION AND OTHER DETAILS:

i.	CIN	U31908BR2007PTC017646
ii.	Registration Date	07 May 2007
iii.	Name of the Company	SJVN Thermal Private Limited
iv.	Category / Sub-Category of the Company	Company Limited By Share/ Indian Government Company
v.	Address of the Registered office and contact details	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. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i. Category-wise Share Holding:-

Category of Shareholders		No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	during the year
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):-			-	-	-	-	-	-	-	-
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 ₹1 lakh									
(ii)	Individual shareholders holding nominal share capital in excess of ₹1 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)

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 the company	% of total shares	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	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	**-**	**-**	**-**	**-**

v. Shareholding of Directors and Key Managerial Personnel - NIL

V. INDEBTEDNESS

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

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

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

B. Remuneration to other directors: NIL

C. Remuneration to Key Managerial Personnel including Company secretary Other Than MD /Manager /WTD - ₹ 137 Lakh (detailed as under)

Sr. No.	KMP	Amount of remuneration (₹ Lakh)
1	CEO	59
2	CFO	63
3	CS	15
Total		**137**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

INDEPENDENT AUDITOR'S REPORT

Annexure-II

TO THE MEMBERS OF SJVN THERMAL PRIVATE LIMITED
(Formerly Buxar Bijlee Company Private Limited)
(A wholly owned subsidiary of SJVN Limited)

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of SJVN THERMAL PRIVATE LIMITED Company, which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, (statement of changes in equity)and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, and profit, (changes in equity) and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibility of Management for Standalone Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the **Annexure -'A'** statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, we report that:

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.

(a) 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.

(b) The company does not have any branches.

(c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account .

(d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules,2014.

(e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure -'B'**.

(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 does not have any pending litigations which would impact its financial position

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

Report pursuant to directions issued by office of C & AG u/s 143(5) of the Companies Act, 2013

Report pursuant to directions issued by Comptroller and Auditor General of India as per section 143(5) of the Companies Act, 2013 has been reported vide **Annexure -'C'** attached. No action is required on such directions as company is in initial stage and it has no impact on the accounts and financial statement of company.

For R.M. Associates
Chartered accountants

(CA. Sushim Saurav)
Partner
M.No. 426052
FRN-307011C

Date : 20th May, 2019
Place : Shimla

SJVN THERMAL PRIVATE LIMITED
ANNEXURE- 'A' TO THE AUDITOR'S REPORT

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, during the year physical verification of assets has been carried out and reconciliation of the same is under process.
(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 R.M. Associates
Chartered accountants

(CA. Sushim Saurav)
Partner
M.No. 426052
FRN-307011C

Date : 20th May, 2019
Place : Shimla

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, 2019 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, 2019 based on the procedures examined by us.

For R.M. Associates
Chartered accountants

(CA. Sushim Saurav)
Partner
M.No. 426052
FRN-307011C

Date : 20th May, 2019
Place : Shimla

Annexure- C

COMPLIANCE CERTIFICATE

We have conducted the audit of annual accounts of **"SJVN THERMAL PRIVATE LIMITED"** for the year ended 31st March, 2019 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 R.M. Associates
Chartered accountants

(CA. Sushim Saurav)
Partner
M.No. 426052
FRN-307011C

Date : 20th May, 2019
Place : Shimla

"ANNEXURE-C" TO THE AUDITOR'S REPORT

Annexure referred to our report of even date to the members of
SJVN THERMAL PRIVATE LIMITED on the accounts for the year ended 31st March, 2019.

Sr. No.	Directions	Actions Taken	Impact on Financial Statements
1	Whether the Company has system in place to process all the accounting transactions through IT system? If yes, the implications of processing of accounting transactions outside IT system on the integrity of the accounts along with the financial implications, if any, may be stated.	Yes	NIL
2	Whether there is any restructuring of an existing loan or cases of waiver/write off of debts/loans/interest etc. made by a lender to the company due to the company's inability to repay the loan? If yes, the financial impact may be stated.	No such case come across during the audit.	NIL
3	Whether funds received/receivable for specific schemes from Central/State agencies were properly accounted for/utilized as per its term and conditions? List the cases of deviation.	No such case come across during the audit.	NIL

For R.M. Associates
Chartered accountants

(CA. Sushim Saurav)
Partner
M.No. 426052
FRN-307011C

Dated :20th May, 2019
Place : Shimla

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 2019.

The preparation of financial statements of SJVN Thermal Private Limited for the year ended 31 March 2019 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 May 20, 2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the financial statements of SJVN Thermal Private Limited for the year ended 31 March 2019 under section 143(6)(a) of the Act. 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 under section 143(6)(b) of the Act.

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

(Suparna Deb)
Director General of Commercial Audit &
Ex-officio Member, Audit Board-I, Kolkata

Date: 11th July, 2019
Place: Kolkata

SJVN Thermal Private Limited
(Formerly Buxar Bijlee Company Private Limited)
(A wholly owned Subsidiary of SJVN Limited)
BALANCE SHEET AS AT MARCH 31, 2019

(₹ Lakh)

	Note No.		As at March 31, 2019	As at March 31, 2018
ASSETS				
Non - Current Assets				
Property, Plant and Equipment	1.1		36914	36916
Capital Work-in-progress	1.2		16933	12636
Other Intangible Assets	1.3		-	1
Financial Assets			-	-
Other Non-current Assets	1.4		347	346
Current Assets				
Inventories			-	-
Financial Assets				
Cash and cash equivalents	1.5	18		46
Bank Balance other than above	1.6	5673		-
Loans	1.7	1		-
Others	1.8	161		-
			5853	46
Current Tax Assets	1.9		18	-
Other Current Assets	1.10		2798	3
Total Assets			**62863**	**49948**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	1.11	43668		43668
Other Equity	1.12	(2)		(31)
			43666	43637
Liabilities				
Non- current Liabilities			-	-
Current Liabilities				
Financial Liabilities				
Other Financial Liabilities	1.13		481	171
Other Current Liabilities	1.14		18437	5662
Provisions	1.15		279	478
Total Equity and Liabilities			**62863**	**49948**

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

For and on behalf of the Board of Directors

(Raman Kant Sharma)	**(Surendra Lal Sharma)**	**(Suresh Chandra Agarwal)**	**(Rakesh Kumar Bansal)**	**(Nand Lal Sharma)**
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 06395552	DIN-03495554

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

For R.M. Associates
Chartered accountants
(FRN-307011C)

(Sushim Saurav)
M.No. 426052
Dated : 20th May, 2019
Place : Shimla

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, 2019

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Income			
Other Income	1.16	179	-
Total Income		**179**	**-**
Expenses			
Employee Benefits Expense	1.17	28	15
Other Expenses	1.18	122	2
Total Expenses		**150**	**17**
Profit before net movement in regulatory deferral account balance and tax		**29**	**(17)**
Net movement in regulatory deferral account balance	-	-	-
Profit Before Tax		**29**	**(17)**
Tax Expenses		-	-
Profit(Loss) for the period		**29**	**(17)**
Other comprehensive income		-	-
Total Comprehensive Income for the period		**29**	**(17)**
Earnings Per Equity Share (excluding net movement in regulatory deferral account balance)			
Basic and Diluted (₹)	1.25	-	-
Earnings Per Equity Share (including net movement in regulatory deferral account balance)			
Basic and Diluted (₹)	1.25	-	-
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)	**(Surendra Lal Sharma)**	**(Suresh Chandra Agarwal)**	**(Rakesh Kumar Bansal)**	**(Nand Lal Sharma)**
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 06395552	DIN-03495554

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

For R.M. Associates
Chartered Accountants
(FRN-307011C)

(Sushim Saurav)
M.No. 426052
Dated :20th May, 2019
Place : Shimla

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, 2019

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		29	(17)
Adjustment for:			
Interest on term deposits		(179)	-
Adjustment for assets and liabilities			
Loans, other financial assets and other assets	(2796)		6
Other financial liabilities and other liabilities	116		234
Provisions	(199)		317
		(2879)	557
Cash generated from operating activities		(3029)	540
Income tax paid		(18)	1
Net cash generated by operating activities		(3047)	541
CASH FLOW FROM INVESTING ACTIVITIES:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(4295)		(2637)
Term deposits with bank (having maturity more than three months)	(5673)		-
Interest on term deposits	18		-
Net cash used in investing activities		(9950)	(2637)
CASH FLOW FROM FINANCING ACTIVITIES:			
Advance from Holding Company	12969		2040
Cash used in financing activities		12969	2040
Net increase in cash and cash equivalents		**(28)**	**(56)**
Opening balance of cash & cash equivalents		**46**	**102**
Closing balance of cash & cash equivalents		**18**	**46**
Restricted cash balance			
Earmarked Balance (Unpaid Dividend)		-	-
Margin Money for BG/ Letter of Credit and Pledged deposits		5673	-
Total		**5673**	**-**

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

For and on behalf of the Board of Directors

(Raman Kant Sharma)	**(Surendra Lal Sharma)**	**(Suresh Chandra Agarwal)**	**(Rakesh Kumar Bansal)**	**(Nand Lal Sharma)**
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 06395552	DIN-03495554

This is the Statement of Cash Flows referred to in our report of even date.

For R.M. Associates
Chartered accountants
(FRN-307011C)

(Sushim Saurav)
M.No. 426052
Dated : 20th May, 2019
Place : Shimla

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, 2019

A. Equity Share Capital

Particulars	Amount (₹ Lakh)
Opening Balance as at April 1,2018	43668
Equity Shares issued during the year	-
Equity Shares bought back during the year	-
Closing Balance as at March 31, 2019	**43668**

B. Other Equity

(₹ Lakh)

Particulars	Reserves and Surplus			Total Other Equity
	Capital Redemption Reserve	Securities Premium	Retained Earnings	
Opening Balance as at April 1,2018	-	-	(31)	(31)
Profit for the Period	-	-	29	29
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income	**-**	**-**	**29**	**29**
Closing Balance as at March 31, 2019	**-**	**-**	**(2)**	**(2)**

For and on behalf of the Board of Directors

(Raman Kant Sharma)	**(Surendra Lal Sharma)**	**(Suresh Chandra Agarwal)**	**(Rakesh Kumar Bansal)**	**(Nand Lal Sharma)**
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 06395552	DIN-03495554

This is the Statement of Changes in Equity referred to in our report of even date.
For R.M. Associates
Chartered accountants
(FRN-307011C)

(Sushim Saurav)
M.No. 426052
Dated : 20th May, 2019
Place : Shimla

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, 2019

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:

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 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 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.

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) 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 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) Net realizable value of obsolete, unserviceable and surplus stores & spares is ascertained at the end of financial year and provided for, wherever required. 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.

iii. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Company initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

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:

a) 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.

b) 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:

a) 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.

b) 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.

c) Non-monetary government grants are recorded at a nominal amount.

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) 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/ contrasted 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.

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 and control over the product is transferred to the 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 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 memento on superannuation.

vi. 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.

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. 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.

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.

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.

The useful life of these assets are reviewed at each financial year end and adjusted prospectively, wherever required.

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. The amortisation period and the amortisation method of intangible assets with a finite useful life is reviewed at each financial year end.

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. Changes in significant Accounting Policies.

During the year certain changes have been made in the policies number 9(e), 10(b)(iii), 15(c), 18(a) and 20(c) & (g) for improved disclosure. However, there is no impact on the financial statements due to the above changes.

SJVN Thermal Private Limited
(Formerly Buxar Bijlee Company Private Limited)
(A wholly owned Subsidiary of SJVN Limited)

1.1 Property, Plant & Equipment

(₹ Lakh)

Sl.No.	Particulars	Gross Block: As at April 1, 2018	Gross Block: Additions during the year	Gross Block: Deductions/ Adjustments	Gross Block: As at March 31, 2019	Depreciation: As at April 1, 2018	Depreciation: For the year	Depreciation: Deduction	Depreciation: As at March 31, 2019	Net Block: As at March 31, 2019	Net Block: As at March 31, 2018
1	Land Free hold Land (including development expenses) #	36741	-	-	36741	-	-	-	-	36741	36741
2	Buildings	40	-	1	39	-	2	-	2	37	40
3	Plant and Machinery	-	5	-	5	-	-	-	-	5	-
4	Vehicles	10	-	-	10	3	1	-	4	6	7
5	Furniture, Fixture and Equipments	52	4	-	56	11	3	-	14	42	41
6	Electrical Equipments	72	1	-	73	11	5	-	16	57	61
7	Office Equipments	23	2	1	24	6	2	-	8	16	17
8	Data processing Equipments	38	7	10	35	29	6	10	25	10	9
	Total	**36976**	**19**	**12**	**36983**	**60**	**19**	**10**	**69**	**36914**	**36916**
	Previous Year :	36873	106	3	36976	39	22	1	60	36916	36834

Land Measuring 7.075 Acres (P.Y.: 7.075 Acres) is not in possession of the company and has not been mutated.

1.2 Capital Work-in-progress

(₹ Lakh)

Sl.No.	Particulars	As at April 1,2018	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2019	Capitalised during the year	As at March 31, 2019
1	Civil Works	-	448	-	448	-	448
2	Electrical Works	-	623	-	623	-	623
3	Preliminary	5669	712	-	6381	-	6381
4	Expenditure Attributable to construction**	6967	2556	42	9481	-	9481
	Total	**12636**	**4339**	**42**	**16933**	**-**	**16933**
	Previous Year	10103	2533	-	12636	-	12636

** see note 1.2.1

1.2.1 Expenditure Attributable to Construction

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Employee Benefit Expenses:			
Salaries, Wages, Allowances and Benefits	1749		1430
Contribution to Provident and Other Funds	177		166
Leave Salary and Pension Contribution *	-		4
Welfare Expenses	145		185
		2071	1785
Repair and Maintenance:			
Office Equipments & Furnitures	1		1
Vehicles	2		2
Others	48		48
		51	51
Other Expenses:			
Rent		79	63
Insurance		-	1
Security Expenses		46	56
Electricity Charges		13	15
Travelling & Conveyance		62	49
Training and Recruitment Expenses		-	40
Professional and Consultancy Charges		7	4
Communication Expenses		4	9
Printing & Stationery	5		6
Less: Receipts from Sale of Tenders	2		1
		3	5
Advertisement & Publicity		20	56
EDP Expenses		1	2
Hiring of Vehicles		29	26
Entertainment Expenses		2	2
Expenses on Transit Camps		39	50
Foundation Stone Laying Ceremony Expenses		71	-
Fees and subscription		1	-
Miscellaneous Expenses		41	9
Depreciation and Amortization Expense		20	23
Total (A)		**2560**	**2246**
Less: Recovery and Receipts:			
Misc Income		4	4
Total (B)		**4**	**4**
Net expenditure attributable to construction Projects (A-B)		**2556**	**2242**

1.3 Other Intangible Assets

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1, 2018	Additions during the year	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deduction	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
1	Software	3	-	-	3	2	1	-	3	-	1
	Total:	**3**	**-**	**-**	**3**	**2**	**1**	**-**	**3**	**-**	**1**
	Previous Year :	2	1	-	3	1	1	-	2	1	1

1.4 Other Non - current Assets

(₹ Lakh)

	As at March 31, 2019	As at March 31, 2018
Capital Advances		
Advances to Govt Departments	347	346
Total Other Non Current Assets	**347**	**346**

1.5 Cash and Cash Equivalents

(₹ Lakh)

	As at March 31, 2019	As at March 31, 2018
Balances with Banks		
Current Accounts	18	46
Total	**18**	**46**

1.6 Others Bank Balances

(₹ Lakh)

	As at March 31, 2019	As at March 31, 2018
Margin Money for BG/ Letter of Credit and Pledged deposits	5673	-
Total	**5673**	**-**

1.7 Loans

(₹ Lakh)

		As at March 31, 2019	As at March 31, 2018
Other Advances:			
Unsecured considered good			
-Directors	-		-
-Officers of the Company	-		-
-Other Employees	1		-
		1	-
Total Loans		**1**	**-**

1.8 Other Financial Assets

(₹ Lakh)

	As at March 31, 2019	As at March 31, 2018
Interest Accrued but not due on deposits with Banks	161	-
Total	**161**	**-**

1.9 Current Tax Assets(Net)

(₹ Lakh)

	As at March 31, 2019	As at March 31, 2018
Tax deducted at Source	18	-
Total	**18**	**-**

1.10 Other Current Assets

(₹ Lakh)

	As at March 31, 2019	As at March 31, 2018
Advances to Govt Departments		
- Unsecured, considered good *	2794	-
Advances to Others		
- Unsecured, considered good	2	2
Prepaid Expenses	2	1
Total	**2798**	**3**

1.11 Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	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 :

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%	No. of shares	%
SJVN Limited	436680000	100	436680000	100

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	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	-	-	-	-
No. of shares Bought Back during the year	-	-	-	-
Number of shares at the end	436680000	43668	436680000	43668

1.12 Other Equity

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Retained Earnings		
Opening Balance	(31)	(14)
Add: Profit for the Year as per Statement of Profit and Loss	29	(17)
Total Other Equity	**(2)**	**(31)**

1.13 Other Financial Liabilities-Current

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Others Payables:		
-Liability for Employees' Remuneration and Benefits	350	89
Deposits, Retention Money from Contractors and Others	127	50
TDS and Other Taxes Payable	4	32
Total	**481**	**171**

1.14 Other Current Liabilities

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Advance from Holding Company	18208	5239
Others	229	423
Total	**18437**	**5662**

1.15 Provisions

(₹ Lakh)

Particulars	As At April 1, 2018	For the year			As At March 31, 2019
		Additions	Write Back/ Transfer	Utilization	
Unfunded Employee Benefits					
Pay Revision	293	-	-	293	-
Performance Related Pay	185	279	-	185	279
Total	**478**	**279**	**-**	**478**	**279**
Previous Year	161	435	18	100	478

1.16 Other Income

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Income		
Banks	179	-
Total	**179**	**-**

1.17 Employee Benefits Expense

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Salaries, Wages, Allowances and Benefits	26	13
Contribution to Provident and Other Funds	1	2
Welfare Expenses	1	-
Total	**28**	**15**

1.18 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Training and Recruitment Expenses		59	-
Payment to Auditors:			
As Auditor	1		1
Reimbursement of Expenses	1		1
		2	2
Advertisement & Publicity		61	-
Total		**122**	**2**

Note : Training and Recruitment Expenses includes ₹ 39,61,595/- pertaining to the financial year 2017-18 and has been charged to the Statement of Profit and Loss in current financial year. However, previous year statements has not been recasted considering the materiality aspect.

1.19 Disclosure on Financial Instruments and Risk Management

(1) Fair Value Measurement

A) Financial Instruments by category

(₹ Lakh)

Particulars	Note No.	As At March 31, 2019 Amortised Cost	As At March 31, 2018 Amortised Cost
Financial assets			
Current Financial assets			
(i) Cash and cash equivalents	1.5	18	46
Total		**18**	**46**
Financial Liabilities			
Current Financial Liabilities			
a) Deposits/Retention Money	1.13	127	50
b) Other Payables	1.13	354	121
Total		**481**	**171**

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.

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed: **(₹ Lakh)**

	Note No.	As at 31.03.2019			As at 31.03.2018		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets		-	-	-	-	-	-
Financial Liabilities							
(i) Deposits/Retention Money (including Current)	1.13		127			50	
Total				**127**			**50**

(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 instruments.

- 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 31.03.2019		As at 31.03.2018	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortised Cost					
Financial Liabilities at Amortised Cost					
(i) Deposits/Retention Money (including Current)	1.13	127	127	50	50
Total		**127**	**127**	**50**	**50**

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:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Trade receivables and financial assets measured at amortised cost	Aging 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	interest rate swaps

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, 2019 and 31st March, 2018.

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.

For year Ended 31st March, 2019 **(₹ Lakh)**

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2019	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Years & Less than 5 Years	More than 5 Years
1 Other financial Liabilities	1.13	481	481	-	-	-
Total Financial Liabilities		**481**	**481**	**-**	**-**	**-**

For year Ended 31st March, 2018 **(₹ Lakh)**

Contractual 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 Years & Less than 5 Years	More than 5 Years
1 Other financial Liabilities	1.13	171	171	-	-	-
Total Financial Liabilities		**171**	**171**	**-**	**-**	**-**

(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 Company 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:

(₹ Lakh)

Particulars	**31.03.2019**	**31.03.2018**
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 .

(₹ Lakh)

Particulars	**31.03.2019**	**31.03.2018**
Effect on PAT with rise of 25 basis points	-	-
Effect on PAT with rise of 50 basis points	-	-

(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	**31.03.2019**	**31.03.2018**
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 guidelines.

(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, 2019.

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 **(₹ Lakh)**

	Particulars	**As at 31st March, 2019**	**As at March 31, 2018**
(a)	Loans and borrowings	-	-
(b)	Trade & other payables	-	-
(c)	Less : Cash and cash equivalent	18	46
(d)	Net Debt (a+b-c)	(18)	(46)
(e)	Total Capital	43666	43637
(f)	Capital and net debt (d+e)	43648	43591
	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: **(₹ Lakh)**

	Particulars	**As at 31st March, 2019**	**As at March 31, 2018**
(i)	**Equity Shares**		
	Final dividend	-	-
	Interim dividend	-	-
(ii)	**Dividend not recognised at the end of the reporting period**	**-**	**-**

1.20 Contingent Liabilities:-

a) Claims against the Company not acknowledged as debts in respect of:

(₹ Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
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 31.03.2019 below:

(₹ Lakh)

Sr. No.	Particulars	Claims as on 31.03.2019	Provision against the claims	Contingent liability as on 31.03.2019	Contingent liability as on 31.03.2018	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:

(₹ Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	317	1273
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	-	2
Total	**317**	**1275**

1.21 The effect of foreign exchange fluctuation during the year is as under:

(₹ Lakh)

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
(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	-	-

1.22 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 ₹ 71 Lakh (Previous Year: ₹ 79 Lakh) is recognised as expense, charged to Expenditure attributable to Construction (EAC) / Statement of Profit & Loss account. 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 ₹ 86 Lakh (Previous Year : ₹ 66 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.

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 ₹ 29 Lakh (Previous Year : ₹ 19 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 ₹143 Lakh (Previous Year: ₹ 107 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 ₹ 13 Lakh (Previous Year: ₹ 75 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: ₹ 1 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 ₹ 2 lakh (Previous Year : ₹ 1 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 31.03.2019	As at 31.03.2018
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.75%	7.60%
Future Salary Increase	6.50%	6.50%

1.23 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

1.24 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	Mrs. Geeta Kapur	Director
5	Shri Surinder Pal Bansal	Additional Director
6	Shri Suresh Chandra Agarwal	Chief Executive Officer
7	Shri Surendra Lal Sharma	Chief Financial Officer
8	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, 2019	As at March 31, 2018
SJVN Limited	India	Power Generation	100%	100%

b) Transactions with the related parties are as follows. **(₹ lakh)**

Particulars	Holding Company		Directors/ Key Management Personnel (KMP)	
	F.Y. 2018-19	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2017-18
A. Transactions During the Year				
1. Issue of share capital				
a) SJVN Limited	-	-	-	-
2. Advance from Holding Co.				
a) SJVN Limited	18208	5239	-	-
3. Sitting Fees	-	-	-	-

c) Loans to/ from Related Parties: Nil

d) Remuneration to Directors & Key Managerial Personnel

(₹ Lakh)

Sr. No	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
i)	Short Term Employee Benefits	137	78
ii)	Post Employment Benefits	-	-
iii)	Other Long Term Employee Benefits	-	-
iv)	Termination Benefits	-	-
v)	Employee Share Based Payments	-	-
	Total	**137**	**78**

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.

1.25 Earnings Per Share:-

Calculation of Earnings Per Share (Basic and Diluted) is as under:

Particulars	Year Ended 31.03.2019	Year Ended 31.03.2018
Net Profit/ (loss) after Tax but before Regulatory Income used as numerator (₹ in Lakh)	29	(17)
Net Profit after Tax and Regulatory Income used as numerator (₹ in Lakh)	29	(17)
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

1.26 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.

1.27 Disclosure Regarding Embedded Lease: Nil

1.28 Other disclosures as per Schedule-III of the Companies Act,2013 are as under:-

(₹ Lakh)

(A) Expenditure in foreign currency	Year ended 31.03.2019	Year ended 31.03.2018
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	-	-

1.29 Quantitative details in respect of energy generated & sold:

a) Thermal Power (coal based):-

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
i)	Licensed Capacity (MW)	1320	1320
ii)	Installed Capacity (MW)	-	-
iii)	Actual Generation (Million Units)	-	-

1.30 Payment to Auditors includes: (₹ in Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
As Auditors		
- Statutory Audit	1	1
- Reimbursement of Expenses	1	1
Total	**2**	**2**

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

(₹ Lakh)

Particulars	Currency	As at 31.03.2019	As at 31.03.2018
Borrowings, including Interest Accrued but not due thereon.	-	-	-

1.32 Disclosure related to Corporate Social Responsibility (CSR): Nil

1.33 Information in respect of micro and small enterprises as at 31st March 2019 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
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.	-	-
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.	-	-

1.34 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)	(Surendra Lal Sharma)	(Suresh Chandra Agarwal)	(Rakesh Kumar Bansal)	(Nand Lal Sharma)
Company Secretary	CFO	CEO	Director	Chairman
ACS-29662			DIN- 06395552	DIN-03495554

These are the notes referred to in the Financial Statements.
For R.M. Associates
Chartered Accountants
(FRN 307011C)

(Sushim Saurav)
M.No. 426052
Date : 20th May, 2019
Place: Shimla

FOREIGN SUBSIDIARY SJVN ARUN-3 POWER DEVELOPMENT COMPANY PRIVATE LIMITED

SJVN Arun-3 Power Development Company Pvt. Ltd.
BALANCE SHEET AS AT MARCH 31, 2019

(₹ Lakh)

	Note No.		As at March 31, 2019	As at March 31, 2018
ASSETS				
Non - current Assets				
Property, Plant and Equipment	2.1		8803	7712
Capital Work-in-progress	2.2		37068	17572
Other Intangible Assets	2.3		3	-
Financial Assets				
Loans	2.4		2	190
Other Non-current Assets	2.5		8467	973
Current Assets				
Financial Assets				
Cash and cash equivalents	2.6	389		146
Bank Balance other than above	2.7	6		6
Loans	2.8	22		62
			417	214
Current Tax Assets	2.9		2	1
Other Current Assets	2.10		1125	321
Total Assets			**55887**	**26983**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.11		19486	6910
Other Equity	2.12		(75)	(54)
Liabilities				
Current Liabilities				
Financial Liabilities				
Trade Payables	2.13	23		15
Other Financial Liabilities	2.14	3077		402
			3100	417
Other Current Liabilities	2.15		32907	19273
Provisions	2.16		469	437
Total Equity and Liabilities			**55887**	**26983**
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, 2019

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Income			
Other Income	2.17	14	-
Total Income		**14**	**-**
Expenses			
Employee Benefits Expense	2.18	32	-
Other Expenses	2.19	3	2
Total Expenses		**35**	**2**
Profit Before Tax		(21)	(2)
Tax Expenses:			
- Current Tax		-	-
Profit(Loss) for the period		**(21)**	**(2)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
-Remeasurement of the net defined benefit liability/asset		-	-
-Income tax on above item		-	-
Total		**-**	**-**
Total Comprehensive Income for the period		**(21)**	**(2)**
Earnings Per Equity Share (excluding net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		(0.07)	(0.02)
Earnings Per Equity Share (including net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		(0.07)	(0.02)
Weighted average equity shares used in computing earnings per equity share		31178122	11056522

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

(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, 2019

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		(21)	(2)
Adjustment for assets and liabilities			
Loans, other financial assets and other assets	1		-
Trade payable	23		-
Other financial liabilities and other liabilities	(2)		-
		22	-
Cash generated from operating activities		**1**	**(2)**
Income tax paid		(1)	
Net cash generated by operating activities		-	(2)
CASH FLOW FROM INVESTING ACTIVITIES:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(25975)		(222)
Interest on term deposits	14		-
Net cash used in investing activities		(25961)	(222)
CASH FLOW FROM FINANCING ACTIVITIES:			
Advance from Holding Company	13628		-
Issuance of Equity Share	12576		-
Cash used in financing activities		26204	-
Net increase in cash and cash equivalents		**243**	**(224)**
Opening balance of cash & cash equivalents		**146**	**371**
Closing balance of cash & cash equivalents		**389**	**146**
Restricted cash balance			
Earmarked Balance (Unpaid Dividend)		-	-
Margin Money for BG/ Letter of Credit and Pledged deposits		6	6
Total		**6**	**6**

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

(Sujit Jha) **Company Secretary**	**(Jitendra Yadav)** **CFO**	**(S.K. Sharma)** **CEO**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity: Reserves and Surplus: Securities Premium Reserve	Other Equity: Reserves and Surplus: Retained Earnings	Other Equity: Other Comprehensive Income: Remeasurement of Defined Benefits Assets/Liabilities (Net of Tax)	Other Equity: Total Other Equity	Total
Opening Balance as at April 1,2018	6910	-	(54)	-	(54)	6856
Equity Shares issued during the year	12576	-	-	-	-	12576
Other Comprehensive income for the period	-	-	-	-	-	-
Profit for the Period	-	-	(21)	-	(21)	(21)
Closing Balance as at March 31, 2019	**19486**	**-**	**(75)**	**-**	**(75)**	**19411**

(Sujit Jha) **Company Secretary**	**(Jitendra Yadav)** **CFO**	**(S.K. Sharma)** **CEO**

SJVN Arun-3 Power Development Company Pvt. Limited

Schedules forming part of Accounts for the year ended on 31st March, 2019

Note:-1.0 Significant Accounting Policies & Notes to Accounts

A. General 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. Initially the Survey License was granted for the period of 12 months starting from 18 July 2008 which was subsequently extended three times- on 17 August 2009, 25 March 2011 and 22 July 2012 to extend deadline of Survey Licence.

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.

Investment Board of Nepal (IBN) vide its letter no.640/074-075(640/2017-18) dated May 04, 2018 has issued the Generation Licence to SAPDC. Further, Department of Electricity Development (GoN) vide its letter no. 075/76-1066 dated Feb 12,2019 has issued the 400 Kv transmission license also to SAPDC.

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. The Company has complied with certain requirements of the PDA and believes that it will comply with the remaining requirements as well to finalize the Power Purchase Agreement (PPA), achieve financial closure and achieve other milestones within the stipulated time frame. 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 PDA will expire after 30 years from the date of issuance of the Financial Closure.

During the period, the Company has issued Letter of award for all its major works comprises into 4 Packages. The main Contractor for Package -I & Package -II has already started construction work while the Contractor for other packages are in advance stage of mobilization of Man, Machine and Material. The Company has also entered an agreement with M/s Powergrid Corporation of India Ltd. for Project Management Consultancy in respect of its 400KV Transmission line.

1. Significant Accounting Policies

1.1 Statement of Compliance

The financial statements have been prepared on a going concern basis in accordance with the Nepal Financial Reporting Standards (NFRS) prepared by the Accounting Standards Board, Nepal (ASB) and pronounced by The Institute of Chartered Accountants of Nepal (ICAN).

1.2 Basis of preparation

The financial statements have been prepared on the historical cost basis except financial instruments and net defined benefit asset/liability in the accounting policies below. The term NFRS, which includes all the standards and the related interpretations is consistently used.

This section describes the critical accounting judgement that the Company has identified as having potentially material impact on the financial statements and sets out the significant accounting policies that relate to the financial statements as a whole. Accounting policies along with explanatory notes, wherever such explanation is required, is described in specific relevant sections. The Company's accounting policies require the management to exercise judgement in making accounting estimates.

1.3 Accounting Pronouncements

The Company for its preparation of financial statement has adopted accounting policies to comply with the pronouncements made by The Institute of Chartered Accountants of Nepal (ICAN) effective as on 13 September 2013.

1.4 Critical Accounting Estimates

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

The estimates and underlying assumption are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.5 Presentation

Company's functional currency is Nepalese Rupees (NPR). However, these financial statements are prepared and presented in Indian Rupees (INR) by converting of NPR in INR on applicable exchange rate. Accordingly, the financial information have been presented in the Indian Rupees and has been rounded off to the nearest rupee, except otherwise indicated.

The figures for previous years are rearranged and reclassified wherever necessary for the purpose of facilitating comparison. Appropriate disclosures are made wherever necessary.

The Company presents assets and liabilities in statement of financial position based on current/non-current classification. The Company classifies an asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle,
- Held primarily for the purpose of trading,
- Expected to be realized within twelve months after the reporting period, or
- 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.

The Company classifies a liability as current when it is:

- Expected to be settled in normal operating cycle,
- Held primarily for the purpose of trading,
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities as non-current.

The operating cycle has been defined as twelve-month period.

The statement of cash flows has been prepared using indirect method. Cash flows from operating activities, in addition to the adjustments from profit for non-cash and non-operating activities, movements in working capital, interest and taxes.

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

1.6 Property, plant and equipment (PPE)

Property, plant and equipment (PPE) are tangible items that are held for use in the production or supply of electricity and ancillary to it, or for administrative purpose; and are expected to be used for more than one period. PPE are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of PPE is recognized as an asset when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. An item of PPE that qualifies for recognition as an asset is measured at its cost. Subsequent expenditure is capitalized only if when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Depreciation is recognized so as to write off the cost of assets less their estimated residual values over their estimated useful lives using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

As item of PPE is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use or disposal of the asset. Any gain or loss arising on the disposal or retirement of an item of PPE is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

1.7 Depreciation

Freehold land is not depreciated. Depreciation is provided on all other items of PPE so as to write off their carrying value over the expected useful economic lives.

Depreciation is charged on following items of PPE on straight line method based on the estimated useful life of such PPE:

Class of PPE	Estimated Useful Life (in Years)	Depreciation Rate	Estimated Residual value
Buildings	30	3.34%	10% of cost except mobile phones and computers whose estimated residual value are nil.
Plant and Machinery	15	6.33%	
Furniture, fixtures and equipment			
Electrical works			
Electrical equipment			
Office equipment			
Data processing equipment	2 year in case of mobile phone	50%	
	3 years in case of other equipment	33.33%	

Depreciation is provided on prorate basis from the month in which the assets becomes available for use. Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made. Assets costing ₹ 5000/- or less are depreciated fully in the year of acquisition.

1.8 Lease

The Company does not have any item covered under finance lease which needs disclosure as per NFRS. All other leases are classified as operating leases. Lease payments made under operating leases are recognized under Capital Work in Progress (CWIP) on a straight-line basis over the lease term unless another systematic basis is more representative of the time pattern of the lessee's benefit.

1.9 Capital Work-in-progress

Capital Work-in-progress (CWIP) are assets which are not ready for their intended use and are carried at cost; comprising direct cost, related incidental expenses and attributable interest.

Expenditure incurred on assets under construction (a project) is carried at cost under 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.

CWIP includes construction of access road, bridge, staff quarters for project staff, consideration paid to Government of Nepal for takeover of project and expenses directly attributable to the development of the project.

Cost directly attributable to CWIP include costs of employee benefits, depreciation on PPE, consultancy charges relating to project, rental expenses and other cost if attributable to construction and development of project. Based on judgement and evaluation, management has considered all expenses incurred during the period as directly attributable cost incurred for development of the project and capitalized under CWIP except the followings which has been charged to statement of profit or loss.

A. 100% remuneration to Company Secretary and 10% remuneration in case of CEO and CFO

B. Audit fee and Audit expenses.

C. Donation, advisory fee and loss due to fire.

Expenditure against of 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 whenever considered necessary.

1.10 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash generating units, or otherwise they are allocated to the smallest group of cash generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 or cash-generating unit.

If the recoverable amount of an asset (or cash generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash generating unit) in prior years. Reversal of an impairment loss is recognised immediately in the statement of profit or loss.

1.11 Financial Instrument

A. Financial Assets

Definition

Financial assets refer to assets that arise from contractual agreements on future cash flows or from owning equity instruments of another entity. It includes loans and advances, accounts receivable, and marketable securities (bonds, notes, shares).

According to the NFRS, a financial asset can be:

- Equity instruments of another entity,
- Contractual right to receive cash or another financial asset from another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity,
- A contract that will or may be settled in the entity's own equity instruments and is either a non-derivative for which the entity is or may be obliged to receive a variable number of the entity's own equity instruments, or a derivative that will or may be settled other than by exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments.

Initial Recognition and Measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through income statement, transaction costs that are attributable to the acquisition of the financial asset. Financial assets are classified, at initial recognition, as financial assets measured at fair value or as financial assets measured at amortized cost using effective interest method.

The Company currently holds only financial assets subsequently measured at amortized cost mainly comprises of advances and deposit.

Advances and deposits

Advances are initially measured at their carrying value which is approximate to their fair value and subsequently measured at amortized cost. These advances are both interest and non-interest bearing and are expected to be settled in the normal course of operations (refer note 5).

B. Financial Liabilities

Definition

A Contractual Obligation:

a) to deliver cash or another financial asset to another entity; or

b) to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

A contract that will or may be settled in the entity's own equity instruments and is:

a) a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity's own equity instruments or

b) a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity's own equity instruments. For this purpose the entity's own equity instruments do not include: instruments that are themselves contracts for the future receipt or delivery of the entity's own equity instruments; puttable instruments classified as equity or certain liabilities arising on liquidation classified by NAS 32 as equity instruments.

Initial Recognition and Measurement

All financial liabilities are initially recognized at fair value plus or minus, in the case of financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial liability.

Financial liability of the Company comprises of advances from related parties, consultancy fee payable, audit fee payable and salary and other payables.

Advance and other payables

Advance and other payables are recognized at carrying amount which are approximate to their fair value.

C. Subsequent measurement of financial asset and liabilities

Currently, financial asset and financial liabilities consist of only loans and receivables, cash and cash equivalents and other payables which are subsequently measured at amortized cost using effective interest method, less any impairment.

D. Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period, to the net carrying amount of the financial instrument

E. Impairment of financial assets

Financial assets, being loans and receivables, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

F. De-recognition of financial assets and financial liabilities

The Company de-recognises a financial asset only when the contractual right to the cash flows from the assets expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the statement of profit or loss.

1.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits with bank, together with other short-term, highly liquid investments maturing within 90 days from the date of acquisition that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

1.13 Share capital and Retained Earnings

The Company's equity shares are classified as equity instruments. Share capital represents the nominal value (NPR 100 i.e INR 62.50) of ordinary and retained earnings includes all current and prior period profit/(loss).

1.14 Provisions

A provision is recognized in the statement of financial position, when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of assets will be required to settle the obligation and the obligation can be measured reliably. Provision includes provision for wage revision and ex-gratia / bonus.

1.15 Employee Benefits

Employee benefit consist of short-term benefits, post-retirement benefits and terminal benefits such as salaries and allowances, provident fund, pension, gratuity, post-retirement medical facilities, leave benefits and other terminal benefits.

All cost relating to employee benefits are considered as directly attributable cost of the project and capitalized under CWIP except 100% remuneration of Company Secretary and 10% remuneration in case of CEO and CFO (refer note 2.8).

a. Short-term employee benefits:

Short-term employee benefits includes benefits which are provided on periodic basis during year for the service rendered by employees such as salaries and allowances. A liability is recognized for the amount expected to be paid if the Company has a present or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

b. Post-retirement benefits:

Defined Contribution Plan

i) A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trust and will have an obligation for contributions into separate trust and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized 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. Its obligation is to contribute the extent of amount not exceeding 30% basic pay and dearness allowance less employer contributions towards provident fund, gratuity, post-retirement medical facility. The liability for the same is recognized on accrual basis. The scheme is funded and managed by separate trust created for this purpose.

Defined Benefit Plan

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 obligations of the Company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India.

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 ending 31 March 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 under which retired employees, spouse and eligible parents of retired employees 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 mementos on superannuation.

vi) 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-ending 31 March by the qualified actuary using the projected unit credit method.

c. Terminal Benefits

Expense incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes, if any, are charged as per rules and regulation of parent company.

The above employee benefits (post-retirement benefits and terminal benefits) are applicable to employees deputed in the Company on secondment basis from holding company.

The employee benefits in respect of employee recruited by SAPDC are provided as per terms of employment and applicable laws.

1.16 Taxation

Income Tax expenses represent the sum of the current tax and deferred tax.

a. Current Tax

Current tax, which comprises expected tax payable, is based on taxable profit or loss for the year based on Nepalese tax laws and including adjustment to the tax payable or receivable in respect of previous years, if any. The Company's liability for tax is computed on the basis of rates as prescribed by Income Tax Act and Finance Act issued thereto from time to time.

Current tax assets and liabilities are offset if certain criteria are met.

Tax Holiday

Under Section 11 (3d) of the Income Tax Act, 2002 (as amended by the Finance Act 2018), 100% of the income from the hydropower project for the first 10 years from the date of commercial operation is exempted and additionally 50% tax rebate will be provided on income for subsequent 5 years if the hydropower project commences commercial operation by 12 April 2024. The temporary differences that reverse during a tax holiday period are not recognized.

b. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred Tax Liabilities (DTL) are generally recognized for all taxable temporary differences. Deferred Tax Assets (DTA) are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of DTA is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

DTL and DTA are measured at the tax rates that are expected to apply in the period in which the liability is settled or the assets realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of DTL and DTA reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

DTA and DTL are offset if certain criteria are met.

Deferred tax asset on taxable loss is not recognized as it is highly unlikely that Company will be able to utilize the carried forward losses as they can only be carried forward for 12 years and will therefore expire before it is liable to pay income taxes, given the income tax holiday period of 10 years from the commercial operations date on 100% and thereafter on 50% of the income for further 5 years.

1.17 Cash Flow Statement

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 of accruals of past of future cash receipts of payments. The cash flow 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.

1.18 Capital Management

The Company manages its capital to ensure that Company will be able to continue as going concern while maximizing the return to stakeholders.

The capital structure of the Company consists of its equity (comprising issued capital and accumulated losses).

The Company is not subject to any externally imposed capital requirements.

The Company's Management reviews its capital structure on a regular basis. As part of this review, Management considers the cost of capital and the risk associated with capital.

As the Company is not yet operational, it has been incurring losses through the year as commercial operations have not commenced yet. The Company has entered into PDA with GoN, MoE for the development of the Project. The Company will require significant capital to fund construction of the Project and is planning to raise a mix of equity and debt financing on ratio of 30:70 for this purpose.

1.19 Financial risk management objectives

The Company's operations expose it to various risks. These risks include market risk (including currency risk, interest rate risk and other price risk), credit and liquidity risk.

Risk Management Frameworks

The management of the Company has overall responsibility for the establishment and oversight of the Company's risk management framework. The risk management framework is intended to ensure that risks are managed with due diligence and care.

The Company's risk management policies are established to identify and analyze the risks it faces, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and it's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

a. Market risk

The Company currently has no transactions, which expose it primarily to the financial risks of changes in interest rates.

b. Foreign currency risk management

The Company's functional currency is NPR. The Company has certain transaction denominated in foreign currencies. As of the reporting date, Management has analysed the impact of the exposure to foreign currency balances and the impact is not material.

c. Credit risk management

Credit risk refers to the risk that counter party will default on its contractual obligation resulting in financial loss to the Company. At the reporting date, the Company is not exposed to credit risk.

Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the Company who have established an appropriate liquidity risk management framework for the management of the Company's short term, medium term and long term funding and liquidity management requirements.

1.20 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 and when recognition criteria related to sale i.e. when the significant risks and rewards of ownership of the goods have transferred to the buyer, with the Company retaining neither continuing managerial involvement to the degree usually associated with ownership, nor effective control over the goods sold.

Revenue is measured at fair value of consideration received or receivable.

Revenue from the sale of energy shall be recognized in the statement of profit or loss on accrual basis in accordance with the provisions of the power purchase agreement after commercial operation which is yet to be started.

1.21 Expenses

Expenses incurred which are not directly attributable to the development of the Project are recognized in Statement of Profit or loss on accrual basis. Such expenses includes audit and advisory fee, loss due to fire, donation and 100% remuneration of Company Secretary and 10% remuneration in case of CEO and CFO.

OTHER EXPLANATORY NOTES

1. Contingent Liability

- Lease Agreement with "Department of Forest" and "Department of National Park and Wildlife Conservation"

  The Company has entered into agreements with Forest Department, National Park and Wildlife Conservation Department, Ministry of Forest and Soil Conservation, Government of Nepal, on 2074.05.07 (23 August 2017) and 2074.10.23 (06 February 2018). As per the agreements, a total of 123.218 hectare of forest land has been leased for project construction by GoN. Out of this 123.218 hectare, 79.04 hectare lies in 9 community forests of District Forest area while remaining 44.178 hectare lies in 8 community forests of Makalu Barun National Park area. The Company should plant 8,272 numbers of plants within a said land area of 123.18 hectares. The cost of such plantation cannot be estimated reliably as on date.

- The work for construction of prefabricated office and residential building at Phaksindha, near Num/Dam Site of Arun-3 HEP was awarded to M/s Zillion- Pappu JV on 19th March 2017. The contractor did not commence the work within the contractual time. Accordingly, Contract was terminated. The contractor has given arbitration notice without mentioning the cost compensation. Pending submission of cost compensation claim the financial implication can't be ascertained as on date.

2. Contingent Assets

There are no contingent assets as on date.

3. Public Interest Litigation

There is no pending litigation by/against the Company as on date.

4. Related Party Transactions and balances

A. Details of related party and relationship

Related Party	Nature of Relationship
SJVN Ltd.	Parent company
Fellow Subsidiary Company	None
Directors and Key Management Personnel:	
Sh. Nand Lal Sharma	Chairman and Managing Director (CMD)
Sh. Amarjit Singh Bindra	Director (Finance)
Sh. Rakesh Kumar Bansal	Director (Electrical)
Smt. Geeta Kapur	Director (Personnel)
Sh. S.P. Bansal*	Director (Civil)
Sh. S.K. Sharma	CEO
Sh. Jitendra Yadav	CFO
Sh. Sujit Jha	Company Secretary

***Sh. Kanwar Singh, Director (Civil) retired on 31.03.2019 and subsequent of his retirement Sh. S.P. Bansal Joined SJVN on 01.04.2019**

B. Shareholding Pattern:

Name of Holding Entity	Principal Activity/ Business	Share holding pattern	
		As at 31.03.2019	As at 31.03.2018
SJVN Limited	Power Generation	100%	100%

C. Transactions and Balances with holding Company

Particulars	Nature of transactions	Amount (₹)	
		Balance as at 01.04.2018	Balance as at 31.03.2019
Advance from SJVN	Advance Against Equity	1925911236	3278732812

5. Remunerations to Key Management Personnel

(Amount in ₹)

Particulars	FY 2018-19*	FY 2017-18
Salary	8860808	11406918
Contribution to Provident Fund & Pension	1180143	795598
Other Benefits	10029161	5194963
Total	**20070112**	**17397479**

*Out of above, 100% remuneration of Company Secretary and 10% remuneration in case of CEO and CFO have been charged in Profit & Loss Account statement.

6. Event after reporting period

No Major events occurred after reporting period but before approval for issuance of the financial statement year ended 31.03.2019.

7. Capital Commitment

Estimated amount of contracts remaining to be executed on capital account and not provided for is ₹ 31041909780/-

8. Comparative Information and rounding off

Previous Year figures have been regrouped /rearranged wherever necessary to facilitate comparison. Though the books of accounts have been maintained in paisa, figures in the financial statement have been rounded off to the nearest rupees.

(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 1,2018	Additions during the year	Deductions/ Adjustments	As at March 31, 2019	As at April 1,2018	For the year	Deduction	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
1	Land										
	Free hold Land (including development expenses)	7516	129	-	7645	-	-	-	-	7645	7516
2	Buildings	79	641	-	720	17	24	-	41	679	62
3	Plant and Machinery	18	-	11	7	-	-	-	-	7	18
4	Furniture, Fixture and Equipments	39	260	-	299	8	14	-	22	277	31
5	Electrical Works	56	-	-	56	6	3	-	9	47	50
6	Electrical Equipments	11	74	-	85	1	3	-	4	81	10
7	Office Equipments	15	26	-	41	3	1	-	4	37	12
8	Data processing Equipments	21	29	-	50	8	12	-	20	30	13
	Total	**7755**	**1159**	**-**	**8903**	**43**	**57**	**-**	**100**	**8803**	**7712**
	Previous Year :	7677	78	-	7755	22	21	-	43	7712	7655

2.2 Capital Work-in-progress

(₹ Lakh)

Sl.No.	Particulars	As at April 1, 2018	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2019	Capitalised during the year	As at March 31, 2019
1	Building	499	370	-	869	-	869
2	Civil Works	-	3377	-	3377	-	3377
3	Roads, Bridges & Culverts	3678	7228	-	10906	-	10906
4	Electrical Works	23	443	-	466	-	466
5	Electro Mechanical Works	-	624	-	624	-	624
6	Preliminary	4666	1072	-	5738	-	5738
7	Expenditure Attributable to construction (Note No. 2.2.1)	8706	6382	-	15088	-	15088
	Total	**17572**	**19496**	**-**	**37068**	**-**	**37068**
	Previous Year	11850	5722	-	17572	-	17572

2.2.1 Expenditure Attributable to Construction

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Employee Benefit Expenses:			
Salaries, Wages, Allowances and Benefits	3092		1439
Contribution to Provident and Other Funds	208		105
Welfare Expenses	1914		207
		5214	1751
Repair and Maintenance:			
Buildings	88		44
Plant & Machinery	1		-
Office Equipments & Furnitures	1		-
Others	72		28
		162	72
Other Expenses:			
Rent		53	33
Insurance		3	-
Security Expenses		39	5
Electricity Charges		24	11
Travelling & Conveyance		124	91
Training and Recruitment Expenses		25	14
Legal Expenses		6	7
Professional and Consultancy Charges		449	95
Communication Expenses		14	9
Printing & Stationery	27		5
Less: Receipts from Sale of Tenders	1		-
		26	5
Advertisement & Publicity		45	130
EDP Expenses		7	6
Hiring of Vehicles		284	74
Entertainment Expenses		1	2
Expenses on Transit Camps		-	1
Books & Periodicals		-	1
Foundation Stone Laying Ceremony Expenses		86	-
Business Promotion Expenses		8	1
Environment & Ecology Expenses		1	-
Safety Expenses		2	-
Miscellaneous Expenses		84	55
Rehabilitation Expenses		11	63
Depreciation and Amortization Expense		57	21
Total expenses		**6725**	**2447**
Recovery and Receipts:			
Interest Income:			
Banks		-	4
Employees		2	9
Contractors		299	29
Misc Income		42	20
Total		**343**	**62**
Net expenditure attributable to construction		**6382**	**2385**

2.3 Other Intangible Assets

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2018	Additions during the year	Deductions/ Adjustments	As at March 31, 2019	As at April 1, 2018	For the year	Deduction	As at March 31, 2019	As at March 31, 2019	As at March 31, 2018
1	Software	-	3	-	3	-		-	-	3	-
	Total:	**-**	**3**	**-**	**3**	**-**	**-**	**-**	**-**	**3**	**-**

2.4 Loans

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Security Deposits		
- Unsecured considered good	2	-
Loans to other Employees		
- Secured considered good	-	166
- Unsecured considered good	-	24
Total	**2**	**190**

2.5 Other Non - current Assets

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Capital Advances		
Advances to Suppliers and Contractors		
Unsecured considered good		
-Covered by Bank Guarantees	7976	-
-Others	144	-
Advances to Govt Departments	347	973
Total	**8467**	**973**

2.6 Cash and Cash Equivalents

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Balances with Banks		
Current Accounts	389	146
Total	**389**	**146**

2.7 Others Bank Balances

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Margin Money for BG/ Letter of Credit and Pledged deposits	6	6
Total	**6**	**6**

2.8 Loans

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Loans to other Employees			
- Secured considered good	-		34
- Unsecured considered good	-		7
		-	41
Other Advances:			
Unsecured considered good			
-Directors	-		-
-Officers of the Company	-		-
-Other Employees	22		21
		22	21
Total Loans		**22**	**62**

2.9 Current Tax Assets(Net)

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Tax deducted at Source	2	1
Total	**2**	**1**

2.10 Other Current Assets

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Other Advances			
Advances to Officers of the Company	-		-
Advances to other employees of the Company	3		-
		3	-
Accrued Interest on Advances to Contractors		281	-
Advances to Govt Departments			
- Unsecured considered good		840	305
Advances to Others			
- Unsecured considered good		1	16
Total		**1125**	**321**

2.11 Equity Share Capital

	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
AUTHORISED 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	31178122	19486	11056522	6910
Total		**19486**		**6910**

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

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%	No. of shares	%
SJVN Limited	31178122	100	11056522	100

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
Number of shares at the beginning	11056522	6910	11056522	6910
No. of shares issued during the year	20121600	12576	-	-
Number of shares at the end	31178122	19486	11056522	6910

2.12 Other Equity

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Retained Earnings		
Opening Balance	(54)	(52)
Add: Profit for the Year as per Statement of Profit and Loss	(21)	(2)
Total Other Equity	**(75)**	**(54)**

2.13 Trade Payables

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Micro and Small Scale Enterprises	-	-
Others	23	15
Total	**23**	**15**

2.14 Other Financial Liabilities - Current

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Others Payables:		
-Liability for Employees' Remuneration and Benefits	75	17
Liability for Purchase/Construction of Fixed Assets:		
- Micro and Small Scale Enterprises	-	-
- Others	1221	125
Deposits, Retention Money from Contractors and Others	1635	236
Amount Payable to Gratuity Trust	2	-
TDS and Other Taxes Payable	144	24
Total	**3077**	**402**

2.15 Other Current Liabilities

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Advance from Holding Company	32887	19259
Others	20	14
Total	**32907**	**19273**

2.16 Provisions

(₹ Lakh)

Particulars	As At April 1, 2018	For the year			As At March 31, 2019
		Additions	Write Back	Utilization	
Pay Revision	361	-		361	-
Performance Related Pay	76	469		76	469
Total	**437**	**469**	**-**	**437**	**469**
Previous Year	**152**	**326**		**41**	**437**

2.17 Other Income

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Income		
Banks	14	-
Total	**14**	**-**

2.18 Employee Benefits Expense

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Salaries, Wages, Allowances and Benefits	22	-
Contribution to Provident and Other Funds	1	-
Welfare Expenses	9	-
Total	**32**	**-**

Note:- As per changes in accounting policies from FY 2018-19, 100% remuneration of Company Secretary and 10% remuneration in case of CEO and CFO have been charged in Profit & Loss Account statement.

2.19 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Payment to Auditors:			
As Auditor	1		1
For other Services	1		1
Reimbursement of Expenses	1		-
		3	2
Total		**3**	**2**

CONSOLIDATED FINANCIAL STATEMENTS

Annexure- XII

INDEPENDENT AUDITOR'S REPORT

To

The Members of SJVN LIMITED

Report on the Consolidated Ind AS Financial Statements

Opinion

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, 2019, 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")

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, 2019, 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.

Basis for Opinion

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Ind AS financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Key Audit Matters

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

Information Other than the consolidated Ind AS financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the consolidated Ind AS financial statements and our auditor's report thereon.

Our opinion the consolidated Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 objectives are to obtain reasonable assurance about whether the consolidated Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

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

Materiality is the magnitude of misstatements in the consolidated Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

Emphasis of Matter

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

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

b) Note No. 2.41 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 2.44 to the Ind AS financial statements, regarding the certain balances which are subject to reconciliation/confirmation and respective consequential adjustments.

SJVN Thermal Private Limited

We draw attention to the following matters in the Notes to the SJVNL Thermal Pvt. Ltd. which was performed by other auditors as per Ind AS financial statements:

(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.

Our opinion is not modified in respect of these matters.

Other Matters

1. 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 2019, 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	62863	179	(28)

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.

2. 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 2019, 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	55887	14	243
Joint Ventures:			
Cross Border Power Transmission Company Limited	6994	398	-
Kholongchhu Hydro Energy Limited	13527	-	-

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. 2.41 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 LLP
Chartered Accountants
FRN - 011078N / N500064

(Deepak Kataria)
Partner
M.No. 504395

Date: 29th May, 2019
Place: New Delhi

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, 2019.

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended March 31, 2019, 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, 2019, 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 were observed during audit:

(i) *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. Till 31.03.2019, out of 25 WEGs only 19 WEGs have been installed. 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.

(ii) *There is weakness in GST compliances. In respect of some transactions like Canteen Expenses recovered from Employees and recovery towards private use of vehicles from employees, the company is not paying GST. 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.*

(iii) *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 LLP
Chartered Accountants
FRN - 011078N / N500064

(Deepak Kataria)
Partner
M.No. 504395

Date: 29th May 2019
Place: New Delhi

Annexure-

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

Auditors' Observations	Management' Reply
(i) 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. Till 31.03.2019, out of 25 WEGs only 19 WEGs have been installed. 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.	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 2018-19. 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. LD has also been imposed on the contractor. The direct payment to the sub contractors were made at the request of M/S Inox Wind Ltd, however, all the statutory compliances have been complied. The management had constituted a high power committee and the project has been fully commissioned on 18.04.2019 and started commercial generation.
(ii) There is weakness in GST compliances. In respect of some transactions like Canteen Expenses recovered from Employees and recovery towards private use of vehicles from employees, the company is not paying GST/Service tax.	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. Issues raised by the Statutory Auditors in their report for the F.Y. 2017-18 have been settled during the F.Y. 2018-19. GST on Canteen Expenses recovered from Employees and recovery towards private use of vehicles from employees is not payable in the opinion of the company. GST audit for the F.Y. 2017-18 has also been completed.
(iii) 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 along with ERP system.	Process of 'E-Bidding' for Investment of Surplus Funds is being incorporated in the new ERP system of SJVN and shall be implemented along 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 2019.

The preparation of consolidated financial statements of SJVN Limited for the year ended 31 March 2019 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 29.05.2019.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit of the consolidated financial statements of SJVN Limited for the year ended 31 March 2019 under section 143(6)(a) read with section 129(4) of the Act. We conducted a supplementary audit of the financial statement of SJVN Limited and SJVN Thermal Pvt. Ltd., but did not conduct supplementary audit of the financial statements of Cross Border Power Transmission Company Ltd for the year ended on that date. Further, section 139 (5) and 143 (6) (a) of the Act are not applicable to SJVN Arun-3 Power Development Company Pvt. Ltd and Kholongchhu Hydro Energy Limited being incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditor and for conduct of Supplementary audit. Accordingly, Comptroller and Auditor General of India has neither appointed the Statutory Auditor nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory audit and company personnel and a selective examination of some of the accounting records.

on the basis of my supplementary audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report under section 143(6) (b) of the Act.

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

(Rina Akoijam)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III, New Delhi

Date: 26th July, 2019
Place: New Delhi

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

(₹ Lakh)

	Note No.		As at March 31, 2019	As at March 31, 2018
ASSETS				
Non-current Assets				
Property, Plant and Equipment	2.1		814015	808456
Capital Work-in-progress	2.2		128638	93463
Other Intangible Assets	2.3		178	241
Intangible assets under development	2.4		1692	931
Investments accounted for using the equity method	2.5		16032	12023
Financial Assets				
Investments	2.6	-		-
Trade receivables	2.7	-		1273
Loans	2.8	4442		4628
			4442	5901
Deferred Tax Assets (Net)	2.9		30847	35072
Regulatory Deferral Account Debit Balance	2.10		33993	15262
Other Non-current Assets	2.11		21644	22544
Current Assets				
Inventories	2.12		4490	5050
Financial Assets				
Investments	2.13	-		1
Trade Receivables	2.14	27657		28899
Cash and cash equivalents	2.15	3908		16226
Bank Balance other than cash & cash equivalents	2.16	292786		345228
Loans	2.17	1711		1221
Others	2.18	86014		33381
			412076	424956
Current Tax Assets (Net)	2.19		12348	9140
Other Current Assets	2.20		16970	6006
Total Assets			**1497365**	**1439045**
EQUITY AND LIABILITIES				
Equity				
Equity Share Capital	2.21	392980		392980
Other Equity	2.22	731644		677036
			1124624	1070016
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Borrowings	2.23	194046		203534
Other Financial Liabilities	2.24	12		24
			194058	203558
Provisions	2.25		6949	4955
Other Non-current Liabilities	2.26		81727	78721
Current Liabilities				
Financial Liabilities				
Trade Payables	2.27	2440		2560
Other Financial Liabilities	2.28	62769		51725
			65209	54285
Other Current Liabilities	2.29		4420	5193
Provisions	2.30		20378	22317
Total Equity and Liabilities			**1497365**	**1439045**
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 Balance Sheet referred to in our report of even date.
For A P R A & Associates LLP
Chartered Accountants
FRN-011078N/N500064

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Income			
Revenue from Operations	2.31	265405	222850
Other Income	2.32	25389	35545
Total Income		**290794**	**258395**
Expenses			
Employee Benefits Expense	2.33	31641	26537
Finance Costs	2.34	23533	8382
Depreciation and Amortization Expense	2.35	39026	36451
Other Expenses	2.36	30534	27629
Total Expenses		**124734**	**98999**
Profit/ (Loss) before exceptional items and tax		**166060**	**159396**
Exceptional Items	2.37	5708	-
Profit before non-controlling interests / Share in Net- profit of Joint Venture / Associate and net movement in regulatory deferral account balance and tax		**160352**	**159396**
Share in profit of Joint Venture/ Associates		398	304
Profit before net movement in regulatory deferral account balance and tax		**160750**	**159700**
Net movement in regulatory deferral account balance	2.10	18731	5110
Profit Before Tax		**179481**	**164810**
Tax Expenses:			
- Current Tax	2.46	38600	35143
- Deferred Tax	2.9	4225	7206
Profit(Loss) for the period		**136656**	**122461**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
-Remeasurement of the net defined benefit liability/asset		(1889)	(1518)
-Income tax on above item		407	324
Total		**(1482)**	**(1194)**
Total Comprehensive Income for the period		**135174**	**121267**
Profit Attributable to:			
Equity holders of the parent		136258	122157
Non Controlling Interests		398	304
		136656	**122461**
Total Comprehensive Income Attributable to:			
Equity holders of the parent		134776	120963
Non Controlling Interests		398	304
		135174	**121267**
Earnings Per Equity Share (excluding net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		3.10	2.87
Earnings Per Equity Share (including net movement in regulatory deferral account balance)			
Basic and Diluted (₹)		3.48	2.97
Weighted average equity shares used in computing earnings per equity share		3929795175	4125293277
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
FRN-011078N/N500064

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31,2019

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
CASH FLOW FROM OPERATING ACTIVITIES			
Profit before tax		179481	164810
Adjustment for:			
Depreciation and amortization	39026		36451
Interest on term deposits	(26614)		(29353)
Share in Profit of Joint Venture	(398)		(304)
Finance cost	23533		8382
Loss on disposal/ write off of fixed assets	64		73
Profit on sale of fixed assets	(40)		(48)
		35571	15201
Adjustment for assets and liabilities			
Inventories	560		(1094)
Trade receivable and unbilled revenue	(48739)		33610
Loans, other financial assets and other assets	(11629)		572
Trade payable	(120)		(148)
Other financial liabilities and other liabilities	8509		(4855)
Regulatory deferral account debit balance	(18731)		(5110)
Provisions	(1712)		(1779)
		(71862)	21196
Cash generated from operating activities		143190	201207
Income tax paid		(41401)	(37071)
Net cash generated by operating activities		101789	164136
CASH FLOW FROM INVESTING ACTIVITIES:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(77384)		(34945)
Term deposits with bank (having maturity more than three months)	52442		8937
Interest on term deposits	25299		30012
Dividend from Joint Venture	-		405
Investment in joint ventures	(3762)		(2900)
Net cash used in investing activities		(3405)	1509
CASH FLOW FROM FINANCING ACTIVITIES:			
Buyback of Equity Shares (including Premium on Buyback and Buyback Expenditure)	-		(80716)
Repayment of borrowings	(20545)		(18609)
Interest and finance charges	(9628)		(8432)
Dividend Paid	(66796)		(99261)
Tax on Dividend	(13733)		(20211)
Cash used in financing activities		(110702)	(227229)
Net increase in cash and cash equivalents		**(12318)**	**(61584)**
Opening balance of cash & cash equivalents (refer note 1 and 2 below)		**16226**	**77810**
Closing balance of cash & cash equivalents (refer note 1 and 2 below)		**3908**	**16226**
Restricted cash balance			
Earmarked Balance (Unpaid Dividend)		115	104
Margin Money for BG/ Letter of Credit and Pledged deposits		11653	6198
Total		**11768**	**6301**

1. Cash and Cash equivalents consist of Cash in hand, cheques/drafts in hand, Bank Balances including Short Term Deposits having original maturity upto three months.

2. Reconciliation of Cash and Cash Equivalents:

-Cash and Cash equivalents as per note no 2.15 (₹ Lakh)	3908	16226

3. Net Debt Reconciliation

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Cash & Cash Equivalents	3908	16226
Borrowings including current maturities and accrued interest	(217841)	(224481)
Net Debt	**(213933)**	**(208255)**

(₹ Lakh)

Particulars	Cash & Cash Equivalents	Non Current Borrowings	Total
Net Debt as at April 1, 2018	16226	(224481)	(208255)
Cash Flows	(12318)	20545	8227
Foreign Exchange adjustments	-	(12988)	(12988)
Interest Expenses	-	(7835)	(7835)
Interest Paid	-	6918	6918
Net Debt as at March 31, 2019	**3908**	**(217841)**	**(213933)**

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
FRN-011078N/N500064

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

A. Equity Share Capital

For the year ended March 31, 2019

Particulars	**Amount (₹ Lakh)**
Opening Balance as at April 1,2018	392980
Equity Shares issued during the year	-
Equity Shares bought back during the year	-
Closing Balance as at March 31, 2019	**392980**

For the year ended March 31, 2018

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

For the year ended March 31,2019 **(₹ Lakh)**

Particulars	**Reserves and Surplus**			**Total Other Equity**
	Capital Redemption Reserve	**Securities Premium**	**Retained Earnings**	
Opening Balance as at April 1,2018	20683	-	656353	677036
Profit for the Period	-	-	136656	136656
Other Comprehensive Income	-	-	(1482)	(1482)
Total Comprehensive Income			135174	135174
Dividends				
Final Dividend 2017-18	-	-	(7860)	(7860)
Interim Dividend 2018-19	-	-	(58947)	(58947)
Dividend Tax				
Final Dividend 2017-18	-	-	(1616)	(1616)
Interim Dividend 2018-19	-	-	(12117)	(12117)
Share of Dividend tax in Joint Venture / Associate	-	-	(26)	(26)
Closing Balance as at March 31, 2019	**20683**	**-**	**710961**	**731644**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2019

For the year ended March 31,2018 **(₹ 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)	(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 Changes in Equity referred to in our report of even date.

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

(Deepak Kataria)
Partner
M.No. 504395
Place: New Delhi
Date : May 29,2019

1. 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.

These consolidated financial statements were authorised for issue by the Board of Directors on May 29, 2019.

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 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. Inter company 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 Porfit 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 Group 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. Group'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 Group 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 Group where the Group 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 Group 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 expressed 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 Group 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 Group 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 Group. 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 Group 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 Group 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 Group'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 Group. 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) Net realizable value of obsolete, unserviceable and surplus stores & spares is ascertained at the end of financial year and provided for, wherever required. Scrap is accounted for as and when sold.

1.11 Foreign Currency Transactions:

a) Functional and presentation currency:

Consolidated financial statements have been presented in Indian Rupees (₹), which is the Holding 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.

iii. In case of advance consideration received or paid in a foreign currency, the date of transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income (or part of it), is when the Group initially recognises the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

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.

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 Group. A financial asset is recognized when and only when the Group becomes party to the contractual provisions of the instrument. Financial assets of the Group 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 Group 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 Group 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 Group 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 115.

iii. The application of simplified approach does not require the Group 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 Group 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 Group 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 Group 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 Group. The Group's financial liabilities include loans & borrowings, trade and other payables etc.

Classification, initial recognition and measurement:

a) 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.

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

Subsequent measurement:

a) 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.

b) 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 Group 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 Group 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 Group 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 Group's policy on borrowing costs.

B. Operating lease

a) 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.

c) Non-monetary government grants are recorded at a nominal amount.

1.16 Borrowing costs

a) 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 Group 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 Group. 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 Group is recognized on acceptance by the Group/ receipt of award by the Arbitrator and the balance claim, if disputed/ contrasted 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 Group. 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 and control over the product is transferred to the 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 Group 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 (PRMF). 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. 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' 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 Group 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 Group 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.

The useful life of these assets are reviewed at each financial year end and adjusted prospectively, wherever required.

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. The amortisation period and the amortisation method of intangible assets with a finite useful life is reviewed at each financial year end.

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

As at March 31, 2019 (₹ Lakh)

Sl.No.	Particulars	Gross Block: As at April 1,2018	Gross Block: Additions during the year	Gross Block: Deductions/ Adjustments	Gross Block: As at March 31, 2019	Depreciation: As at April 1, 2018	Depreciation: For the year	Depreciation: Deduction	Depreciation: As at March 31, 2019	Net Block: As at March 31, 2019
1	Land									
	Leasehold Land (including development expenses)	1105	500	-	1605	59	19	-	78	1527
	Freehold Land (including development expenses)#	58425	170	49	58546	-	-	-	-	58546
2	Buildings									
	-Freehold Buildings $	116309	1155	42	117422	13178	4145	8	17315	100107
	-Leasehold Buildings	-	14200	-	14200	-	316	-	316	13884
3	Roads and Bridges	5411	701	-	6112	717	225	-	942	5170
4	Plant and Machinery	1616	331	20	1927	247	88	1	334	1593
5	Generating Plant and Machinery*	258707	26776	225	285258	50019	12711	51	62679	222579
6	Hydraulic Works(Dams, Tunnel, etc.)**	530077	121	365	529833	106684	20695	44	127335	402498
7	Vehicles	546	134	27	653	108	59	19	148	505
8	Furniture, Fixture and Equipments	1728	358	11	2075	271	126	4	393	1682
9	Electrical Works	2712	133	-	2845	476	150	-	626	2219
10	Electrical Equipments	378	234	6	606	69	51	3	117	489
11	Office Equipments	3342	182	48	3476	478	262	27	713	2763
12	Data processing Equipments	755	313	68	1000	349	263	65	547	453
	Total	**981111**	**45308**	**861**	**1025558**	**172655**	**39110**	**222**	**211543**	**814015**

As at March 31, 2018 (₹ Lakh)

Sl.No.	Particulars	Gross Block: As at April 1,2017	Gross Block: Additions during the year	Gross Block: Deductions/ Adjustments	Gross Block: As at March 31,2018	Depreciation: As at April 1, 2017	Depreciation: For the year	Depreciation: Deduction	Depreciation: As at March 31, 2018	Net Block: As at March 31, 2018
1	Land									
	Lease hold Land (including development expenses) #	1099	6	-	1105	40	19	-	59	1046
	Free hold Land (including development expenses) ##	58328	97	-	58425	-	-	-	-	58425
2	Buildings $	113799	3509	999	116309	9074	4206	102	13178	103131
3	Roads and Bridges	5313	98	-	5411	496	221	-	717	4694
4	Plant and Machinery	1443	190	17	1616	173	74	-	247	1369
5	Generating Plant and Machinery *	254944	3964	201	258707	38642	11401	24	50019	208688
6	Hydraulic Works(Dams, Tunnel, etc.) **	535096	1591	6610	530077	86487	21281	1084	106684	423393
7	Vehicles	340	222	16	546	63	45	-	108	438
8	Furniture, Fixture and Equipments	1689	92	53	1728	168	117	14	271	1457
9	Electrical Works	2384	316	(12)	2712	308	166	(2)	476	2236
10	Electrical Equipments	358	36	16	378	45	27	3	69	309
11	Office Equipments	3062	335	55	3342	233	269	24	478	2864
12	Data processing Equipments	651	372	268	755	357	234	242	349	406
	Total	**978506**	**10828**	**8223**	**981111**	**136086**	**38060**	**1491**	**172655**	**808456**

During the year Gross Block of PPE was decapitalised by Nil [P.Y.: ₹ 7061 lakh (after adjusting Depreciation of ₹ 341 lakh pertaing to period prior to 01.04.2015)] on account of amount recoverable from contractors of RHPS in respect of Hydro Allowance. Depreciation amounting to Nil(P.Y.: ₹ 1458 lakh) was also written back.

Possession of freehold land measuring 0-05-22 hectare (P.Y.: 0-05-22 hectare) is still to be handed over to the Group.

$ 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 Nil (P.Y.: ₹ 713 lakh) capitalised during the year on account of provision made on the basis of arbitration award

* Generating Plant & Machinery includes assets having gross value of ₹ 80 lakh (P.Y. ₹ 80 lakh) and W.D.V of ₹ 68 lakh (P.Y. ₹ 68 lakh) being theft for which provision has been made .

** Includes Nil (P.Y.: ₹1509 lakh) capitalised during the year on account of provision made on the basis of arbitration award.

2.2 Capital Work-in-progress

As at March 31, 2019 (₹ Lakh)

Sl.No.	Particulars	As at April 1,2018	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2019	Capitalised during the year	As at March 31, 2019
1	Buildings	1073	2557	-	3630	348	3282
2	Civil Works	28	7707	-	7735	26	7709
3	Roads, Bridges & Culverts	4548	7652	-	12200	701	11499
4	Plant and Machinery	13	7	-	20	20	-
5	Electrical Works	33	1113	-	1146	46	1100
6	Electro Mechanical Works	1268	3683	-	4951	1765	3186
7	Preliminary	41806	7995	296	49505	23564	25941
8	Expenditure on Compensatory Afforestation/CAT Plan	-	14615	-	14615	-	14615
9	Expenditure attributable to construction (Note No. 2.2.1)	44694	18073	1315	61452	146	61306
	Total	**93463**	**63402**	**1611**	**155254**	**26616**	**128638**

As at March 31, 2018 (₹ 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	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**

2.2.1 Expenditure Attributable to Construction

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Employee Benefit Expenses:			
Salaries,Wages, Allowances and Benefits	11210		7295
Contribution to Provident and Other Funds	1109		774
Leave Salary and Pension Contribution *	23		25
Welfare Expenses	2394		1001
		14736	9095
Repair and Maintenance:			
Buildings	119		61
Plant & Machinery	5		2
Office Equipments & Furnitures	9		8
Vehicles	11		11
Others	202		140
		346	222
Other Expenses:			
Rent		247	220
Rates & Taxes		3	-
Insurance		5	1
Security Expenses		268	251
Electricity Charges	59		48
Less:- Recovered from Employees & Contractors	1		-
		58	48
Travelling & Conveyance		299	247
Training and Recruitment Expenses		41	78
Legal Expenses		195	8
Professional and Consultancy Charges		331	137
Communication Expenses		73	76
Printing & Stationery	54		26
Less: Receipts from Sale of Tenders	4		3
		50	23
Payment to Auditors		-	1
Advertisement & Publicity		86	247
EDP Expenses		27	15
Hiring of Vehicles		525	306
Entertainment Expenses		11	12
Expenses on Transit Camps		129	151
Books & Periodicals		1	3
Stores Written Off		1	2
Loss on Disposal/Write off of Fixed Assets		8	2
Foundation Stone Laying Ceremony Expenses		200	47
Business Promotion Expenses		18	2
Fees and subscription		5	4
Environment & Ecology Expenses		15	-
Safety Expenses		4	1
Miscellaneous Expenses		152	86
Rehabilitation Expenses		493	63
Depreciation and Amortization Expense		157	115
Total (A)		**18484**	**11463**
Less: Recovery and Receipts:			
Interest Income:			
Banks		4	4
Employees		27	31
Contractors		299	35
Misc Income		81	42
Total (B)		**411**	**112**
Net expenditure attributable to construction Projects (A-B)		**18073**	**11351**

* Leave Salary and Pension Contribution is on account of retirement benefits of deputationists working in the group payable to their parent organisations.
Employee Benefits Expense includes an amount of ₹ 494 lakh (P.Y.: Nil) on account of regularization of pay scales of below board level executives w.e.f. 01.01.1997 vide Ministry of Power, Govt. of India order dated 29.01.2019.

2.3 Other Intangible Assets

As at March 31, 2019 (₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation				Net Block
		As at April 1,2018	Additions during the year	Deductions/ Adjustments	As at March 31, 2019	As at April 1,2018	For the year	Deduction	As at March 31, 2019	As at March 31, 2019
1	Software	363	60	-	423	122	123	-	245	178
	Total:	**363**	**60**	**-**	**423**	**122**	**123**	**-**	**245**	**178**

As at March 31, 2018 (₹ 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
1	Software	136	297	70	363	76	115	69	122	241
	Total:	**136**	**297**	**70**	**363**	**76**	**115**	**69**	**122**	**241**

2.4 Intangible Assets under Development

As at March 31, 2019 (₹ Lakh)

Sl.No.	Particulars	As at April 1,2018	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2019	Capitalised during the year	As at March 31, 2019
1	Software	931	761	-	1692	-	1692
	Total	**931**	**761**	**-**	**1692**	**-**	**1692**

As at March 31, 2018 (₹ 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**

2.5 Investments accounted for using the equity method

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Investment in Equity instruments		
Non Trade-Unquoted		
Joint Venture Companies		
Kholongchhu Hydro Energy Ltd. (KHEL)	13729	9966
Cross Border Power Transmission Company Limited (CPTC)	2303	2057
Total	**16032**	**12023**

Details of Interest in Joint Venture Companies and their summarized financial information is disclosed in Note No. 2.51

2.6 Investments

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Other Investment		
60 Fully Paid up Ordinary shares of ₹ 50/-each in NJP Employees Consumer Co-operative Store, Jhakri (₹ 3000/-)	-	-
Total	**-**	**-**

2.7 Trade Receivables

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Unsecured Considered Good	-	1273
Total	**-**	**1273**

2.8 Loans

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Security Deposits			
- Secured Considered Good	-		-
- Unsecured Considered Good	73		72
- Doubtful	-		-
		73	72
Loans to Related Parties			
Loans to Directors			
- Secured considered good	-		-
- Unsecured considered good	5		-
- Doubtful	-		
		5	-
Other Loans			
Loan to officers of the group			
- Secured considered good	22		4
- Unsecured considered good	4		7
- Doubtful	-		-
		26	11
Loans to other Employees			
- Secured considered good	3933		4089
- Unsecured considered good	405		456
- Doubtful	-		-
		4338	4545
Total		**4442**	**4628**
Loans to relatives of related party		NIL	NIL

2.9 Deferred Tax Assets (Net)

As at March 31,2019 (₹ Lakh)

	As at April 1,2018	Additions/ (Adjustments) during the period	As At March 31, 2019
Deferred Tax Assets			
Temporary Difference in Depreciation	34851	(4295)	30556
Temporary Difference in Expenses	221	70	291
Total	**35072**	**(4225)**	**30847**

As at March 31,2018 (₹ 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**

2.10 Regulatory Deferral Account Debit Balance

As at March 31,2019 (₹ Lakh)

	As at April 1,2018	Movement during the year	As at March 31, 2019
Foreign exchange rate variation on foreign currency loans regarded as borrowing cost	7317	11417	18734
Employee benefits expense (pay revision)	7945	7314	15259
Total	**15262**	**18731**	**33993**

As at March 31,2018 (₹ 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**

2.11 Other Non - current Assets

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Capital Advances			
Advances to Suppliers and Contractors			
Unsecured considered good			
-Covered by Bank Guarantees		10644	990
-Others		2137	13194
Advances to Govt Departments	6970		6544
Less: Provision for Expenditure	347		-
		6623	6544
Total - Capital Advance		**19404**	**20728**
Other Advances			
Accrued Interest on Advances to Contractors		142	6
Total - Others Advances		**142**	**6**
Others			
Material at Site (Capital)		14	-
Prepaid Expenses		178	7
Deferred Employee Benefits Expense		1906	1803
Total - Others		**2098**	**1810**
Total Other Non-current Assets		**21644**	**22544**

2.12 Inventories

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Loose Tools	49		36
Stores and Spares	4445		5020
		4494	5056
Less : Provision for Shortage of store and Obsolescence		4	6
Total		**4490**	**5050**

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

2.13 Investments

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Investment in Equity instruments		
Non Trade-Unquoted (at cost)		
(a) Joint Venture Companies		
NIL(P.Y: 7707) Equity Shares of ₹10/- each in Bengal Birbhum Coal Fields Ltd *	-	1
Total	**-**	**1**

The JV agreement with Bengal Birbhum Coal Fields Ltd. has been terminated during the year

2.14 Trade Receivables

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Unsecured considered good	27657	28899
Total	**27657**	**28899**

2.15 Cash and Cash Equivalents

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Balances with Banks		
Current Accounts	2569	8662
Term Deposits (having original maturity of upto 3 months)	1339	7564
Total	**3908**	**16226**

2.16 Bank Balances Other the Cash & Cash Equivalents

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Earmarked Balance (Unpaid Dividend)	115	104
Margin Money for BG/ Letter of Credit and Pledged deposits	11653	6198
Other Term Deposits(having original maturity of more than 3 months)	281018	338926
Total	**292786**	**345228**

2.17 Loans

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Loans to Related Parties			
Loans to Directors			
- Secured considered good	-		5
- Unsecured considered good	2		-
- Doubtful	-		-
		2	5
Loans to Other Related Parties			
Subsidiaries/joint ventures:			
- Secured considered good			
- Unsecured considered good	105		168
- Doubtful	-		-
		105	168
Other Loans			
Loan to officers of the company:			
- Secured considered good	17		3
- Unsecured considered good	3		4
- Doubtful	-		-
		20	7
Loans to other Employees			
- Secured considered good	969		497
- Unsecured considered good	210		148
- Doubtful	-		-
		1179	645
Other Advances:			
Unsecured considered good			
-Directors	-		-
-Officers of the Group	8		1
-Other Employees	397		395
		405	396
Total		**1711**	**1221**
Loans to relatives of related party		1	NIL

2.18 Other Financial Assets

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Interest Accrued but not due on deposits with Banks	14142	12827
Unbilled Revenue	62860	11605
Amount Receivable from Others	218	292
Amount Recoverable from Contractors & Suppliers	8668	8657
Dividend Receivable	126	-
Total	**86014**	**33381**

Unbilled revenue includes an additional amount of ₹ 46000 lakh (PY:Nil) in respect of sales of Rampur Hydro Power Station (RHPS) accounted for during the year on the basis of 85% of the Capital Cost filed with CERC, out of which ₹ 30401 lakh (P.Y.: Nil) pertains to earlier years i.e. F.Y. 2014-15 to 2017-18.

2.19 Current Tax Assets(Net)

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Advance Tax Deposit	189074		198808
Tax deducted at Source	14214		16111
		203288	214919
Less: Provision for Tax		190940	205779
Total		**12348**	**9140**

2.20 Other Current Assets

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Advances other than Capital Advances			
Other Advances			
Advances to Officers of the Group	-		1
Advances to other employees of the Group	14		4
		14	5
Advance to Suppliers and Contractors			
-Secured considered good	-		-
- Unsecured considered good	48		7
-Doubtful	9		9
	57		16
Less Provision for Doubtful Advances	9		9
		48	7
Accrued Interest on Advances to Contractors		281	-
Advances to Govt Departments			
-Secured considered good	-		-
- Unsecured considered good *	11137		3312
-Doubtful	-		-
	11137		3312
Less Provision for Expenditure	1278		1723
		9859	1589
Advances to Others			
-Secured considered good	-		-
- Unsecured considered good	25		216
-Doubtful	-		-
		25	216
Others			
Surplus Stores/Equipments	1489		1473
Less: Provision for Shortage/ Obsolescence	1152		1152
		337	321
Prepaid Expenses		6196	3708
Deferred Employees Benefits Expense		210	160
Amount Recoverable from Ex-Employees	7		7
Less: Provisions	7		7
		-	-
Total		**16970**	**6006**

* 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 group and included in advance to 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, 2019		As at March 31, 2018	
	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	3929795175	392980
Total	**3929795175**	**392980**	**3929795175**	**392980**

The Group 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 Group has paid interim dividend @ ₹ 1.50 (P.Y ₹ 1.90) and final dividend for the year 2017-18 @ ₹ 0.20 (P.Y:₹ 0.50) per equity share of par value ₹ 10/- each. The Board of Directors of the group have proposed final dividend for the year 2018-19 @ ₹ 0.65 (P.Y ₹ 0.20) amounting to ₹ 25544 lakh (P.Y.: ₹ 7860 lakh) which has not been recognised.

Details of shareholders holding more than 5% shares in the Group :

Name of the shareholder	As at March 31, 2019		As at March 31, 2018	
	No. of shares	%	No. of shares	%
President of India	2433875566	61.93	2512259826	63.93
Governor of Himachal Pradesh	1055014800	26.85	1055014800	26.85

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

Particulars	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	Amount (₹ Lakh)	No. of Shares	Amount (₹ Lakh)
Number of shares at the beginning	3929795175	392980	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	3929795175	392980

2.22 Other Equity

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
A	**Capital Redemption Reserve***		
	Opening Balance	20683	-
	Add: Transfer from Retained Earnings for Buyback of Equity Shares	-	20683
	Closing Balance	**20683**	**20683**
B	**Security Premium Reserve**		
	Opening Balance	-	1313
	Add: Security Premium credited on share issue.		
	Less: Utilization for Buyback of Equity Shares	-	1313
	Closing Balance	-	-
C	**Retained Earnings**		
	Opening Balance	656353	733979
	Add: Profit for the Year as per Statement of Profit and Loss	136656	122461
	Add: Other comprehensive income during the year	(1482)	(1194)
	Less: Utilisation for Buyback of shares and related expenses	-	79403
	Less: Dividends paid		
	Final Dividend	7860	20683
	Interim Dividend	58947	78596
	Less: Tax on Dividend paid		
	Final Dividend	1616	4211
	Interim Dividend	12117	16000
	Share of Dividend tax in Joint Venture / Associate	26	-
	Closing Balance	**710961**	**656353**
	Total (A+ B+C)	**731644**	**677036**

* Capital Redemption Reserve has been created from distributable profit for the buyback of the shares in the FY 2017-18. There is no movement in the Capital Redemption Reserve during the year.

During the year, the Group has paid interim dividend @ ₹ 1.50 (P.Y ₹ 1.90) and final dividend for the year 2017-18 @ ₹ 0.20 (P.Y:₹ 0.50) per equity share of par value ₹ 10/- each. The Board of Directors of the group have proposed final dividend for the year 2018-19 @ ₹ 0.65 (P.Y ₹ 0.20) amounting to ₹ 25544 lakh (P.Y.: ₹ 7860 lakh) which has not been recognised.

2.23 Borrowings

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Term Loans		
From Banks:		
A Secured #		
Axis Bank Limited	16688	21128
(Repayable in quarterly instalments from March 2017 to December 2023, carrying interest@ 8.05% p.a. reset after every three months)		
Total (A)	**16688**	**21128**
#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)	177358	182406
(Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)		
Total (B)	**177358**	**182406**
Total (A+B)	**194046**	**203534**

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, 2019	As At March 31, 2018
Deposits, Retention Money from Contractors and Others	12	24
Total	**12**	**24**

2.25 Non-current Provisions

As at March 31,2019 (₹ Lakh)

Particulars	As At	For the year			As At
	April 1,2018	Additions	Write Back/Transfer	Utilization	March 31, 2019
Unfunded Employee Benefits	4955	2595	-	601	6949
Total	**4955**	**2595**	**-**	**601**	**6949**

As at March 31, 2018 (₹ Lakh)

Particulars	As At	For the year			As At
	April 1,2017	Additions	Write Back/Transfer	Utilization	March 31, 2018
Unfunded Employee Benefits	4854	377	(2400)	2676	4955
Total	**4854**	**377**	**(2400)**	**2676**	**4955**

2.26 Other non-current Liabilities

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Income Received in Advance:		
- Advance Against Depreciation	80612	77549
Deferred Revenue:		
- Government Grant	5	6
- Deferred Income from Foreign Currency Fluctuation	1110	1166
Total	**81727**	**78721**

2.27 Trade Payables

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Micro and Small Scale Enterprises	579	10
Others	1861	2550
Total	**2440**	**2560**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.59

2.28 Other Financial Liabilities-Current

(₹ Lakh)

		As At March 31, 2019	As At March 31, 2018
Current Maturities of Long Term debt			
Secured			
- Rupee Term Loans	4440		4440
Unsecured			
- Foreign Currency Loans (Guaranteed by GOI)	17025		15094
		21465	19534
Interest Accrued but not due on:			
- Foreign Currency Loans : World Bank	2330		1413
- Rupee Term Loans	-		-
		2330	1413
Unpaid Dividend		115	104
Others Payables:			
-Liability for Employees' Remuneration and Benefits		9898	4360
Liability for Purchase/Construction of Fixed Assets:			
- Micro and Small Scale Enterprises		139	48
- Others		11904	10220
Deposits, Retention Money from Contractors and Others		16026	15631
Amount Payable to Gratuity/Post Retirement Medical Trust		873	393
Others		19	22
Total		**62769**	**51725**

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 2.23

2.29 Other Current Liabilities

(₹ Lakh)

	As At March 31, 2019	As At March 31, 2018
Revenue Received in Advance:		
- Advance against Depreciation	3224	3693
TDS and Other Taxes Payable	801	558
Others	395	942
Total	**4420**	**5193**

2.30 Provisions

As at March 31, 2019 **(₹ Lakh)**

Particulars	As At April 1,2018	For the year Additions	Write Back/Transfer	Utilization	As At March 31, 2019
Unfunded Employee Benefits	402	683	-	402	683
Pay Revision	8099	-	-	8099	-
Performance Related Pay	1698	6055	-	1698	6055
Interest on Arbitration Awards	11227	1522	-	-	12749
Others	891	-	-	-	891
Total	**22317**	**8260**	**-**	**10199**	**20378**

As at March 31,2018 **(₹ Lakh)**

Particulars	As At April 1,2017	For the year Additions	Write Back/Transfer	Utilization	As At March 31, 2018
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**

2.31 Revenue from Operations

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Sales			
Energy Sales	260145		219313
Less:			
Regulated Power Adjustment- Margin	571		3009
Regulated Power Adjustment- Expenses	40		369
	259534		215935
Advance Against Depreciation	4292		3693
	263826		219628
Less: Rebate to Customers	792		493
		263034	219135
Total		**263034**	**219135**
Other operating revenues			
Late Payment Surcharge/Interest from Beneficiaries		942	3715
Others		1429	-
Total		2371	3715
Total Revenue from Operations		**265405**	**222850**

CERC vide its order dated 18.05.2017 has provisionally determined the Annual Fixed Charges (AFC) at ₹139566 lakh for the year 2018-19 as compared to ₹ 136883 lakh for the year 2017-18 in respect of Nathpa Jhakri Hydro Power Station (NJHPS). Sales/billing to the beneficiaries have been made in accordance with the aforesaid Order.

CERC vide its order dated 09.04.2019 has approved the tariff for the period 2004-09 of NJHPS and revised the annual fixed charges for the period. Consequently, energy sales is decreased by ₹ 6101 lakh (P.Y.: Nil). Decrease is mainly due to revision of amount of Advance Against Depreciation (AAD) from ₹ 84935 lakh to ₹ 91821 lakh which will be included in the sales over the balance useful life of the hydro power station in line with the policy no 1.18 (d).

During the year, the Group has filed a revised tariff petition with CERC in respect of Rampur Hydro Power Station (RHPS) for the period 2014-19 on the basis of revised cost of ₹ 423321 lakh approved by CEA and Public Investment Board (PIB). Final hearing on the tariff petition was concluded on 15.11.2018 and the order on the same has been reserved by CERC. Pending finalisation of tariff order, sales in respect of RHPS has been accounted for on the basis of 85% of the Capital Cost filed with CERC. Accordingly, Sales during the year include an amount of ₹46000 lakh (P.Y.: Nil) inclusive of ₹30401 lakh (P.Y.: Nil) pertaining to earlier years i.e. F.Y. 2014-15 to 2017-18.

During the year, the Group has regulated the power of UPPCL (P.Y: BYPL and J&K) after the same has 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 24.78 MUs (P.Y: 166.17 MUs) of power was sold through PTC amounting to ₹ 911 lakh (P.Y: ₹ 5331 lakh) and included in Energy Sales. An amount of ₹ 571 lakh (P.Y. : ₹ 3009 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹ 40 lakh (P.Y: ₹ 369 lakh) on Sale through PTC.

Other operating revenue includes an amount of ₹1243 lakh compensation for performance deficiency in respect of Khirvire Wind Power Project for F.Y. 2014-15 to 2017-18.

2.32 Other Income

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Income			
Banks	26614		29606
Employees	531		636
Contractors	186		8
		27331	30250
Other Non-Operating Income			
Interest on Income Tax Refund		-	31
Receipt of Maintenance of ICF		230	222
Government Grant		1	-
Foreign Currency Fluctuation Adjustment		55	55
Sale of Scrap		62	45
Miscellaneous Income #		(2290)	4942
Total		**25389**	**35545**
# Details of Miscellaneous Income:			
Hire Rental Charges from Contractor		76	2
Profit on Sale of Fixed Assets		40	48
Rent Recovery from Staff/Others		56	50
Excess Provision Written Back		24	1412
Liquidated Damages recovered *		(2717)	3205
Claim Received from Insurance Company		78	8
Other Misc. Receipts		153	217
Total		**(2290)**	**4942**

* Includes an amount of ₹ 2996 lakh reversed during the year after receipt of arbitration award in favour of contractor which was recognised as income during the previous year.

2.33 Employee Benefits Expense

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Salaries, Wages, Allowances and Benefits	26013		21179
Contribution to Provident and Other Funds	3243		2802
Leave Salary and Pension Contribution	67		94
Welfare Expenses	2318		2594
		31641	26669
Less: Transferred to C.S.R. Expenses (Note No 2.36)		-	132
Total		**31641**	**26537**

* Leave Salary and Pension Contribution is on account of retirement benefits of deputationists working in the group payable to their parent organisations.
Employee Benefits Expense includes an amount of ₹ 441 lakh (P.Y.: Nil) on account of regularization of pay scales of below board level executives w.e.f. 01.01.1997 vide Ministry of Power, Govt. of India order dated 29.01.2019.

2.34 Finance Costs

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Interest Expenses on:			
Foreign Currency Loans	5830		3228
Rupee Term Loans	2005		2272
Exchange differences regarded as adjustment to borrowing costs	12988		35
		20823	5535
Other Borrowing Costs			
Finance Charges		2710	2847
Total		**23533**	**8382**

2.35 Depreciation and Amortization Expense

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Depreciation for the Year	39233	38175
Less: Depreciation attributable to Construction (Note No 2.2.1)	157	115
Less: Depreciation written back	50	1609
Depreciation Charged to Statement of Profit & Loss	**39026**	**36451**

2.36 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Repair and Maintenance:			
Buildings	1710		1395
Roads	291		218
Plant & Machinery *	2325		865
Office Equipments & Furnitures	41		45
Civil Works	1132		878
Electro Mechanical Works	2394		2545
Vehicles	123		92
Others	647		473
		8663	6511
Rent		896	867
Rates & Taxes		21	24
Insurance		4629	4729
Security Expenses		4855	4519
Electricity Charges	1458		1525
Less:- Recovered from Employees & Contractors	50		39
		1408	1486
Travelling & Conveyance		569	449
Training and Recruitment Expenses	675		366
Less:- Cost of Application Forms Received	80		3
		595	363
Legal Expenses		90	127
Professional and Consultancy Charges		196	229
Communication Expenses		200	207
Printing & Stationery	136		156
Less: Receipts from Sale of Tenders	9		15
		127	141
Payment to Auditors		40	25
Advertisement & Publicity		433	349
EDP Expenses		56	84
Hiring of Vehicles		867	847
Entertainment Expenses		45	33
Expenses on Transit Camps		89	47
Books & Periodicals		12	13
C.S.R./ Sustainable Development Expenses		4010	3750
Stores Written Off		13	10
Loss on Disposal/Write off of Fixed Assets		64	73
Directors Sitting Fees		17	20
Business Promotion Expenses		409	326
Fees and subscription		323	301
Environment & Ecology Expenses		189	124
Interest on arbitration awards		1522	1704
Miscellaneous Expenses		175	197
Exchange Rate Variation		21	74
Expenses on Regulated Power	40		369
Less: Regulated Power Adjustment - Sales	40		369
		-	-
Total		**30534**	**27629**
Stores Consumption Included in Repairs and Maintenance		**1653**	**1598**

*Repair & Maintenance Expenses of Plant & Machinery includes ₹ 970 lakh toward maintenance charges of Khirvire Wind Power Project for F.Y. 2016-17 & 2017-18

2.37 Exceptional Items

(₹ Lakh)

	For the Year Ended March 31, 2019	For the Year Ended March 31, 2018
Expenditure on abandoned Projects written off	1568	-
Others *	4140	-
Total	**5708**	**-**

*Others is on account of regularization of pay scales of below board level executives w.e.f. 01.01.1997 vide Ministry of Power, Govt. of India order dated 29.01.2019.

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, 2019	As at March 31, 2018
		Amortised Cost	Amortised Cost
Financial assets			
Non-current Financial assets			
(i) Non-current investments			
-Equity Instrument (Unquoted)	2.6	-	-
(ii) Trade receivables	2.7	-	1273
(iii) Loans (to employee & others)	2.8	4442	4628
Current Financial assets			
(i) Current Investments	2.13	-	1
(ii) Trade and other receivables	2.14	27657	28899
(iii) Cash and cash equivalents	2.15	3908	16226
(iv) Bank balances other than (iii) above	2.16	292786	345228
(v) Short-term loans (to employee & others)	2.17	1711	1221
(vi) others :			
(a) Amount recoverable	2.18	8886	8949
(b) interest receivable on investments and bank deposits	2.18	14142	12827
(c) other receivables	2.18	62986	11604
Total		**416518**	**430857**
Financial Liabilities			
Non-current Financial Liabilities			
(i) Long-term borrowings			
a) Term Loan From Domestic Bank	2.23	16688	21128
b) Term Loan from others	2.23	177358	182406
(ii) Deposits/Retention Money-non current	2.24	12	24
Current Financial Liabilities			
(i) Trade Payables including MSMED	2.27	2440	2560
(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	17025	15094
c) interest accrued but not due on borrowings	2.28	2330	1413
d) Deposits/Retention Money	2.28	16026	15631
e) Liability against Capital Works/Supplies	2.28	12043	10268
f) Other Payables	2.28	10905	4879
Total		**259267**	**257843**

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 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 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: **(₹ Lakh)**

		As at March 31, 2019			As at March 31, 2018		
	Note No.	**Level 1**	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Financial assets							
(i) Loans (to employee & others)	2.8 & 2.17	-	6153	-	-	5849	-
(ii) Others -Bank Deposits with more than 12 Months Maturity		-	-	-	-	-	-
Total Financial Assets		**-**	**6153**	**-**	**-**	**5849**	**-**
Financial Liabilities							
(i) Long-term borrowings (including Current Maturity and interest)	2.23 & 2.28	-	217841	-	-	224481	-
(ii) Deposits/Retention Money (including Current)	2.24 & 2.28	-	16038	-	-	15655	-
Total Financial Liabilities		**-**	**233879**	**-**	**-**	**240136**	**-**

(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 instruments.

- 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)**

		As at March 31, 2019		As at March 31, 2018	
	Note No.	**Carrying Amount**	**Fair Value**	**Carrying Amount**	**Fair Value**
Financial Assets at Amortised Cost					
(i) Loans	2.8 & 2.17	8269	6153	7812	5849
(ii) Bank Deposits with more than 12 Months Maturity		-	-	-	-
Total Financial Assets		**8269**	**6153**	**7812**	**5849**
Financial Liabilities at Amortised Cost					
(i) Long-term borrowings (including Current Maturity and interest)	2.23 & 2.28	217841	217841	224481	224481
(ii) Deposits/Retention Money (including Current)	2.24 & 2.28	16038	16038	15659	15655
Total Financial Liabilities		**233879**	**233879**	**240140**	**240136**

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 liabilities are considered to be the same as their fair values, due to their short term nature.
2. For financial assets and financial liabilities 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:

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Trade receivables and financial assets measured at amortised cost	Aging 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 Group 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 instalment 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 2.23, 2.24, 2.27 and 2.28 of balance sheet)

For the Year Ended March 31, 2019 (₹Lakh)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt As at March 31, 2019	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Years & Less than 5 Years	More than 5 Years
1. Borrowings (including interest accrued but not due)	2.23 & 2.28	217841	23795	45972	49363	98711
2. Other financial Liabilities	2.24 & 2.28	38986	38974	12	-	-
3. Trade Payables	2.27	2440	2440	-	-	-
Total Financial Liabilities		**259267**	**65209**	**45984**	**49363**	**98711**

For the Year Ended March 31, 2018 (₹Lakh)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt As at March 31, 2019	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Years & 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	30803	30779	24	-	-
3. Trade Payables	2.27	2560	2560	-	-	-
Total Financial Liabilities		**257844**	**54285**	**19558**	**41766**	**142234**

(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, 2019	As at March 31, 2018
Variable Rate Borrowings (FC)	194383	197500
Variable Rate Borrowings (INR)	21128	25568
Total	**215511**	**223068**

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, 2019	As at March 31, 2018
Effect on Profit Before Tax with rise of 25 basis points	(539)	(558)
Effect on Profit Before Tax with rise of 50 basis points	(1078)	(1115)

(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 foreign 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, 2019	As at March 31, 2018
Foreign Currency	**USD**	**USD**
Net Exposure to foreign currency risk(asset)	-	-
Financial Liabilities:		
Foreign currency loan including interest accrued but not due (₹ Lakh)	196713	198913
Net Exposure to foreign currency risk (liabilities) (₹ Lakh)	**196713**	**198913**

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 accounting 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 guidelines 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 (₹ Lakh)

Particulars		As at March 31, 2019	As at March 31, 2018
(a)	Total Debt	217841	224481
(b)	Total Capital	1124624	1070016
Debt Equity Ratio (a/b)		**0.19**	**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 Covenants:

Under the terms of the major borrowing facilities, the group is required to comply with the following financial covenants:-

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: (₹ Lakh)

(i) Equity Shares	As at March 31, 2019	As at March 31, 2018
Final dividend for the year 2017-18 of ₹ 0.20 per fully paid share approved in Sep-2018. (₹ 0.57 per fully paid share for FY 2016-17 approved in Sep-2017).	7860	20683
Interim dividend for the year ended 31st March, 2019 of ₹ 1.50 per fully paid share(For the year ended 31st March 2018- ₹ 1.90 per fully paid share).	58947	78596
(ii) Dividend not recognised at the end of the reporting period	**25544**	**7860**
(iii) Dividend Distribution Tax not recognised at the end of the reporting period	**5251**	**1616**

Other Explanatory Notes to Accounts

2.39 Changes in significant accounting policies:

During the year certain changes/additions have been made in the policies numbers 1.10 (e), 1.11 (b)(iii), 1.12(a), 1.15 (c), 1.18 (a) and 1.20(c) & (g) for improved disclosure. However, there is no impact on the financial statements due to the above changes.

2.40 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 31.03.2019	As at 31.03.2018
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%

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.

2.41. Contingent Liabilities:-

a) Claims against the Group not acknowledged as debts in respect of: (₹ Lakh)

Particulars	As at 31.03.2019	As at 31.03.2018
Capital Works	55471	36889
Land Compensation	4449	1790
Disputed Income Tax Demand	3222	-
Others	165	165
Total	**63307**	**38844**

(i) Capital works

Contractors have lodged claims aggregating to ₹ 56297 Lakh (previous year ₹ 37715 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 laying 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 ₹ 4446 lakh (previous year ₹ 1787 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) Disputed Income Tax Demand

During the year Income Tax Department has raised a demand of ₹ 3222 lakh (previous year Nil) for A.Y 2015-16 & 2016-17. The Group is contesting the case & filed an appeal with CIT(Appeals).

(iv) 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 at 31.03.2019 below: (₹ Lakh)

Sl. No.	Particulars	Claims as on 31.03.2019	Provision against the claims	Contingent liability as on 31.03.2019	Addition of Contingent Liability for the period	Adjustment/ Deduction in Contingent Liability for the period	Contingent liability as on 31.03.2018
1.	Capital Works	56297	826	55471	26607	8025	36889
2.	Land Compensation	4449	-	4449	2659	-	1790
3.	Income Tax Demand	3222	-	3222	3222	-	-
4.	Others	165	-	165	-	-	165
	Total	**64133**	**826**	**63307**	**32488**	**8025**	**38844**

(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 work for construction of prefabricated office and residential building at Phaksindha, near Num/Dam site of Arun-3 HEP was awarded to M/s Zillion-Pappu JV on 19th March, 2017. The contractor did not commence the work within the contractual time. Accordingly, Contract was terminated. The contractor has given arbitration notice without mentioning the cost compensation. Pending submission of cost compensation claim the financial implication can't be ascertained as on date.

(e) 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.

2.42 Detail of Contingent Assets:

(₹ Lakh)

	Particulars	As on 31.03.2019	As on 31.03.2018
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	61120	55007
3)	Counter Claim for Interest accrued on advance paid to JHC	10367	10369
4)	Amount expected to be due against final Tariff of RHPS	8118	68637
5)	Insurance claims	145	60
	Total	**79793**	**134116**

2.43 Estimated amount of commitments not provided for is as under:

(₹ Lakh)

Particulars	As on 31.03.2019	As on 31.03.2018
Estimated amount of contracts remaining to be executed on capital account and not provided for	377336	381392
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	10770	14173
Total	**388106**	**395565**

The group has entered into agreement with Forest Department, National Park and Wildlife Conservation Department, Ministry of Forest and Soil Conservation, Government of Nepal, on 23rd August 2017 and 06th February 2018. As per the agreements, a total of 123.218 hectare of forest land has been leased for project construction by Government of Nepal. Out of this 123.218 hectare, 79.04 hectare lies in 9 community forests of District Forest area while remaining 44.178 hectare lies in 8 community forests of Makalu Barun National Park area. The group should plant 8272 numbers of plants within a said land area of 123.18 hectares. The cost of such plantation cannot be estimated reliably as on date.

2.44 Balances of trade receivables, advances, deposits, trade payables, are reconciled periodically. However, as on 31.03.2019 out of ₹ 47061 lakh trade receivables, advances and deposits etc an amount of ₹ 24893 lakh has been confirmed and balance amount of ₹ 22168 lakh are subject to confirmation, reconciliation and consequential adjustment. Further trade payables amounting to ₹ 2440 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 31.03.2019	Year ended 31.03.2018
(i)	*Amount charged to Statement of Profit and Loss excluding depreciation:		
	- As FERV	21	74
	- As Borrowing cost	12988	35
(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 Disclosures as per Ind AS 12 "Income taxes'

(a) Income tax expense

i) Income tax recognised in the statement of profit and loss **(₹ Lakh)**

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
Current tax expense		
Current year	34564	34053
Pertaining to regulatory deferral account balances	4036	1090
Total Current tax expense	**38600**	**35143**

ii) Income tax recognized in other comprehensive income **(₹ Lakh)**

Particulars	For the year ended					
	31st March 2019			31st March 2018		
	Before Tax	Tax expense/ (benefit)	Net of tax	Before Tax	Tax expense/ (benefit)	Net of tax
Net actuarial gains/(losses) on defined benefit plans	(1889)	(407)	(1482)	(1518)	(324)	(1194)
Total	**(1889)**	**(407)**	**(1482)**	**(1518)**	**(324)**	**(1194)**

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

Particulars	For the year ended	
	31st March, 2019	31st March, 2018
Profit before tax including movement in regulatory deferral account balances	179481	164810
Tax using groups domestic rate	38627	35178
Tax effect of :		
Tax-exempt income	27	35
Items debited to Other Comprehensive Income not to be reclassified subsequently to profit or loss	407	324
Total tax expense recognized in the statement of profit and loss	**38193**	**34819**

b) MAT Credit available to the company in future but not recognised in the books: **(₹ Lakh)**

Financial Years	As at 31st March 2019	Expiry Date	As at 31st March 2018	Expiry date
For the year 2018-19	2958	31st March, 2034	-	-
For the year 2013-14	22344	31st March ,2029	22344	31st March, 2029
For the year 2012-13	11970	31st March, 2028	11970	31st March, 2028

2.47 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) Post retirement medical scheme:

The Group has a Post retirement medical 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 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.

(iv) Baggage Allowance:

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

(v) Service Reward on Retirement:

Gift at the time of retirement is given to the employee as per the rules of the Group. The liability towards the same is recognised on the basis of actuarial valuation.

I. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As at 31.03.2019	As at 31.03.2018
Mortality Table	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.75%	7.60%
Future Salary Increase	6.50%	6.50%

II. Employee benefit obligations at the end of year: **(₹ Lakh)**

Sr. No.	Particulars	As on 31-03-2019			As on 31-03-2018		
		Current	Non-current	Total	Current	Non-current	Total
a)	Leave obligations	667	6646	7313	394	4678	5072
b)	Gratuity	667	7089	7756	408	6690	7098
c)	Post Retirement Medical Scheme (PRMS)	165	6561	6726	127	5879	6006
d)	Other Retirement Benefits	16	303	319	10	275	285
	Total employee benefit obligations	**1515**	**20599**	**22114**	**939**	**17522**	**18461**

III. Change in Present Benefit Obligation **(₹ Lakh)**

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Present value of obligation as at the beginning of the period	5072	6966	7098	6427	6006	4699	285	256
b)	Acquisition adjustment	-	-	-	-	-	-	-	-
c)	Interest Cost	385	522	539	482	456	353	22	19
d)	Service Cost	798	424	499	487	328	311	23	22
e)	Past Service Cost including curtailment Gains/Losses	-	-	-	-	-	-	-	-
f)	Benefits Paid	(974)	(4048)	(523)	(181)	(192)	(137)	(37)	(28)
g)	Total Actuarial (Gain)/Loss on Obligation	2032	1208	143	(117)	128	780	26	16
h)	Present value of obligation as at the End of the period	7313	5072	7756	7098	6726	6006	319	285

IV. Change in Plan Assets (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Fair value of plan assets at the beginning of the period	-	-	7105	6427	6145	-	-	-
b)	Actual return on plan assets	-	-	524	459	464	5	-	-
c)	Employer contribution	-	-	-	-	21	6140	-	-
d)	Benefits paid	-	-	(524)	(181)	(192)	(138)	-	-
e)	Fair value of plan assets at the end of the period	-	-	7105	6705	6438	6007	-	-

V. Amount Recognized in Balance Sheet (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Present Value of the obligation at end	7313	5072	7756	7098	6726	6006	319	285
b)	Fair value of plan assets	-	-	7105	6705	6438	6007	-	-
c)	Unfunded Liability/provision in Balance Sheet	(7313)	(5072)	(651)	(393)	(288)	1	(319)	(285)
d)	Unfunded Liability recognized in Balance Sheet	-	-	-	-	(288)	1	(319)	(285)

VI. Amount Recognized in the Statement of Profit and Loss/Expenditure Attributable to Construction (EAC) (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Total Service Cost	798	424	499	487	328	311	23	22
b)	Net Interest Cost	385	522	-	-	-	353	22	19
c)	Net actuarial (gain) / loss recognized in the period	2032	1208	-	-	-	-	-	-
d)	Expense recognized in the Statement of Profit & Loss / EAC	3215	2154	499	487	328	664	45	41

VII. Amount Recognized in the Statement of Other Comprehensive Income (OCI) (₹ Lakh)

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Net cumulative unrecognized actuarial gain/(loss) opening	-	-	-	-	-	-	-	-
b)	Actuarial gain / (loss) for the year on PBO	-	-	(143)	117	(128)	(780)	(26)	(16)
c)	Actuarial gain /(loss) for the year on Asset	-	-	(16)	(23)	7	-	-	-
d)	Unrecognized actuarial gain/(loss) at the end of the year	-	-	(159)	94	(121)	(780)	(26)	(16)

VIII. Sensitivity analysis of the Defined Benefit Obligation

a) Impact of the change in discount rate **(₹ Lakh)**

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Present Value of Obligation at the end of the period	7313	5072	7756	7098	6726	6006	319	285
b)	Impact due to increase of 0.50 %	(311)	(209)	(312)	(301)	(405)	(361)	(13)	(13)
c)	Impact due to decrease of 0.50 %	337	226	336	325	412	372	13	13

b) Impact of the change in Salary Increase / Medical Cost Rate **(₹ Lakh)**

Sr. No.	Particulars	Earned Leave		Gratuity		PRMS		Other Retirement Benefits	
		31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
a)	Present Value of Obligation at the end of the period	7313	5072	7756	7098	6726	6006	319	285
b)	Impact due to increase of 0.50 %	339	227	147	155	415	376	13	14
c)	Impact due to decrease of 0.50 %	(316)	(212)	(152)	(164)	(406)	(368)	(13)	(13)

IX. a) Change in Present Benefit Obligation **(₹ Lakh)**

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Present value of obligation as at the beginning of the period	40140	35406
b)	Acquisition adjustment	-	-
c)	Interest Cost	3051	2655
d)	Service Cost	3970	990
e)	Contributions by Planned Participants/employees/Settlement Transfer	2165	2242
f)	Benefits Paid	(2229)	(1552)
g)	Total Actuarial (Gain)/Loss on Obligation	480	399
h)	Present value of obligation as at the End of the period	47577	40140

b) Change in Plan Assets **(₹ Lakh)**

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Fair value of plan assets at the beginning of the period	40365	35627
b)	Actual return on plan assets	3537	3035
c)	Indirect Income	75	-
d)	Indirect Expense	(100)	-
e)	Employer contribution	3970	989
f)	Plan Participants/Employer contribution	1507	2242
g)	Benefits paid	(2229)	(1553)
h)	Settlements/ Transfer in	658	25
i)	Fair value of plan assets at the end of the period	47783	40365

c) Amount Recognized in Balance Sheet **(₹ Lakh)**

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Present Value of the obligation at end	47577	40140
b)	Fair value of plan assets	47783	40365
c)	Unfunded (Liability)/Asset in Balance Sheet	205	225
d)	Unfunded (Liability)/Asset recognized in Balance Sheet	205	225

d) Amount Recognized in the Statement of Profit and Loss/ Expenditure Attributable to Construction (EAC) **(₹ Lakh)**

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Total Service Cost	3970	989
b)	Past Service Cost including curtailment Gains/Losses	-	-
c)	Expense Recognized in the Statement of Profit & Loss / EAC	3970	989

e) Amount Recognized in the Statement of Other Comprehensive Income (OCI) **(₹ Lakh)**

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Net cumulative unrecognized actuarial gain/(loss) opening	-	-
b)	Actuarial gain/(loss) for the year on PBO	(480)	(375)
c)	Actuarial gain/(loss) for the year on Asset	460	379
d)	Unrecognized actuarial gain/(loss) at the end of the year	(20)	4

f) Sensitivity analysis of the Defined Benefit Obligation Impact of the change in discount rate **(₹ Lakh)**

Sr. No.	Particulars	Provident Fund	
		31-03-2019	31-03-2018
a)	Present Value of Obligation at the end of the period	47577	40140
b)	Impact due to increase of 0.50 %	(4)	(4)
c)	Impact due to decrease of 0.50 %	5	4

X. 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 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. **(₹ Lakh)**

Particulars 31-03-19	Less than a year	Between 1-5 years	Over 5 years	Total
Gratuity	667	1026	6063	7756
Earned Leave encashment	667	552	6094	7313
TTA/Settlement allowance on retirement (exit)	5	24	121	150
Employee Provident fund	5894	10804	30879	47577
Retirement Gifts/Long service award liability	11	22	136	169
Post Retirement Medical Scheme	165	1049	5512	6726
TOTAL	**7409**	**13477**	**48805**	**69691**
Particulars 31-03-18				
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	27205	40140
Retirement Gifts/Long service award liability	7	33	111	151
Post Retirement Medical Scheme	127	655	5224	6006
TOTAL	**4797**	**12193**	**41611**	**58601**

c) Other Long Term Employee Benefit Plans

The company provides for earned leave benefit and half pay leave to the employees of the company which accrue annually at 30 days and 20 days respectively. Earned leave (EL) and Half pay leave (HPL) are en-cashable subject to limits and other conditions specified for the same. The scheme is un-funded and liability for the same is recognised on the basis of actuarial valuations.

2.48 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:

Sr. No.	Name of Customer	Revenue from Customers (₹ Lakh)		Revenue from customer as a % of total revenue from sales	
		F.Y. 2018-19	F.Y. 2017-18	F.Y. 2018-19	F.Y. 2017-18
1	Govt. of H.P.	55824	54661	21.03	24.94
2	PDD, J&K	25501	26522	9.61	12.10
3	U.P. Power Corporation	42535	38605	16.03	17.62
4	Punjab State Power Corporation Ltd.	23283	23821	8.77	10.87

2.49 Information on 'Related Party Disclosures' as per Ind AS 24 is provided as under:

a) List of Related Parties -

i) Directors & Key Management Personnel:

Parent Company:	
Shri Nand Lal Sharma	Chairman and Managing Director (CMD)
Shri Amarjit Singh Bindra	Director (Finance)
Shri Rakesh Kumar Bansal	Director (Electrical)
Shri Kanwar Singh	Director (Civil) up to 31.03.2019
Smt. Geeta Kapur	Director (Personnel) w.e.f 18.10.2018
Shri Aniruddha Kumar	Nominee Director, Government of India
Shri Prabodh Saxena	Nominee Director, Government of Himachal Pradesh
Shri Ganesh Dutt	Independent Director up to 16.11.2018
Dr. Rajni Sarin	Independent Director
Shri Pravin Bhai Patel	Independent Director
Shri Shamsher Singh Uppal	Independent Director
Shri Subhash Chander Negi	Independent Director w.e.f 25.03.2019
Shri Rajnish Pande	Independent Director w.e.f 29.03.2019
Shri Soumendra Das	Company Secretary

Subsidiary Companies:

a) SJVN Thermal Pvt. Ltd.

Shri Nand Lal Sharma	Chairman
Shri Amarjit Singh Bindra	Director
Shri Rakesh Kumar Bansal	Director
Smt. Geeta Kapur	Director
Shri Surinder Pal Bansal	Additional Director
Shri Suresh Chandra Agarwal	Chief Executive Officer
Shri Surender Lal Sharma	Chief Financial Officer
Shri Raman Kant Sharma	Company Secretary

b) SJVN Arun-3 Power Development Company Pvt. Ltd

Shri Nand Lal Sharma	Chairman and Managing Director (CMD)
Shri Amarjit Singh Bindra	Director (Finance)
Shri Rakesh Kumar Bansal	Director (Electrical)
Smt. Geeta Kapur	Director (Personnel) w.e.f 18.10.2018
Shri S.P. Bansal*	Director (Civil)
Shri S.K. Sharma	CEO
Shri Jitendra Yadav	CFO
Shri Sujit Jha	Company Secretary

* Shri Kanwar Singh, Director (Civil) retired on 31.03.2019 and subsequent of his retirement Sh. S.P. Bansal joined on 01.04.2019.

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, 2019	% of Shareholding/voting Power As at March 31, 2018
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, 2019	% of Shareholding/voting Power As at March 31, 2018
Cross Border Power Transmission Company Ltd.	India	Power Transmission	26%	26%
Kholongchhu Hydro Energy Limited	Bhutan	Power Generation	50%	50%

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
Sh. Romesh Kumar Kapoor	India	Relative of Director
Ms. Priyapreet Kaur	India	Relative of Director

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. 2018-19	**F.Y. 2017-18**	**F.Y. 2018-19**	**F.Y. 2017-18**
A. Transactions During the Year				
1. Investment in Share Capital				
a) Kholongchhu Hydro Energy Limited	3763	4200	-	-
2. Dividend				
a) Cross Border Power Transmission Company Ltd.	126	164	-	-
3. Sitting Fees	-	-	17	20
4. Remuneration to relative of KMP	-	-	88	6
B. Outstanding Balances at the year end.				
1. Amount Recoverable				
a) Kholongchhu Hydro Energy Limited (KHEL)	105	168	-	-

ii) Loans to/from Key Management Personnel (KMP) (₹lakh)

Particulars	Key Management Personnel (KMP)	
	31.03.2019	**31.03.2018**
Loan to KMPs		
Beginning of the Year	17	13
Loans advanced	-	-
Loan repayments received	3	5
Interest charged	-	-
Interest received	7	2
End of the year/period	7	6

Note: Recoverable from JV's is ₹ 105 Lakh (Previous Year ₹ 168 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 Education Loan. This advance is 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 group is as follows:- (₹lakh)

Sr. No.	Name of the Trust	Nature of transaction	2018-19	2017-18
1	NJPC Ltd. Employees Provident Fund Trust	Contributions during the year	6887	4902
2	NJPC Ltd. Employee Gratuity Fund	Contributions during the year	393	1523
3	SJVN Employees Defined Contribution Pension Fund.	Contributions during the year	3012	1821
4	Fund for SJVN PRS	Contributions during the year	21	6140
5	SJVN Foundation Trust	Contributions during the year	4010	3750

2.50 Remuneration to Directors & Key Managerial Personnel

(₹lakh)

	Year ended 31.03.2019	Year ended 31.03.2018
i) Short Term Employee Benefits	771	540
ii) Post Employment Benefits	9	5
iii) Other Long Term Employee Benefits	54	34
Total	**834**	**579**

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

2.51 Interest in Other Entities:

a) Subsidiaries

The group's subsidiaries as at 31st March, 2019 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 31.03.2019	As at 31.03.2018
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, 2019 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.

Name of entity	Place of Business	% of ownership interest	Relationship	Quoted Fair Value		Carrying amount	
				31st March 2019	31st March 2018	31st March 2019	31st March 2018
Kholongchhu Hydro Energy Limited	Bhutan	50	Joint Venture (1)	*	*	13729	9966
Cross Border Power Transmission Company Limited	India	26	Joint Venture (2)	*	*	2303	2057

* 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 31 March 2019 using the Equity Method : (₹ Lakh)

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	As at 31.03.2019 (Unaudited)	As at 31.03.2018 (Unaudited)	As at 31.03.2019 (Unaudited)	As at 31.03.2018 (Audited)
Current Assets				
Cash and cash equivalents	630	76	1940	1037
Other Assets	93	38	5939	5712
Total Current Assets	**723**	**114**	**7879**	**6749**
Total Non-current Assets	**26330**	**20714**	**19020**	**20025**
Current liabilities				
Current financial liabilities excluding trade and other payables and provisions)	168	140	1608	1646
Other Liabilities	428	709	1281	781
Total Current Liabilities	**596**	**849**	**2889**	**2427**
Non-current liabilities				
Non-current financial liabilities (excluding trade and other payables and provisions)	49	47	14715	15995
Other Liabilities	-	-	437	439
Total Non-current Liabilities	**49**	**47**	**15152**	**16434**
Net Assets	**26408**	**19932**	**8858**	**7913**

Reconciliation to carrying amounts (₹ Lakh)

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Opening net assets	19932	12832	7913	7376
Profit/(loss) for the year	-	-	1530	1295
Dividends paid	-	-	585	758
Equity infused	6476	7100	-	
Closing net assets	26408	19932	8858	7913
Group's share in %	50	50	26	26
Group's share in INR	13204	9966	2303	2057
Other Adjustments*	525	-	-	-
Carrying amount	**13729**	**9966**	**2303**	**2057**

* other adjustment is on account of additional equity contribution by the group where contribution by other co-venturer is pending.

Summarised statement of Profit and Loss using Equity Method: (₹ Lakh)

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	31.03.2019 (Unaudited)	31.03.2018 (Unaudited)	31.03.2019 (Unaudited)	31.03.2018 (Audited)
Revenue	-	-	662	447
Interest Income/Other Income	-	-	2968	3149
Cost of raw material and components consumed	-	-	-	-
Depreciation & amortization	-	-	2	2
Finance cost	-	-	1608	1771
Employee benefit	-	-	144	105
Other expense	-	-	346	423
Profit before tax	-	-	1530	1295
Profit for the year (continuing operations)	**-**	**-**	**1530**	**1295**
Total comprehensive income for the year (continuing operations)	**-**	**-**	**1530**	**1295**

2.52 Earnings Per Share:-

Calculation of Earnings Per Share (Basic and Diluted) is as under: **(₹ Lakh)**

	Year Ended 31.03.2019	Year Ended 31.03.2018
Net Profit after Tax but before Regulatory Income used as numerator (₹ Lakh)	121961	118442
Net Profit after Tax and Regulatory Income used as numerator (₹ Lakh)	136656	122461
Weighted Average number of equity shares used as denominator	3929795175	4125293277
Earnings per Share before Regulatory Income (₹) - Basic & Diluted	3.10	2.87
Earnings per Share after Regulatory Income (₹) - Basic & Diluted	3.48	2.97
Face value per share (₹)	10	10

2.53 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.

2.54 Other disclosures as per Schedule-III of the Companies Act,2013 are as under:-

(₹ Lakh)

(A)	**Expenditure in foreign currency**	**Year ended 31.03.2019**	**Year ended 31.03.2018**
i)	Consultancy	-	-
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	-	-
iv)	Interest on World Bank Loan.	5830	3228
v)	Dividend Paid	-	-
vi)	Other Miscellaneous Matters	284	175
(B)	**Earnings in foreign currency**	**-**	**-**
(C)	**Value of Import calculated on CIF basis**	-	-
i)	Capital Goods	245	-
ii)	Spare Parts	15	151
(D)	**Value of components, stores and spare parts consumed**	-	-
i)	Imported	99 (5.09%)	101 (6.32%)
ii)	Indigenous	1554 (94.01%)	1497 (93.68%)

2.55 Quantitative details in respect of energy generated & sold :

a) Hydro Power:-

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1912	1912
iii)	Actual Generation (Million Units)	8335.89	9222.60

b) Wind/Solar Power:-

Sr. No.	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	90.60	54.60
iii)	Actual Generation (Million Units)	99.14	59.33

2.56 Payment to Auditors includes:

(₹ Lakh)

	Year Ended 31.03.2019	Year Ended 31.03.2018
As Auditors		
-Statutory Audit	14	11
-Tax Audit	3	2
-Limited Review	8	4
For other services (Certificates etc.)*	2	3
Reimbursement of Expenses	8	4
Reimbursement of Service Tax/GST	5	3
Total	**40**	**27**

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

(₹ Lakh)

PARTICULARS	CURRENCY	As at 31.03.2019	As at 31.03.2018
Borrowings, including Interest Accrued but not due thereon.	USD	196713	198913

2.58 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 ₹ 3485 lakh [(2% of Average Profit Before Tax of immediately previous three years (P.Y ₹ 3750 lakh, 2% of Average Profit Before Tax of immediately previous three years)] to be spent on CSR during the year. The company has paid an amount of ₹ 4010 lakh (P.Y: ₹ 3750 lakh) to the CSR trust formed to manage the CSR activities which has been booked to CSR expenses as per Accounting Policy .

a) Break-up of CSR expenditures incurred as intimated by CSR Trust under various heads is as below. (₹ Lakh)

Sl.No.	Activities	As at 31st March, 2019	As at 31st March, 2018
1	Health and hygiene	730	457
2	Education and Skill Development	1096	666
3	Infrastructural Development and Community Development	580	994
4	Promotion of Gender Equality, Empowering women etc	109	-
5	Preservation and promotion of culture, Melas, Sports etc.	164	358
6	Sustainable Development	823	1035
7	Assistance to the victims natural disasters/ calamities	500	145
8	Miscellaneous CSR activities& Administrative Exp.	23	221
	Total	**4025**	**3876**

b) (i) Amount spent during the year ended 31st March 2019. (₹ Lakh)

	Particulars	In cash	Yet to be paid in cash	Amount
a)	Construction/Acquisition of any Asset	1975	-	1975
b)	On Purpose other than (a) above	2050	-	2050

(ii) Amount spent during the year ended 31st March 2018. (₹ Lakh)

	Particulars	In cash	Yet to be paid in cash	Amount
a)	Construction/Acquisition of any Asset	2408	-	2408
b)	On Purpose other than (a) above	1468	-	1468

2.59 Information in respect of micro and small enterprises as at 31st March 2019 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

	Particulars	Year ended 31.03.2019	Year ended 31.03.2018
a)	**Amount remaining unpaid to any supplier:**		
	Principal amount	718	58
	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 disallowance 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 ₹ 61120 Lakh (P.Y.: ₹ 55007 Lakh) is due but not recognised on account of surcharge till 31.03.2019 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 has revised from 1st January, 2017. 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.

d) Risks associated with future recovery/reversal of regulatory deferral account balances:

i) demand risk due to changes in consumer attitudes, the availability of alternative sources of supply.

ii) regulatory risk on account of changes in regulations and submission or approval of rate-setting application or the entity's assessment of the expected future regulatory actions.

iii) other market risks, if any.

The company has created regulatory assets and recognized corresponding regulatory income up to period ended 31.03.2019 as under: **(₹ Lakh)**

Regulatory asset created in relation to:	Up to FY 2017-18	For the year ended 31.03.2019	Total up to 31.03.2019
Exchange rate variation regarded as Borrowing Costs	7317	11417	18734
Employee Benefit expense (Pay- revision w.e.f 01.01.2017)	7945	7314	15259
Total	**15262**	**18731**	**33993**

2.62 Additional Information as required by Schedule III to the Companies Act, 2013

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss for the year ended		Share in other comprehensive income for the year ended		Share in total comprehensive income for the year ended	
	As % of consolidated net assets	Amount (₹ Lakh)	As % of consolidated profit or loss	Amount (₹ Lakh)	As % of consolidated other comprehensive income	Amount (₹ Lakh)	As % of consolidated other comprehensive income	Amount (₹ Lakh)
A. Parent (SJVN Ltd.)								
31.03.2019	88.42	994420	99.70	136250	100.00	(1482)	99.70	134768
31.03.2018	91.87	983062	99.76	122176	100.00	(1194)	99.76	120982
B. Indian Subsidiaries								
SJVN Thermal Private Limited								
31.03.2019	5.50	61874	0.02	29	-	-	0.02	29
31.03.2018	4.57	48876	(0.01)	(17)	-	-	(0.01)	(17)
C. Foreign Subsidiaries								
SJVN Arun-3 Power Development Company Private Limited.								
31.03.2019	4.66	52298	(0.02)	(21)	-	-	(0.02)	(21)
31.03.2018	2.44	26055	(0.02)	(2)	-	-	-	(2)
D. Indian Joint Ventures								
Cross Border Power Transmission Company Limited.								
31.03.2019	0.20	2303	0.30	398	-	-	0.30	398
31.03.2018	0.19	2057	0.25	304	-	-	0.25	304
E. Foreign Joint Ventures								
Kholongchhu Hydro Energy Limited								
31.03.2019	1.22	13729	-	-	-	-	-	-
31.03.2018	0.93	9966	-	-	-	-	-	-
TOTAL								
31.03.2019	**100**	**1124624**	**100**	**136656**	**100**	**(1482)**	**100**	**135174**
31.03.2018	**100**	**1070016**	**100**	**122461**	**100**	**(1194)**	**100**	**121267**

2.63 Opening balances/corresponding figures for previous year/period have been re-grouped/ re- arranged, wherever necessary. Board of directors authorised Director (Finance) and Company Secretary to rectify the errors and carry out modifications, if any.

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 Consolidated Balance Sheet and Statement of Profit and Loss.

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

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

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	Sr. 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 2018 to 31st March, 2019	From 15th July 2017 to 14th July, 2018
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	19486
6	Reserves & surplus	(2)	(75)
7	Total assets	62863	55887
8	Total Liabilities	19197	36476
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	29	(21)
12	Provision for taxation	-	-
13	Profit after taxation	29	(21)
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 subsidiaries 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 31.03.2019.

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
1.	Latest audited Balance Sheet Date	Audited up to 31.03.2018 (Unaudited as on 31.03.2019)	Audited up to 31.12.2018 (Unaudited as on 31.03.2019)
2.	Shares of Associate/Joint Ventures held by the company on the year end	26%	50%
	No. of shares	1,26,12,473 shares of ₹ 10 each	13,72,91,700 Equity Shares of ₹10/- each
	Amount of Investment in Associates/Joint Venture	1261	13729
	Extent of Holding %	26%	50%
3.	Description of how there is significant influence	-	-
4.	Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated
5.	Net Worth attributable to Shareholding as per latest Unaudited Balance Sheet	2303	13204
6.	Profit / Loss for the year (After tax)	1530	-
i.	Considered in Consolidation	398	-
il.	Not Considered in Consolidation	-	-

Kholongchhu Hydro Energy Limited is yet to commence business.

Names of associates or joint ventures which have been liquidated or sold during the year. - Bengal Birbhum Coalfields Limited.

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

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

(Deepak Kataria)
Partner
M.No. 504395
Date : 29th May, 2019
Place: New Delhi

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 31st Annual General Meeting of the Company, to be held on **Friday, 27th September 2019 at 1500 HRS at "SJVN Corporate Office Complex, Shanan, Shimla - 171006"** 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 2019 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 ₹1.50 per share and to declare the final dividend, if any, on equity shares for the financial year 2018-19.		
3.	To appoint a Director in place of Shri Rakesh Kumar Bansal [DIN 06395552], who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Shri Amarjit Singh Bindra [DIN 03358160], who retires by rotation and being eligible, offers himself for re-appointment.		
	SPECIAL BUSINESS		
5.	To appoint Shri Shubash Chander Negi as Independent Director		
6.	To appoint Dr. Rajnish Pande as Independent Director		
7.	Ratification of Remuneration of Cost Auditor for the Financial Year 2019-20.		

Please affix ₹ 1/- Revenue Stamp

Signed this _____ day of_____ 2019.

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 LIMITED

CIN : L40101HP1988GOI008409

Registered Office: SJVN Corporate Office Complex, Shanan, Shimla - 171 006, Himachal Pradesh.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional slip at the venue of the meeting.

DP Id	
Client Id	

FOLIO No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER..

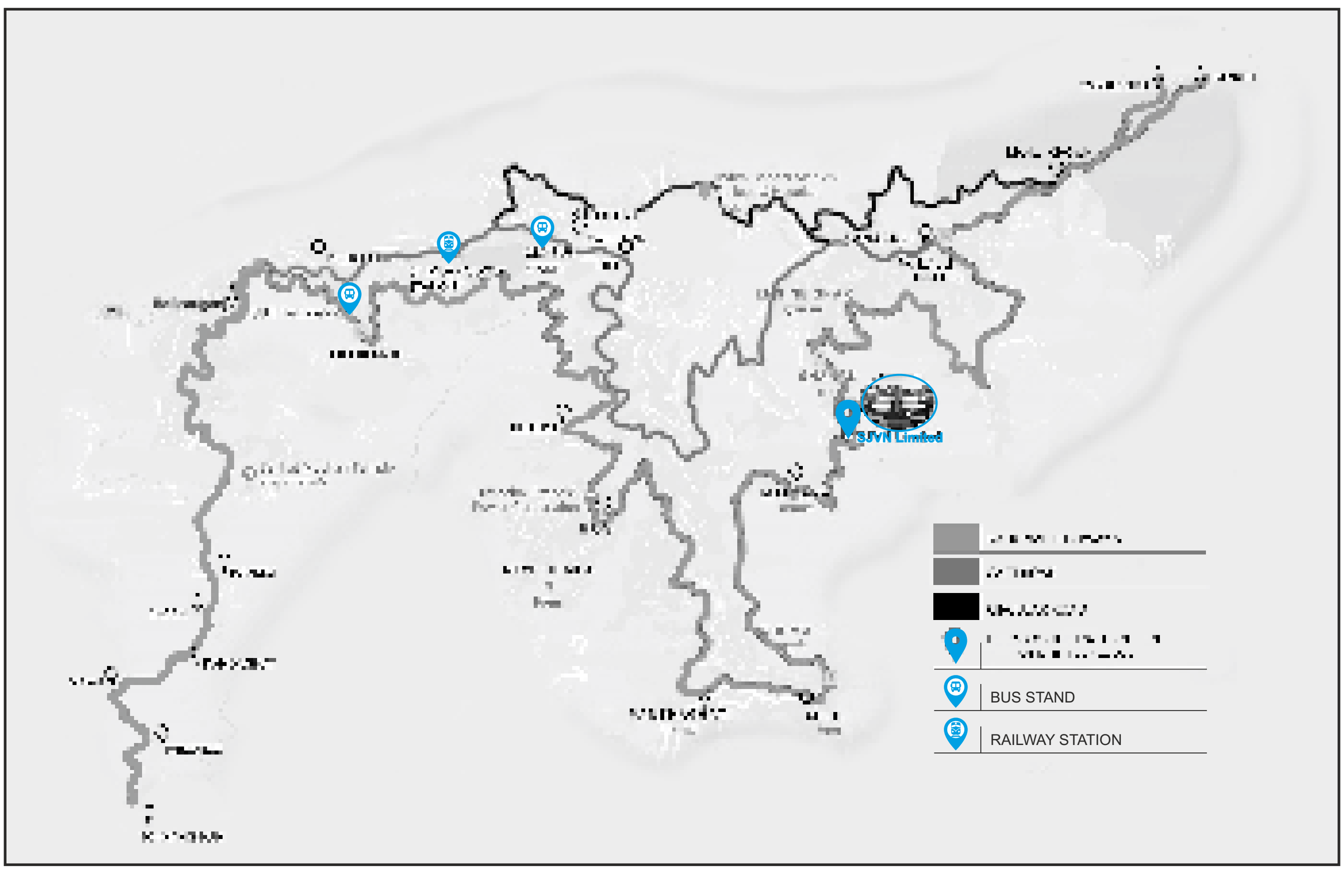
....

I hereby record my presence at the 31ST ANNUAL GENERAL MEETING of the Company held on Friday, September 27th, 2019 at 1500 HRS at "SJVN Corporate Office Complex, Shanan, Shimla - 171006".

____

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.	2018-19	Interim	₹ 1.50	08-02-2019	20-02-2019
2.	2017-18	Final	₹ 0.50	25-09-2018	18-09-2018
3.	2017-18	Interim	₹ 1.90	09-02-2018	22-02-2018
4.	2016-17	Final	₹ 0.50	22-09-2017	15-09-2017
5.	2016-17	Interim	₹ 2.25	13-02-2017	24-02-2017
6.	2015-16	Final	₹ 0.47	22-09-2016	15-09-2016
7.	2015-16	Interim	₹ 0.63	04-02-2016	17-02-2016
8.	2014-15	Final	₹ 0.42	22-09-2015	15-09-2015
9.	2014-15	Interim	₹ 0.63	05-02-2015	18-02-2015
10.	2013-14	Final	₹ 0.98	09-09-2014	02-09-2014
11.	2012-13	Final	₹ 0.96	12-09-2013	05-09-2013
12.	2011-12	Final	₹ 0.94	03-09-2012	27-08-2013
13.	2010-11	Final	₹ 0.80	26-08-2011	19-08-2011
14.	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

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

Registrar & Share Transfer Agent (R&T)

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

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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 minima! ecological and social disturbances.
- To strive for acquiring Nav Ratna Status.

Our Core Values

Professionalism
Accountability
Sustainability
Team Spirit
Excellence
Innovation
Trust

"PASTE IT"

एसजेवीएन लिमिटेड
SJVN LIMITED
(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)
A Mini Ratna & Schedule "A" PSU

Regd. Off.: SJVN Corporate Office Complex, Shanan, Shimla - 171006, Himachal Pradesh (India)
Expediting Off.: Office Block, Tower-1, 6th Floor, NBCC Complex, East Kidwai Nagar, New Delhi-110023 (India)
Phone: 0177-2660075, **Fax:** 0177-2660071, **Email:** investor.relations@sjvn.nic.in
Visit us at: www.sjvn.nic.in