CIN: L40101HP1988GOI008409

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

SJVN/CS/93/2017-

Date: 11/10/2017

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 2016-17

Sir / Madam

In compliance with the provisions of Regulation ***34 of* SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** we enclose herewith a Copy of the Annual Report approved and adopted by the Members in the 29th Annual General Meeting of the Company held on Thursday, 22nd September, 2017 at Hotel Peterhoff, Shimla – 171004.

Kindly take the above information on record and oblige.

Thanking you,

एसजेवीएन लिमिटेड शिमला SHIMLA SJVN Limited

Yours faithfully,

(Soumendra Das)
Company Secretary

11/10/2017

Encl: As above.

वार्षिक रिपोर्ट
Annual Report
2016-17

हमारी प्रतिबद्धता:
स्वच्छ, प्रदूषण रहित एवं किफ़ायती बिजली

Our Commitment :
Clean, Green & Affordable Power






एसजेवीएन लिमिटेड
SJVN Limited
(A Joint Venture of Govt. of India & Govt. of H.P.)
A Mini Ratna & Schedule "A" PSU



Ramesh Narain Misra
Chairman & Managing Director

Functional Directors



Amarjit Singh Bindra
Director (Finance)



Nand Lal Sharma
Director (Personnel)



Rakesh Kumar Bansal
Director (Electrical)



Kanwar Singh
Director (Civil)

Govt. Nominee Directors



Archana Agrawal
Nominee Director, GOI



Tarun Shridhar
Nominee Director, GOHP

Independent Directors



Ganesh Dutt
Independent Director



Parvinbhai Patel
Independent Director



Shamsher Singh Uppal
Independent Director



Dr. Rajni Sarin
Independent Director

THE BOARD OF DIRECTORS - BRIEF PROFILES

CHAIRMAN & MANAGING DIRECTOR

Shri Ramesh Narain Misra is associated with SJVN Limited since 21st May 2010 when he joined as the Director (Civil). He holds M. Tech. Degree in Water Resources Engineering from IIT, Delhi and a Masters in Business Administration from IGNOU, in addition to dual Bachelor Degrees in Civil Engineering and Science. He has more than 38 years of experience in Power Sector. Prior to joining SJVN, he was Executive Director in NHPC Limited. His areas of specialization include Project Planning & Appraisal, Environmental Issues, Project Management, Project Monitoring, Contract Management and Execution of large hydropower projects including commercial aspects and policy issues related to Power Sector. As Chairman & Managing Director, he is overall in-charge of company's affairs. His most significant achievement as Director (Civil) is the successful completion, commissioning and commercial operation of 412 MW Rampur HEP. He brought perceptible and innovative improvements in systems, contract management and progress of all activities of Rampur HEP which resulted in upgradation of rating of the Rampur HEP by World Bank twice during his tenure as Director (Civil). He ensured implementation of highest standards for environment management and measures for mitigation of likely adverse effects. Under his guidance and directions, a system of standardized Schedule of Rates and bidding document for Infrastructural Works and Model Technical Specifications for Major Civil Works were evolved and adopted; resulting in major systematic improvements. As an avid and keen Board member, he was instrumental in shaping and guiding Company's future strategies and policies. He has actively contributed in diversification of SJVN into Thermal, Wind and Solar energy and also in bagging of various cross border projects in Bhutan and Nepal.

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

FUNCTIONAL DIRECTORS

Shri Amarjit Singh Bindra is on our Board as Director (Finance) since 9th December 2010. Prior to joining the company, he was General Manager (Finance) in Delhi Metro Rail Corporation Limited. He has about 35 years of experience in NHPC, THDC and DMRC. Shri Bindra has wide experience in Financial planning, appraisal, getting clearances, Budgetary monitoring, contract management including commercial aspects and policy issues.

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

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

Shri Kanwar Singh is on our Board as Director (Civil) since 17th November 2015. He holds a Bachelor's degree in Civil Engineering (Honours) from NIT, Kurukshetra. He has over 34 years of experience in Hydro Sector. Shri Singh joined NHPC in 1982 as Trainee Engineer, worked in various positions and rose to level of Executive Director. Before joining SJVN, he was Executive Director (Contracts, Arbitration) Division of NHPC Limited. He was involved in Construction of Dulhasti and Dhauliganga HE Projects of NHPC Ltd. at various levels. He was closely associated with award of works for various projects on packages as well as turnkey mode of implementation. He has rich experience of formulation of Conditions of Contract, evaluation of Bids, administration of Contracts and resolution of disputes through Dispute Board/Arbitration. As HoD of Consultancy and Joint Venture Division, Shri Singh was responsible for providing consultancy to other organisations and all inputs/support to JV/subsidiary companies having equity stake of NHPC. He was conferred with "Outstanding Public Officer" for the year 2010, by Construction Industry Development Council (CIDC).

GOVERNMENT NOMINEE DIRECTORS

Smt. Archana Agrawal, Joint Secretary (Hydro), Ministry of Power, has been appointed as Nominee Director of Government of India on our Board, in place of Sh. Annirudh Kumar w.e.f. 29th February, 2016. Smt. Agrawal, is a 1990 batch, Indian Administrative Services Officer of Uttar Pradesh cadre. She holds a Post Graduate Degree in Political Science, Master Degree in Business Administration with specialization in Financial Management and Bachelor Degree in Arts in History, Public Administration and Political Science. In addition, she has been well trained in diverse areas of Public administration and Management in a number of reputed National and International institutions. During her illustrious career of 27 years as an IAS officer, she has held various key administrative positions in Uttar Pradesh Government like - Secretary -Infrastructure & Investment, Industries, Taxation, Co-ordination, Food & Civil Supplies, Transport and Food & Drugs Departments., Special Secretary - Education and Industrial Development Departments, Vice Chairman - Varanasi Development Authority, Distt. Magistrate -Sultanpur, Bareily, Aligarh, Ayodhya, Faizabad etc., Development Officer-Faizabad, Agra, Mainpuri etc.

Shri Tarun Shridhar, Additional Chief Secretary (MPP & Power), has been appointed as Nominee Director of Govt. of Himachal Pradesh on the Board of SJVN Limited w.e.f. 6th November 2015. Shri Shridhar, is a 1984 batch, Indian Administrative Services Officer of Himachal cadre. He holds M.Phil and Master's Degrees in English. In addition, he has acquired training and experience in diverse areas of Management from various prestigious educational and administrative Institutions of the country and abroad. Shri Shridhar has a vast experience of over 32 years and has served on many important administrative positions like - Financial Commissioner (Appeals), Principal Secretary - Forest, Industries, Revenue, Horticulture & Fisheries, Joint Secretary- Ministry of Agriculture, GoI, Secretary Town & Country Planning, Urban Development & Animal Husbandry in Himachal Pradesh, Managing Director-State Tourism Corporation, HP, Director- Ministry of Petroleum & Gas, District Magistrate I, DC Mandi and Bilaspur etc.

INDEPENDENT DIRECTORS

Shri Ganesh Dutt has been appointed as an Independent Director on the Board of our Company w.e.f. 27th November 2015. Shri Dutt, holds a Post Graduate Diploma in Journalism & Mass Communication. He is Editor-in-Chief of Monal Times published from Shimla and also Chief Editor Deepkamal Sandesh Monthly Magazine. He is a renowned and respected Public Activist and Social Worker from the State of Himachal Pradesh who has led and participated in a number of campaigns for a Public cause. He has nearly 41 years experience in Social, Government and Public Service. Some of his noteworthy stints include- Vice Chairman with State Minister Level rank in Himachal Housing & Urban Development Authority from 1999 to 2003 & 2008 to 2012, Councillor of Municipal Corporation, Shimla 1986-1991, Member State Level Press Advisory Committee of Himachal Pradesh, Member State Level Press Accreditation Committee of Himachal Pradesh, President Upbhogata Sanrakshan Parishad Himachal Pradesh, Patron of Manas Kalyan Bahu-udashiya Society (NGO).

Shri Parvinbhai Patel has been appointed as an Independent Director on the Board of our Company w.e.f. 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 Singruli (U.P.). He also worked in the Regional Inspectorial Organization of CEA and was responsible for enforcement of Electricity Rules and according approval for energisation of HT equipment. He worked in various capacities in the Regional Electricity Boards discharging key assignments. He also worked in Narmada Control Authority, overseeing implementation of Canal Head & River Bed Power Houses of Sardar Sarovar Project as well as monitoring of progress of other Hydel Projects in Narmada basin. He also initiated work of establishment of Energy Management Centre of NCA at Indore. During his 34 years of service in CEA, he had visited a number of foreign countries on study tours. He led a group of engineers from CEA and other Power Utilities to U.S., Canada and European Countries on a study tour of Commercial and Regulatory aspects of electricity industry in these countries. After completing about 34 years of service in the CEA, he joined the Gujarat Electricity Regulatory Commission (GERC)in 2009, initially as Technical Member and later as the Chairperson of the Commission. Apart from other regulatory functions, during his tenure in the Commission, he took keen interest in promotion of Renewable Sources of Energy such as Wind and Solar Power, encouraging competition in the electricity sector and efficient use of electricity.

Sh. Shamsher Singh Uppal has been appointed as an Independent Director on the Board of our Company w.e.f. 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, IIM, Bangalore, IIM Ahmedabad, Birmingum University etc. During his 21 years of service as an IAS Officer he served on a number of key administrative positions in Government of Madhya Pradesh, including:- Managing Director - MP Agriculture Produce Marketing Board, MP Handicrafts Development Corporation, Secretary - Housing & Environment Department, Human Rights Commission, Home Department, Secretary to Chief Minister, Registrar of Cooperative Societies, Director Narmada Valley Urban Development Authority, Commissioner Municipal Corporation of Bhopal, Collector, District Magistrate, Administrator etc. in various Districts/ Department. For his distinguished services he was awarded for planned development in New Bhopal as Administrator Capital Project Bhopal and for best Rehabilitation of Sardar Sarovar Dam oustees as Director (rehabilitation) Narmada Valley Development Authority Madhya Pradesh.

Dr. Rajni Sarin has been appointed as an Independent Director on the Board of our Company w.e.f. 3rd December 2015. Dr. Sarin is doctor (MBBS, DGO, FICMCH) by qualification; however her areas of service and experience extend far beyond her professional qualifications. A widely travelled person and a prolific writer, she happens to be a distinguished social activist and worker. As a Chairperson, Member, Patron of numerous State level and National Level Social Service organizations, she has dedicated a greater part of life and career for Social Welfare and upliftment. She has been ex-member in Medical Benefit Council of ESI, Member advisory Committee of Governor of U.P., Member Jila Vidhik Sewa Pradhikaran etc. She also has administrative experience as Head of various Social Welfare organization. She has not only excelled her Medical profession but has also received numerous National and International distinctions, awards and accolades in recognition of her distinguished services to the Society. Some of her noteworthy achievements include - Recipient of Highest National Award for Family Planning, Child Welfare and Community Service 1998-99 from IMA; Vishishta Chikitsa Medal From Association of college of Chest Physician in Hyderabad 1996 for organizing free health checkup; Best state Co-Ordinator award from Indian Health Mission Madras, Tamilnadu 1991, Bharat Excellence Award for outstanding services to society by Friendship Forum at New Delhi in year 2015, Certificate of appreciation -for providing quality services at urban poor by - Geeta Pillai, Director U.H.I, team U.P. Government 2014; "Gold Record of Achievement Award" from International Society of America; Many Awards received from I.M.A. for various activities & social service; Biography published in "Who is Who" Asia, England & America. Present position in I.M.A. as International Co-Ordinator.

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REFERENCE INFORMATION

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

SELECTED FINANCIAL INFORMATION*

(₹ crore)

	2016-17	2015-16	2014-15#	2013-14 #	2012-13 #
A. Revenue					
Revenue from operations(Net)	2468.66	2493.96	2817.53	1873.58	1682.10
Other Income	651.24	409.86	438.39	237.14	234.52
Total Revenue	3119.90	2903.82	3255.92	2110.72	1916.62
B. Expenses					
Employees Benefits Expense	253.39	215.38	199.57	123.75	109.54
Other Expenses	235.68	225.72	184.13	145.38	121.77
Profit before Depreciation, Finance Cost, Exceptional items, Net movement in Regulatory Deferral Account Balance and Tax	2630.83	2462.72	2872.22	1841.59	1685.31
Depreciation and Amortization Expense	679.98	677.16	641.00	474.52	446.67
Profit Before Finance Cost, Exceptional items, Net movement in Regulatory Deferral Account Balance and Tax	1950.85	1785.56	2231.22	1367.07	1238.64
Finance Costs	45.70	208.96	55.08	28.88	54.06
Profit Before Exceptional items, Net movement in Regulatory Deferral Account Balance and Tax	1905.15	1576.60	2176.14	1338.19	1184.58
Exceptional Items (+) income (-) loss	-	-	(132.28)	-	-
Profit Before Net movement in Regulatory Deferral Account Balance and Tax	1905.15	1576.60	2043.86	1338.19	1184.58
Net movement in Regulatory Deferral Account Balance	(31.22)	127.61	3.39	-	-
Profit Before Tax	1873.93	1704.21	2047.25	1338.19	1184.58
Tax (Net)	329.79	296.87	370.50	223.56	132.24
Profit After Tax	1544.14	1407.34	1676.75	1114.63	1052.34
Other Comprehensive Income (Net of Tax)	(3.96)	(0.87)	-	-	-
Total Comprehensive Income	1540.18	1406.47	1676.75	1114.63	1052.34
Dividend paid during the year	1125.16	434.35	666.00	397.12	388.84
Dividend Tax paid during the year	229.06	89.40	122.26	67.49	63.08
Retained Profit	189.92	883.59	888.49	650.02	600.42
C. Assets					
Fixed Assets(net block)					
Property Plant & Equipment	7979.31	8411.46	9052.16	5668.25	5819.12
Other Intangible Assets	0.59	0.88	0.22	0.41	0.71
Capital work-in-progress including Intangible Assets under Development	441.76	341.05	252.58	3925.79	2981.54
Total Fixed Assets (Net block)	8421.66	8753.39	9304.96	9594.45	8801.37
Investments (Non-current Financial Asset)	589.06	470.47	11.38	4.95	4.94
Deferred Tax Assets (Net)	422.78	352.63	285.37	226.76	169.82
Regulatory Deferral Account Debit Balance	101.52	132.74	5.13	-	-
Other non-current assets including financial assets other than investments	263.48	207.65	189.82	169.77	148.60
Current Assets	5578.29	5463.02	4797.79	3561.62	3364.61
Total Assets	15376.79	15379.90	14594.45	13557.55	12489.34
D. Liabilities					
Borrowings	2229.47	2464.06	2453.42	2213.51	1876.27
Other Non-current liabilities including financial liabilities and provisions other than borrowings.	873.57	953.71	945.31	935.31	1005.12
Current liabilities (inclusive of current maturities of long term borrowings)	789.92	664.26	992.68	1358.38	1197.94
E. Net-worth					
Share Capital	4136.63	4136.63	4136.63	4136.63	4136.63
Other Equity	7347.20	7161.24	6066.41	4913.72	4273.38
Net-worth	11483.83	11297.87	10203.04	9050.35	8410.01
Total Liabilities	15376.79	15379.90	14594.45	13557.55	12489.34
F. Number of employees	1686	1750	1819	1869	1792
G. Ratios					
Return on net worth (%)	13.45%	12.46%	16.43%	12.32%	12.51%
Book Value per Share (₹)	27.76	27.31	24.67	21.88	20.33
Earnings per share (₹)	3.73	3.40	4.05	2.69	2.54
Current ratio	7.06	8.22	4.83	2.62	2.81
Debt to equity (including current maturities of long term borrowings)	0.21	0.23	0.26	0.27	0.26

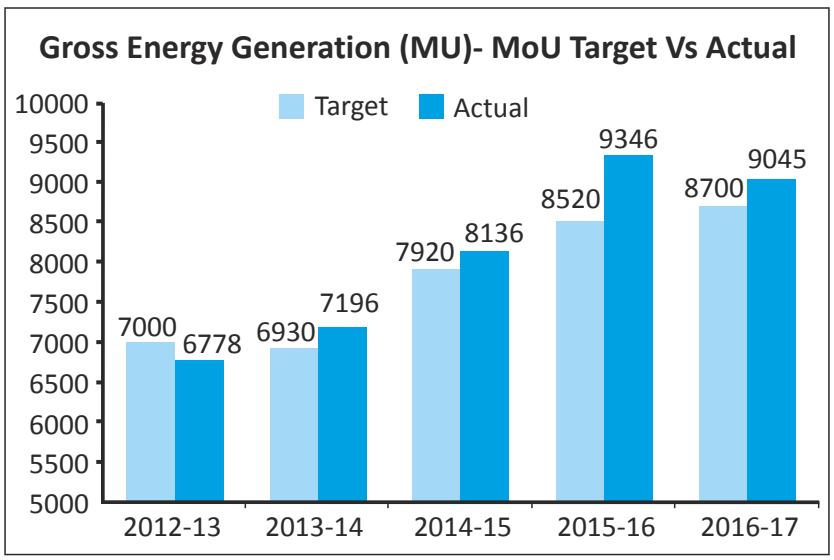
* Standalone

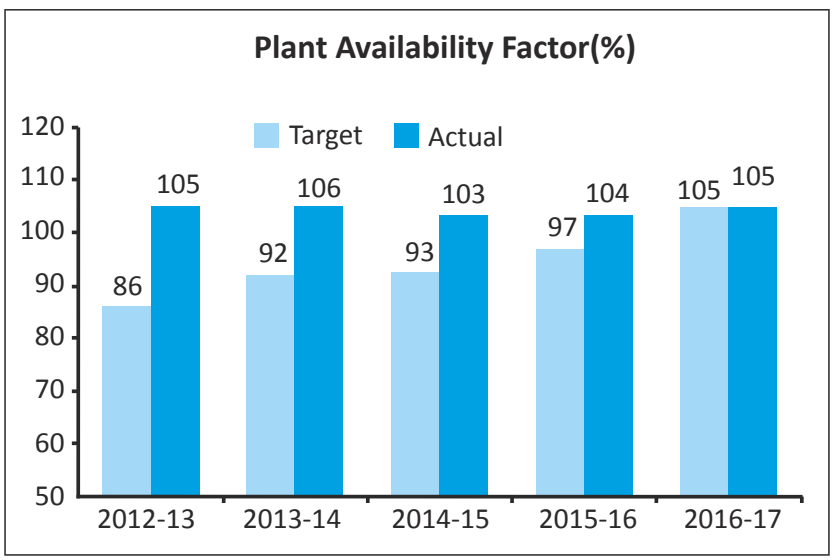
As per Previous GAAP

PROJECT PORTFOLIO

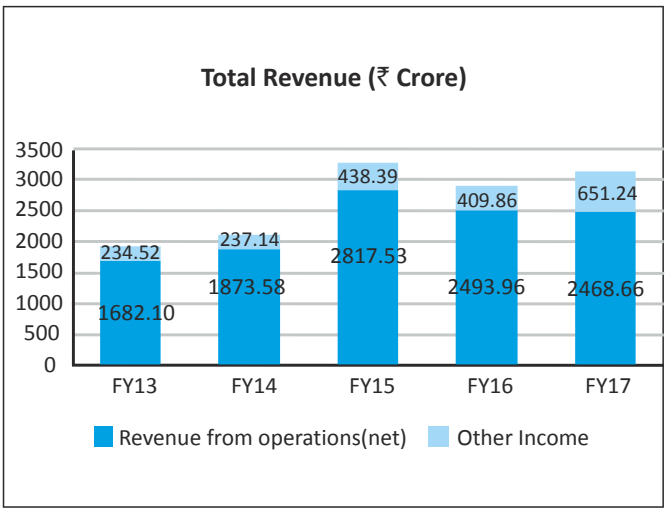
Sr. No.	Project Details	Location	Capacity
A.	**Under Operation**		
1	Nathpa Jhakri Hydro Power Station	Himachal Pradesh	1500 MW
2	Rampur Hydro Power Station	Himachal Pradesh	412 MW
3	Khirvire Wind Power Plant	Maharashtra	47.6 MW
4	Charnakha Solar Power Plant	Gujarat	5 MW
5	400 kV, D/C Cross Border Transmission line	Muzaffarpur to Sursand	86 km
B.	**Under Construction**		
1	Arun - 3 Hydro electric Project	Nepal	900 MW
2	Kholongchhu Hydro Electric Project	Bhutan	600 MW
3	Sadla Wind Power Project	Gujarat	50 MW
C.	**Under Pre- Construction**		
1	Buxar Thermal Power Plant	Bihar	1320 MW
2	Naitwar Mori Hydro electric Project	Uttarakhand	60 MW
3	Devsari Hydro electric Project	Uttarakhand	252 MW
4	Dhaulasidh Hydro electric Project	Himachal Pradesh	66 MW
D.	**Under Survey & Investigation**		
1	Luhri Hydro Electric project (Three Stages)	Himachal Pradesh	708 MW
2	Jakhol Sankri Hydro Electric Project	Uttarakhand	44 MW

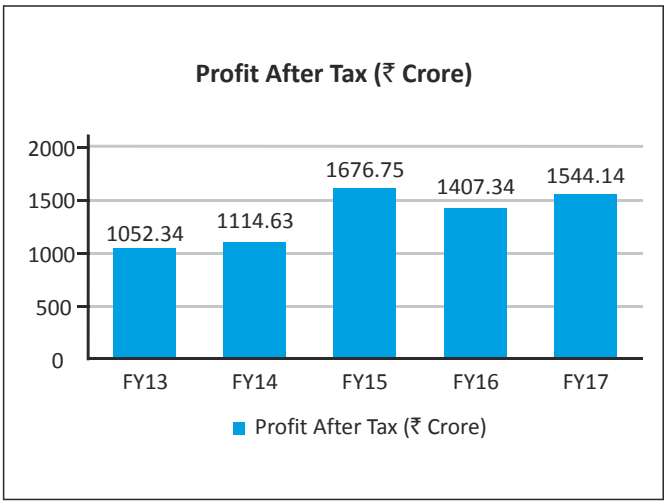
OPERATIONAL PERFORMANCE

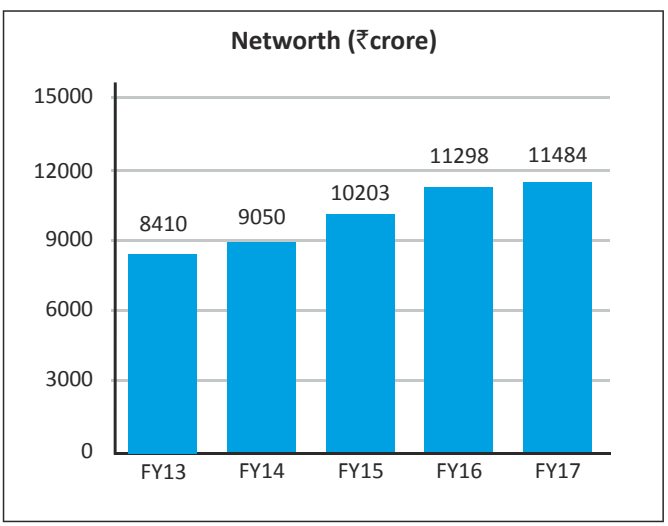


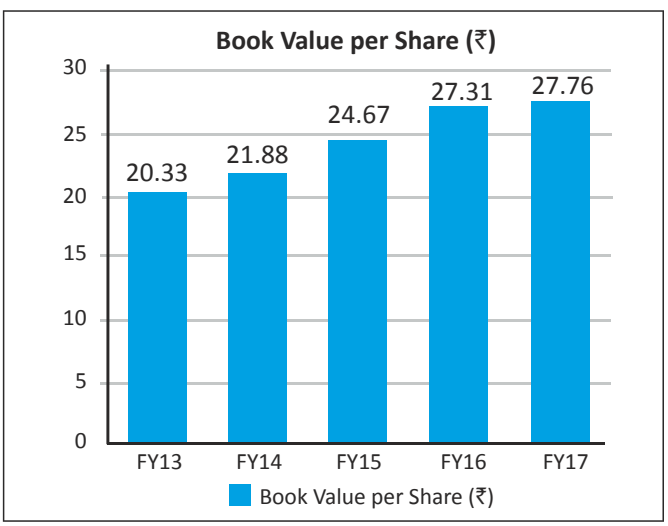


FINANCIAL PERFORMANCE

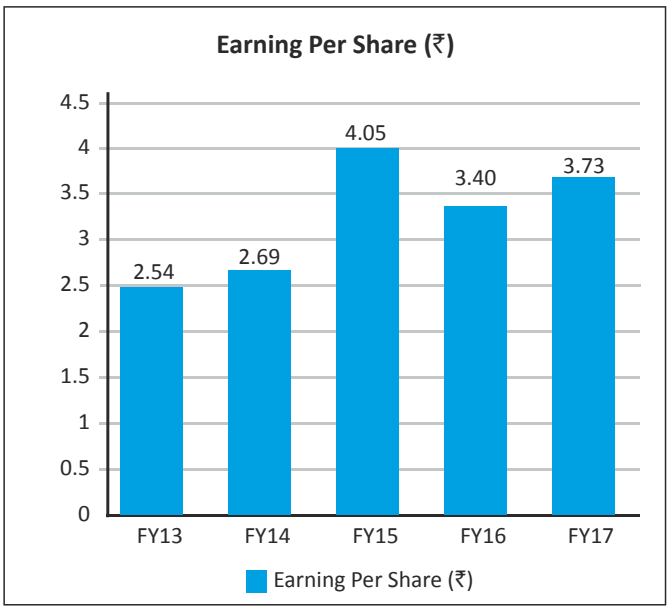


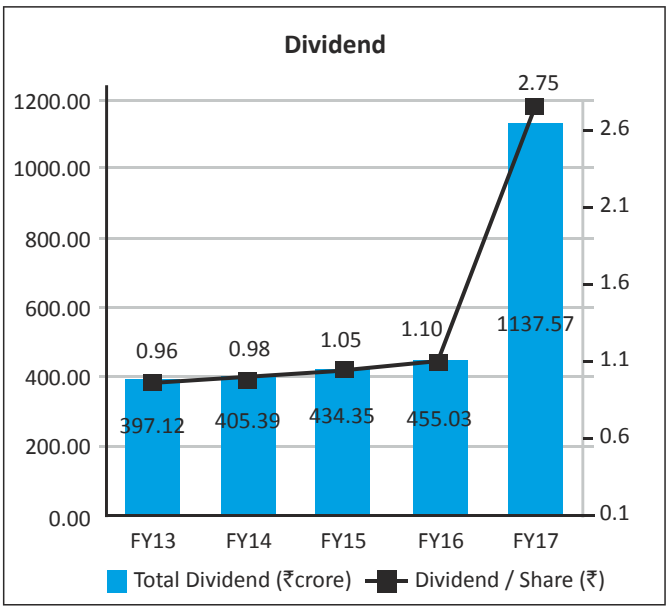


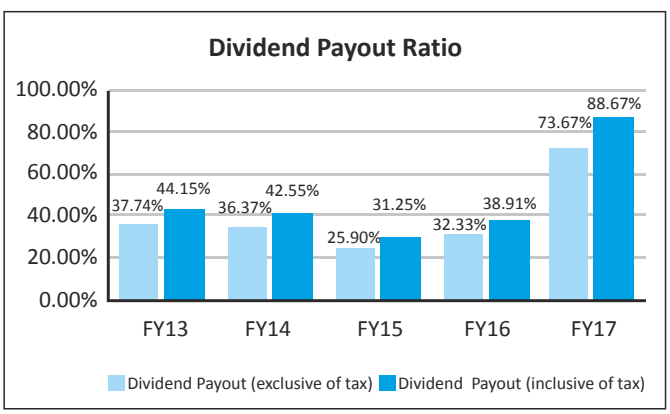


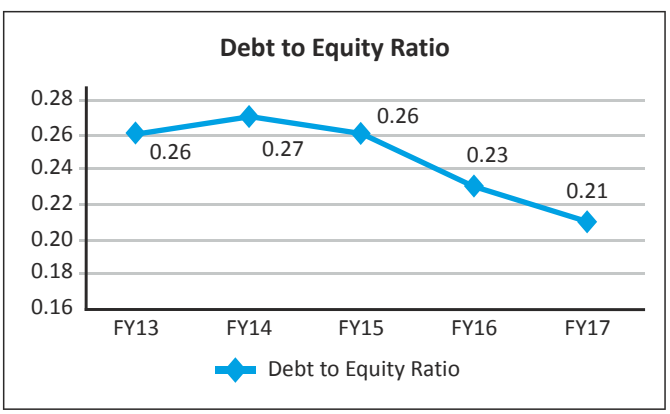


FINANCIAL PERFORMANCE









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 **29th Annual General Meeting** of the Members of SJVN Limited will be held on **22nd September 2017, Friday at 1500 HRS at Hotel Peterhoff, Chaura Maidan, Shimla – 171004, Himachal Pradesh** to transact the following businesses:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the year ended 31st March, 2017 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 Rs. 2.25 per share and to declare the final dividend, if any, on equity shares for the financial year 2016-17.
3. To appoint a Director in place of **Shri Nand Lal Sharma [DIN 03495554],** who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri Kanwar Singh [DIN 05351047],** who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Ratification of remuneration of Cost Auditor for financial year 2017-18**

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

   "RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration of Rs. 1,80,000/-plus applicable taxes plus Out of pocket expenses incurred in connection with the cost audit to be paid to M/s Chandra Wadhwa & Co., Associates, Cost Accountants, New Delhi, Cost Auditors of the Company for the financial year 2017-18, as approved by the Board of Directors of the Company, be and is hereby ratified."

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

By order of the Board of Directors

(Soumendra Das)
Company Secretary
FCS-4833

Date: 27th July 2017
Place: New Delhi

NOTES:-

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e. latest by **03:00 PM** on, the **20th September 2017**. Blank proxy form is enclosed.
3. As per Section 105 of the Companies Act, 2013 and relevant rules made thereunder, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.

4. With effect from April 01, 2014, inter-alia, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Therefore, the directors to retire by rotation have been re-ascertained on the date of this notice.

5. As required by Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the relevant details of **Shri Nand Lal Sharma [DIN 03495554]**and **Shri Kanwar Singh [DIN 05351047]** retiring by rotation and seeking re-appointment under items no.3 & 4 of the Notice respectively. In exercise of powers vested under Articles of Association of the Company, the above Directors were appointed by President of India (acting through Ministry of Power) for a period of 5 years from the date of taking over the charge or till date of superannuation or till further orders whichever is earlier.

6. None of the Directors of the Company are anywhere related with each other.

7. Members are requested to:

   (i) Note that copies of Annual Report will not be distributed at the Annual General Meeting.

   (ii) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.

   (iii) Deliver duly completed and signed Attendance Slip and hand them over at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending Annual General Meeting.

   (iv) Polling Slips/ Forms, if required, shall be provided at the venue of the Meeting.

   (v) Quote their Folio No. or Client ID & DP ID Nos. in all correspondence.

   (vi) Note that due to strict security reasons, mobile phones, eatables and other belongings are not allowed inside the Auditorium.

   (vii) Note that no gifts/coupons will be distributed at the Annual General Meeting.

8. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.

9. The Register of Members and Share Transfer Books of the Company will remain closed from **16th September 2017 (Saturday) to 22nd September 2017 (Friday)** (both days inclusive).

10. **The Board has recommended a Final Dividend @ Rs. 0.50 per share at its 253rd meeting held on 29th May 2017. The dividend, if declared, at the Annual General Meeting will be paid to those Members, whose names appear on the Register of Members of the Company at the closure of business hours of 15th September 2017 (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 **27th September 2017.**

12. Pursuant to Section 125 of the Companies Act, 2013, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education & Protection Fund of the Central Government. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.

13. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the company to make remittance by means of ECS. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those holding shares in physical form may obtain and send the ECS mandate form to **Alankit Assignments Limited, Alankit House, 4E/2, Jhandewalan Extension, New Delhi – 110055,** (the Registrar & Transfer Agent of the company), if not done earlier.

14. The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Alankit Assignments Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.

15. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Transfer Agent along with relevant Share Certificates.

16. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday), between 11.00 AM to 5.00 PM up to one day prior to the date of AGM.

17. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form (Form SH-13 in duplicate) of the Companies (Share Capital and Debentures) Rules, 2014. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.

18. Annual Listing fee for the year 2017-18 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 2016-17 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 2016-17 along with the notice of Annual General Meeting, Attendance Slip and Proxy Form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website **www.sjvn.nic.in** and at **www.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 **18th August 2017.**
3. The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/ client id, irrespective of the number of joint holders.
4. The Company has appointed **Mr. Santosh Kumar Pradhan,** Practicing Company Secretary, as the scrutinizer for conducting the e-voting and ballot process in the fair and transparent manner.
5. The scrutinizer will submit his final report on votes casted through Ballot & e-voting to Chairman of the Company within three working days after the conclusion of e-voting period.
6. The results of annual general meeting shall be declared by the Chairman or his authorized representative or any one Director of the Company on/ or after annual general meeting within the prescribed time limits.
7. The result of the e-voting will also be placed at the website of the Company viz. **www.sjvn.nic.in** and also on **www.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 19th September 2017** and ends on **5.00 p.m., 21st September 2017.** 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 **15th September 2017,** may cast their vote electronically. The remote e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.

(iii) The shareholders should log on to the remote e-voting website **www.evotingindia.com.**

(iv) Click on Shareholders / 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 first two letters of their name and the 8 digits of the sequence number in the PAN field. Sequence number is printed on a separate slip attached to this notice. • In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 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 remote e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(xi) For Members holding shares in physical form, the details can be used only for remote e-voting on the resolutions contained in this Notice.

(xii) Click on the EVSN 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 out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xviii) If Demat account holder has forgotten the changed 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 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) Any person, who acquires shares of the Company and become Member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. **15th September, 2017** may follow the same instructions as mentioned above for remote e-Voting.

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

(xxiii) in case of any Grievances connected with facility for voting by electronic means, please contact Mr. Mehboob Lakhani, Assistant Manager, Central Depository Services (India) Limited, 16th Floor, PJ Towers, Dalal Street, Mumbai-400001. email: **helpdesk.evoting@cdslindia.com**, Tel: 18002005533.

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

Item No.5:

The Board, on the recommendation of the Audit Committee has, vide its 252nd meeting dated 09-05-2017 has approved the appointment and remuneration of M/s. Chandra Wadhwa & Co, Cost Accountants, Registration No. 000239, New Delhi as the Cost Auditors to conduct the audit of the cost accounts and records maintained by the Company for the financial year ending 31st March 2018.

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. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2018.

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. 5 of the Notice.

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

BRIEF RESUME OF THE DIRECTORS SEEKING RE-ELECTION AT THE 29TH ANNUAL GENERAL MEETING

Name	**Shri Nand Lal Sharma**	**Shri Kanwar Singh**
DIN	**03495554**	**05351047**
Date of Birth	12th February ,1964	13th March, 1959
Date of Appointment	22nd March , 2011	17th November, 2015
Qualification	Masters degree in Agriculture from Palampur Agriculture University in Himachal Pradesh and Masters in Business Administration from the University of Ljubljana, Slovenia.	Bachelor's Degree in Civil Engineering (Honours) from NIT Kurukshetra.
Expertise in Specific Functional Area	**Shri Nand Lal Sharma,** 53 years, is on our Board as Director (Personnel) with effect from 22nd March 2011. Prior to the Board level appointment, Shri Sharma was working on deputation with the Company as the Executive Director (Human Resources) since July 2008. Shri Sharma holds a Masters degree in Agriculture from HP Agriculture Univerisity, Palampur, Himachal Pradesh and Masters in Business Administration (MBA) from the University of Ljubljana, Slovenia. Prior to joining our Company, he was holding the position of Special Secretary (General Administration Department and Health) and Director Ayurveda with GoHP. As Director (Personnel), Shri Sharma is incharge of Human Resources functions including Personnel and Administration, Rehabilitation & Resettlement, Legal, Procurement, Corporate Communications etc.	**Shri Kanwar Singh** holds Bachelor's degree in Civil Engineering (honours) from NIT, Kurukshetra. He has over 33 years of experience in Hydro Sector. He joined NHPC in 1982 as Trainee Engineer, worked in various positions and rose to level of Executive Director. Before joining SJVN, he was Executive Director (Contracts, Arbitration) Division of NHPC Limited. He was involved in Construction of Dulhasti and Dhauliganga HE Projects of NHPC Ltd. at various levels. As HoD of Consultancy and Joint Venture Division, he was responsible for providing consultancy to other organisations and all inputs/support to JV/subsidiary companies having equity stake of NHPC. He was conferred with "Outstanding Public Officer" for the year 2010, by Construction Industry Development Council (CIDC).
Directorship held in other Listed Companies.	NIL	NIL
Names of Listed Entities in which the person holds the membership of the Committees.	NIL	NIL
Relationships Between Directors Inter-se	NIL	NIL
Number of Shares Held	2518	1750

CHAIRMAN'S LETTER TO THE SHAREHOLDERS



Dear Shareholders,

It gives me immense pleasure to present the 29th Annual Report of your Company for the financial year 2016-17. I take this opportunity to share the achievements of our company with you during the bygone year.

The Audited Financial Statements of the Company along with the Reports of the Auditors and Directors for the year 2016-17 are presented for your approval.

HIGHLIGHTS OF THE YEAR 2016-17

I am indeed delighted to inform our Shareholders that, all three operational projects of the company continued their excellent performance during the year. Nathpa Jhakri HPS, Rampur HPS and Khirvire Wind Power Project together generated 9045 MU of Power against combined MoU target of 8700 MU under excellent parameters and 9346 MU generated during the previous year.

NJHPS and RHPS achieved NAPAF of 104.9% and 102.3% respectively as against 104.6% and 99.5% during previous year which is a testimony of ability, efficiency and unrelenting efforts of our operations and maintenance teams. For its exceptional operational, financial and organizational performance, your company has received **"Excellent"** MoU performance rating for the fifth year in a row. In addition, NJHPS & RHPS have also been conferred awards and acclamations for outstanding performance by a number of nationally reputed organizations.

The financial position and performance of the Company continues to remain robust. During FY 2016-17, Revenue from operations stood at Rs. 2468.66 Crore and Profit after Tax at Rs. 1544.14 Crore. An interim dividend of Rs. 2.25 per share has already been paid to the Shareholders. In addition your Board has recommended a final dividend of Rs. 0.50 per share. Thus, a total dividend of Rs. 2.75 per share (Rs. 1137.57 Crore) is proposed to be paid for FY 2016-17 against Rs. 1.10 per share (Rs. 455.03 Crore) paid during the previous year which happens to be the highest ever dividend to be paid by the Company.

Among the other significant developments during the year, on 18th October 2016, Rampur Hydro Power Station was dedicated to the Nation by Hon'ble Prime Minister of India, Shri Narendra Modi. On 16th October 2016, SJVN's Khirvire Wind Power Station was dedicated to the Nation by Hon'ble Union Power Minister Shri Piyush Goyal. The Cabinet Committee on Economic Affairs chaired by Hon'ble Prime Minister of India, Shri Narendra Modi approved the investment proposal for 900 MW Arun –III Hydro Electric Project in Nepal on 22nd February 2017. Ministry of Environment and Forest, Government of India accorded Environmental clearance to 2 x 660 MW (1320 MW) Super Critical Buxar Thermal Power Project on 28th February 2017. SJVN has commissioned its first solar Plant i.e. 5MW Charanka Solar Power Project on 31.03.2017. The project has been developed under REC Mechanism and the PPA for brown power has been signed with GUVNL on 03.03.2017 for a period of 25 years.

HIGHLIGHTS OF THE YEAR 2017-18

During the first quarter of the Financial Year 2017-18, ended 30th June 2017, 3498 MUs of power has been generated out of which NJHPS generated 2719 MUs, RHPS - 756 MUs, Khirvire Wind Power Station - 21 MUs and Charanka Solar Power Station - 2 MUs.

As per MoU for 2017-18, signed with MoP, SJVN targets to generate 8950 MUs of power under "Excellent" parameters with target revenue realization from sale of energy at Rs. 2120 Crore from NJHPS, RHPS, KWPP and other Wind and Solar Plants collectively.

MACRO ECONOMIC SCENARIO AND GOVERNMENT POLICY

The last few years have witnessed rapid progress towards Prime Minister Shri Narendra Modi's vision of 24x7 affordable environment friendly 'Power for All' by 2022. Power, Coal and Renewable Energy Sector is buzzing with all round spurt of activities coupled with an unprecedented pace of reforms.

In a significant transformation, India has become power surplus from chronic power shortage. India's rank increased to 26 in 2017 from 99 in 2015 on World Bank's Ease of getting Electricity Index. All States and Union Territories have signed the "24x7 Power for All Roadmap" with Uttar Pradesh's signing of the MoU.

A record capacity addition of around one-fifth of current conventional power capacity and capacity addition of 157% in solar

power has been witnessed in the last two years. The all India installed power generation capacity stood at 3,26,848 MW as on 31.03.2017 comprising of 2,18,330 MW from Thermal, 44,478 MW from Hydro, 6,780 MW from Nuclear and 57,260 MW from Renewables. The highest-ever increase in transmission lines and sub-stations improved the transmission scenario resulting in affordable power to consumers.

In 2016-17, for the first time, net capacity addition of renewable power exceeded that of conventional power. Record low tariffs of Rs. 2.44 per KWH were achieved in Solar energy and of Rs. 3.46 per KWH in Wind energy. Highest ever wind capacity addition of 5.5 GW was achieved in 2016-17 with 52% increase in installed wind power capacity from 21 GW in March 2014 to more than 32 GW in March 2017. Similarly, Solar capacity increased 370% in the last 3 years from around 2.6 GW to more than 12.2 GW.

On policy front, Revised tariff policy 2016 has been notified. Government is also in the process of formulating a new Policy to harness Hydroelectric power. A Mega Power Policy is being contemplated with objectives of - Facilitating competitive bidding for future Power Purchase Agreements (PPAs), ensuring long-term project viability and providing employment generation at large scale. National Wind-Solar Hybrid Policy has been drafted with objectives of - Promoting large grid connected wind-solar PV system, Better grid stability and Optimal utilization of transmission infrastructure.

FUTURE BUSINESS STRATEGY

The radical pace at which reforms have been ushered in the Power Sector in the recent years have resulted in total transformation of market landscape and posed challenges of a new kind. In 2016-17, for the first time, net capacity addition of renewable power exceeded that of conventional power. The massive thrust by the policy makers on renewables has resulted in new opportunities as well as threats for diversified Power Companies like ours. Hydro Power Projects are capital intensive and have long gestation period. These disadvantages are however offset by the long term benefits of Hydro Power. In contrast, with low gestation and favorable government policies, solar and wind energy have become the focus of attention of all power companies.

With Solar as well as Wind tariffs hitting an all-time low, Companies engaged in conventional energy are facing a strange dilemma in the new environment. On one hand survival, growth and expansion has become difficult without diversifying into renewables. On the other hand, the fierce competition in Solar and Wind Power tariffs is acting as a deterrent for new entrants, especially PSUs from venturing into these Sectors.

As a commercial enterprise, it is the primary responsibility of the Management to protect and maximize the wealth of its Shareholders. In such a scenario, your Management is resolute that it will not follow the path of reckless expansion and diversification at the cost of commercial prudence. The decisions of the company to undertake any new venture shall be guided by sound business principles and economic viability of the projects.

Your Company expects to benefit from the long term effects of new Tarrif Policy, Hydro-Electric Policy and Mega Projects Policy in the times to come.

The Status of Operational Plants and other ongoing Projects has been amply covered in the Directors' Report 2017 and hence, I would only like to mention that in addition to the Operational Plants having combined installed capacity of 1964.6 MW, the other projects, namely, Luhri (Stage I & II), Sunni Dam, & Dhaulasidh projects in Himachal Pradesh; Devsari, Naitwar Mori & Jakhol Sankri projects in Uttarakhand; Arun-III in Nepal; Kholongchhu projects in Bhutan; Doimukh project in Arunachal Pradesh; Buxar Thermal Power Plant in Bihar; Solar & Wind Projects in Gujarat and Rajasthan; aggregating more than 4052 MW capacity are in different stages of development.

CORPORATE SOCIAL RESPONSIBILITY

CSR has been an integral part of our business since the very inception of the Company. SJVN has been engaged in addressing a whole gamut of emerging social issues by designing and implementing intervention programs in the areas of health care, community infrastructure development, response to natural calamities, skill development, sustainable development and upliftment of marginalized groups of society. Through its proactive programs, your company has brought out visible change in the society.

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

CORPORATE GOVERNANCE

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

Your company has been constantly achieving "Excellent" rating for compliance with DPE Guidelines on Corporate Governance under Corporate Governance grading system prescribed by DPE for the past six years.

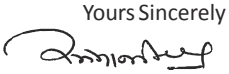
ACKNOWLEDGMENT

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, Arunachal Pradesh, Maharashtra, Gujarat and Rajasthan, the Governments of Nepal and Bhutan, other Governmental and Non-Governmental agencies; Statutory, Cost, Secretarial and Internal Auditors; our Customers; Business associates who have supported the Company; various Financial Institutions & Bankers 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 which enabled us to achieve all milestones with distinction; and one and all for reposing trust in me and granting me opportunity to steer this wonderful organization.

Thanking you,

Yours Sincerely



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

Place: New Delhi
Date: 27th July, 2017

DIRECTORS' REPORT 2016-17

Dear Members,

Your Directors are pleased to present the Twenty Ninth Annual Report of the Company for the year ended March 31, 2017 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, 2017 briefly encapsulate the performance of your company:-

1. FINANCIAL HIGHLIGHTS

(Rs. in crore)

PARTICULARS	STANDALONE		CONSOLIDATED	
	2016-17	2015-16	2016-17	2015-16
REVENUE				
Revenue from Operations	2468.66	2493.96	2468.66	2493.96
Other Income	651.24	409.86	651.31	410.01
Total Revenue	3119.90	2903.82	3119.97	2903.97
EXPENSES				
Employees' Benefits Expense	253.39	215.38	253.56	215.53
Finance Cost	45.70	208.96	45.70	208.96
Depreciation and Amortization Expenses	679.98	677.16	679.98	677.16
Other Expenses	235.68	225.72	235.96	225.98
Total Expenses	1214.75	1327.22	1215.20	1327.63
Profit before non-controlling interests / Share in Net-profit of Joint Venture / Associate and net movement in Regulatory Deferral Account Balance and Tax	1905.15	1576.60	1904.77	1576.34
Share in Profit of Joint Venture / Associate	0	0	4.59	4.67
Profit before Net Movement in Regulatory Deferral Account Balance and Tax	1905.15	1576.60	1909.36	1581.01
Net Movement in Regulatory Deferral Account Balance	(31.22)	127.61	(31.22)	127.61
Profit Before Tax	1873.93	1704.21	1878.14	1708.62
Tax Expenses:				
- Current Tax	399.94	364.13	401.11	365.09
- Deferred Tax	(70.15)	(67.26)	(70.15)	(67.26)
Profit for the year	1544.14	1407.34	1547.18	1410.79
Other Comprehensive Income (Net of Tax)	(3.96)	(0.87)	(3.96)	(0.87)
Total Comprehensive Income	1540.18	1406.47	1543.22	1409.92

2. GENERATION

Gross Energy Generation from various operational plants of the Company during FY 2016-17 is as under:-

(Million Units (MU))

Plant	2016-17	2015-16
NJHPS	7050.622	7313.78
RHPS	1960.367	1983.40
KWPS	33.939	48.95
Total	9044.928	9346.13

The Net Annual Plant Availability Factor (NAPAF) of company's Hydro Power Stations as under:-

Plant	2016-17	2015-16
NJHPS	104.963%	104.679%
RHPS	102.317%	99.592%

3. REVENUE AND PROFITS

The standalone revenue from operation decreased by Rs. 25.3 Crore to Rs. 2468.66 Crore during the financial year 2016-17 compared to Rs. 2493.96 Crore during the previous year. The standalone Profit After Tax (PAT) increased by Rs. 136.80 Crore to Rs. 1544.14 Crore against Rs. 1407.34 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 Rs. 3.04 Crore (PY Rs. 3.45 Crore) as compared to SJVN Limited mainly due to proportionate share of profit of Rs. 3.42 Crore (PY Rs. 3.72 Crore) from CPTC.

4. TRANSFER TO RESERVES

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

5. DIVIDEND

During the year an interim dividend of Rs. 2.25 per share has been paid in the month of February 2017. In addition, your Board has recommended a final dividend of Rs. 0.50 per share. Thus, subject to your approval, a total dividend of Rs. 2.75 per share (Rs. 1137.57 Crore) is proposed to be paid for FY 2016-17 against Rs. 1.10 per share (Rs. 455.03 Crore) paid during the previous year.

6. PROJECTS UNDER SURVEY AND INVESTIGATION

6.1 HIMACHAL PRADESH PROJECTS:

a) LUHRI HEP (Stage I : 210 MW, Stage II : 143 MW and Stage III: 355 MW):

Luhri Hydro Electric Project is located on river Satluj in Shimla/Kullu/Mandi districts of Himachal Pradesh.

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

LHEP Stage-I : LHEP stage -I is a run of river type development proposed on Satluj river near Nirath Village, in Shimla and Kullu districts of Himachal Pradesh.

DPR (210 MW) submitted to CEA in December 2016 has been accepted by CEA for examination. DPR is under examination in CEA. EIA/EMP studies is under progress. CAT plan is under approval of State Forest Deptt.

Online application for diversion of forest land was submitted to State Forest Department in June 2016. After joint inspection of forest land of Distt. Shimla & Kullu, receipt of reports the application has been submitted to respective DC's for issuance of certificate.

LHEP Stage-II (143 MW): Finalization of project site is under process. Inception report has been accepted by CEA.

Sunni Dam Project (Earlier named as LHEP Stage-III) (355 MW): GoHP vide letter dated 23.01.2017 reallocated Sunni Dam Project to SJVN. Sunni Dam Project is a run of river type development and a part on multistage development of Luhri HEP. The Project is situated on Satluj River near Khaira village in Shimla and Mandi districts of Himachal Pradesh. 7 pre DPR chapters submitted to CEA are under examination. MOEF & CC has issued TOR for EIA & EMP studies.

b) DHAULASIDH HEP (66 MW):

The Dhaulasidh Hydro-electric Project with proposed installed capacity of 66 MW is located on River Beas, in Hamirpur and Kangra Districts of Himachal Pradesh. The Project is designed as run of river project with a small live storage that would be utilized for peaking power during the lean season. The Project holds potential of generating 247.25 Million Units of electric energy. The estimated cost of Project is Rs. 1256.28 Crore at September, 2016 Price level.

TEC of the Project was accorded by Govt of Himachal Pradesh in June 2011. The Environment Clearance & Stage-1 Forest Clearance accorded by MoEF, Govt. of India was valid upto 05.03.2017 and MoEF has been requested for extension by 2 years beyond 05.03.2017

Issue of land acquisition is also under discussion/ settlement with GoHP. Application for fresh SIA studies has been submitted to GoHP.

6.2 UTTARAKHAND PROJECTS

a) DEVSARI HEP (252 MW)

A Run of River (RoR) scheme with proposed installed capacity of 252 MW is located on River Pinder, a major tributary of river Alaknanda in Chamoli District of Uttarakhand State. The project will generate 936.9 MU of energy. The scheme was cleared by Govt. of Uttarakhand in October, 2007 and by Standing Technical Committee in April, 2012. DPR of the project was concurred by CEA in August, 2012. The estimated cost of the Project is Rs. 2271.71 Crore at February, 2017 price level.

The project was recommended for Environment Clearance by the Expert Advisory Committee (EAC) of MoEF during December, 2011 subject to Stage-I Forest Clearance. Forest Advisory Committee (FAC) considered the project in the meeting held on 28.02.2017 wherein FAC recommended the diversion of forest land subject to certain conditions which are being complied with.

Payment for acquisition of private land, released to State Government on 31.03.2017.

b) NAITWAR MORI HEP (60 MW)

The Naitwar Mori HEP having proposed installed capacity of 60 MW is located on River Tons, a major tributary of River Yamuna in Uttarkashi District of Uttarakhand. The project is designed as run of river project and has the potential to generate 265.5 MU of energy in a 90% dependable year. The estimated cost of the Project is Rs. 648.33 Crore at October, 2016 price level.

The DPR of the project was approved by Govt of Uttarakhand in March, 2010. Stage - 2 Forest Clearance has been accorded in August 2016 and tree felling has already been completed. Environment Clearance has been accorded by MoEF, GoI in June 2016. The CAT Plan of the project has been approved by Government of Uttarakhand (GoUK). Possession of private land has been taken and mutation of land has also been done. Award of Main Civil Works is under tendering process. Investment sanction for the Project is under process.

c) JAKHOL SANKRI HEP (44 MW)

The Jakhol Sankri HEP with proposed installed capacity of 44 MW is located on River Supin, a tributary of River Tons in Uttarkashi District of Uttarakhand. The project is designed as run of river project and has the potential to generate 166.19 MU of energy. The estimated cost of the Project is Rs. 513.51 Crore at February, 2017 price level.

DPR of 44 MW considering revised e-flows has been prepared and alongwith addendum forwarded to Principal Secretary, GoUK in August 2016, which is under examination. Work for carrying out EIA/EMP studies awarded to M/s WAPCOS in November 2016 is under progress.

NBWL provided NOC in August 2016. Online application for diversion of Forest Land has already been submitted to MoEF & CC and under examination with MoEF & CC.

6.3 ARUNACHAL PRADESH PROJECTS

a) DOIMUKH HEP (52 MW)

The Doimukh HEP is located on River Dikrang in Papum Pare District of Arunachal Pradesh. MOA between SJVN and Govt. of Arunachal Pradesh was signed on 12.08.2014. Considering revised e-flows, installed capacity of the project revised from 80 MW to 52 MW. The project cost is Rs. 1508.35 Crore, at October 2016 price level.

DPR as submitted to Government of Arunachal Pradesh is under examination.

6.4 NEPAL PROJECT

a) ARUN-3 HEP (900 MW):

SJVN Arun-3 Power Development Company Pvt. Ltd (SAPDC) was established & registered on 25.04.2013 under the Nepalese Companies Act 2063 with an aim to implement Arun-3 Hydro-electric Project. The Registered office of the SAPDC is located at Kathmandu, Nepal.

The project is a run-of-river scheme located on Arun River in Sankhuwasabha District of Nepal, which is 657 Kms from Kathmandu via Biratnagar.

Project Development Agreement (PDA) was signed with Government of Nepal (GoN) on 25.11.2014. EIA report of the project was approved by GoN in August 2015.

Private land required for the project has been registered in the name of SAPDC. Proposal for lease of forest land (124.69 ha.) is under process with Govt. of Nepal.

Department of Roads, GoN has been entrusted the works for construction of access roads & bridges. About 50% Trace cutting of access roads completed and further work is in progress.

Government of India has accorded investment approval for project at an estimated cost of Rs. 5723.72 Crore at May, 2015 Price Level.

Construction of Offices and residential accommodations at Tumlingtar and Phaksinda (Near Dam site) are in progress. Main Civil Works in two packages are in the process of tendering and award.

Power Evacuation System: R&R study report is under preparation. Updated DPR of 400KV transmission line has

been submitted to CEA in May 2017 and is under appraisal. Completion period of the project shall be 60 months from date of Financial Closure, which is planned for September, 2017.

6.5 PROJECTS IN BHUTAN

a) KHOLONGCHHU HEP (600 MW):

Kholongchhu HEP with the proposed installed capacity of 600MW on the river Kholongchu in Bhutan will annually generate 2568.88 MU of energy. The project is being implemented jointly by SJVN and Druk Green Power Corporation (DGPC) Bhutan.

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

Joint Venture Company was registered as "Kholongchhu Hydro Energy Ltd" (JV of SJVN & DGPC) in Bhutan on 12th June, 2015. Concession Agreement is under approval of RGoB. Overall 94% work of Project roads has been completed and construction of two bridges is under progress. Award of Main civil works in three packages is under tendering process.

6.6 THERMAL PROJECT

a) BUXAR THERMAL PROJECT (1320 MW)

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

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

Investment approval for carrying out Pre-construction activities of project for Rs. 436.68 Crore was accorded by GoI on 26.05.2015.

Work of updating of DPR along with carrying out Site specific studies was awarded to M/s NTPC on 13.01.2014 and accordingly DPR has been updated in August 2016.

The land compensation (96.4%) to land owners has been disbursed and possession of land is nearly complete.

Erection of Boundary Pillars and barbed wire fencing has been completed. Consultancy services for Preparation of DPR for setting up of Rail Infrastructure were awarded to M/s RITES Ltd. in March 2016. DPR has been submitted to Railway Authority for approval in April 2017. Preparation of documents for land acquisition for rail infrastructure is under process.

MoU had been signed with MMTC Ltd. on 24.02.2016 for supply of imported coal. Environment Clearance was accorded by MoEF on 28.02.2017. Work of erection, testing & commissioning of 33kV line is in progress and 174 poles have been erected.

Tendering process for development/ leveling of project land is under process.

Application for allocation of new Coal block for BTPP has been submitted to Ministry of Coal which is under scrutiny in Ministry of Coal.

6.7 SOLAR PROJECTS

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

a) CHARANKA SOLAR POWER PROJECT:

SJVN's 5 MW Charanka Solar Power Project 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.

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

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

6.8 WIND POWER PROJECTS

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 May 2014. Thereafter, Company is setting up its second Wind Power Project of 50 MW capacity comprising 25 WEGs each of capacity 2 MW at Sadla, Distt. Surendernagar, in Gujarat. The EPC Contract of the Project with its comprehensive O&M has been awarded to M/s Inox Wind Limited. The construction work is in progress. Project is scheduled to be commissioned by September 2017.

6.9 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 (87 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 140 MW of power is flowing from India to Nepal through the 220/132 kV, 2X100 MVA transformer installed as a contingent arrangement. The completed/Audited cost of Project (CPTC) is Rs. 242.54 Crore.

7. ENVIRONMENT

Your Company is sensitive towards protection of environment policy

through sustainable use of natural resources.

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

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

Your Company's Corporate Objectives also promote conservation and protection of environment as *'Striving clean and green project environment with minimal ecological and social disturbances'*. Towards this end, your company has formulated project specific Environment Management Plans (EMPs) to minimize or offset any adverse impact on the environment during project construction or operation phase for sustenance of resources over a long term.

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

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

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

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 2016-17 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 is committed for the upliftment of the host population affected due to construction of its projects and is making continuous efforts to improve the socio-economic condition of the Project Affected Families (PAFs). So as to fulfill its social responsibilities, SJVN is implementing its R&R Policy and undertaking activities for the sustainable development of areas in and around the projects.

SJVN identifies R&R activities on the basis of the requirements of the affected community with a motive to increase the standard of living. A Socio Economic Survey is carried out by an expert agency by consulting various stakeholders like PAFs and local administration to formulate the baseline data about the socio-economic status of the community. After this, Rehabilitation and Resettlement Plan (R&R Plan) is formulated on the basis of the baseline data and in consultation with the state government.

After implementation of R&R Plan, a Social Impact Evaluation (SIE) is carried out by an expert third agency to assess the success of the plan on various parameters like education, health, housing, income, etc.

The R&R Plans have been successfully implemented in 1500MW Nathpa Jhakri Hydro Power Station (NJHPS) and 412 MW Rampur Hydro Power Station (RHPS). Several benefits under R&R Plan, like providing alternate agricultural land, constructed houses in rehabilitation colonies or house construction grant to houseless PAFs, employment to eligible landless PAFs or monetary compensation in lieu of employment have been provided to Project Affected Persons (PAPs). In addition to these benefits to PAPs, other community development initiatives like construction of village paths, roads, panchayat bhawans, school infrastructure, playgrounds, drinking water facilities, facilities for health & hygiene, etc., have been undertaken. Under the Crop Compensation Policy of the State Government, adequate compensation to farmers in affected areas of RHPS has been disbursed. Rs. 55.26 Crores have been provided under Local Area Development Fund (LADF) for carrying out various infrastructural development works around Rampur Hydro Power Station.

A Social Impact Evaluation of R&R plan implementation in NJHPS and RHPS was carried out by Agriculture Economic Research Centre (AERC). The report revealed that R&R activities have notably increased the socio-economic standard of the host population on various developmental parameters in both the projects.

R&R Plan for execution of Naitwar Mori Hydro Electric Project (NMHEP) in Uttarakhand has been formulated covering various R&R obligations and community development initiatives in the fields of Education, Infrastructure, Drinking water facilities, Health & Hygiene, etc. An amount of Rs. 14.16 Crore has been approved for R&R plan of NMHEP. Various R&R benefits being provided are Rehabilitation Grant to landless PAFs, Monetary assistance to displaced artisans, small traders and self-employed persons to start their own business, monthly subsistence to displaced PAFs, lifelong pension to vulnerable groups, etc.

10. RESEARCH AND DEVELOPMENT

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

SJVN has undertaken following activities during FY 2016-17 under R&D and innovative work category.

a) Initial study of slide material of intake structure at NMHEP for use as aggregate.
b) Preparation of quality control and Material Testing manual for Infra Works of SJVN.
c) Preliminary mix designs for different grade of concrete for LHEP using the material from identified sources.
d) Hard coating of runner at site. (One unit of NJHPS)
e) Indigenization of guide vanes supply for NJHPS.

All the R&D activates have been successfully completed under the

guidance of eminent professionals from various Engineering fields and in collaboration with renowned Research Institutes.

11. HUMAN RESOURCES

The total manpower on the rolls of SJVN (Direct Recruits and Absorbed employees) was 1492 as on 31.03.2017. The strength of HPSEB / HP Govt. employees on deputation on the above date was 194.

Representation of Women Employees is as under:-

Total Employees as on 31.03.2017	Number of Women employees	Percentage of overall staff strength
1492	154	10.32%

Representation of Physically Challenged Employees is as under:-

Total Employees as on 31.03.2017	Physically Challenged Employees				Percentage of Physically challenged employees
	VH	HH	OH	Total	
1492	16	06	06	28	1.88%

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

Total Employees (as on 31.03.2017)	Representation					
	SCs	SC%	STs	ST%	OBC	OBC%
1492	315	21.11	97	6.50	175	11.73

Your Company gives utmost importance for the enrichment of skills & in-house and external training programmes are organized in all disciplines and at all levels. During the financial year 2016-17, 92% employees were imparted essential two mandays training thereby achieving 6529 man days through organizations /institutes of national repute like ASCI, ESCI, IIMs, IITs, MDI, IMI, Tunnelling Association of India. The programs were conducted on topics like Companies Act, 2013 and Corporate Governance, Dams and Underground Structures, Rainfall Runoff Modelling with GIS, Power Trading, Merchant Power Plants, Design, Construction and risk management in Underground construction, Large Power Transformers – Modern Trends in Application Installation O&M, Service & Repairs of Industrial Tools, Effective Noting & Drafting, Health & Stress Management, Leadership Development Programs, 5S & Gender Sensitivity etc.

12. INDUSTRIAL RELATIONS

Regular Meetings are held with the representatives of the various Associations/ Unions to sort out the local issues as well as policy related matters. Recreational, Cultural and Sports functions on different occasions were also held, thus, resulting 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 Corporate Governance Compliance Certificate – **Annexure – III**
d. Information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and outgo – **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, 2017, 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, 2017 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. 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 2016-17:-

No. of complaints received in 2016-17	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	-Nil-
Nature of action taken by the employer or District Officer	-Nil-

17. SECRETARIAL AUDIT

The Board appointed M/s Agarwal S. & Associates, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2016-

17. The Report of the Secretarial Auditors for the year ended 31.03.2017 is placed at **Annexure-VIII**. Reply of Management to observations of Secretarial Auditor are placed at **Annexure-IX**.

18. STATUTORY AUDIT

M/s Soni Gulati & Co., Chartered Accountants, Shimla, were appointed by Comptroller & Auditor General as Statutory Auditors of the Company for the Financial Year 2016-17.

The Report of the Statutory Auditors to the Members on the Standalone and Consolidated Accounts for the year ended 31.03.2017 is placed at **Annexure-X** and **Annexure-XII** respectively. Reply of Management to observations of Statutory Auditor 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 Statutory and Consolidated Accounts for the year ended 31.03.2017 are placed at **Annexure-XIV** and **Annexure-XV** respectively. Comments of C&AG being **"NIL"** the reply by the Management thereto is not applicable.

19. COST AUDIT

Pursuant to the Central Government directions to audit Cost Accounting Records as maintained by the Company, your Company appointed M/s Chandra Wadhwa & Co., Cost Accountants, as Cost Auditor for the year 2016-17. The Cost Audit Report for the year 2016-17 was filed with MCA on 23.09.2016.

20. INTERNAL FINANCIAL CONTROLS

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

21. 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

22. BOARD OF DIRECTORS

Vide MoP Letter No. 23/10/2010-H-II dated 22nd August, 2016, the tenure of Shri Nand Lal Sharma as Director (Personnel), DIN : 03495554 was extended for a period of five years w.e.f. 22nd March, 2016, or till the date of superannuation, or until further orders, whichever is the earliest.

No other changes occurred in the Board of the company during FY 2016-17.

23. KEY MANAGERIAL PERSONNEL

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

1. Shri Ramesh Narain Misra, Chairman & Managing Director
2. Shri Amarjit Singh Bindra, Chief Financial Officer
3. Shri Soumendra Das, Company Secretary

24. IMPLEMENTATION OF OFFICIAL LANGUAGE

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

To encourage executives and non-executives to do their entire work in Hindi, a number of incentive schemes are under implementation namely, 1) Payment of amount equivalent to one increment per month for employees doing whole office work in Hindi, 2) Under the "Rajbhasha Samman" Scheme Rs. 25,000/- are paid to the concerned employee(s) for doing his/her work in Hindi at different Projects including Corporate Office and "Rajbhasha Uttkrishthta Samman" of ₹30,000/- to the employees doing his/her best work in Hindi at Corporate Level. (3) Honorarium for writing technical papers in Hindi, 4) Cash prize on passing Hindi typing examination and 5) Cash prize for Best write-up published in in-house Hindi journal "Himshakti". Under these schemes 169 executives and non-executives have received prizes amounting to Rs. 2,50,000/- approximately.

Imparting training to the executives and non-executives to do their day-to-day work in Hindi by organising Hindi workshops/seminars is a continuous process in the company. Nine Hindi workshops/seminars have been organised and 176 no. of executives and non-executives have been trained. Organising of Hindi quiz competitions on national/important occasions and other competitions (i.e. Shudh Hindi Shabad Lekhan, Nara Lekhan, Shabdarthgyan, Vichar Abhivyakti, Essay Writing competition) is a regular feature and besides this a number of competitions were also organised during "Hindi fortnight". In these competitions 365 no. of employees were awarded cash prizes amounting to Rs. 2,16,280/-.

To popularize Hindi amongst the students of School/Colleges/ Institution/Universities situated in the vicinity of projects as well as Corporate Office, various Hindi competitions were organized during this year and 294 nos students were awarded cash prizes amounting to Rs. 5,08,630/-. To popularise Hindi in a big way a 'Akhil Bhartiya Kavi Sammelan' was also organized on 24.05.2016 at Corporate Office, Shimla. 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, 61.94% of amount was spent on purchase of Hindi books.

Government of India, Ministry of Power has awarded 'NTPC Rajbhasha Shield' Second Prize to SJVN for its outstanding performance in implementation of Official Language during the year 2015-16. Parliamentary Committee on Official Language inspected the progress of use of Hindi at the Expediting Office, New Delhi on 19th September 2016 and expressed its satisfaction over the progress made in this regard. Half yearly meeting of the Town Official Language Implementation Committee, Shimla (Office-2) constituted for the CPSUs & Banks etc. were held under the Chairmanship of SJVN Ltd. Shimla.

25. AWARDS & ACHIEVEMENTS

During the Financial year 2016-17, your Company & Directors received commendation for work in form of various Awards and Accolades as under:-

i. SJVN was felicitated with **"Gold Trophy and Citation of SCOPE Excellence Awards"** under Institutional category (Mini Ratna) by Hon'ble President of India, Shri Pranab Mukherjee. The awards were presented in a function held at Vigyan Bhawan, New Delhi to mark the Public Sector Day.

ii. Shri Ramesh Narain Misra CMD, SJVN Ltd. was conferred with

"Pride of India Award" and SJVN was conferred with **"Gold Medal"**. These awards were presented by Institute of Economic Studies (IES) during a seminar on Economic Development.

iii. Shri Ramesh Narain Misra, CMD SJVN was honoured with **"Award for CEO with HR Orientation"** by TIMES Ascent World HRD Congress. These awards recognize and appreciate the talented individuals in the industry.

iv. Shri Ramesh Narain Misra, CMD, SJVN was conferred with **"CEO of the Year Award"** during the 9th India Power Awards, 2016

v. Shri Ramesh Narain Misra, Chairman & Managing Director, SJVN Limited was conferred with **"PSU Leadership Award"** at the Elets 3rd PSU Summit at New Delhi. The event was also marked by 3rd PSU Summit 2017 where Shri Misra was a key speaker.

vi. SJVN was conferred with **"CSR Leadership Award"** in the category of Best Corporate Social Responsibility Practices while Shri Nand Lal Sharma, Director (Personnel), SJVN was honoured with **"Most Impactful CSR Leader"**&**"Life Time Achievement Award"** in individual category during World CSR Congress.

vii. Shri Nand Lal Sharma, Director (Personnel) was honoured with **"HR Leadership Award"** which was presented during Global HR Excellence Awards ceremony. TIMES Ascent World HRD Congress presented these awards to recognize and appreciate the talented individuals in the industry.

viii. SJVN Limited was awarded the **"10th ENERTIA Award- India & South Asia"** for its Flagship 1500 MW Nathpa Jhakri Hydro Power Station. Shri Ramesh Narain Misra was also awarded in the category of **"Power Persona & Individual Excellence"** for his valuable contribution to Power Sector.

ix. SJVN was conferred with the prestigious **"P.L. Roy Award"** instituted by Help Age India for its outstanding contribution in providing free & quality medical care to the communities as one of its many CSR initiatives.

x. SJVN was awarded the First Runners up trophy in the category of **"Best Hydro Power Generator"** by Independent Power Producers Association of India (IPPAI). The award has been conferred upon SJVN for its outstanding performance in the area of Operation & Maintenance of Hydro Power Stations.

xi. SJVN Limited was honored with the **"CBIP award of Best Performing Hydro Power Utility"**.

xii. SJVN was awarded **"NTPC Rajbhasha Shield"** - second prize, for the year 2015-16.

xiii. SJVN was awarded 17th Annual **"Greentech Environment Excellence PLATINUM Award 2017"** in Hydro Power Sector for outstanding achievement in Environment Management.

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

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

Particulars	Details
Loans given	Refer Note 2.6 and 2.15 to standalone financial statements
Investments made	Refer Note 2.5 to standalone financial statements
Guarantees given	Nil
Securities provided	Nil

27. GENERAL

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

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

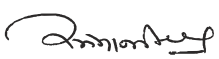
28. ACKNOWLEDGMENT

The Board of Directors acknowledge with deep appreciation, the co-operation and guidance extended by various Ministries/ Departments of the Government of India, particularly, Ministry of Power, 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



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

Place: New Delhi
Date: 27th July, 2017

Annexure - I

MANAGEMENT DISCUSSSION AND ANALYSIS

1. INDUSTRY OVERVIEW / INDUSTRY STRUCTURE AND DEVELOPMENT

All India installed power generation capacity as on 31.03.2017 was 319606.30 MW. Capacity addition of 88,537 MW was envisaged in 12th Plan which included share of Thermal, Hydro and Nuclear as 72,340 MW, 10,897 MW and 5300 MW respectively. Besides this, 15,000 MW was targeted from renewable energy like Wind, Solar etc. for development during 12th Plan period. Against the target of 88,537 MW, a capacity addition of 99,209 MW was made during 12th plan with major contribution of 91,730 MW from thermal sector. In renewable energy sector, a capacity addition of more than 32,700 MW (about 112% of target) was made during 12th plan, more than double of the target capacity addition.

Above industry scenario signifies that there is an ample opportunity for consistent growth of the business in thermal, hydro and renewable energy sector in the times to come. Keeping this in view, company has taken a big leap forward towards the development of 1320 MW super-critical thermal power project at Chausa near Buxar in Bihar and 900 MW Arun-III HEP in Nepal. Company has also commissioned 5 MW Solar PV project in Charanka Solar Park at Gujarat on 31.03.2017.

As regards hydro potential, India has an estimated hydro potential of about 1,50,000 MW out of which only about 44478.42 MW (as on 31.03.2017) has been harnessed so far. The bulk of the unharnessed potential is located in the hill states of J&K, Himachal Pradesh, Uttarakhand, Arunachal Pradesh and Sikkim. The above industry scenario signifies that there is ample opportunity for consistent growth of business in hydro, thermal and renewable energy sector in the times to come.

2. SWOT ANALYSIS

A. STRENGTHS:

SJVN has the following strengths:

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

B. OPPORTUNITIES:

- India has an estimated hydro potential of about 1,50,000 MW out of which only about 44478.42 MW (as on 31.03.2017) has been harnessed so far. The bulk of the unharnessed potential is located in the hill states of J&K, Himachal Pradesh, 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 located on same river Satluj and operate in tandem. Any difficulties faced in the operation of NJHPS will have direct consequences on power generation of RHPS and shutdown of NJHPS resulting into loss of total revenue.

D. THREATS:

- In spite of extensive survey and investigations, the probability of geological surprises in various components of hydroelectric projects in young Himalayan ranges pose great technical challenge involving extremely cost intensive and time consuming measures.
- Most of the hydro-electric projects are located in the remote locations and are prone to natural calamities such as cloud burst, land slide, road block etc. These natural calamities also contribute to delays.
- Stringent norms and cumbersome procedures for getting environment clearance, forest clearance and clearance from National Board for Wild Life (wherever applicable) delays the commencement of construction of projects.
- Increase in cost of land after introduction of new Land Acquisition Act are making hydro power projects more cost intensive and thus prone to higher tariff.

3. OUTLOOK

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

4. RISKS AND CONCERNS

Hydro Power Projects are capital intensive and have long gestation period. The rising cost of Hydro Projects on account of land compensation & delays, lead 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 the Board of Directors (Board) on September 12, 2013. The Policy has been duly supplemented with separate and comprehensive Risk Management Plans for each project duly approved by the Board.

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

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

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 2017 vis-à-vis fiscal 2016.

The Company has adopted Ind AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies Act, 2013 and the Provisions of the Electricity Act, 2003 to the extent applicable.

The company has prepared its Opening Ind AS Balance Sheet as at April 1, 2015 i.e. the Company's date of transition to Ind AS in accordance with the requirements of Ind AS 101 "First-time adoption of Indian Accounting Standards". The transition was carried out from accounting principles generally accepted in India ("Indian GAAP") which is considered as the previous GAAP, as defined in Ind AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit for the year ended March 31, 2016 is disclosed in Note no 2.36 to financial statements.

Financial Results for the year ended 31.03.2016 have been restated to comply with Ind AS to make them comparable.

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

A. RESULTS OF OPERATIONS

1. INCOME:

Particulars	F.Y. 2016-17		F.Y. 2015-16	
Units of Electricity Generated (Million Units)	**9044.93**		**9346.13**	
INCOME				(₹ Crore)
1. Revenue from Sales		2446.06		2460.74
2. Other Operating Revenue		22.60		33.22
3. Other income a) Interest - On deposits - On advances to employees & Contractors - From Customers	 333.24 12.89 90.64		 307.73 4.01 71.10	
Total interest		436.77		382.84
b) Surcharge on late payment from customers		120.01		14.55
c) Sale of Carbon Credit		64.53		---
d) Dividend from Joint Venture		2.41		---
e) Others		27.52		12.47
Total Income		**3119.90**		**2903.82**

The income of the Company comprises of income from sale of electricity, consultancy, interest earned on investment of surplus funds & interest from Customers etc. The gross income for fiscal 2017 is ₹3119.90 Crore as compared to ₹2903.82 Crore in the previous year registering an increase of 7.44%. The increase in gross income is mainly due to increase in other income by ₹241.38 Crore.

Tariff

The sale of Hydro Power by the Company is governed by the tariff fixed by the Central Electricity Regulatory Commission (CERC) pursuant to the tariff policy issued by the Govt. of India. The Central Electricity Regulatory Commission (CERC) has notified the Tariff Regulations, 2014 containing inter-alia the terms & conditions for determination of tariff, applicable for a period of five years with effect from 01.04.2014. Tariff is determined with reference to Annual Fixed Charges (AFC) which comprises of Return on Equity (ROE), Depreciation, Interest on Loan, Interest on Working Capital and Operation & Maintenance Expenses. ROE is grossed up with reference to effective income tax rate of the respective financial year so as to recover income tax incidence. The effective tax rate shall be considered on the basis of actual tax paid in respect of the financial year in line with the provisions of the relevant Finance Act. For the purpose of recovery, AFC is bifurcated into two equal parts i.e. Energy Charges and Capacity Charges. Recovery of Energy Charges is dependent upon energy generated and full recovery is ensured when

schedule design energy level is achieved. Generation over and above design energy entitles for additional revenue in the form of secondary energy charges. Recovery of capacity charges is dependent on the actual availability of plant for generating power with reference to Normative Annual Plant Availability Factor (NAPAF), which has been fixed at 90% for Nathpa Jhakri Hydro Power Station (NJHPS) and 82% for Rampur Hydro Power Station (RHPS) for the fiscal 2017. Company is entitled to receive incentives for achieving higher Plant Availability Factor against NAPAF.

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

Revenue from Operations (Note 2.29)

a. Sales

Company sells electricity to bulk customers comprising mainly of Electricity Utilities owned by State Governments and private distribution companies. Sale of electricity is based on long term Power Purchase Agreements (PPAs) entered with such Utilities. Sales for the fiscal 2017 have been provisionally recognized at ₹2446.06 Crore as compared to ₹2460.74 Crore during the fiscal 2016.

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

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

Sales includes an amount of ₹241.25 Crore (previous year ₹248.75 Crore) on account of incentive billing in respect of hydro power stations mainly due to achievement of higher Gross Annual Generation and higher Plant Availability Factor as per details given below.

Particulars	NJHPS		RHPS	
	2016-17	2015-16	2016-17	2015-16
Design Energy (MUs)	6612	6612	1878	1878
Gross Generation (MUs)	7050.62	7313.78	1960.37	1983.40
Normative PAF (%)	90	90	82	82
Actual PAF (%)	104.96	104.68	102.32	99.59

Sales also includes Unscheduled Interchange (UI) Charges amounting to ₹19.37 Crore (previous year ₹29.39 Crore) for the positive deviation in generation with respect to schedule, payable (or receivable) at rates notified by CERC from time to time.

During the year, the Company has regulated the power of BYPL and J&K (previous year BRPL, BYPL and J&K) after these beneficiaries failed to pay outstanding dues and sold the power allocated to these companies through PTC as per CERC (Regulations of Power Supply) Regulations, 2010. Accordingly, 172.250 MUs (previous year 348.334 MUs) of power was sold through PTC amounting to ₹43.22 Crore (previous year ₹97.64 Crore) and included in Energy Sales. An amount of ₹14.97 Crore (previous year ₹44.23 Crore) excess realised as compared to regulated energy charges has been adjusted as Margin from Trade receivables and Sales after adjusting the regulating expenses of ₹3.57 Crore (previous year ₹7.30 Crore) on Sale through PTC.

b. Other Operating Revenue

The Company has entered into arrangement with Maharashtra State Electricity Board (MSEB) for sale of wind power from Khirvire Wind Power Station for a period of 15 years. Under the agreements, the MSEB is obliged to purchase the output at fixed per unit price. Accordingly, the Company has classified the Power Station as Operating Leases as per Appendix-C to Ind AS 17- Leases. Other operating revenue include an amount of ₹21.20 Crore (previous year ₹30.54 Crore) from sale of 33.94 MUs (previous year 48.95 MUs) of energy generated from above wind power project.

During the year installed capacity increased by 5 MW on commissioning of Charanka Solar power project on 31.03.2017 in the state of Gujarat.

Other operating revenue also includes ₹1.40 Crore (Previous Year ₹2.68 Crore) consultancy income of the company. The consultancy income is mainly from the consultancy provided to Cross Border Power Transmission Company, a joint venture company.

Other Income (Note 2.30)

Other income mainly comprises interest income on short-term deposits, interest, surcharge on late payment from customers and sale of Certified Emission Reduction (Carbon Credit). Other income for the year has increased by ₹241.38 Crore to ₹651.24 Crore as compared to ₹409.86 Crore during previous year registering an increase of 58.89%.

Major components of other income are as under:

(₹ Crore)

Income	Financial Year 2016-17	Financial year 2015-16
Interest from Banks	333.24	307.73
Interest / Surcharge on late payment from Beneficiaries	210.65	85.65
Sale of Certified Emission Reduction (Carbon Credit)	64.53	----
Dividend from Joint Venture Company	2.41	----
Other Miscellaneous Income (Including interest on income tax refund, Excess provision/sundry credit balances written back, receipt of maintenance of ICF, Interest from Employees & Contractors and foreign currency fluctuation adjustment)	40.41	16.48
Total Income	**651.24**	**409.86**

Interest from banks has increased by ₹25.51 Crore mainly due to increase in corpus of investable funds. During the year interest/surcharge on late payment from beneficiaries has increased by ₹125.00 Crore on account of receipt of interest on arrear billing of NJHPS for the period 2009-14 and recovery of surcharge of late payment as per CERC regulations during the year mainly due to receipt of outstanding dues from State of Jammu & Kashmir and BSES Rajdhani Power Limited. During the year an amount of ₹64.53 Crore (Previous Year NIL) received on account of sale of Certified Emission Reduction (Carbon Credit) in respect of RHPS. Company has accounted for ₹2.41 Crore (Previous Year NIL) as dividend receivable from Joint Venture Company i.e. Cross Border Power Transmission Company Limited (CPTC). Other Miscellaneous income increased by ₹23.93 Crore during the current financial year mainly due to receipt of interest from contractors, write back of excess provision and sundry credit balances etc.

2. EXPENDITURE

(₹ Crore)

Expenditure	Financial Year 2016-17	Financial year 2015-16
Employee Benefits Expense (Note 2.31)	253.39	215.38
Finance Costs (Note 2.32)	45.70	208.96
Depreciation (Note 2.33)	679.98	677.16
Other Expenses (Note 2.34)	235.68	225.72
Total Expenditure	**1214.75**	**1327.22**

The total expenditure of the Company has decreased by 8.47% to ₹1214.75 Crore in the fiscal 2017 from ₹1327.22 Crore in Fiscal 2016 mainly on account of reduction of Finance Cost by ₹163.26 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 20.86% of total expenditure in Fiscal 2017 as compared to 16.23% in Fiscal 2016.

The Employee Benefits Expense during the year was ₹253.39 Crore (previous Year ₹215.38 Crore) i.e. increase of ₹38.01 Crore in comparison to the previous year. Increase in expenses is mainly due to increase in actuarial valuation of Gratuity, Leave encashment and pay revision by providing the same on proposed revised pay applicable w.e.f. 01.01.2017. There is also normal increase in DA & Annual Increment.

Finance Costs

The Finance Cost mainly consists of interest on Term Loans, Foreign Currency Loans and Guarantee Fees etc. The borrowings are denominated in rupees, including those in foreign currencies, for accounting purposes.

During the current fiscal, finance costs decreased by ₹163.26 Crore to ₹45.70 Crore in comparison to ₹208.96 Crore during previous year. The decrease is mainly due to decrease in foreign exchange rate variation on restatement of foreign currency loans from World Bank as on 31.03.2017 by ₹178.39 Crore. However, there is no impact on profitability of the company as the same has been accounted for as regulatory deferral income/loss.

Finance costs represent approx. 3.76% of our total expenditure during fiscal 2017 in comparison to approx. 15.74% during fiscal 2016.

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 marginally increased by ₹2.82 Crore (C.Y. ₹679.98 Crore; P.Y. ₹677.16 Crore).

Depreciation represents approx. 55.98% of our total expenditure during fiscal 2017 in comparison to approx. 51.02% during fiscal 2016.

Other Expenses

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

Other Expenses represents 19.40% of our total expenditure during fiscal 2017 in comparison to 17.01% during fiscal 2016. In absolute terms the expenses were ₹235.68 Crore in fiscal 2017 as compared to ₹225.72 Crore during previous year. The increase is mainly due to increase of Repair & Maintenance expenditure by ₹6.82 Crore, CSR expenditure by ₹3.47 Crore etc.

Regulatory Deferral Account Balance (Note 2.9)

The Institute of Chartered Accountants of India (ICAI) has issued a 'Guidance Note on Accounting for Rate Regulated Activities' which is applicable w.e.f. 1st April, 2015 to entities that provide goods or services whose prices are subject to cost of service regulations and the Tariff determined by the regulator is binding on the customers (beneficiaries). Since, the company is primarily engaged in the business of generation and sale of power which is subject to cost of service regulation as it meets the criteria set out in the guidance note; hence it is applicable to the company. Consequently, exchange differences arising from settlement/translation of monetary items denominated in foreign currency, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations, which were hitherto accounted as deferred foreign currency asset/liability in line with an opinion of the Expert Advisory Committee of the ICAI,

are accounted as 'Regulatory asset/liability' and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries through regulatory income/expense.

With effect from FY 2016-17, such rate regulated items are to be accounted for as per Ind AS 114- 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies. Hence, the company has continued with the accounting policy for regulatory deferral account balances in its first Ind AS financial statements. Accordingly, an amount of ₹(31.22) Crore (Previous year: ₹127.61 Crore) has been accounted as Regulatory Income (Expense) during the year and shown as net movement in regulatory deferral account balance in the statement of profit and loss.

Profit before Tax

Profit before tax increased by 9.96% to ₹1873.93 Crore during fiscal 2017 as against ₹1704.21 Crore during previous fiscal due to the reasons explained above.

Provision for Taxation

The Company provides for tax including net movement in regulatory deferral account balance computed in accordance with provisions of Income Tax Act. During the year, the Company is liable to pay tax equivalent to Minimum Alternate Tax (MAT) @21.34% after adjusting MAT credit under Section 115 JAA. The Current Tax for the year is ₹399.94 Crore as compared to ₹364.13 Crore during previous year. Increase in current tax is due to increase in profit for the year by ₹169.72 Crore to ₹1873.93 Crore as compared to ₹1704.21 Crore during the previous year.

Provision for Deferred Tax (Note 2.8)

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 theamounts 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. Accordingly, an amount of ₹70.15 Crore has been recognised as deferred tax during fiscal 2017 as against ₹67.26 Crore during the fiscal 2016.

Other Comprehensive Income

As per Ind AS-1 Presentation of Financial Statements, "Other Comprehensive Income (OCI) comprises items of Income and expense (including reclassification adjustments) that is not recognised in profit or loss as required or permitted by other Ind ASs." Accordingly, the company has recognised ₹(3.96) Crore as OCI on account of re-measurement of net defined benefit liability/asset as compared to ₹(0.87) Crore (net of tax) during previous year.

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. A financial asset includes inter-alia any asset that is cash, equity instrument of another entity or contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition that are potentially favourable to the Company. Financial liabilities of the Company are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company The items of the Balance Sheet are as under:

ASSETS:

1. Non-Current Assets

(₹ Crore)

Particulars	As of March 31, 2017	As of March 31, 2016
Property, Plant and Equipment (Note 2.1)	7979.31	8411.46
Capital Work-in-Progress (Note 2.2)	439.49	339.92
Other Intangible Assets (Note 2.3)	0.59	0.88
Intangible Assets Under Development (Note 2.4)	2.27	1.13
Financial Assets		
- Investments (Note 2.5)	589.06	470.47
- Loans (Note 2.6)	42.69	40.89
- Others (Note 2.7)	0.03	---
Deferred Tax Assets (Net) (Note 2.8)	422.78	352.63
Regulatory Deferral Account Debit Balance (Note 2.9)	101.52	132.74
Other Non-Current Assets (Note 2.10)	220.76	166.76
Total	**9798.50**	**9916.88**

Non-Current Assets as on March 31, 2017 has decreased by 1.19% to ₹9798.50 Crore as compared to ₹9916.88 Crore as on March 31, 2016.

Property, Plant and Equipment

Property, Plant and Equipment (PPE) up to March 31, 2015 were carried in the balance sheet in accordance with Indian GAAP. The Company has elected to avail the exemption under para D7AA of Appendix-D to IND AS 101, "First time adoption of IND ASs" which permits to continue to use the Indian GAAP carrying amount as a deemed cost under IND AS at the date of the transition to IND AS (i.e. as on April 1, 2015). Therefore, carrying amount of Property, Plant and Equipment according to the Indian GAAP as at April 1, 2015 were maintained in transition to IND AS.

PPE includes Net Block after depreciation in respect of Land, Buildings, Roads & Bridges, Plant & Machinery, Generating Plant & Machinery, Electrical Works, Hydraulic Works (Dams, Tunnels etc.), Vehicles, Electrical/Office Equipments,

Furniture/Fixtures, Data Processing Equipments etc. Net Block of PPE at the end of Current Fiscal decreased by 5.14% to ₹7979.31 Crore as compared to ₹8411.46 Crore at the end of previous fiscal due to Depreciation charged on PPE during the year. However Gross Block of PPE during the year increased by ₹243.47 Crore to ₹13497.09 Crore from ₹13253.62 Crore as compared to previous year. The increase is mainly due to capitalisation of Corporate Office Building and commissioning of 5 MW Charanka Solar Power Project.

Capital Work-in-progress

Capital Work-in-progress during Current Fiscal registered an increase of 29.29% to ₹439.49 Crore as compared to ₹339.92 Crore during previous Fiscal mainly due to increase in Capital work-in-progress of Sadla Wind Power Project, Gujarat.

Other Intangible Assets

Other Intangible Assets includes Software only. Other Intangible Assets at the end of Current Fiscal is ₹0.59 Crore (previous year ₹0.88 Crore).

Intangible Assets under Development

Intangible Assets under Development at the year-end is ₹2.27 Crore (previous year: ₹1.13 Crore).

Financial Assets

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

Investments

Investment consist of Equity participation in Subsidiaries & Joint Venture Companies. On transition to IND AS, the company has adopted optional exemption IND AS-101 to value investment in Subsidiaries and Joint Ventures at cost. Non-Current Investments at the year-end is ₹589.06 Crore (previous year ₹470.47 Crore). The increase is mainly due to investment of ₹66.10 Crore in SJVN Arun-3 Power Development Company, Nepal and ₹50.20 Crore in Kholongchu Hydro Energy Limited during the year.

Loans

Non-Current Loans are those loans which are expected to be realised after 12 months from the balance sheets date. These loans mainly include loans and advances given to employees at concessional rates and have been fair valued at reporting date as per IND AS-109. Loans at the end of current year is ₹42.69 Crore (Previous year ₹40.89 Crore).

Others

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

Deferred Tax Assets (Net)

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 increased by ₹70.15 Crore to ₹422.78 Crore during Current Fiscal as compared to ₹352.63 Crore during previous Fiscal.

Regulatory Deferral Account Debit Balance

Regulatory Deferral Account Debit Balance at the year-end is ₹101.52 Crore (Previous year ₹132.74 Crore). 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 balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries

Other Non-Current Assets

Other non-current assets mainly consist of Capital Advances given to Contractors and Government Deptt/organisations mainly for allotment of commercial & residential space at Delhi and for acquisition of land for Devsari Hydro Electric Project. Other non- current assets at the end of Current Year is ₹220.76 Crore (previous year ₹166.76 Crore).

2. Current Assets

(₹ Crore)

Particulars	As of March 31, 2017	As of March 31, 2016
Inventories (Note 2.11)	39.56	39.21
Financial Assets		
-Trade Receivables (Note 2.12)	613.01	1001.23
-Cash and Cash Equivalents (Note 2.13)	773.37	1217.47
-Bank Balances Other than above (Note 2.14)	3541.59	2666.62
-Loans (Note 2.15)	186.64	102.43
-Others (Note 2.16)	292.17	269.91
Current Tax Assets (Note 2.17)	68.88	113.16
Other Current Assets (Note 2.18)	63.07	52.99
Total	**5578.29**	**5463.02**

Current Assets as on March 31, 2017 has increased by 2.11% to ₹5578.29 Crore as compared to ₹5463.02 Crore as on March 31, 2016.

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 ₹39.56 Crore as on 31st March, 2017 as compared to ₹39.21 Crore as on 31st March, 2016.

Financial Assets

Trade Receivables

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.

After the implementation of IND AS trade receivable are required to be valued at fair value. The company measures the trade receivables at their transaction price as the trade receivables do not contain a significant financing component. 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 2.16). Trade Receivables during the Current Fiscal has decreased by 38.77% to ₹613.01 Crore from ₹1001.23 Crore during the previous Fiscal. Decrease is mainly due to recovery of old dues from beneficiaries in respect of NJHPS during the year. Trade receivables are 10.99% of current assets.

Cash and Cash Equivalents

Cash and Cash Equivalents include mainly balances in Term Deposits having original maturity upto 3 months. Cash and Cash Equivalents during the current fiscal decreased by ₹444.10 Crore to ₹773.37 Crore as compared to ₹1217.47 Crore in the previous fiscal.

Net cash generated from Operating Activities was ₹2293.71 Crore during the year 2016-17 as compared to ₹2208.13 Crore in the previous year.

Net cash used in investing activities was ₹1116.54 Crore as compared to ₹772.14 Crore in the previous year. Cash outflows on investing activities is on account of investment of surplus cash in Term Deposits having maturing more than three months, expenditure on Property, Plant & Equipment, CWIP and investment in subsidiary & joint venture companies. Cash inflows arise from interest from banks.

During the year the company used net cash of ₹1621.27 Crore for financing activities as against ₹704.62 Crore in the previous year as detailed below:

In fiscal 2017 an amount of ₹300.08 Crore was raised from borrowings as compared to ₹64.83 Crore during fiscal 2016. The loan raised during the fiscal 2017 was used for swapping the existing loan. Borrowing amounting to ₹483.04 Crore including swapping of loan amounting to ₹300.08 Crore was repaid in fiscal 2017 as compared to ₹171.26 Crore during fiscal 2016. In fiscal 2017, cash outflow on account of payment of dividend and tax thereon including interim dividend and tax there on was ₹1354.22 Crore as compared to ₹523.75 Crore paid during fiscal 2016.Interest & Finance charges paid during the year was ₹84.09 Crore as compared to ₹74.44 Crore paid during the previous year.

The cash and cash equivalent are 13.86% of current assets.

Bank Balances Other than above

Bank balances other than cash and cash equivalent mainly include Term Deposits having original maturity period of more than 3 months. Bank balances other than cash and cash equivalent at the year-end was ₹3541.59 Crore (Previous year ₹2666.62 Crore), Bank balances other than cash and cash equivalent are 63.49% of current assets.

Loans

Current loans as at 31.03.2017 comprise loans & advances to subsidiaries/joint ventures and short term advances to employees. Current loans have increased to ₹186.64 Crore as compared to ₹102.43 Crore during previous year mainly due to increase in amount of loans and advances to subsidiaries and joint venture companies etc.

Other Financial Assets

Other financial assets include interest accrued but not due on deposits with Banks, Deferred Foreign Currency Fluctuation Assets and Unbilled Revenue Etc. Unbilled revenue is mainly on account of sale for the month of March billed after end of financial year. Other financial assets increased by 8.25% to ₹292.17 Crore during current fiscal as compared to ₹269.91 Crore during the previous fiscal mainly due to increase in interest accrued but not due on deposits with banks.

Current Tax Assets

Current Tax Assets includes advance tax, tax deducted at source less provision for tax. Current tax assets at the year-end is ₹68.88 Crore (Previous year ₹113.16 Crore)

Other Current Assets

Other Current Assets mainly include advances to Government Departments other than capital advances and prepaid expenses etc. Other Current Assets increased by 19.02% to ₹63.07 Crore during current fiscal as compared to ₹52.99 Crore during the previous fiscal mainly due to increase in amount of prepaid expenses.

EQUITY AND LIABILITIES

1. EQUITY

Net Worth

Net Worth of the Company at the end of fiscal 2017 increased to ₹11483.83 Crore from ₹11297.87 Crore in the previous year registering an increase of 1.65% due to increase in retained earnings. Correspondingly, the book value of shares has increased to ₹27.76 per share during current fiscal from ₹27.31 per share during previous year.

2. LIABILITIES

Non-Current Liabilities

Financial Liabilities

(₹ Crore)

Particulars	As of March 31, 2017	As of March 31, 2016
Borrowings (Note 2.21)	2229.47	2464.06
Other Financial Liabilities (Note 2.22)	0.21	0.74
Provisions (Note 2.23)	48.54	89.52
Other Non-current Liabilities (Note 2.24)	824.82	863.45
Total	**3103.04**	**3417.77**

Borrowings

Borrowings as on March 31, 2017 were ₹2229.47 Crore as against ₹2464.06 Crore as on March 31, 2016. Out of these ₹255.68 Crore is Secured (previous year ₹300.08 Crore) and ₹1973.79 Crore is Unsecured (previous year ₹2163.98 Crore). Company has not retrospectively applied the amortized cost method for outstanding borrowings as it is impracticable to apply the same in line with para B & C of Ind AS 101 and the impact of same is also immaterial. Secured Loans is borrowed from Axis Bank. During the current year company has swapped the secured loan of State Bank of India though Axis Bank by repaying the outstanding Secured loan. Over the last fiscal, Borrowings have registered a decrease of 9.52 % amounting to ₹234.59 Crore.

- During the year company has transferred an amount of ₹186.95 Crore (Secured ₹44.40 Crore and Unsecured ₹142.55 Crore) drawn for Rampur Hydro Power Station (RHPS) to Other Current Financial Liabilities being current maturities of long term debts payable during next financial year.
- Unsecured Loans are on account of borrowing from World Bank. The Unsecured Loans have registered a decrease of 8.79% amounting to ₹190.19 Crore during current fiscal. The decrease is due to repayment of loans from World Bank for Rampur Hydro Power Station (RHPS).
- During the year total borrowings raised was ₹300.08 Crore for RHPS from domestic bank. An amount of ₹483.04 Crore was repaid including swapping of loan amounting to ₹300.08 Crore during the year.
- The debt to equity ratio (inclusive of Current Maturities of Long Term Borrowings) at the end of financial year 2016-17 of the company is 0.21 (previous year 0.23).

Other Financial Liabilities

Other Financial liabilities include long term Deposits, Retention Money from Contractors and others. Other financial liabilities during the current fiscal is ₹0.21 Crore (Previous year ₹0.74 Crore).

Provisions

Non-current Provisions consists of amount provided towards employee benefits on the basis of Actuarial Valuation and includes Post-Retirement Medical and Other Retirement Benefits which are expected to be settled beyond a period of twelve months from the balance sheet date. Non-current provisions decreased by ₹40.98 Crore to ₹48.54 Crore during current fiscal as compared to ₹89.52 Crore during previous fiscal. The decrease is due to treatment of total amount of leave encashment as a current provision instead of Non-current and Current provisions.

Other Non-Current Liabilities

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

Other non-current liabilities have registered a decrease of ₹38.63 Crore to ₹824.82 Crore as compared to ₹863.45 Crore during previous year mainly due to transfer of AAD to other current liabilities as mentioned above.

Current Liabilities

Financial Liabilities

(₹ Crore)

Particulars	As of March 31, 2017	As of March 31, 2016
Trade Payables (Note 2.25)	27.04	17.21
Other Financial Liabilities (Note 2.26)	499.31	494.20
Other Current Liabilities (Note 2.27)	40.66	1.58
Provisions (Note 2.28)	222.91	151.27
Total	**789.92**	**664.26**

The Current Liabilities as at March 31, 2017 and 2016 were ₹789.92 Crore and ₹664.26 Crore respectively. The Current Liabilities have increased by 18.92% mainly due to increase in Other Current Liabilities and Provisions.

Trade Payables

Trade payables includes liabilities in respect of amount due on account of goods purchased or services received in normal course of business operations other than liability for Purchase/Construction of Fixed Assets. Trade Payables at the end of current fiscal is ₹27.04 Crore as compared to ₹17.21 Crore during the previous fiscal.

Other Financial Liabilities

Other Financial Liabilities mainly includes Current Maturities of Long Term Debts payable within Twelve Months, Liabilities for Employees Remuneration and Benefits, Liabilities for Purchase/Construction of Fixed Assets and Deposits, Retention Money from Contractors and Others. Other Current Liabilities has increased marginally by ₹5.11 Crore to ₹499.31 Crore as compared to ₹494.20 Crore during the previous fiscal.

Other Current Liabilities

Other Current Liabilities mainly includes current liability of Advance against Depreciation. Other Current Liabilities at the year-end was ₹40.66 Crore (Previous year ₹1.58 Crore). Increase is mainly due to transfer of current liability of Advance against Depreciation from other non-current liabilities amounting to ₹36.93 Crore which is adjustable in sales during next financial year.

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 increased by 47.36% in Fiscal 2017 to ₹222.91 Crore as compared to ₹151.27 Crore during Fiscal 2016. The increase is mainly due to treatment of total amount of leave encashment as a current provision instead of Non-current and Current provisions, increase in provision of performance related pay and provision for pay revision w.e.f. 01.01.2017

C. CONTINGENT LIABILITIES

The following are the components of contingent liability as at March 31, 2017 and 2016:

(₹ Crore)

Particulars	As at 31.03.2017	As at 31.03.2016
Capital Works	255.52	301.86
Land Compensation	17.91	61.93
Disputed Service Tax Demand	12.36	12.36
Others	1.65	1.65
Total	**287.44**	**377.80**

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

Contingent Liabilities decreased by 23.92% from ₹377.80 Crore as of March 31, 2016 to ₹287.44 Crore as of March 31, 2017 mainly on account of decrease in contingent liabilities relating to Capital Works and land compensation.

D. INTERNAL CONTROL SYSTEMS

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

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

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

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

1. Subsidiary Companies

Company has two wholly owned subsidiary companies as at 31.03.2017. Presently both the companies are in construction stage. The detailed financial statements of the subsidiaries are included in this Annual Report. The performance of the subsidiaries is as under:

SJVN Thermal Pvt. Ltd.

SJVN Thermal Pvt. Ltd has been formed as 100% subsidiary company of SJVN Ltd. The authorized share capital of SJVN Thermal Pvt. Ltd. is ₹3000 Crores. The paid up share capital as on 31.03.2017 is ₹436.68 Crore (Previous year ₹436.68 Crore). The Company has taken up the development of 1320 MW Coal based Thermal Power Project located near Chausa village in District Buxar of Bihar.

SJVN Arun 3 Power Development Company Pvt. Ltd.

SJVN Arun 3 Power Development Company Pvt. Ltd. was incorporated in Nepal as a wholly owned subsidiary company of SJVN Ltd. The authorized share capital of the company is ₹154.69 Crore (NPR 247.50 Crore). The paid up share capital as on 31.03.2017 is ₹69.10 Crore (Previous Year ₹3.00 Crore). The company has formed to execute the 900MW Arun-3 Hydro Electric Project in Nepal. This project is to be installed in the Sankhuwasabha District of Nepal.

2. Joint Venture Companies

Company has three joint ventures as at 31.03.2017. 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 ₹70.66 Crore (Previous Year ₹20.46 Crore) inclusive of ₹13.00 Crore (Previous Year ₹20.46 Crore) as share application money pending allotment of shares as on 31.03.2017.

Cross Border Power Transmission Company Limited

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

SJVN has invested ₹12.61 Crore (Previous Year ₹10.32 Crore) in the joint venture. The total income and PAT during the year 2016-17 was ₹41.25 Crore and ₹13.16 Crore respectively. CPTC has also declared a dividend during the year and share of SJVN amounting to ₹2.41 Crore has been shown as other income.

Bengal Birbhum Coalfields Limited

Bengal Birbhum Coalfields Limited was incorporated on 29th September, 2015. Bengal Birbhum Coalfields Limited is a Joint Venture of SJVN Limited with West Bengal Power Development Corporation Ltd (WBPDCL), Karnataka Power Corporation Ltd (KPCL), Uttar Pradesh Rajya Vidyut Utpadan Nigam Ltd (UPRVUNL), Bihar State Power Generation Ltd (BSPGCL), Tamil Nadu Generation & Distribution Corporation Ltd (TANGEDCO), Punjab State Power Corporation Ltd (PSPCL). The paid up share capital as on 31.03.2017 was ₹0.10 Crore. The equity contribution by WBPDCL, KPCL, BSPGCL, UPRVUNL, PSPCL, TANGEDCO & SJVNL is 27.8%, 18.2%, 15.4%, 11.9%, 10.9%, 8.1% & 7.7% respectively.

F. CONSOLIDATED FINANCIAL STATEMENTS OF SJVN LTD.

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

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

(₹ Crore)

Particulars	FY 2016-17	FY 2015-16
Total Revenue	3119.97	2903.97
Profit before Tax	1878.14	1708.62
Profit after Tax	1547.18	1410.79
Other Comprehensive Income(net off Tax)	(3.96)	(0.87)
Total Comprehensive Income	**1543.22**	**1409.92**

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 also 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 got listed on 20th May 2010 with the National Stock Exchange (NSE) & the Bombay Stock Exchange (BSE).

1.0 BOARD OF DIRECTORS

1.1 Size of the Board

SJVN Limited is a Government Company within the meaning of Section 2(45) of the Companies Act, 2013. The present shareholding stands at 65:25:10 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 2017, the Company's Board comprised of eleven (11) 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 Four Part Time Non-Official (Independent) Directors.

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

The Company has sent various requests to the Ministry of Power, Government of India to expedite the process of appointment of Independent Directors on the Board of the Company so as to enable the company to comply with the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the DPE guidelines. It is understood that the Government is in the process of inducting the remaining three (3) Independent Directors on the Board of the Company.

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

1.3 Board Meetings

The Board Meetings are held normally at New Delhi to facilitate participation by maximum number of Directors. Meetings are also held at Shimla. During the Financial Year 2016-17, Seven (07) Board Meetings were held, (i) 18th April 2016 (ii) 27th May 2016 (iii) 29th July 2016 (iv) 13th September 2016 (v) 11th November 2016 (vi) 9th December 2016 (vii) 13th February 2017. The maximum interval between any two meetings during this period was 65 days.

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

Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (28th) held on 22.09.2016	No. of other Directorship held as on 31.03.2017*	No. of Committee memberships in other companies on 31.03.2017**	
I	EXECUTIVE DIRECTORS					As Chairman	As Member
A	Functional Director						
1	Shri Ramesh Narain Misra Chairman & Managing Director	07	07	Yes	01	Nil	Nil
2	Shri Amarjit Singh Bindra Director (Finance)	07	07	Yes	01	01	Nil

Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (28th) held on 22.09.2016	No. of other Directorship held on 31.03.2017*	No. of Committee memberships in other companies on 31.03.2017**	
I	**EXECUTIVE DIRECTORS**					**As Chairman**	**As Member**
3	Shri Nand Lal Sharma Director (Personnel)	07	07	Yes	01	Nil	01
4	Shri Rakesh Kumar Bansal Director (Electrical)	07	07	Yes	03	Nil	01
5	Shri Kanwar Singh Director (Civil)	07	06	Yes	01	Nil	Nil
II	**NON-EXECUTIVE DIRECTORS**						
B	**Part-Time Official Directors (Government Nominee Directors)**						
6	Smt. Archana Agrawal Joint Secy.(Hydro), Ministry of Power, Government of India (GoI)	07	03	No	01	Nil	Nil
7	Shri Tarun Sridhar Additional Chief Secy. (Power), Government of Himachal Pradesh (GoHP)	07	06	No	09	Nil	Nil
C	**Part-Time Non-Official Directors (Independent Directors)**						
8	Shri Ganesh Dutt	07	07	Yes	Nil	Nil	Nil
9	Shri Pravinbhai Patel	07	06	Yes	Nil	Nil	Nil
10	Dr. Rajni Sarin	07	06	Yes	Nil	Nil	Nil
11	Shri Shamsher Singh Uppal	07	07	Yes	Nil	Nil	Nil

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

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

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 19th April, 2017 without the attendance of Non-Independent Directors and members of the management. All the Independent Directors attended the said Meeting.

3.0 Familiarization Programme for Board Members

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

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

http://www.sjvn.nic.in/writereaddata/Portal/Images/Familiarisation_ProgforBoD_4_11_16.pdf

4.0 Audit Committee

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

1. The Companies Act, 2013 and allied Rules and Regulations including any subsequent enactments or amendments thereto.
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and allied legislations as amended from time to time.
3. DPE Guidelines on Corporate Governance, 2010 as amended from time to time.

As on 31st March 2017, the following Directors were the Members of the Audit Committee:

1. Sh. Pravinbhai Patel, Independent Director	**Chairman**
2. Sh. Shamsher Singh Uppal, Independent Director	**Member**
3. Sh. Ganesh Dutt, Independent Director	**Member**
4. Sh. Tarun Sridhar, GoHP Nominee Director	**Member**

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

During the Financial Year 2016-17, 4 (Four) Audit Committee meetings were held, i.e. (i) 26th-27th May 2016 (ii) 13th September 2016 (iii) 9th December 2016 (iv) 13th February 2017.

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	4	3
2.	Shri Shamsher Singh Uppal	4	4
3.	Shri Ganesh Dutt	4	4
4.	Shri Tarun Sridhar	4	3

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/or 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 2017, the Nomination & Remuneration Committee consists of :-

1. **Sh. Shamsher Singh Uppal, Independent Director — Chairman**
2. **Dr. Rajni Sarin, Independent Director — Member**
3. **Sh. Pravinbhai Patel, Independent Director — Member**
4. **Smt. Archana Agrawal, GoI Nominee Director — Member**

During the Financial Year 2016-17, 4 (Four) Nomination & Remuneration Committee meetings were held, i.e. (i) 6th April 2016 (ii) 22nd August 2016 (iii) 2nd November 2016 (iv) 17th March 2017.

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.	Shri Shamsher Singh Uppal	4	4
2.	Dr. Rajni Sarin	4	4
3.	Shri Pravinbhai Patel	4	4
4.	Smt. Archana Agrawal	4	0

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

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

6.0 Stakeholders 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 2017, the Committee consists of the following Members:

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

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

During the Financial Year 2016-17, 2 (Two) Stakeholders Relationship Committee meetings were held, i.e. (i) 2nd November 2016 (ii) 17th March 2017.

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

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

7.0 Status of Investors Complaints:

Status of Investors' complaints for the financial year 2016-17 is as under:-

Particulars	Opening	Received during the year	Resolved during the year	Pending (31.03.2017)
Complaints	01	23	24	00

8.0 Committee for Allotment and Post-Allotment Activities

As on 31st March 2017, the Committee consists of Chairman & Managing Director and one of the Whole time Directors. The scope of work of the Committee is to address Share Allotment, issue of

certificates, letter of allotment, transfer, transmission, rematerialisation, issue of duplicate certificates, consolidation, split and any other related functions.

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 2017, the Corporate Social Responsibility, Sustainable Development and Research & Development Committee consistsof:-

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

During the Financial Year 2016-17, 5 (Five) Corporate Social Responsibility, Sustainable Development and Research & Development Committee meetings were held, i.e. (i) 26th May 2016 (ii) 7th October 2016 (iii) 22nd October 2016 (iv) 16th January 2017 (v) 23rd March 2017

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	Sh. Ganesh Dutt	5	5
2	Sh. Nand Lal Sharma	5	5
3	Sh. Rakesh Kumar Bansal	5	5

10.0 Investment Committee

As on 31st March 2017, 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 2017, the Committee consists of all whole time Directors only. The scope of work of the Committee is to exercise the powers on specified items as approved by the Board of Directors in its 174th Meeting held on 15th September 2008.

12.0 Remuneration details of Directors and Key Managerial Personnel

The remuneration details of Executive/ Functional Directors and Key Managerial Personnel for the Financial year 2016-17 are as under :-

(Amount Rs.)

Sr. No.	Name	Salary	Benefits	PRP	Total
1	Shri Ramesh Narain Misra, Chairman & Managing Director	35,45,256	2,61,928	11,84,207	49,97,391
2	Shri Amarjit Singh Bindra, Director (Finance) & CFO	34,65,182	2,11,482	8,67,834	45,44,498
3	Shri Nand Lal Sharma, Director (Personnel)	37,06,767	2,54,465	8,60,463	48,21,695
4	Shri Rakesh Kumar Bansal , Director (Electrical)	43,70,436	2,16,716	8,20,646	54,07,798
5	Shri Kanwar Singh, Director (Civil)	44,44,565	1,74,079	3,12,367	49,31,011
6	Shri Soumendra Das, Company Secretary	19,24,691	1,77,360	1,83,626	22,85,677
	Total	**2,14,56,897**	**12,96,030**	**42,29,143**	**2,69,88,070**

13.0 Sitting Fee

The Sitting Fee paid to Independent Directors for meetings attended during the financial year 2016-17 is as under:-

No. of Meetings Attended:

Sr. No.	Name of the Director	Board Meeting	Audit Committee	Other Meetings	Total
1	Shri Ganesh Dutt	7	4	5	16
2	Shri Pravinbhai Patel	6	3	4	13
3	Shri Shamsher Singh Uppal	7	4	4	15
4	Dr. Rajni Sarin	6	NA	6	12

Amount (Rs.)

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

**Includes an Amount of Rs. 20,000/- paid on account of an Adjourned Meeting held on 27.05.2016.*

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

14.0 CODE OF CONDUCT

The Board of Directors has laid down Code of Conduct for Board Members and Senior Management above the level of Deputy General Manager. The purpose of this code is to enhance ethical and transparent process in managing the affairs of the company and thus to sustain the trust and confidence reposed in the Management by the stakeholders and business partners. The Code of Conduct has been comprehensively amended in lines with the requirements of Companies Act, 2013 and SEBI (LODR) Regulations. The revised

version of this Code has come into force with effect from 1st October, 2014. In this regard, the declaration given by the Chairman & Managing Director is reproduced below:

All the Members of the Board and Senior Management personnel have affirmed compliance of the Code of Conduct for the financial year ended 31st March 2017



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

15.0 CODE FOR PREVENTION OF INSIDER TRADING

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

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

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

16.0 WHISTLE BLOWER POLICY

Board of Directors in its 208th meeting held on 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://www.sjvn.nic.in/writereaddata/Portal/Images/whistle_blower_policy_2014.pdf

Status of Whistle Blower Complaints during FY 2016-17 :-

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

***#Note:** 1 No. Complaint withdrawn by the complainant.*

17.0 GENERAL BODY MEETINGS

17.1 Annual General Meeting

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

AGM	Date	Day	Time	Location	Special Resolution
26th	09th September 2014	Tuesday	1500 hrs	Hotel Peter Hoff, Shimla, Himachal Pradesh	No Special Resolution was passed
27th	22nd September 2015	Tuesday	1500 hrs	Hotel Peter Hoff, Shimla, Himachal Pradesh	No Special Resolution was passed
28th	22nd September 2016	Thursday	1500 hrs	Hotel Peter Hoff, Shimla, Himachal Pradesh	No Special Resolution was passed

17.2 Postal Ballot

No resolution has been passed through Postal Ballot during the year. No special resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

18.0 Disclosures

It is certified that during the Financial Year 2016-17 :-

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 Ramesh Narain Misra, Chairman & Managing Director and Shri Amarjit Singh Bindra, Director (Finance) was placed before the Board of Directors at the Meeting held on 29th May, 2017 which is reproduced as under:-

We, Ramesh Narain Misra, 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 2017 and to the best of our knowledge and belief:

(i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

(ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year, which are fraudulent, illegal or violative of the company's code of conduct;

c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take, to rectify these deficiencies;

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



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



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

19.0 MEANS OF COMMUNICATION

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

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

The financial results of the company for the year ending 31st March 2017 were published on **31st May 2017** in The Tribune, Daily Post, Mail Today, Financial Express, The Statesman, The Pioneer, Dainik Savera Times, Punjab Kesari, Apka Faisala, Himachal Dastak, Ajit Samachar, etc.

20.0 SUBSIDIARY MONITORING FRAMEWORK

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

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

(i) Minutes of the meetings of the Board of Directors of the subsidiaries are placed before the Company's Board periodically.

(ii) A statement of all significant transactions and arrangements entered into by the subsidiary Companies are also reviewed by the Company.

(iii) A Report on Business Activities of Subsidiary which, inter-alia, includes investments made in the subsidiary is presented to the Board of SJVN.

(iv) Subsidiary Companies sign an annual Memorandum of Understanding with SJVN in the beginning of the year setting the targets with weightages in consultation with SJVN, which is submitted to DPE. At the end of the financial year, the actual performance vis-à-vis the targets set is evaluated by DPE.

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

21.0 RISK MANAGEMENT FRAMEWORK

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

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

The Risk Management Policy has been disclosed on the website of the company and may be assessed at the following weblink:
http://www.sjvn.nic.in/writereaddata/Portal/Images/SJVN_RMP_final_07_04_2014.pdf

22.0 RELATED PARTY TRANSACTIONS & POLICY

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

All contracts/ arrangements/ transactions entered by the company during the financial year with related parties were in the ordinary course of business and on arm's length basis. During the year the company had not entered into any contract/ arrangement/ transaction with related parties, which could be considered material in accordance with the policy of the company on materiality of related party transactions or provisions of SEBI (LODR) Regulations, 2015. Your attention in drawn to the Financial Statements which sets out the Related Party Disclosures under Note no. 2.44.

The Policy on Materiality of Related Party Transactions and dealing with Related Party Transaction has been disclosed on website of the Company and may be accessed at following weblink:
http://www.sjvn.nic.in/writereaddata/Portal/Images/related_pay_policy_19_06_15.pdf

23.0 POLICY FOR DETERMINING MATERIAL SUBSIDIARIES

In compliance with the Regulation 16(1)(c) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formulated a Policy for Determining Material Subsidiaries, duly approved by the Board of Directors and the same is effective from 1st October 2015. The Policy has been disclosed on website of the Company.

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

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

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

24.0 SHAREHOLDERS' INFORMATION

i. **29th Annual General Meeting** **Date: 22nd September 2017 (Friday)**
Time: 1500 HRS
Venue: Hotel Peterhoff
Chaura Maidan, Shimla - 171004

ii. **Financial Calendar:**

Particulars	Date
Accounting Period	1st April 2017 to 31st March 2018
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 2018
AGM (Next year)	September 2018 (tentative)

iii. **Dates of Book Closure:** 16th September 2017 to – 22nd September 2017 (both days inclusive)

iv. **Dividend Payment Date:** 27th September 2017 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 2017-18 was paid to both National Stock Exchange of India Limited and BSE Limited before April 30, 2017. Also, the Annual Custodian Fee for the Financial Year 2017-18 has been paid to both Depositories i.e. Central Depository Services (India) Limited and National Securities Depository Limited within respective due dates.

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

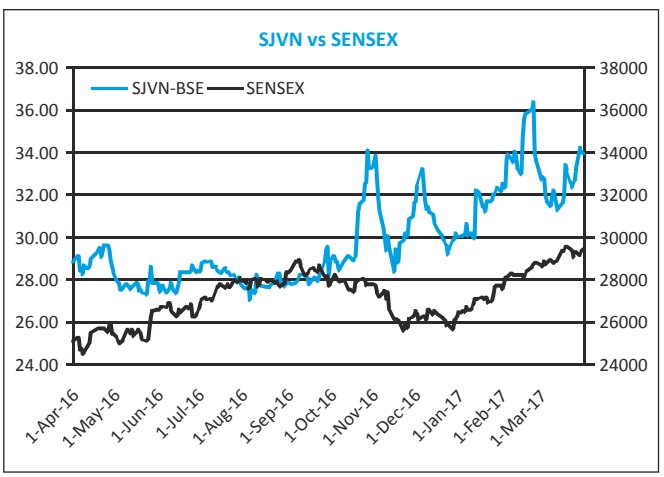
Financial Year	Interim Dividend			Final Dividend			Total Dividend Paid (Rs. in crore)
	Date of Declaration	Rate	Dividend per share (Rs.)	Date of Declaration	Rate	Dividend per share (Rs.)	
2016-17	13-02-2017	22.5%	2.25	To be declared at 29th AGM			
2015-16	04-02-2016	6.3%	0.63	22-09-2016	4.7%	0.47	455.02
2014-15	05-02-2015	6.3%	0.63	22-09-2015	4.2%	0.42	434.35
2013-14	--	--	--	09-09-2014	9.8%	0.98	405.39
2012-13	--	--	--	12-09-2013	9.6%	0.96	397.12
2011-12	--	--	--	03-09-2012	9.4%	0.94	388.84
2010-11	--	--	--	26-08-2011	8%	0.80	330.93
2009-10	04-08-2009	1.9%	0.19	15-09-2010	6%	0.60	326.27

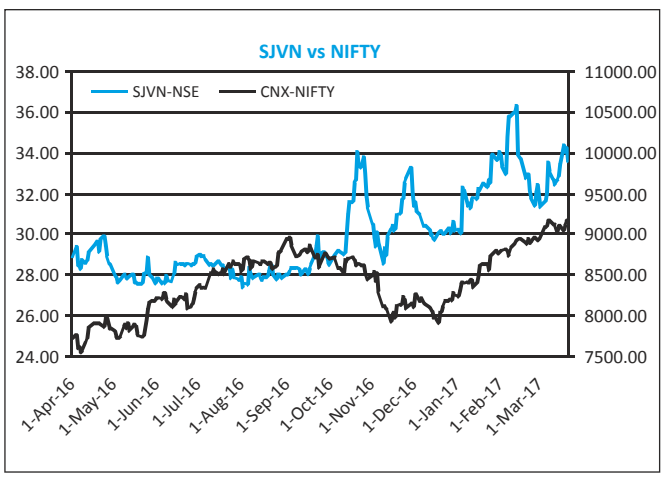
vii. **Stock Code & Market Price Data**

Stock Code	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)		
	SJVN-EQ			533206		
Month	High	Low	Close	High	Low	Close
Apr-16	30.45	28.05	28.45	30.40	28.05	28.50
May-16	29.00	27.25	27.70	29.00	27.05	27.75
Jun-16	28.80	27.50	28.55	29.00	27.30	28.50
July-16	30.10	27.80	27.85	30.10	27.45	27.85

Stock Code	National Stock Exchange (NSE)			Bombay Stock Exchange (BSE)		
	SJVN-EQ			533206		
Month	High	Low	Close	High	Low	Close
Aug-16	28.70	27.30	28.05	28.60	27.10	28.00
Sep-16	30.25	27.75	29.00	30.25	27.70	28.90
Oct-16	34.80	28.35	33.25	35.00	28.20	33.35
Nov-16	34.60	25.95	31.70	34.50	26.00	31.70
Dec-16	33.95	29.55	30.00	34.00	28.10	30.10
Jan-17	33.20	29.90	32.65	33.20	30.00	32.60
Feb-17	36.60	32.25	32.95	36.55	32.25	32.90
Mar-17	34.90	31.20	33.65	34.85	31.20	33.85

viii. Performance in comparison to broad based indices NSE NIFTY and BSE SENSEX during F.Y. ended 31st March 2017.





ix. 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

x. Share Transfer System

Entire share transfer activities under physical segment are being carried out by Alankit Assignments Limited and are approved by Sub-Committee of Board for Allotment and Post-Allotment activities.

xi. Distribution of Shareholding as on 31st March 2017

As on 31st March 2017, the shareholding of the Company was held by the Government of India, Government of Himachal Pradesh and the Public in the ratio 65:25:10.

xii. Changes in Shareholding Pattern during FY 2016-17

Category	As on 31st March, 2017		As on 31st March, 2016		Change (%)
	Total Shares	% to Equity	Total Shares	% to Equity	
A) **Shareholding of Promoter and Promoter Group**					
Central Government / State Government	3,72,16,26,500	89.97	3,72,16,26,500	89.97	0.00
B) Public Shareholding					
1) Institutions					
Mutual Funds	3,87,17,378	0.94	3,95,45,940	0.96	-0.02
Financial Institutions/Banks	1,26,97,618	0.31	2,00,28,328	0.48	-0.17
Central Government / State Government(s)	10,747	0.00	10,747	0.00	0.00
Insurance Companies	5,44,73,141	1.32	12,68,46,903	3.07	-1.75
Foreign Portfolio Investors	13,65,30,737	3.30	10,54,76,204	2.55	0.75
(2) Non Institutions					
Body Corporate	8,04,51,940	1.94	2,67,06,240	0.65	1.29
Individual shareholders holding nominal share capital up to Rs. 2 lakh	6,47,10,822	1.56	6,78,13,468	1.64	-0.08
Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	2,20,84,864	0.53	2,36,30,431	0.57	-0.04
Trust & Foundations	11,73,220	0.03	12,18,320	0.03	0.00
Cooperative Societies	0	0	0	0	0.00
Non Resident	36,00,483	0.09	31,78,469	0.08	0.01
NBFCs Registered with RBI	5,49,050	0.01	5,44,950	0.01	0.00
Total	**4,13,66,26,500**		**4,13,66,26,500**		

xiii. Dematerialization of Shares and liquidity as on 31st March 2017

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 2016-17 has been submitted to Stock Exchanges within the stipulated time.

xiv. Demat Suspense Account

Details of shares in the suspense account opened and maintained after Initial Public Offering of Equity Shares of SJVN Limited as on 31st March, 2017 is as under:-

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

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

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

xvi. Number of Shares held by Directors as on 31st March, 2017:

Sr. No	Name of Director	No. of Shares held
i.	Shri Ramesh Narain Misra, Chairman and Managing Director	Nil
ii.	Shri Amarjit Singh Bindra, Director (Finance)	Nil
iii.	Shri Nand Lal Sharma, Director (Personnel)	2518
iv.	Shri Rakesh Kumar Bansal, Director (Electrical)	1000
v.	Shri Kanwar Singh, Director (Civil)	1750
vi.	Smt. Archana Agrawal, GoI Nominee Director	Nil
vii.	Shri Tarun Sridhar, GoHP Nominee Director	Nil
viii.	Shri Ganesh Dutt, Independent Director	Nil

ix.	Shri Pravinbhai Patel, Independent Director	Nil
x.	Dr. Rajni Sarin, Independent Director	Nil
xi.	Shri Shamsher Singh Uppal, Independent Director	Nil

xvii. Plant/ Project Office locations:

1.	**Nathpa Jhakri Hydro Power Station** –Post Office Jhakri, District Shimla, Himachal Pradesh, Pincode – 172 201
2.	**Rampur Hydro Power Station** –Bayal, Post Office Koyal, Tehsil Nirman, District Kullu, Himachal Pradesh, Pincode – 172 023
3.	**Luhri Hydro Electric Project**–Bithal Pincode - 172029
4.	**Devsari Hydro Electric Project** – Tharali, District Chamoli, Uttarakhand, Pincode – 246 481
5.	**Naitwar-Mori and Jakhol Sankri Hydro Electric Projects** – Mori, Uttarkashi, Uttarakhand, Pincode – 249 185
6.	**Dhaulasidh Hydro Electric Project** –House No. 113, Ward No. 1, Krishna Nagar, District Hamirpur, Himachal Pradesh Pincode – 177 001
7.	**SJVN Arun – III Hydro Electric Project**–Koshi Highway, Khandwari, District Sakhuwasabha, Nepal
8.	**Kholongchu Hydro Electric Project**–Village Zangpozor, P.O. Duksum, District Trashiyangtse, Bhutan.
9.	**Buxar Thermal Project:** Gupta Building, Teachers Colony, Opp. ITI Field, Charitravan, Buxar (Bihar) – 802101.
10.	**Khirvire Wind Power Project Office** – Agaman Bunglow, Plot No. 51, Shivaji Nagar, Sinnar, District Nashik, Maharashtra Pincode– 422103
11.	**Arunachal Pradesh Projects Office** –The Mai House, "A" Sector, Model Village, Near Helipad, Naharlagun District Papumpare, Arunachal Pradesh, Pincode– 791110
12.	**Charnaka Solar Project** –Gujrat Solar Park, VPO Charanka, Santalpur Taluk, District Patan, Gujrat, Pincode– 385350
13.	**Transmission Line Office** –Singh Complex, 1st Floor, Hajipur Road, Bhikhanpura, Ramdayalu, Muzaffarpur, Bihar, Pincode– 842001

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

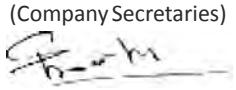
Annexure – III

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

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

1. I have examined the compliance of conditions of Corporate Governance by SJVN Limited having its registered office at SJVN Corporate Office Complex, Shanan, Shimla, Himachal Pradesh- 171006, for the year ended on 31st March, 2017 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 in Annexure II to the Directors Report i.e. Report on Corporate Governance.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency for effectiveness with which the management has conducted the affairs of the Company.

For Santosh Kumar Pradhan
(Company Secretaries)



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

Place : Ghaziabad
Dated: 3rd July, 2017

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. The steps taken by the company for utilizing alternate source of Energy:
   i. Installation of 200 KWp, Grid connected Solar Power plant at Surge Shaft Area of NJHPS, commissioned in May 2017.
   ii. Installation of 03 numbers 300 LPD & 01 Number 500 LP Solar water heaters at New Office Building cafeteria, Monal Bhawan and Mayur Bhawan guest houses of NJHPS.
   iii. Retrofitting of Fluorescent based tube lights of 36 watts with 18 watts LED lights at dam site Nathpa.
   iv. Replacement of 24 watt Fluorescent tube lights with 10 watt LED tube lights for street lights at Dam Site Nathpa.
   v. Two way control of stair case lighting GVG, Nathpa.
2. **Impact on conservation of energy:**
   The steps taken by NJHPS for conservation of energy resulted in annual saving to the tune of Rs. 4.77 Lakhs (1.06 Lakhs unit * Rs. 4.5) during FY 2016-17.

B. TECHNOLOGY ABSORPTION:

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

1. **Hard coating of one runner of NJHPS:**
   HVOF coating of NJHPS Runner (#301) was carried out at NJHPS Hard Coating Facility w.e.f. 01.10.2016 to 27.12.2016. This activity was targeted towards longevity of NJHPS Runners under heavy silt load operating conditions.
2. **Indigenization of Guide Vanes.**
   Guide Vanes are essential component of Francis Hydro Turbine units and at NJHPS, one Guide Vane Set comprises of 23 Guide Vanes. Due to erosion, repeated weld repair cycles, number of years of use and considerable time required for repair, subsequent HVOF coating & heavy cost of purchase from OEM; NJHPS has developed Guide Vanes indigenously. The indigenization of 23 Guide Vanes has been successfully completed on 28.09.2016.
3. **Laser Cladding of NJHPS Guide Vanes**
   Laser cladding is an advanced coating technology for improving surface properties of materials. These coatings have extremely dense, crack free and non-porous microstructures.
   Application of Laser Cladding Technology on NJHPS hydro turbine components is targeted towards finding/establishing newer surface protection solutions in combination with HVOF thermal spray coating (WCCoCr) with an emphasis on life longevity of hydro turbines /parts under harsh silt load operating conditions of NJHPS.
   A full metallurgical bond is achieved by precisely targeting energy of LASER beam allowing lower penetrations of the parent material while applying powder of desired metallurgical properties. The process also creates smaller Heat Affected Zone (HAZ).
4. **Installation of Dry Type Scrubber Unit for HVOF Thermal Spray System**
   Scrubbing/Exhaust unit for HVOF coating is an essential auxiliary to keep the spray room under controlled conditions and at the same time also remove overspray metal dust (waste/rebound). A Wet scrubbing unit was installed at the Hard Coating Facility which was found inadequate for effective removal of metal dust with addition of bigger spray room for large turbine components.
   New and better technology of dry scrubbing with higher capacity has been installed as replacement to previously installed Wet Type Scrubber Unit, keeping in view the difficulties associated with collection, handling and disposal of collected waste powder in sludge form.
   In Dry Type Scrubber Unit, the waste powder is collected in dry form using particulate control filters with 99.99% (min.) filtration efficiency for particles up to a size of 0.5 micron.
5. **Field Trial of Spray & Fuse Type of Thermal Spray Coating with SUPERJET-S-EUTALLOY Spray Gun of Castolin Eutectic with EWAC 1002 ET & EWAC 1003 EBZ (WC based powder)**
   Aiming at longevity of complex profiled/ difficult to access hydro turbine components operating under harsh silt conditions, an on-site field trial of "Spray & Fuse Type of Thermal Spray Coating of EWAC 1002 ET & EWAC 1003 EBZ (WC based powder) with SUPERJET-S-EUTALLOY Spray Gun" was carried out on underwater parts of NJHPS Units.
   This process technology is designed to apply wear protective coatings typically from 0.1-3mm thickness, in a single pass, on variety of metallic parts by using oxy-acetylene delivery systems.
   Special powder alloys are sprayed and fused to create strong, diffusion bonds without melting the substrate.
6. **Replacement of UNIX based Advant Station-520 (Operator Station) with Window based 800XA HMI System**
   The UNIX based Advant Station-520 (Operator Station) & associated equipment originally supplied by ALSTOM Germany was successfully replaced with ABB make Window based 800XA HMI System on 28.02.2017 for efficient & reliable operation of Power Plant & a step toward indigenization of distributed control system

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

Foreign exchange outgo in terms of actual outflows during the year 2016-17 was Rs. 30.39 crore (equivalent value of various currencies). Foreign exchange earned in terms of actual inflows during the year 2016-17 was **NIL**.

Annexure – V

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY AND SUSTAINABILITY FOR THE FINANCIAL YEAR 2016-17

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

SJVN has formulated and adopted a well perceived Corporate Social Responsibility and Sustainability Policy which is in consonance with the Companies Act, 2013 and the then CSR guidelines, 2014 of DPE. The CSR Policy statement embeds the concerns of its stakeholders and strives for maintaining 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 it will make conscious efforts to enhance the quality of life and environmental sustainability through its CSR and Sustainability programs.

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

In order to achieve the set target in an efficient manner, the services of specialized agencies are engaged for 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 education, skill development, health & hygiene, sustainable livelihood, infrastructure for community development, sustainability and espousing social causes.

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

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

The broad work plan for FY 2016-17 included health & hygiene, education & skill development, infrastructure for community development, preservation & promotion of culture, heritage and sports, sustainable development, assistance to the victims of natural disaster / calamities etc.

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

- Shri Ganesh Dutt, Independent Director - Chairman
- Shri Nand Lal Sharma, Director (Personnel) - Member
- Shri Rakesh Kumar 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:

Sl	FYs	(Net profit in Rs. Crores)
1	2013-14	**1338.19**
2	2014-15	**2047.25**
3	2015-16	**1705.12**
4	Average of (1+2+3)	**1696.85**
5	2% of Average of 4	**33.937**
6	Unspent budget of FY 2015-16	**1.59**
7	Add Other Unutilized	**1.63**
8	**Total available budget for FY 2016-17** (5+6)	**37.157 Say 37.16**

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

The prescribed CSR expenditure is Rs. 3393.7 Lakh @ 2% of the average net profits made during the three immediate preceding financial years. The net profit is calculated in accordance with the provisions of Section 198 of the Companies Act, 2013.

5. **Details of CSR spent during the financial year**

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

Rs. 3393.7 Lakh has been approved in FY 2016-17 which is 2% of the average net profit of SJVN during last three years.

(b) Amount unspent, with SJVN FOUNDATION;

The entire 100% budgeted funds of Rs. 3716 Lakhs were utilized and no amount remained unspent.

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

(₹ Lakh)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl. No	**CSR project or activity identified**	**Sector in which the project is covered**	**Project or programms (i) Local area or other (II) Specify the State and district where projects or programms was undertaken**	**Amount Outlay (budget) project of program wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overhead**	**Cumulative expenditure upto the reporting period**	**Amount spent : Direct or through implementing agency***
1	**Health and hygiene**	Health	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Solan, Palampur Uttrakhand-Uttarkashi, Chamoli, Bihar- Patna, Buxar Maharashatra- Ahmednagar Arunachal Pradesh- Papumpare etc.	850.00	634.51	634.51	Help Age India, Indian Association of Muscular Dystrophy (IAMD), SJVN (Departmentally), Himachal Pradesh Bal Kalyan Parishad, Himachal Road Transport Corporation, Vivekanand Medical Research Trust, Palampur

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
2	**Education and Skill Development**	Education	HP-Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand- Uttarkashi, Chamoli Bihar- Buxar, Haryana- Palwal Maharashatra- Ahmednagar Arunachal Pradesh- Papumpare etc.	790.00	1,605.48	1,605.48	Deptt. of Empowerment of SC, OBC, Minority and Differently Abled, GoHP, Technical Education, Vocational & Industrial Training, Himachal Pradesh, Sundernagar, Himachal Consultancy Organization (HIMCON), Construction Industry Development Council (CIDC), Swavalamban, Ujjwal Bharat, Rampur, Education departments of HP, Prayas Society, Hamirpur, Society for promotion of youth and masses(SPYM), Center for Social Responsibility and Leadership (CSRL)
3	**Infrastructural Development and Community Development**	Community Development	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand-Uttarkashi, Chamoli Bihar- Patna, Buxar Maharashatra- Ahmednagar	1,235.00	1,051.05	1,051.05	SJVN (Departmentally), community based organizations (CBOs), MC, Shimla
4	**Preservation and promotion of culture, heritage, Sports etc.**	Culture Development	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra Uttrakhand-Uttarkashi, Chamoli Bihar- Patna, Buxar Maharashatra- Ahmednagar	75.00	37.83	37.83	Distt. Administration (Respective state Govt.) and other agencies
5	**Sustainable Development**	Sustainability	HP- Kinnaur, Shimla, Kullu, Mandi, Hamirpur, Kangra, Lahaul & Spiti Uttrakhand-Uttarkashi, Chamoli Arunachal Pradesh - Papumpare	100.00	119.10	119.10	CBOs, local govt. Panchayats., School Management Committees, Arunachal Pradesh, Himachal Pradesh, Irrigation & Health Department (HP IPH), etc.
6	**Assistance to the victims of natural disasters/ calamities**	Natural disaster	Himchal Pradesh, Bihar	100.00	52.45	52.45	CM Relief Fund (Himachal Pradesh), departmentally etc.
7	***Miscellaneous CRS activities & Administrative Exp.***	Misc	--	566.00	215.70	215.70	Administrative expenses, M/s Centre for Market Research & Social Development Pvt. Ltd., New Delhi etc.
	Total			**3716.00**	**3716.12**	**3716.12**	

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

6 Reasons for not spending the amount

The entire amount has been spent.

7. Responsibility Statement

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

(Nand Lal Sharma)
Director (Personnel)
DIN:03495554

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

Annexure – VI

BUSINESS RESPONSIBILITY REPORT

Section A: General Information about the Company

Corporate Identity Number (CIN) of the Company	L40101HP1988GOI008409
Name of the Company	SJVN Limited
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	2016 -2017
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 ii. Number of National Locations	 2 nos 18 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, 2017)

Paid up Capital (INR)	Rs. 4,136.63 Crore
Total Turnover (INR) (Revenue from Operations)	Rs. 2,468.66 Crore
Total profit after taxes (INR)	Rs. 1,544.14 Crore
Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	During the FY 2016-17, SJVN has spent Rs. 37.16 Crore which is more than 2% of the average stand-alone PBT as per Section 135 of the Companies Act, 2013 Act in line with Rule 2(f) (ii) of Companies (CSR Policy) Rules, 2014.
List of CSR activities in which expenditure has been incurred:-	Broad areas of the activities: • Health and hygiene • Education and Skill Development • Infrastructural Development and Community Development • Preservation and promotion of culture, heritage, Sports etc. • Sustainable Development • Assistance to the victims of natural disasters/ calamities disasters/ calamities

Section C: Other Details

Does the Company have any Subsidiary Company/ Companies?	Yes The Company has following two Subsidiary Companies as on 31.03.2017 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	03109225
Name	Sh. Ramesh Narain Misra
Designation	Chairman and Managing Director

b) Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	03109225
2.	Name	Sh. Ramesh Narain Misra
3.	Designation	Chairman and Managing Director
4.	Telephone number	0177-2660010
5.	E-mail id	rn.misra@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 are as 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.

Sl. No.	Questions	Business Ethics	Product Respon-sibility	Wellbeing of Employees	Stakeholder Engagement	Human Rights	Environ-ment	Public Policy	CSR	Customer Relations
		P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for....	Y	Y	Y	Y	Y	Y	Y	Y	N
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	-
3.	Does the policy conform to any national / international standards?	Y	Y	Y	Y	Y	Y	Y	Y	-
4.	Has the policy being approved by the Board? If 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	-

Web Links for the Policies:

(i) 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/c2 Ř Ŝ nrpoTanSÖn Ǝ 2 Ø ê Nhy l· y Ö***

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

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

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

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

3. Governance related to BR

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

  Within 3-6 months
- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  This is the first year of Business Responsibility Reporting 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. The Integrity Pact is applicable for procurement of Goods, Services and Works having threshold value of Rs. 8 Lacs, Rs. 15 Lacs and Rs. 50 Lacs respectively. 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 – Shri S.S. Parmar IAS (Retd.) and Ms. Asha Swarup, IAS (Retd.)
2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management?**

   The company had received 26 complaints from the stakeholders of the Company during the FY 2016-17 in addition to 1 complaint pending at the beginning of the year. Out of which 1 complaint was withdrawn and remaining 26 complaints (100%) were resolved by March 31, 2017.

Principle 2

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

   The prime business of SJVN is generation of electricity through hydropower. However, presently SJVN is also producing electricity through Wind and Solar Power Plants.
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)?**

i. **If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.**

SJVN has developed two hydro-projects in the past (Nathpa Jhakri HEP and Rampur HEP), both of which were funded by the World Bank. In World Bank funded projects, the procedures for sourcing (viz. call of tenders upto selection of Contractors) are

based on the Standard procedures of the Bank and accordingly the same were followed. For future projects, Standard Bid Document of SJVN is being followed wherein Bidder Selection procedures, Labour laws, Safety procedures and Environmental concerns have been incorporated suitably in line with industry wide practices (after discussions with various peer PSUs in the sector) and CVC guidelines in vogue.

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

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

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**
   If yes, what steps have been taken to improve their capacity and capability of local and small vendors?
   SJVN has been engaging locals around the projects/offices for activities such as vehicle hiring, material handling, hospitality, housekeeping, waste handling and horticulture. This has created direct and indirect employment of local populace and also led to entrepreneur development in the project areas/offices.
   Apart from this, SJVN had adopted a Public Preference Policy for Micro & Small Enterprises (MSE) on the lines of Public Procurement Policy of the Central Government. As per the policy, SJVN is required to procure a minimum of 20% of total annual procurements from MSEs, out of which 4% is to be procured from MSEs owned by Schedule Caste/Schedule Tribe entrepreneurs. In compliance to this policy, SJVN, during the FY 2016-17, had procured 46.28 % of its annual procurement from MSEs out of which 5.34% was procured from MSEs owned by SC/ST entrepreneurs.
5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so?**
   Electricity is the only product generated by the company, which can not be stored and is not in physical form. However, various wastes generated during electricity production like batteries, used oils lubricants etc. are recycled through suppliers / vendors or have been stored effectively for their disposal through the authorized recyclers. Solid waste from stores such as steel, tyres etc. are sold through auction which is facilitated by MSTC Ltd. (Metal Scrap Trading Corporation). Furthermore, a kitchen bio-waste composter is also being installed at Corporate Office Complex in Shimla, which will convert kitchen waste into manure for plantation activities in and around the office complex.

Principle 3

1. **Please indicate the total number of employees.**
   As on March 31, 2017 there were 1492 employees in SJVN.
2. **Please indicate the total number of employees hired on temporary/contractual/casual basis.**
   As on March 31, 2017 there were 1578 employees hired on temporary/contractual/casual basis in SJVN The number of workers with contractor are dynamic in nature and vary from time to time.
3. **Please indicate the number of permanent women employees.**
   As on March 31, 2017, there were 154 permanent women employees on the rolls of the company.
4. **Please indicate the number of permanent employees with disabilities.**
   As on March 31, 2017, there were 28 differently abled employees on the rolls of the company.
5. **Do you have an employee association that is recognized by management?**
   The "SJVN Employees Association" and the "Satluj Jal Vidyut Nigam Ltd. Workers Union" are the two Unions recognized by the Management.
6. **What percentage of your permanent employees is members of this recognized employee association?**
   About 55-60 % of the permanent employees in the Workmen Category are members of the recognized Unions.
7. **Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**

Sl. No.	Category	No of complaints filed during the financial year	No of complaints pending as on March 31, 2017
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 92%
   - Permanent Women Employees 92.45%
   - Casual/Temporary/Contractual Employees 0%
   - Employees with Disabilities 88.4%

Principle 4

1. **Has the company mapped its internal and external stakeholders?**
   Yes
2. **Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?**
   Yes. The company has a well-structured R&R and CSR Policy to take care of the disadvantaged, vulnerable & marginalized people in and around the plants.
   Vulnerable category of persons has been detailed in the Company's CSR and R&R Policies. Company is committed to the concerns of its stakeholders and strives to maintain good standards of Corporate Social Responsibility (CSR) and sustainability in its business activities. They are identified through various surveys and consultations with stakeholders at the time of formation of R&R and CSR plans.
3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

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

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

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?**

   SJVN follows good management practices to ensure welfare of its employees through a process of inclusive growth & development. SJVN lays great emphasis on upgrading the skills of its Human Resource. It benchmarks its practices with the best practices being followed in the corporate world. The Company stresses on the need to continuously upgrade the competencies of its employees and equip them to keep abreast of latest developments in the sector. All the Polices of the company are applicable to all its employees posted in various stations, projects, offices, JVs and Subsidiaries. Human rights provisions are also built in our bidding documents for supply cum erection and civil packages invited on competitive bidding basis covering our suppliers and contractors.

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 31.03.2017.

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

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

   The details are available at **www.sjvn.nic.in/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 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 has been registered with the "United Nations Framework 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 CO2 per year. The ERs are verified by accredited agencies from UNFCCC and Validation Report is submitted to UNFCCC for issuance of Certified Emission Reductions (CERs) annually.
   - For Khirvire Wind Power Project (47.6 MW) "Grid-connected electricity generation from renewable sources" has been prepared by SJVN under "Approved consolidated methodology ACM0002 version 16". The project has been registered with UNFCCC on December 27, 2016.

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

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

   - The company has developed 47.60 MW Khirvire Wind Power Project in Maharashtra.
   - 5 MW Charanka Solar Power Project has been developed by the company in Gujarat.
   - The company is setting up another 50 MW Wind Power Project in Gujarat which is scheduled to be commissioned in second quarter of FY 2017-18.
   - Another 54 to 62 MW Wind Power Project of the company is in advanced stage of tendering process.
   - The company has installed 200 KW Solar Power Plant in Surge Shaft Area, 2 roof top solar panels of 3 KW capacities each and 4 solar water heaters of total capacity 1400 LPD at various buildings of Nathpa Jhakri Hydro Power Station (NJHPS).
   - 100 KW solar energy panels are being installed and shall be commissioned shortly at SJVN Corporate Office Complex, Shimla.
   - 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, 2017.**

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

Principle 7

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

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

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

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

Principle 8

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

   The focus area of CSR and sustainability programs encompasses the activities as laid down under schedule-VII, sustainable livelihood, infrastructure for community development, sustainability and espousing social causes. To achieve the aim of inclusive growth and equitable development, the Company has a comprehensive Resettlement & Rehabilitation (R&R) policy covering community development (CD) activities which has been revised and updated from time to time. The focus area of CSR and sustainability programs encompasses the activities as laid down under schedule VII of the Companies Act, 2013 which includes education, skill development, health & hygiene, sustainable livelihood, infrastructure for community development, sustainability and espousing social causes. In response to our commitment and concern towards green planet and sustainable development, the company has adopted an Environment Policy in 2006.

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

   Programmes are undertaken by well-defined in-house team through specialized agencies, NGO's, government agencies/ bodies etc. Some of the activities are carried by SJVN Foundation.

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

   Social Impact Evaluation (SIE) studies/ surveys are conducted by SJVN as per policy provisions for all its major community development activities at various stations/ projects at regular interval. Annual Internal Audit of CSR Activities are also carried out.

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 in the company are taken in a planned way. The community is engaged in all steps of activities from planning to completion.

   The Company has specified programmes for inclusive growth & equitable development not only at station level but also at National level. Details of the programmes and spending are listed below: Total spending on CSR - Rs. 37.16 Crore. The details of major projects for community are given in Directors Report Annexure- V. During the year, company had implemented wide range of activities in the field of Health and hygiene, Education and Skill Development, Infrastructural Development and Community Development, Sports etc.

   Stakeholders participate at each stage of the activity and State Government also supervises the execution. People's involvement is also ensured during implementation and monitoring

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 projects sanctioned by SJVN are implemented by reputed agencies. The implementation mechanism is as per the norms best in industry and accordingly the benefit to the community is ensured by the implementing agency in letter and spirit.

Principle 9

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

   As on March 31, 2017, 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, 2017. If so, provide details thereof, in about 50 words or so**

   As on March 31, 2017, 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 2017

[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. Tel : 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 share held	Applicable Section
1.	SJVN Thermal Private Limited	U31908BR2007 PTC017646	Subsidiary	100%	2(87)
2.	SJVN Arun-3 Power Development Company Private Limited	Not Applicable	Subsidiary	100%	2(87)
3.	Cross Border Power Transmission Company Limited	U40102DL2006 PLC156738	Associate (Joint Venture)	26%	2(6)
4.	Bengal Birbhum Coalfields Limited	U10300WB2015 SGC207911	Associate (Joint Venture)	7.7%	2(87)
5.	Kholongchhu Hydro Energy Limited	Not Applicable	Associate (Joint Venture)	50%	2(87)

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

i. Category-wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2016)				No. of Shares held at the end of the year (As on 31-03-2017)				% 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	0	0	0	0	0
b) Central Govt	2666611700	0	2666611700	64.46	2666611700	0	2666611700	64.46	0
c) State Govt(s)	1055014800	0	1055014800	25.51	1055014800	0	1055014800	25.51	0
d) Bodies Corp	0	0	0	0	0	0	0	0	0
e) Banks / FI	0	0	0	0	0	0	0	0	0
f) Any Other	0	0	0	0	0	0	0	0	0
Sub-total(A)(1):-	3721626500	0	3721626500	89.97	3721626500	0	3721626500	89.97	0
2) ***Foreign***									
g) NRIs-Individuals	0	0	0	0	0	0	0	0	0
h) Other-Individuals	0	0	0	0	0	0	0	0	0
i) Bodies Corp.	0	0	0	0	0	0	0	0	0

Category of Shareholders	No. of Shares held at the beginning of the year (As on 01-04-2016)				No. of Shares held at the end of the year (As on 31-03-2017)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
j) Banks / FI	0	0	0	0	0	0	0	0	0
k) Any Other....	0	0	0	0	0	0	0	0	0
Sub-total(A)(2):-	0	0	0	0	0	0	0	0	0
Total Promoter Share holding (A)=(A)(1)+ (A)(2)	3721626500	0	3721626500	89.97	3721626500	0	3721626500	89.97	0
B. Public Shareholding									
1. ***Institutions***									
a) Mutual Funds	39545940	0	39545940	0.96	38717378	0	38717378	0.94	-0.02
b) Banks / FI	20028328	0	20028328	0.48	12697618	0	12697618	0.31	-0.17
c) Central Govt/ State Govt(s)	10747	0	10747	0	10747	0	10747	0	0
d) Venture Capital Funds	0	0	0	0	0	0	0	0	
e) Insurance Companies	126846903	0	126846903	3.07	54473141	0	54473141	1.32	-1.75
f) FIIs	105476204	0	105476204	2.55	136530737	0	136530737	3.30	0.75
g) Foreign Venture Capital Funds	0	0	0	0	0	0	0	0	0
h) Others (specify)	0	0	0	0	0	0	0	0	0
Sub-total(B)(1)	291908122	0	291908122	7.06	242429621	0	242429621	5.87	-1.19
2. ***Non Institutions*** a) Bodies Corp. (i) Indian (ii) Overseas	26706240	0	26706240	0.65	80451940	0	80451940	1.94	1.29
b) Individuals (i) Individual share holders holding nominal share capital upto Rs. 2 lakh	67802707	10761	67813468	1.64	64704961	5861	64710822	1.58	-0.06
(ii) Individual share holders holding nominal share capital in excess of Rs. 2 lakh	23630431	0	23630431	0.57	22084864	0	22084864	0.53	-0.04
c) Others(Specify)									
i) Qualified Foreign Investor	0	0	0	0	0	0	0	0	0
ii) Cooperative Societies	0	0	0	0	0	0	0	0	0
iii) Non Resident Individual	3178469	0	3178469	0.08	3600483	0	3600483	0.09	0.01
iv) Trust and Foundations	1218320	0	1218320	0.03	1173220	0	1173220	0.03	0
(v) NBFCs registered with RBI	544950	0	544950	0.01	549050	0	549050	0.01	0
Sub-total(B)(2)	123081117	10761	123091878	2.98	172564518	5861	172570379	4.18	1.20
Total Public Shareholding (B)=(B)(1)+ (B)(2)	414989239	10761	415000000	10.04	414994139	5861	415000000	10.04	0
C. Shares held by Custodian for GDRs &ADRs	0	0	0	0	0	0	0	0	0
Grand Total (A+B+C)	**4136615739**	**10761**	**4136626500**	**100**	**4136620639**	**5861**	**4136626500**	**100**	**0**

ii. Shareholding of Promoters

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

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

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

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

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		5088180	0.12	5088180	0.12
	Date	Type of Transaction				
	22-04-2016	Purchase	41276	0.00	5129456	0.13
	29-04-2016	Purchase	388209	0.01	5517665	0.14
	06-05-2016	Purchase	195598	0.00	5713263	0.14
	13-05-2016	Purchase	148578	0.00	5861841	0.14
	20-05-2016	Purchase	46418	0.00	5908259	0.14
	27-05-2016	Purchase	93154	0.00	6001413	0.15
	03-06-2016	Purchase	314993	0.01	6316406	0.15
	10-06-2016	Purchase	280742	0.01	6597148	0.16
	17-06-2016	Purchase	275041	0.01	6872189	0.17
	24-06-2016	Purchase	193397	0.00	7065586	0.17
	30-06-2016	Purchase	130123	0.00	7195709	0.18
	02-09-2016	Purchase	10046	0.00	7205755	0.18
	At the End of the year – Closing balance				7205755	0.18

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
2	**ICICI Prudential Life Insurance Company Ltd**					
	At the beginning of the year - Opening balance		72071152	1.77	72071152	1.77
	Date	Type of Transaction				
	22-04-2016	Sale	130000	0.00	71941152	1.76
	29-04-2016	Sale	406687	0.01	71534465	1.75
	08-07-2016	Sale	37772	0.00	71496693	1.75
	15-07-2016	Sale	2079136	0.05	69417557	1.70
	22-07-2016	Sale	6135374	0.15	63282183	1.55
	29-07-2016	Sale	83487	0.00	63198696	1.55
	12-08-2016	Sale	122700	0.00	63075996	1.55
	26-08-2016	Sale	734310	0.02	62341686	1.53
	30-09-2016	Sale	346771	0.01	61994915	1.52
	14-10-2016	Sale	3850	0.00	61991065	1.52
	21-10-2016	Sale	4075336	0.10	57915729	1.42
	28-10-2016	Sale	1259035	0.03	56656694	1.39
	04-11-2016	Purchase	770	0.00	56657464	1.39
	25-11-2016	Sale	15594	0.00	56641870	1.39
	02-12-2016	Sale	58699	0.00	56583171	1.39
	09-12-2016	Sale	137015	0.00	56446156	1.38
	03-02-2017	Sale	34873	0.00	56411283	1.38
	10-02-2017	Sale	211075	0.01	56200208	1.38
	17-02-2017	Sale	273033	0.01	55927175	1.37
	24-02-2017	Sale	41618	0.00	55885557	1.37
	03-03-2017	Sale	74913	0.00	55810644	1.37
	10-03-2017	Purchase	664	0.00	55811308	1.37
	17-03-2017	Sale	99213	0.00	55712095	1.37
	24-03-2017	Purchase	102057	0.00	55814152	1.37
	31-03-2017	Purchase	745	0.00	55814897	1.37
	At the End of the year – Closing balance				55814897	1.37
3	**ICICI Lombard General Insurance Company Ltd**					
	At the beginning of the year - Opening balance		14150000	0.35	14150000	0.35
	Date	Type of Transaction				
	-	-	-	-	-	-
	At the End of the year – Closing balance				14150000	0.35
4	**Life Insurance Corporation of India**					
	At the beginning of the year - Opening balance		53182408	1.30	53182408	1.30
	Date	Type of Transaction				
	08-07-2016	Sale	42899	0.00	53139509	1.30
	09-09-2016	Sale	97220	0.00	53042289	1.30
	21-10-2016	Sale	50000	0.00	52992289	1.30
	28-10-2016	Sale	50000	0.00	52942289	1.30
	04-11-2016	Sale	150000	0.00	52792289	1.29
	11-11-2016	Sale	350000	0.01	52442289	1.29
	02-12-2016	Sale	898170	0.02	51544119	1.26
	09-12-2016	Sale	1051838	0.03	50492281	1.24
	16-12-2016	Sale	359018	0.01	50133263	1.23

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
	23-12-2016	Sale	56684	0.00	50076579	1.23
	30-12-2016	Sale	28402	0.00	50048177	1.23
	13-01-2017	Sale	880169	0.02	49168008	1.21
	20-01-2017	Sale	950000	0.02	48218008	1.18
	27-01-2017	Sale	200000	0.00	48018008	1.18
	03-02-2017	Sale	300000	0.01	47718008	1.17
	10-02-2017	Sale	550000	0.01	47168008	1.16
	17-02-2017	Sale	812147	0.02	46355861	1.14
	24-02-2017	Sale	100000	0.00	46255861	1.13
	At the End of the year – Closing balance				46255861	1.13
5	**Pictet Country (Mauritius) Limited**					
	At the beginning of the year - Opening balance		0	0.00	0	0.00
	Date	Type of Transaction				
	12-08-2016	Purchase	4241987	0.10	4241987	0.10
	02-09-2016	Purchase	142000	0.00	4383987	0.11
	15-09-2016	Purchase	47704	0.00	4431691	0.11
	30-09-2016	Purchase	136743	0.00	4568434	0.11
	07-10-2016	Purchase	121818	0.00	4690252	0.11
	14-10-2016	Purchase	35351	0.00	4725603	0.12
	21-10-2016	Purchase	902716	0.02	5628319	0.14
	28-10-2016	Purchase	535060	0.01	6163379	0.15
	18-11-2016	Purchase	141187	0.00	6304566	0.15
	25-11-2016	Purchase	21709	0.00	6326275	0.16
	23-12-2016	Purchase	123668	0.00	6449943	0.16
	30-12-2016	Purchase	415834	0.01	6865777	0.17
	06-01-2017	Purchase	724864	0.02	7590641	0.19
	13-01-2017	Purchase	505924	0.01	8096565	0.20
	17-03-2017	Purchase	262925	0.01	8359490	0.20
	24-03-2017	Purchase	19621	0.00	8379111	0.21
	31-03-2017	Purchase	122154	0.00	8501265	0.21
	At the End of the year – Closing balance				8501265	0.21
6	**Edgbaston Asian Equity Trust**					
	At the beginning of the year - Opening balance		22602751	0.55	22602751	0.55
	Date	Type of Transaction				
	08-04-2016	Purchase	115489	0.00	22718240	0.56
	23-09-2016	Purchase	389258	0.01	23107498	0.57
	30-09-2016	Purchase	1119130	0.03	24226628	0.59
	07-10-2016	Purchase	579919	0.01	24806547	0.61
	14-10-2016	Purchase	32245	0.00	24838792	0.61
	21-10-2016	Purchase	313212	0.01	25152004	0.62
	28-10-2016	Purchase	927056	0.02	26079060	0.64
	25-11-2016	Purchase	475941	0.01	26555001	0.65
	02-12-2016	Purchase	678146	0.02	27233147	0.67
	09-12-2016	Purchase	996734	0.02	28229881	0.69
	At the End of the year – Closing balance				28229881	0.69

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
7	**The Edgbaston Asian Equity (Jersey) Trust**					
	At the beginning of the year - Opening balance		5635766	0.14	5635766	0.14
	Date	Type of Transaction				
	08-04-2016	Sale	115489	0.00	5520277	0.14
	23-09-2016	Purchase	93317	0.00	5613594	0.14
	30-09-2016	Purchase	268287	0.01	5881881	0.14
	07-10-2016	Purchase	139022	0.00	6020903	0.15
	14-10-2016	Purchase	7733	0.00	6028636	0.15
	21-10-2016	Purchase	75110	0.00	6103746	0.15
	28-10-2016	Purchase	222310	0.01	6326056	0.16
	25-11-2016	Purchase	114110	0.00	6440166	0.16
	02-12-2016	Purchase	162590	0.00	6602756	0.16
	09-12-2016	Purchase	238974	0.01	6841730	0.17
	At the End of the year – Closing balance				6841730	0.17
8	**Utilico Emerging Markets (Mauritius)**					
	At the beginning of the year - Opening balance		26595000	0.65	26595000	0.65
	Date	Type of Transaction				
	24-06-2016	Purchase	869500	0.02	27464500	0.67
	30-06-2016	Purchase	984500	0.02	28449000	0.70
	01-07-2016	Purchase	27192	0.00	28476192	0.70
	08-07-2016	Purchase	1022220	0.03	29498412	0.72
	15-07-2016	Purchase	1126588	0.03	30625000	0.75
	22-07-2016	Purchase	2970000	0.07	33595000	0.82
	At the End of the year – Closing balance				33595000	0.82
9	**SBI Magnum Balanced Fund**					
	At the beginning of the year - Opening balance		38675902	0.95	38675902	0.95
	Date	Type of Transaction				
	-	-	-	-	-	-
	At the End of the year – Closing balance				38675902	0.95
10	**Old Mutual Global Investors Series Public Limited Company**					
	At the beginning of the year - Opening balance		4116036	0.10	4116036	0.10
	Date	Type of Transaction				
	26-08-2016	Purchase	267597	0.01	4383633	0.11
	02-09-2016	Purchase	620000	0.02	5003633	0.12
	23-09-2016	Purchase	191356	0.00	5194989	0.13
	11-11-2016	Sale	113435	0.00	5081554	0.12
	09-12-2016	Sale	556664	0.01	4524890	0.11
	16-12-2016	Sale	121563	0.00	4403327	0.11
	23-12-2016	Sale	302489	0.01	4100838	0.10
	30-12-2016	Sale	350000	0.01	3750838	0.09
	06-01-2017	Sale	324715	0.01	3426123	0.08
	17-02-2017	Purchase	1199271	0.03	4625394	0.11
	24-02-2017	Purchase	423977	0.01	5049371	0.12
	At the End of the year – Closing balance				5049371	0.12

v. Shareholding of Directors and KMPs

Sr. No.	Name	Shareholding		Date	Increase/ Decrease Shareholding	Reason	Cumulative Shareholding during the year (01-04-2016 to 31-03-2017)	
A.	DIRECTORS	No. of shares the beginning (01-04-2016)/ end of the year (31-03-2017)	% of total shares of the company				No. of Shares	% of total shares of the company
1.	Shri Ramesh Narain Misra Chairman & Managing Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2.	Shri Amarjit Singh Bindra, Director (Finance)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3.	Shri Nand Lal Sharma, Director (Personnel)	2518 2518		Nil Nil	Nil Nil	Nil Nil	- -	- -
4.	Shri Rakesh Kumar Bansal, Director (Electrical)	1000 1000		Nil Nil	Nil Nil	Nil Nil	- -	- -
5.	Shri Kanwar Singh Director (Civil)	1750 1750		Nil Nil	Nil Nil	Nil Nil	- -	- -
6.	Smt. Archana Agrawal Part -Time Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
7.	Shri Tarun Sridhar Part-Time Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
8.	Shri Ganesh Dutt Part-Time Non-Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
9.	Shri Pravinbhai Patel Part-Time Non-Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
10.	Dr. Rajni Sarin Part-Time Non-Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
11.	Shri Shamsher Singh Uppal Part-Time Non-Official Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
B.	KEY MANAGERIAL PERSONNEL							
1.	Shri Soumendra Das, Company Secretary	Nil	Nil	Nil	Nil	Nil	Nil	Nil

V. INDEBTEDNESS

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

(Rs. 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)	34448	230166	NIL	264614
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	661	NIL	661
Total(i+ii+iii)	**34448**	**230827**	**NIL**	**265275**
Change in Indebtedness during the financial year				
- Addition	30008	NIL	NIL	30008
- Reduction	(34448)	(18532)	NIL	(52980)
Net Change	**(4440)**	**(18532)**	**NIL**	**(22972)**
Indebtedness at the end of the financial year				
i) Principal Amount	30008	211634	NIL	241642
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	1498	NIL	1498
Total (i+ii+iii)	**30008**	**213132**	**NIL**	**243140**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Ramesh Narain Misra CMD	Amarjit Singh Bindra D (F)	Nand Lal Sharma D (P)	Rakesh Kumar Bansal D (E)	Kanwar Singh D (C)	Total Amount
1.	Gross Salary						
	(a) Salary as per provisions contained in Section17(1) of the Income-tax Act, 1961	4205485	3814891	3891580	4707065	4270064	20889085
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	109009	78328	451931	79940	75675	794883
	(c) Profits in lieu of salary u/s 17(3) Income- tax Act,1961	Nil	Nil	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil	Nil	Nil
4.	Commission - as % of profit - others, specify…	Nil	Nil	Nil	Nil	Nil	Nil
5.	Others, please specify	676897	651279	478184	620793	585272	3012425
6.	**Total(A)**	**4991391**	**4544498**	**4821695**	**54077980**	**4931011**	**24696393**
	Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

B. Remuneration to other Directors

Amount (Rs.)

Sl. No.	Particulars of Remuneration	Ganesh Dutt	Rajni Sarin	Pravinbhai Patel	Shamsher Singh Uppal	-	-
1.	Independent Directors • Fee for attending board / committee meetings	3,40,000	2,40,000	2,60,000	3,20,000		
	• Commission	NIL	NIL	NIL	NIL	-	-
	• Others, please specify.	NIL	NIL	NIL	NIL		
2.	**Total (1)**	**3,40,000**	**2,40,000**	**2,60,000**	**3,20,000**		
3.	Other Non-Executive Directors	-	-	-	-	**Archana Agrawal**	**Tarun Sridhar**
4.	• Fee for attending board / committee meetings	-	-	-	-	NIL	NIL
	• Commission					NIL	NIL
	• Others, please specify					NIL	NIL
5.	**Total (2)**	-	-	-	-	**NIL**	**NIL**
6.	**Total(B)= (1+2)**	**3,40,000**	**2,40,000**	**2,60,000**	**3,20,000**	**0**	0
7.	Total Managerial Remuneration						
	Overall Ceiling as per the Act	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

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

Amount (Rs.)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section17(1)of the Income-tax Act,1961 (b) Value of perquisites u/s 17(2) Income-tax Act,1961 (c) Profits in lieu of salary u/s 17(3) Income-tax Act,1961	- -	17,03,370 1,38,930	- -	17,03,370 1,38,930
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission - as % of profit - others, specify…	-	-	-	-
5.	Others, please specify	-	4,43,377	-	4,43,377
6.	**Total**	-	**22,85,677**	-	**22,85,677**

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type		Section of the Companies Act	Brief description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/Court]	Appeal made. if any (Give details)
A.	**Company**					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
B.	**Directors**					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil
C.	**Other Officers In Default**					
	Penalty	Nil	Nil	Nil	Nil	Nil
	Punishment	Nil	Nil	Nil	Nil	Nil
	Compounding	Nil	Nil	Nil	Nil	Nil

Annexure – VIII

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2017

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

To,
The Members,
SJVN Limited

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

Based on our verification of the SJVN's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial period ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and Compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by SJVN for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **Not Applicable**
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
    (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
    (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
    (c) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
    (d) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
    (e) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable**
    (f) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable**
    (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and
    (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable**
(vi) Compliances/processes/systems under other specific applicable Laws (as applicable to the industry) to the Company are being verified on the basis of bi-annually certificates submitted to the Board of Directors of the Company.

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

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

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

1. *Regulation 17 (1) of Securities Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Clause 3.1.4 of the DPE Guidelines on Corporate Governance for Central Public Sector Enterprises w.r.t. composition of the Board of Directors of the Company.*
2. *Section 149(8) read with Schedule IV (VIII) of Companies Act, 2013 and Regulation 17 (10) & 25 (4) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, w.r.t. performance evaluation of the Directors.*

We further report that in the absence of requisite number of independent Directors, the Company has not complied with the requirement pertaining to the composition ofthe Board of Directors to be constituted as per the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and DPE Guidelines.The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

For **Agarwal S. & Associates,**
Company Secretaries,
CS Sachin Agarwal, Partner
FCS No. : 5774
C.P No. : 5910

Place : New Delhi
Date: June 30, 2017

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

"Annexure A"

To,
The Members,
SJVN Limited.

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

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

For **Agarwal S. & Associates,**
Company Secretaries,
CS Sachin Agarwal, Partner
FCS No. : 5774
C.P No. : 5910

Place : New Delhi
Date: June 30, 2017

Annexure – IX

REPLY BY THE MANAGEMENT TO OBSERVATIONS OF SECRETARIAL AUDITOR

Sr. No.	Observation of Secretarial Auditor	Management's Reply
1.	As per Regulation 17(1)(b) of SEBI (LODR) Regulations 2015 & Para 3.1.4 of DPE Guidelines on Corporate Governance, the Company does not have requisite number of Independent directors on its Board.	SJVN is a Central Public Sector Undertaking (CPSU) and as per Articles of Association of the Company, Powers to appoint Directors vests with President of India (acting through Ministry of Power. The Company or its Board is not vested with any powers in the matter and hence the matter is being followed up rigorously with the Administrative Ministry of Government of India i.e. Ministry of Power.
2.	As per Section 149(8) read with Clause VII and VIII of Schedule IV, Regulation 17(10) & 25(4) of SEBI (LODR) Regulations 2015, the Company has not carried out the performance evaluation of the Directors.	SJVN is a Central Public Sector Undertaking (CPSU) and as per Articles 35A of Articles of Association of the Company, the Company is bound to adhere to any such directives, stipulations, guidelines, notifications and circulars issued by DPE or any other Department of Government. Rules and procedures for evaluation of performance of Functional Directors have been prescribed by DPE and those for Government Nominee Directors by the Central/ State Government. Accordingly, the performance evaluation of Functional Directors & Government Nominee Directors is being done by the respective appointing authorities as per applicable rules & procedures. Vide a notification dated 05.06.2015, the Ministry of Corporate Affairs has granted exemption to Government Companies under Section 134(3)(p) of the Companies Act, 2013 in case the Directors are evaluated by the Administrative Ministry or Department of Central Government or State Govt.

Annexure – X

INDEPENDENT AUDITOR'S REPORT

To
The Members of SJVN Limited

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of SJVN Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2017, the Statement of Profit and Loss, Cash Flow Statement for the year, a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind As financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

Opinion

Subject to our qualification/reservations reported hereunder, 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 2017, and its profit/loss (financial performance including other comprehensive income), its cash flows and changes in equity for the year ended on that date.

Audit Qualifications/Observatins:

i) The Management has not provided justification of Payment of Hydro allowance to Patel Gammon Joint Venture (PGJV) amounting to Rs. 928437602. As per Govt order hydro allowance was to be paid @ 25% minimum wages as additional wages. Actual records of minimum wages paid by the contractors were available with SJVN which are required to be submitted by the contractor along with each running account bill and also the same could have been verified with PF amount deducted and deposited by the contractor which is required ot be submitted by the contractor. As per our assessment based on the actual wages paid by the contractor an amount of Rs. 57883509 was payable as Hydro Allowance to M/s PGJV. However, the management had released payment of Hydro allowance based on an notional formula for the same and paid Rs. 928437602, afterwards recovery of Rs. 14,78,03,826/- at the advice of Vigilance Department/CVC was made. However, the actual recovery on the basis of wages paid to the labourer comes out to be Rs. 720420580 which is yet to be recovered. To that extent the Capital Cost of Hydraulic Works is overstated and payable to contractors is overstated/recoverable from contractors is understated. Also the depreciation provided from the date of capitalization is also overstated to that extent.

Emphasis of Matter

We draw attention to Note No. 2.29 to the financial statements in respect of accounting of sales on provisionally approved tariff approved & applicable as on 31.03.2014 as provided in Tariff Regulations, 2014.

Our opinion is not modified in respect of this matter.

Audit Comparative Information for adjustments to transition to Ind AS:

The Comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these standalone Ind AS financial statements prepared in accordance with the Companies (Accounting Standard) Rules, 2006 by us & reports of which dated 27th May 2016 AND 27th May 2015 respectively express an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **Annexure-1,** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. We are enclosing our report in terms of Section 143 (5) of the Act, on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, in the **Annexure-2** on the directions issued by Comptroller and Auditor General of India.
3. As required by section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books [and proper returns adequate for the purpose of our audit have been received from the branches not visited by us.]
   c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement and statement of changes in equity dealt with by this report are in agreement with the books of account [and with the returns received from the branches not visited by us.];
   d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act except the observations given above.
   e) On the basis of written representation received from the directors as at 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act as on 31st March 2017. Moreover, this Para is not applicable to Govt. Companies.
   f) With respect to adequacy of Internal Financial Controls over financial reporting of the Company and 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's management does not expect the claims/obligations (including litigation), when ultimately concluded and determined, will have a material and adverse effect on the company's results of operations or financial conditions as disclosed in Note no. 2-37.
      ii The company had made provision, as require under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts including derivative contracts; [or The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses].
      iii There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company [or, following are the instances of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company].

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

(Suresh Chand Soni)
Partner
M. No. 083106

Place : New Delhi
Date : 29.05.2017

Annexure – I

ANNEXURE 1 TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of SJVN LIMITED on the accounts for the year ended 31st March 2017.

(i) (a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets but records need be improved as far as identification ,location is concerned.

(b) As explained to us all the assets were got physically verified by the management from outside agency during the year, but the procedure adopted for such verification was not informed to us nor any report (except one unit) was made available to us. We were informed that no material discrepancies were noticed on such verification.

(c) Even upon our repeated request Title deed of immovable properties were not shown to us except those which were acquired through acquision order of Govt. At RHEP neither any conveyance deed nor any lease deed has been executed

for forest land. At NJHPS some Land was decapitalised 2 years back being disputed, but no conveyance deeds were available.

(ii) The inventory of the company consisting of stores and spare parts. We were informed that these have been physically verified by the management through outside agency during the year but no report was made available to us except one Unit . In our opinion the verification process need be improved. Procedure for such verification was not informed to us by the unit even upon our repeated requests.

(iii) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
In view of above, the clauses 3(iii)(a) and 3(iii)(b) of the Order are not applicable.

(iv) In respect of loans, investments, guarantees and security, the company has complied with provisions of section 185 and 186 of the Companies Act, 2013.

(v) The company has not accepted any deposits from the public in terms of section 73 to 76 or any provisions of the Companies Act, 2013 and rules there under.

(vi) We have broadly reviewed the accounts and cost records maintained by the company under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.

(vii) (a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other statutory dues applicable to it, and as informed to us there are no undisputed dues outstanding as on 31st March 2017 for a period of more than six months from the date they became payable. We are informed that the provisions of Employees' State Insurance Act are not applicable to the company.

(b) According to the information and explanations given to us, dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, value added tax, cess and other material statutory dues that have not been deposited on account of any dispute are given below:

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

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

(ix) No money was raised by way of initial public offer or further public offer during the year.

(x) As per information provided to us no fraud by the company or any fraud by officers and employees of the company has been noticed/ reported during the year. However, **the company is required to recover/adjust principal (Rs 7204 lakhs + interest on account of excess payment made to contractor on account of hydro allowance.**

(xi) The managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provision of section 197 read with Schedule V to the Companies act. However, the valuation of perks is not proper.

(xii) Company is not a Nidhi Company.

(xiii) As per information available to us we are of opinion that all transactions with the related parties disclosed as per requirement of section 177 and 188 of Companies act 2013.

(xiv) As informed to us, the company has not made any preferential allotment to private placement of shares or fully convertible debentures during the year under review.

(xv) As informed to us the company has not entered in to any non-cash transaction with directors.

(xvi) Section 45-IA of the Reserve Bank of India Act,1934 is not applicable to the company.

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

(Suresh Chand Soni)
Partner
M.No. 083106

Place : New Delhi
Date : 29.05.2017

Annexure-2

COMPLIANCE CERTIFICATE

We have conducted the audit of accounts of "SJVN LIMITED" for the year ended 31st March, 2017 in accordance with the directors/sub-directors issued by the Comptroller & Auditor General of India under Section 143(5) of the Companies Act, 2013 and certify that we have complied with all the directions/sub-directions issued to us.

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

(Suresh Chand Soni)
Partner
M.No. 083106

ANNEXURE - 2 TO THE AUDITORS' REPORT

Annexure referred to in our report of even date to the members of SJVN LIMITED on the accounts for the year ended 31st March 2017

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

ANNEXURE-3 TO THE AUDITORS' REPORT

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

We have audited the internal financial controls over financial reporting of SJVN Limited ("the Company") as of 31 March 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally

accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

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

i) Transactions ultra-virus : The Company paid Rs 1144 lakhs to DC Kullu as lease rent for the tunnel & allied land used without any lease deed during September 2014. However as per directions from Centre, no payment could be made without prior approval of Central Govt. Expenses booked during 2014 were reversed & shown as recoverable from Govt. but no action has been taken to recover the amount wrongly paid.

ii) Circular no 507/2016 issued to favour the members of top management is in violation of DPE guidelines and is without approval from DPE, even the management did not consider it necessary to take approval from a disinterested Board and decision was taken for favouring certain group of top management.

iv). Favour to contractors: Favour is being done to contractors & we noticed the same in many cases like Rays Power Experts (P) Ltd., Patel gammon JV etc in releasing EMD and waiving off the LD. In other (Gamesha) case we noticed service tax payment for purchase of Land on which stamp duty had been paid Although payment of ST was stopped yet the case has been preferred for arbitration . In case of Zamil Construction works order was issued for supply, construction of prefabricated store costing Rs 420 lakhs and was to be completed by January 2016. However, we came to know that the Works order and special conditions attached do have contradictory conditions, work order says, …….including Gantry girders for 10 ton EOT (2 nos.) while special condition says "EOT crane shall be supplied by SJVN. Crane not in the scope of this contract & gantry girder will be supplied by the EOT Crane manufacturer.

v) Head Office building at Shanan, Interest free advance Rs 10 crore was paid to NBCC who in turn paid the same to subcontractor and charging interest on the same. The management of SJVN neither checked the drawings nor the cost which resulted in defective and very high cost of construction. Cost of Non-scheduled items purchased are exorbitantly high, Items mentioned in MOU like window pane solar cells has not been put. Construction which was to be naturally lighted and heated is lacking in natural lights in most of the portion. It is also noted that the company after spending Rs 130 crores on office building is paying Rs 1.50 lakhs per month as rent on storing of old furniture in other building, such payment is infructuous.

vi) Purchase of software from M/s IFS purchased is a sheer wastage of money, as the package is very old and will become useless after implementation of ERP. It is neither user friendly nor technically advanced & gives odd results

company needs to further strengthen the control system for tendering ,issuing works orders & payment to contractors .

For Soni Gulati & Co.

Chartered Accountants
Firm Regn. No. 008770N

(Suresh Chand Soni)
Partner
M.No. 083106

Place : New Delhi
Date : 29.05.2017

CORRIGENDUM TO INDEPENDENT AUDITOR'S REPORT

To

The members of SJVN Limited
Report on the standalone Financial Statements

Auditors' Report on the stand Alone Financial Statements page 2 Audit Qualification/ Observations Line no 9, Instead of Rs 57883509/- Rs 58772867 may be read. At line no 14 instead of Rs 720420580, Rs 721864506 may be read.

Annexure 1 to Auditors Report at Para (x) instead of Rs 7204 Lakhs, Rs 7219 lakhs may be read.

For Soni Gulati & Co.

Suresh Chand Soni
(Partner)

Date: 21.07.2017
Place: Shimla

Annexure – XI

MANAGEMENT'S REPLY ON STATUTORY AUDITORS QUALIFICATION/OBSERVATIONS/COMMENTS

Independent Auditor's Report

! dzŘ ň ú atdz/Obsarvations	Management's Reply
The Management has not provided justification of Payment of Hydro allowance to Patel Gammon Joint Venture (PGJV) amounting to Rs 928437602. As per Govt order hydro allowance was to be paid @ 25% minimum wages as additional wages. Actual records of minimum wages paid by the contractors were available with SJVN which are required to be submitted by the contractor along with each running account bill and also the same could have been verified with PF amount deducted and deposited by the contractor which is required to be submitted by the contractor. As per our assessment based on the actual wages paid by the contractor an amount of Rs 57883509 was payable as Hydro Allowance to M/s PGJV. However, the management had released payment of Hydro allowance based on a notional formula for the same and paid Rs 928437602, afterwards recovery of Rs. 14,78,03,826/- at the advice of Vigilance Department/CVC was made. However, the actual recovery on the basis of wages paid to the labourer comes out to be Rs 720420580 which is yet to be recovered. To that extent the Capital Cost of Hydraulic Works is overstated and payable to contractors is overstated/ recoverable from contractors is understated. Also the depreciation provided from the date of capitalization is also overstated to that extent.	The justification facts and associated background is as under: The Civil and Hydro Mechanical works of Rampur Hydroelectric Project RHEP were awarded under Package 1 and Package 2 to M/s Patel Gammon Joint Venture (PGJV). The contract was an item rate contract which include cost of material, machinery and labour etc. As per provisions of the contracts, contract price shall be adjusted taking into account any increase or decrease in cost resulting due to changes in legislation. The labour component in the price adjustment clause in respect of Package 1 & Package 2 was 35% and 25% respectively. Subsequently, the Government of Himachal Pradesh vide its notification (28.05.2008) inter-alia revised minimum wages of workers w.e.f. 01.01.2008. The said notification also provided for the first time an additional 25 per cent increase on the minimum wages as hydro allowance for labours working in Under Construction Hydro-Electric Power Projects located in Non-Tribal Area. SJVN constituted an in-house committee to furnish the recommendations regarding methodology and payment of hydro allowance. The committee in its Report recommended for payment of 25% Hydro Allowance on minimum wages w.e.f. Jan, 2008 on a formula derived by the committee taking into account the labour component of 35% for Package-1 and 25% for Package-2 (as provided in the contract agreement) as the payment against Package-1 & 2 to the contractors was as per BOQ (item rate) in which labour payment was not to be made separately. Further, the main contractor of package 1 & 2 had engaged a number of sub-contractors for execution of works, the workers/labours engaged by sub-contractors were also eligible for increased 25% as hydro allowance on minimum wages. Since, a number of sub-contractors were also engaged for execution of work, it was recommended by the Committee that it is more prudent to pay the hydro allowance on labour component provided in the respective contract. SJVN sought the legal opinion of the then Solicitor General of India (SGI) who opined that the Hydro Allowance of 25 per cent was payable by SJVN to contractors. The learned SGI also opined that hydro allowance may be paid based on the formula. Thus, the payment has been made as approved by the management taking into account the provisions of the Contract and opinion of the Solicitor General of India.

Annexure 1 to the Auditors' Report

Auditors' Comment	Management's Reply
(x) As per information provided to us no fraud by the company or any fraud by officers and employees of the company has been noticed/ reported during the year. However, **the company is required to recover/adjust principal (Rs 7204 lakhs + interest on account of excess payment made to contractor on account of hydro allowance.**	The payment has been made as approved by the management taking into account the provisions of the Contract and opinion of the Solicitor General of India.

Annexure 3 to the Auditors' Report

Auditors' Comment	Management's Reply
The following deficiencies in Internal Financial Controls were observed during audit :	
i) Transactions ultra- virus : The Company paid Rs 1144 lakhs to DC Kullu as lease rent for the tunnel & allied land used without any lease deed during September 2014. However as per directions from Centre, no payment could be made without prior approval of Central Govt. Expenses booked during 2014 were reversed & shown as recoverable from Govt. but no action has been taken to recover the amount wrongly paid.	i) The order to deposit lease amount was issued by DC, Kullu for land diverted for underground tunnel (which is termed as Notional Land) of Rampur Hydro Electric Project and Company is bound to comply with the orders issued by a Government Authority. Accordingly, amount was deposited on account of persistent demand raised by DC, Kullu. Government land is diverted on the basis of an order/ notification by the concerned Government. No lease deed is being signed for diverted Govt. land. Matter has already been taken up with concerned State Government Authorities.
ii) Circular no 507/2016 issued to favour the members of top management is in violation of DPE guidelines and is without approval from DPE, even the management did not consider it necessary to take approval from a disinterested Board and decision was taken for favouring certain group of top management.	ii) Circular No. 507/2016 regarding revision in life span and rate of depreciation on amenities provided to senior executives was issued with the approval of CMD as the same has not been excluded from the powers of CMD. Further, Board has also approved in its 200th Meeting held on 8th January 2011, which was also attended by five independent (disinterested) directors that in future SJVN should adhere a benchmark of NHPC for amenities provided to its executives. The revised circular was issued in line with the changes made by the NHPC.
iv) Favour to contractors: Favour is being done to contractors & we noticed the same in many cases like Rays Power Experts (P) Ltd., Patel gammon JV etc in releasing EMD and waiving off the LD. In other (Gamesha) case we noticed service tax payment for purchase of Land on which stamp duty had been paid Although payment of ST was stopped yet the case has been preferred for arbitration. In case of Zamil Construction works order was issued for supply, construction of prefabricated store costing Rs 420 lakhs and was to be completed by January 2016. However, we came to know that the Works order and special conditions attached do have contradictory conditions, work order says, ...including Gantry girders for 10 ton EOT (2 nos.) while special condition says "EOT crane shall be supplied by SJVN. Crane not in the scope of this contract & gantry girder will be supplied by the EOT Crane manufacturer.	iv) The Bidders i.e. Ray power Experts (P) Ltd., Patel Gammon JV etc. had submitted EMD at the time of submission of bids. As per the standard terms of bid documents, on Award of Work, EMD is either refunded or adjusted against the Security Deposit receivable from the respective Contractors. Accordingly, EMD of the respective contractors was converted to Security Deposit as per the Bid documents. M/s Rays Power experts Pvt. Ltd. were awarded 5 MW Solar Power Project for Rs. 2775.05 lakh. Due to financial crunch of M/s Rays Power Experts Pvt. Ltd., decision was taken to purchase Solar Panels directly by SJVN from the sub-vendor of M/s Rays Power Experts Pvt. Ltd. and provided to M/s Rays Power Projects which resulted in net saving of Rs. 120.75 lakh after adjusting the amount equivalent to Liquidated Damages (LD) from M/s Rays Power Experts Pvt. Ltd. The project got commissioned on 31st March, 2017. Thus LD has not been waived off. In case of contract with PGJV, the Board has approved the extension of time without levying of LD. Hence, LD is not leviable. Service tax has not been released to M/s Gamesa on the cost of the land. M/s Gamesa has approached for arbitration and the said amount has been shown as contingent liability. There is precedence clause provided in the contract awarded to M/s Zamil Construction. As per precedence clause, contractors bid will prevail and according to which contractor is required to provide and erect the gantry girders and the same has been communicated to the contractor.

Auditors' Comment	**Management's Reply**
v) Head Office building at Shanan, Interest free advance Rs 10 crore was paid to NBCC who in turn paid the same to subcontractor and charging interest on the same. The management of SJVN neither checked the drawings nor the cost which resulted in defective and very high cost of construction. Cost of Non-scheduled items purchased are exorbitantly high, Items mentioned in MOU like window pane solar cells has not been put. Construction which was to be naturally lighted and heated is lacking in natural lights in most of the portion. It is also noted that the company after spending Rs 130 crores on office building is paying Rs 1.50 lakhs per month as rent on storing of old furniture in other building, such payment is infructuous.	v) Advance was given to NBCC as per the provisions of MOU. NBCC is a Navratna Schedule 'A' Central Public Sector Undertaking engaged in construction of buildings on behalf of various Government and Government organisations. The estimated cost of the construction of Head Office Building was approved by the Board amounting to Rs. 111.80 crore based on Floor Area Ratio excluding agency charges at April 2011 price level. The work of construction was awarded by NBCC through competitive bidding. The cost on completion will be approximately Rs. 133 crore (including escalation etc.) which is marginally higher than the estimated cost. SJVN office building has been provided completion certificate by Municipal Corporation, Shimla as well as other statutory authorities. The space available in the present office building is inadequate to accommodate all the records and some other old furniture and as such space has been hired.
vi) Purchase of software from M/s IFS purchased is a sheer wastage of money, as the package is very old and will become useless after implementation of ERP. It is neither user friendly nor technically advanced & gives odd results.	vi) Old FA Software in SJVN was implemented in the year 2003-04. The implementation of new software and replacement of old software had become necessary. During 45th Audit Committee held on 30.07.2015, the Statutory Auditor during the course of interaction with committee, had pointed out that the accounting package adopted by SJVN was very old and needed immediate upgradation. Further, in order to take care of Ind AS, a fresh Accounting Package having capability of the same was required immediately. ERP implementation was to take longer time. Considering this being an immediate fresh requirement, contract of Accounting Package was awarded to IFS Solutions through competitive bidding. The accounting package provided by M/s IFS is working satisfactorily. Ind AS has been implemented in SJVN for the first time this year and the package being compliant to Ind AS is therefore based on latest application software and working smoothly.

Annexure – XIV

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF SJVN LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of SJVN Limited for the year ended 31 March 2017 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 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of SJVN Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Ritika Bhatia

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

Place : New Delhi
Dated : 26 July 2017

STANDALONE FINANCIAL STATEMENTS

BALANCE SHEET AS AT MARCH 31, 2017

(₹ Lakh)

	Note No.		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS					
Non - current Assets					
Property, Plant and Equipment	2.1		797931	841146	905216
Capital Work-in-progress	2.2		43949	33992	25258
Other Intangible Assets	2.3		59	88	22
Intangible assets under development	2.4		227	113	-
Financial Assets					
Investments	2.5	58906		47047	1138
Loans	2.6	4269		4089	3547
Others	2.7	3		-	-
			63178	51136	4685
Deferred Tax Assets (Net)	2.8		42278	35263	28537
Regulatory Deferral Account Debit Balance	2.9		10152	13274	513
Other Non-current Assets	2.10		22076	16676	15333
Current Assets					
Inventories	2.11		3956	3921	3776
Financial Assets					
Trade Receivables	2.12	61301		100123	137516
Cash and cash equivalents	2.13	77337		121747	48610
Bank Balance other than above	2.14	354159		266662	237022
Loans	2.15	18664		10243	14659
Others	2.16	29217		26991	24094
			540678	525766	461901
Current Tax Assets	2.17		6888	11316	7989
Other Current Assets	2.18		6307	5299	6417
Total Assets			**1537679**	**1537990**	**1459647**
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	2.19		413663	413663	413663
Other Equity	2.20		734720	716124	627852
Liabilities					
Non- current Liabilities					
Financial Liablities					
Borrowings	2.21	222947		246406	245342
Other Financial Liablities	2.22	21		74	32
			222968	246480	245374
Provisions	2.23		4854	8952	7965
Other Non- current Liabilities	2.24		82482	86345	86532
Current Liabilities					
Financial Liablities					
Trade Payables	2.25	2704		1721	1466
Other Financial Liablities	2.26	49931		49420	61470
			52635	51141	62936
Other Current Liabilities	2.27		4066	158	210
Provisions	2.28		22291	15127	15115
Total Equity and Liabilities			**1537679**	**1537990**	**1459647**
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)**	**(Ramesh Narain Misra)**
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03109225

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

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Income			
Revenue from Operations	2.29	246866	249396
Other Income	2.30	65124	40986
Total Income		**311990**	**290382**
Expenses			
Employee Benefits Expense	2.31	25339	21538
Finance Costs	2.32	4570	20896
Depreciation and Amortization Expense	2.33	67998	67716
Other Expenses	2.34	23568	22572
Total Expenses		**121475**	**132722**
Profit before net movement in regulatory deferral account balance and tax		190515	157660
Net movement in regulatory deferral account balance	2.9	(3122)	12761
Profit Before Tax		**187393**	**170421**
Tax Expenses:			
- Current Tax		39994	36413
- Deferred Tax	2.8	(7015)	(6726)
Profit for the period		**154414**	**140734**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
-Remeasurement of the net defined benefit liability/asset		(504)	(110)
-Income tax on above item		108	23
Total		**(396)**	**(87)**
Total Comprehensive Income for the period		**154018**	**140647**
Earnings Per Equity Share (before net movement in regulatory deferral account balance)			
Basic and Diluted (₹)	2.47	3.79	3.16
Earnings Per Equity Share (after net movement in regulatory deferral account balance)			
Basic and Diluted (₹)	2.47	3.73	3.40
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)**	**(Ramesh Narain Misra)**
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03109225

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

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

STATEMENT OF CHANGE IN EQUITY

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total
		Reserves and Surplus		Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Remeasurement of the Net Defined Benefit Asset/ Liability (Net of Tax)		
Changes in equity for the year ended March 31, 2017						
Opening Balance as at April 1,2016	413663	1313	714811	-	716124	1129787
Equity Shares issued during the year	-	-	-	-	-	-
Other Comprehensive Income for the period	-	-	-	(396)	(396)	(396)
Profit for the Period	-	-	154414	-	154414	154414
Dividends						
Final Dividend	-	-	(19442)	-	(19442)	(19442)
Interim Dividend	-	-	(93074)	-	(93074)	(93074)
Dividend Tax						
Final Dividend	-	-	(3958)	-	(3958)	(3958)
Interim Dividend	-	-	(18948)	-	(18948)	(18948)
Closing Balance as at March 31, 2017	**413663**	**1313**	**733803**	**(396)**	**734720**	**1148383**

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total
		Reserves and Surplus		Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Remeasurement of the Net Defined Benefit Asset/ Liability (Net of Tax)		
Changes in equity for the year ended March 31, 2016						
Opening Balance as at April 1,2015	413663	1313	626539	-	627852	1041515
Equity Shares issued during the year	-	-	-	-	-	-
Other Comprehensive Income for the period	-	-	-	(87)	(87)	(87)
Profit for the Period	-	-	140734	-	140734	140734
Dividends						
Final Dividend	-	-	(17374)	-	(17374)	(17374)
Interim Dividend	-	-	(26061)	-	(26061)	(26061)
Dividend Tax						
Final Dividend	-	-	(3635)	-	(3635)	(3635)
Interim Dividend	-	-	(5305)	-	(5305)	(5305)
Closing Balance as at March 31, 2016	**413663**	**1313**	**714898**	**(87)**	**716124**	**1129787**

For and on behalf of the Board of Directors

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

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

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
CASH FLOW FROM OPERATING ACTIVITES			
Profit before tax		187393	170421
Adjustment for:			
Depreciation and amortization	67998		67716
Interest on term deposits	(33324)		(30773)
Dividend from Subsididary / Associate / Joint Venture	(241)		
Finance cost	4570		20896
Loss on disposal/ write off of fixed assets	1		87
Profit on sale of fixed assets	14		-
		39018	57926
Adjustment for assets and liabilities			
Inventories	(35)		(145)
Trade receivable and unbilled revenue	38096		37542
Loans, other financial assets and other assets	(9713)		4875
Trade payable	983		255
Other financial liabilities and other liabilities	3059		1418
Regulatory deferral account debit balance	3122		(12761)
Provisions	2906		999
		38418	32183
Cash generated from operating activities		**264829**	**260530**
Income tax paid		(35458)	(39717)
Net cash generated by operating activities		**229371**	**220813**
CASH FLOW FROM INVESTING ACTIVITIES:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(44161)		(29403)
Term deposits with bank (having maturity more than three months)	(87497)		(29640)
Interest on term deposits	31863		27738
Investment in subsidiaries and joint ventures	(11859)		(45909)
Net cash used in investing activities		**(111654)**	**(77214)**
CASH FLOW FROM FINANCING ACTIVITIES:			
Repayment of borrowings	(48304)		(17126)
Proceed from borrowings	30008		6483
Interest and finance charges	(8409)		(7444)
Dividend Paid	(112516)		(43435)
Tax on Dividend	(22906)		(8940)
Cash used in financing activities		(162127)	(70462)
Net increase in cash and cash equivalents		**(44410)**	**73137**
Opening balance of cash & cash equivalents		**121747**	**48610**
Closing balance of cash & cash equivalents		**77337**	**121747**
Restricted cash balance			
Earmarked Balance (Unpaid Dividend)		86	54
Margin Money for BG/ Letter of Credit and Pledged deposits		5535	128
Total		**5621**	**182**

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

This is the Statement of Cash Flow referred to in our report of even date.

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

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:

The Company has adopted IND AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

The company has prepared its Opening IND AS Balance Sheet as at April 1, 2015 i.e. the Company's date of transition to Ind AS in accordance with the requirements of IND AS 101 ''First-time adoption of Indian Accounting Standards''. The transition was carried out from accounting principles generally accepted in India (''Indian GAAP'') which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit for the year ended March 31, 2016 is disclosed in Note no 2.36 to these financial statements.

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

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

e) An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in 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 estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.
e) The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for. Scrap is accounted for as and when sold.

1.10 Foreign Currency Transactions:

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

b) **Transactions and balances:**

i. Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.
ii. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of fixed assets entered up to March 31, 2016 are adjusted to carrying cost of fixed assets.
The Company has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities.

1.11Financial instruments – initial recognition, subsequent measurement and impairment

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

A) **Financial Assets**

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

Initial recognition and measurement:

i. All financial assets except trade receivables are recognised initially at fair value plus or minus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of profit or loss.
ii. The company measures the trade receivables at their transaction price if the trade receivables do not contain a significant financing component. A receivable is classified as a 'trade receivable' if it is in respect to the amount due from customers on account of goods sold or services rendered in the ordinary course of business.

Subsequent measurement:

i. Financial Assets are measured at amortized cost or fair value through Other Comprehensive Income or fair value through Profit or Loss, depending on its business model for managing those financial assets and the assets contractual cash flow characteristics
ii. After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest rate (EIR) method. EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit and loss.
iii. Financial assets at fair value through other comprehensive income are measured at each reporting date at fair value. Fair value changes are recognized in the other comprehensive income (OCI). However, the company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the financial asset other than equity instruments, cumulative gain or loss previously recognised in OCI is reclassified to the Statement of Profit and Loss.
iv. Any financial asset that does not meet the criteria for classification as at amortized cost or as financial assets at fair value through other comprehensive income, is classified as financial assets at fair value through profit or loss. Financial assets at fair value through profit or loss are fair valued at each reporting date with all the changes recognized in the Statement of Profit and Loss.

Impairment of financial assets:

i. For impairment purposes significant financial assets are tested on an individual basis, other financial assets are assessed collectively in groups that share similar credit risk characteristics.
ii. In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss and follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract assets resulting from transactions within the scope of Ind-AS 11 and Ind-AS 18.
iii. The application of simplified approach does not require the company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.
iv. For recognition of impairment loss on other financial assets, the company assesses whether there has been a significant increase in the credit risk since initial recognition. If credit risk has increased significantly, ECL is provided. For assessing increase in credit risk and impairment loss, the company assesses the credit risk characteristics on instrument-by-instrument basis.
v. Impairment loss allowance (or reversal) recognized during the period is recognized as expense/income in the statement of profit and loss.

Derecognition:

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

B) **Financial liabilities:**

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

Classification, initial recognition and measurement:

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 does not have 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 other non-current financial asset. The interest element of lease is accounted in the Statement of Profit and Loss over the lease period.

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

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

B. Operating lease:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating

leases. In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on the basis of generation from such Plant. The respective leased assets are included in the balance sheet based on their nature.

1.15 Government Grants

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

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

1.16 Borrowing costs

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

1.17 Provisions, Contingent Liabilities and Contingent Assets

a) A provision is recognised when:

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

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

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

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

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

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

e) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

f) Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

1.18 Revenue Recognition and Other Income

a) Revenue from sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission (CERC). In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis. Revenue from sale of energy is recognized once the electricity has been transmitted to customers. As at each reporting date, energy revenue includes an accrual for sales transmitted to customers but not yet billed (unbilled revenue).

b) Rebate to customers as early payment incentive is deducted from the amount of revenue from energy sales.

c) Incentives/disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.

d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the Hydro Power Station, considering the total useful life of the Hydro Power Station as 35 years.

e) Revenue from consultancy services rendered is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/ technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy contracts.

f) Interest/Surcharge on late payment/ overdue sundry debtors for sale of energy are recognised when no significant uncertainty as to measurability or collectability exists.

g) Dividend income is recognized when the company's right to receive payment is established.

h) Interest/surcharge/liquidated damages recoverable from suppliers and contractors, wherever there is uncertainty of realisation/acceptance are accounted for on receipts/ acceptance.

i) Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the effective interest method. Interest income on impaired loans/receivable is recognised using the original effective interest rate.

j) Income arising from sale of CERs-carbon credit is recognized on transfer/ sale of carbon credits i.e. when there is certainty regarding ultimate collection.

k) Compensation from third parties including from insurance are accounted for on certainty of realization.

1.19 Employee Benefits

Employee benefits consist of wages, salaries, benefits in kind, provident fund, pension, gratuity, post-retirement medical facilities, leave benefits and other terminal benefits etc.

a) **Defined Contribution Plans**

i) A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trust and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the periods during which services are rendered by employees.

ii) The company also has Defined Contribution Pension Scheme for providing pension benefit. The obligation of the company is to contribute the extent of amount not exceeding 30% of basic pay and dearness allowance less employer contribution/liability towards provident fund, gratuity, post-retirement medical facility (PMRF). The liability for the same is recognized on accrual basis. The scheme is funded by company and managed by separate trust created for this purpose.

b) **Defined Benefit Plans**

i. A defined benefit plan is a post-employment plan other than a defined contribution plan.

ii. The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI.

iii. The gratuity scheme is funded by the company and is managed by a separate trust. Company's liability is determined by the qualified actuary using the projected unit credit method at the year-end and any shortfall in the fund size maintained by the trust is additionally provided for by the company.

iv. The company has a Retired Employee Health Scheme (REHS), under which retired employees, spouse and eligible parents of retired employee are provided medical facilities in the company hospitals/ empanelled hospitals. They can also avail treatment as Out- patient subject to a ceiling fixed by the Company.

v. The company also has other benefit plans i.e. leave encashment, allowance on retirement/ death and momento on superannuation.

vi. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The liability is ascertained at the year-end by the qualified actuary using the projected unit credit method.

vii. Service cost & net interest on the net defined benefit liability (asset) are recognized in Profit or loss unless another Standard permits inclusion in the cost of asset.

viii. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

c) **Short-term Benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period in which the service is provided.

d) **Terminal Benefits**

Expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes, if any, are charged to the profit and loss in the year of incurrence of such expenses.

1.20 Depreciation and amortization

a) Depreciation on Property, Plant & Equipment of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff in accordance with Schedule-II of the companies act 2013 except for assets specified in policy no. 1.20(c) below.

b) Depreciation on Property, Plant & Equipment of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in policy no. 1.20(c) below.

c) Depreciation on the following items of Property, Plant and Equipment is charged on straight line method on estimated useful life:

i. Computer & Peripherals depreciated fully (100%) in 3 years.

ii. Mobile Phones depreciated fully (100%) in 2 years.

d) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the month on which the asset is available for use / disposed.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization.

f) Assets costing upto ₹5000/- are fully depreciated in the year of acquisition.

g) Expenditure on software recognized as 'Intangible Asset' and is amortized fully on straight line method over a period of legal right to use or three years, whichever is less. Other intangible assets with a finite useful life are amortized on a systematic basis over its useful life.

h) Leasehold land is fully amortized through depreciation over the period of lease or 35 years, whichever is lower, following the rates and methodology notified by CERC for the purpose of fixation of tariff as amended from time to time.

i) Tangible Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

j) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such asset determined following the applicable accounting policies relating to depreciation/ amortization.

k) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon

along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

l) 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 Dividend and interim dividend 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 dividend 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 and Equipment

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation			Net Block		
		As at 01.04.2016	Additions during the year	Deductions/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Deduction	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
1.	**Land**										
	Lease hold Land (including development expenses) #	575	544	-	1119	40	20	-	60	1059	535
	Free hold Land (including development expenses) ##	13266	951	118	14099	-	-	-	-	14099	13266
2.	Buildings $	129545	11093	132	140506	31226	4666	47	35845	104661	98319
3.	Roads and Bridges	6486	269	-	6755	1688	250	-	1938	4817	4798
4.	Plant and Machinery	1638	501	-	2139	772	98	-	870	1269	866
5.	Generating Plant and Machinery*	348759	7655	581	355833	120297	19473	239	139531	216302	228462
6.	Hydraulic Works(Dams, Tunnel, etc.)	807560	1306	389	808477	316881	43241	254	359868	448609	490679
7.	Vehicles	462	48	11	499	205	36	10	231	268	257
8.	Furniture, Fixture and Equipments	1210	820	1	2029	489	90	1	578	1451	721
9.	Electrical Works	2855	346	4	3197	967	165	2	1130	2067	1888
10.	Electrical Equipments	300	88	1	387	112	22	1	133	254	188
11.	Office Equipments	1689	1900	24	3565	655	119	11	763	2802	1034
12.	Data processing Equipments	1345	261	174	1432	1212	111	164	1159	273	133
13.	Capital Assets not owned by Company**	9672	-	-	9672	9672	-	-	9672	-	-
	Total	**1325362**	**25782**	**1435**	**1349709**	**484216**	**68291**	**729**	**551778**	**797931**	**841146**
	Previous Year :	1321775	6520	2933	1325362	416559	67865	208	484216	841146	905216

Lease deed for leasehold land measuring 39-88-05 hectare (P.Y.: Nil) is yet to be executed.

Possession of freehold land measuring 0-05-22 hectare (P.Y.: 0-05-22 hectare) is still to be handed over to the Company.

$ Title deeds/ title in respect of buildings costing ₹15 lakh (P.Y.: ₹15 lakh) are yet to be executed passed in favour of the company. Expenses on stamp duty etc. shall be accounted for on registration.

$ Buildings include Nil (P.Y: ₹127 lakh) being damaged assets for which provision has been made.

* Generating Plant & Machinery includes assets under operating lease having net block of ₹23398 lakh (P.Y.: ₹25075 lakh and ₹26947 lakh as on 01.04.2015), the disclosure of arrangement of lease and terms have been made in note 2.49.

** Capital Assets not owned by Company are on account of enabling assets used for construction of project which have been fully depreciated in the previous years.

2.2 Capital Work-in-progress

(₹ Lakh)

Sl No.	Particulars	As at 01.04.2016	Additions during the year	Transfers/ Adjustments	Total WIP as at 31.03.2017	Capitalised the year	As at 31.03.2017
1	Buildings	12216	2953	(88)	15257	14149	1108
2	Civil Works	14	762	-	776	762	14
3	Roads, Bridges & Culverts	88	246	88	246	220	26
4	Electrical Works	538	403	-	941	497	444
5	Electro Mechanical Works	968	2022	-	2990	1865	1125
6	Preliminary	3521	15410	-	18931	8	18923
7	Expenditure attributable to construction (Refer Note 2.2.1)	16647	5945	-	22592	283	22309
	Total	**33992**	**27741**	**-**	**61733**	**17784**	**43949**
	Previous Year	25258	14487	556	39189	5197	33992

2.2.1 Expenditure Attributable to Construction

(₹ Lakh)

Particulars		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Employee Benefit Expenses:			
Salaries,Wages, Allowances and Benefits	3613		2638
Contribution to Provident and Other Funds	374		268
Leave Salary and Pension Contribution*	136		142
Welfare Expenses	344		184
		4467	3232
Repair and Maintenance:			
Buildings	49		2
Plant & Machinery	2		2
Office Equipments & Furnitures	5		6
Electro Mechanical Works	1		-
Vehicles	12		7
Others	60		49
		129	66
Other Expenses:			
Rent		116	89
Rates & Taxes		-	1
Insurance		1	1
Security Expenses		106	75
Electricity Charges	20		15
Less:- Recovered from Employees & Contractors	-		-
		20	15
Research and Development		7	3
Travelling & Conveyance		76	92
Training and Recruitment Expenses	20		9
Less:- Cost of Application Forms Received	-		-
		20	9
Legal Expenses		2	18
Professional and Consultancy Charges		28	69
Communication Expenses		47	33
Printing & Stationery	14		12
Less: Receipts from Sale of Tenders	2		1
		12	11
Advertisement & Publicity		25	3
EDP Expenses		6	7
Hiring of Vehicles		169	129
Entertainment Expenses		8	4
Expenses on Transit Camps		23	42
Books & Periodicals		2	1
Stores Written Off		1	-
Fees and subscription		132	3
Environment & Ecology Expenses		4	1
Miscellaneous Expenses		31	14
Rehabilitation Expenses		482	-
Depreciation and Amortization Expense		66	78
Total expenses		**5980**	**3996**
Recovery and Receipts:			
Interest Income:			
Banks		1	1
Employees		14	9
Misc Income		20	4
Total		35	14
Net expenditure attributable to construction		**5945**	**3982**

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

2.3 Other Intangible Assets

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Amortization				Net Block	
		As at April 1,2016	Additions during the year	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	For the year	Deduction	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1	Software	441	13	-	454	353	42	-	395	59	88
	Total:	**441**	**13**	**-**	**454**	**353**	**42**	**-**	**395**	**59**	**88**
	Previous Year :	342	99	-	441	320	33	-	353	88	22

2.4 Intangible Assets under Development

(₹ Lakh)

Sl No.	Particulars	As at April 1, 2016	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2017	Capitalised during the year	As at March 31, 2017
1	Software	113	114	-	227	-	227
	Total	**113**	**114**	**-**	**227**	**-**	**227**
	Previous Year	-	113	-	113	-	113

Financial Assets-Non-current

2.5 Investments

(₹ Lakh)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Investment in Equity instrutments			
	Non Trade-Unquoted (at cost)			
(a)	**Subsidiary Companies**			
	436680000(P.Y:436680000) Equity Shares of ₹10/- each in SJVN Thermal Pvt. Ltd.	43668	43668	1
	11056000(P.Y:480000) Equity Shares of ₹62.50/- each in SJVN Arun-3 Power Development Company Pvt. Ltd.	6910	300	300
(b)	**Joint Venture Companies**			
	12610000(P.Y:10320000) Equity Shares of ₹10/- each in Cross Border Power Transmission Company Ltd.	1261	1032	494
	7707(P.Y:7707) Equity Shares of ₹10/- each in Bengal Birbhum Coal Fields Ltd.	1	1	-
	57660000(P.Y:Nil) Equity Shares of ₹10/- each in Kholongchhu Hydro Energy Ltd.	5766	-	-
	Share Application money pending allotment in Kholongchhu Hydro Energy Ltd.	1300	2046	-
	Share Application money pending allotment in Cross Border Power Transmission Company Ltd.	-	-	343
Total Investment in Equity Instruments		58906	47047	1138
Other Investment				
60 Fully Paid up Ordinary shares of ₹50/- each in NJP Employees Consumer Co-operative Store, Jhakri (₹3000/-)		-	-	-
	Total Investments	**58906**	**47047**	**1138**

2.6 Loans

(₹ Lakh)

			As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Security Deposits					
- Secured considered good	-			-	-
- Unsecured considered good	54			33	33
- Doubtful	-			-	-
			54	33	33
Loans to Related Parties					
Loans to Directors					
- Secured considered good	5			11	14
- Unsecured considered good	-			2	5
- Doubtful	-			-	-
			5	13	19
Other Loans					
Loan to officers of the company					
- Secured considered good	15			11	19
- Unsecured considered good	4			4	5
- Doubtful	-			-	-
			19	15	24
Loans to other Employees					
- Secured considered good	3763			2740	2483
- Unsecured considered good	428			1288	988
- Doubtful	-			-	-
			4191	4028	3471
	Total		**4269**	**4089**	**3547**

2.7 Others

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank Deposit with more than 12 months maturity	3	-	-
Total	**3**	-	-

2.8 Deferred Tax Assets (Net)

(₹ Lakh)

	As at April 1, 2016	Additions/ (Adjustments) during the period	As at March 31, 2017
Deferred Tax Assets			
Temporary Difference in Depreciation	33120	8594	41714
Temporary Difference in Expenses	2143	(1579)	564
Total	**35263**	**7015**	**42278**
Previous Year	28537	6726	35263

2.9 Regulatory Deferral Account Debit Balance

(₹ Lakh)

	As at April 1, 2016	Movement during the year	As at March 31, 2017
Foreign exchange rate variation on foreign currency loans regarded as borrowing cost	13274	(5558)	7716
Employee benefits expense (pay revision)	-	2436	2436
Total	**13274**	**(3122)**	**10152**
Previous Year:	513	12761	13274

2.10 Other Non - current Assets

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances			
Advances to Suppliers and Contractors			
Secured by hypothecation of Equipment/Material	-	166	928
Unsecured considered good			
-Covered by Bank Guarantees	95	436	790
-Others	1366	384	595
Advances to Govt Departments / Organisations	18422	13803	11239
Total	**19883**	**14789**	**13552**
Others			
Material at Site (Capital)	235	-	-
Prepaid Expenses	1	2	3
Deferred Empoyee Benefits Expense	1957	1885	1778
Total - Others	2193	1887	1781
Total	**22076**	**16676**	**15333**

Current Assets

2.11 Inventories

(₹ Lakh)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loose Tools	37		21	11
Stores and Spares	3923		3904	3769
		3960	3925	3780
Less : Provision for Shortage of store and Obsolescence		4	4	4
Total		**3956**	**3921**	**3776**

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

Financial Assets- Current

2.12 Trade Receivables

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured consisdered good	-	-	-
Unsecured considered good	61301	100123	137516
Total	**61301**	**100123**	**137516**
Trade receivables due from Related Parties: Nil (P.Y.: Nil)			

2.13 Cash and Cash Equivalents

(₹ Lakh)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks				
Current Accounts	932		2886	3665
Term Deposits (having original maturity of upto 3 months)	76405		118859	44945
		77337	121745	48610
Cheques & Drafts in hand		-	2	-
Total		**77337**	**121747**	**48610**

2.14 Other Bank Balances

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Earmarked Balance (Unpaid Dividend)	86	54	47
Margin Money for BG/ Letter of Credit and Pledged deposits	5535	128	1309
Other Term Deposits(having original maturity of more than 3 months)	348538	266480	235666
Total	**354159**	**266662**	**237022**

2.15 Loans

(₹ Lakh)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Loans to Related Parties				
Loans to Directors				
- Secured considred good	5		5	5
- Unsecured considered good	1		5	4
		6	10	9
Loans to Other Related Parties				
Subsidiaries/joint ventures:				
- Unsecured considered good		17691	9389	13834
Other Loans				
Loan to officers of the comapany:				
- Secured considered good	8		11	15
- Unsecured considered good	6		1	1
- Doubtful	-		-	-
		14	12	16
Loans to other Employees				
- Secured considered good	431		394	382
- Unsecured considered good	136		206	191
		567	600	573
Other Advances:				
Unsecured considered good				
-Directors	1		-	-
-Oficers of the Company	-		-	1
-Other Employees	385		232	226
		386	232	227
Total		**18664**	**10243**	**14659**

2.16 Other Financial Assets

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest Accrued but not due on deposits with Banks	13486	12025	8990
Unbilled Revenue	14103	13377	13526
Amount Receivable from Others	82	-	-
Amount Recoverable from Contractor & Suppliers	1305	1589	1578
Dividend Receivable	241	-	-
Total	**29217**	**26991**	**24094**

2.17 Current Tax Assets (Net)

(₹ Lakh)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance Tax Deposit	164350		132279	95679
Tax deducted at Source	13497		10110	6993
		177847	142389	102672
Less:Provision for Tax		170959	131073	94683
Total		**6888**	**11316**	**7989**

2.18 Other Current Assets

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
Advances other than Capital Advances				
Other Advances				
Advances to Officers of the Company	-		-	-
Advances to other employees of the Company	10		-	-
		10	-	-
Advance to Suppliers and Contractors				
- Unsecured considered good	61		63	63
-Doubtful	10		10	10
	71		73	73
Less Provision for Doubtful Advances	10		10	10
		61	63	63
Advances to Govt Departments				
- Unsecured considered good*	3355		2776	3521
Less Provision for Expenditure	1738		1361	2064
		1617	1415	1457
Advances to Others				
- Unsecured considered good		103	37	1712
Others				
Surplus Stores/Equipments	1463		1462	1438
Less: Provision for Shortage/ Obsolescence	1154		1154	1131
		309	308	307
Prepaid Expenses		3914	3170	2601
Deferred Empoyee Benefits Expense		293	306	277
Amount Recoverable from Ex-Employees	7		7	7
Less: Provisions	7		7	7
		-	-	-
Total		**6307**	**5299**	**6417**

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

2.19 Equity Share Capital

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Equity Shares of par value ₹10/- each	7000000000	700000	7000000000	700000	7000000000	700000
ISSUED, SUBSCRIBED AND FULLY PAID UP						
Equity Shares of par value ₹10/- each fully paid up	4136626500	413663	4136626500	413663	4136626500	413663
Total		**413663**		**413663**		**413663**

The Company has only one class of equity shares having par value of ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.
During the year, the Company has paid interim dividend @ ₹2.25 (P.Y.: ₹0.63) and final dividend for the year 2015-16 @ ₹0.47 (P.Y.: ₹0.42) per equity share of par value ₹10/- each. The Board of Directors of the company have proposed final dividend for the year 2016-17 @ ₹0.50 (P.Y.: ₹0.47) per equity share of par value ₹10/- each amounting to ₹20683 lakh (P.Y.: ₹19442 lakh).

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Name of the shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
Government of India (GoI)	2666611700	64.46	2666611700	64.46	2666611700	64.46
Government of Himachal Pradesh (GoHP)	1055014800	25.51	1055014800	25.51	1055014800	25.51

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

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Particulars	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Number of shares at the beginning	4136626500	413663	4136626500	413663	4136626500	413663
No. of shares issued during the year	-	-	-	-	-	-
Number of shares at the end	4136626500	413663	4136626500	413663	4136626500	413663

2.20 Other Equity

(₹ Lakh)

		As at March 31, 2017	As at March 31, 2016
A	**Securities Premium Reserve**	1,313	1,313
B	**Retained Earnings**		
	Opening Balance	**714811**	**626539**
	Add: Profit for the Year as per Statement of Profit and Loss	154414	140734
	Add: Other comprehensive income during the year	(396)	(87)
		868829	**767186**
	Less: Appropriations		
	Dividend		
	Final Dividend	19442	17374
	Interim Dividend	93074	26061
	Tax on Dividend:		
	Final Dividend	3958	3635
	Interim Dividend	18948	5305
	Closing Balance	**733407**	**714811**
	Total Other Equity(A + B)	**734720**	**716124**

During the year, the Company has paid interim dividend @ ₹2.25 (P.Y.: ₹0.63) and final dividend for the year 2015-16 @ ₹0.47 (P.Y.: ₹0.42) per equity share of par value ₹10/- each. The Board of Directors of the company have proposed final dividend for the year 2016-17 @ ₹0.50 (P.Y.: ₹0.47) per equity share of par value ₹10/- each amounting to ₹20683 lakh (P.Y.: ₹19442 lakh).

Non-current Financial Liabilities

2.21 Borrowings

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Term Loans			
From Banks:			
A Secured #			
Axis Bank Limited (Repayable in quarterly instalments from March 2017 to December 2023, carrying interest@ 8.05% p.a. reset after every three months)	25568	-	-
State Bank of India (Repayable in quarterly instalments from March 2015 to December 2023, carrying interest@ Base Rate + fixed spread of 0.65% p.a. payable monthly)	-	30008	27965
Total (A)	**25568**	**30008**	**27965**
#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) (Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)	197379	216398	217377
Total (B)	**197379**	**216398**	**217377**
Total (A+B)	**222947**	**246406**	**245342**

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

2.22 Other Financial Liabilities

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposits, Retention Money from Contractors and Others	21	74	32
Total	**21**	**74**	**32**

2.23 Non-current Provisions

(₹ Lakh)

Particulars	As at April 1, 2016	For the year			As at March 31, 2017
		Additions	Write Back/Trf./Adj.	Utilization	
Unfunded Employee Benefits					
Leave Encashment	4752	-	4752	-	-
Post Retirement Medical	4013	655	-	60	4608
Other Retirement Benefits	187	81	-	22	246
Total	**8952**	**736**	**4752**	**82**	**4854**
Previous Year	7965	1431	-	444	8952

2.24 Other Non-current Liabilities

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others:			
Government Grant	19	-	-
Deferred Income from Foreign Currency Fluctuation	1221	1410	1597
Advance Against Depreciation	81242	84935	84935
Total	**82482**	**86345**	**86532**

2.25 Trade Payables

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Micro and Small Scale Enterprises	7	16	23
Others	2697	1705	1443
Total	**2704**	**1721**	**1466**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.55.

2.26 Other Financial Liablities-Current

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
Current Maturities of Long Term debt				
Secured				
- Rupee Term Loans	4440		4440	4440
Unsecured				
- Foreign Currency Loans (Guaranteed by GOI)	14255		13768	12287
		18695	18208	16727
Interest Accrued but not due on:				
- Foreign Currency Loans : World Bank	1498		661	373
- Rupee Term Loans	-		-	-
		1498	661	373
Unpaid Dividend		86	54	47
Others Payables:				
-Liability for Employees' Remuneration and Benefits		4171	3740	2723
Liability for Purchase/Construction of Fixed Assets:				
- Micro and Small Scale Enterprises		-	68	96
- Others		7559	11715	18418
Deposits, Retention Money from Contractors and Others		15844	14172	22484
Amount Payable to Gratuity Trust		1523	199	371
TDS and Other Taxes Payable		546	574	222
Others		9	29	9
Total		**49931**	**49420**	**61470**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.55.
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 2.21.

2.27 Other Current Liablities

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Revenue Received in Advance:			
Advance against Depreciation	3693	-	-
Others	373	158	210
Total	**4066**	**158**	**210**

2.28 Provisions

(₹ Lakh)

Particulars	As at April 1, 2016	For the year			As at March 31, 2017
		Additions	Write Back/Trf/Adj	Utilization	
(A) Unfunded Employee Benefits					
Leave Encashment	402	2435	(4752)	623	6966
Post Retirement Medical	81	92	-	81	92
Other Retirement Benefits	9	9	-	9	9
Total (A)	492	2536	(4752)	713	7067
(B) Others:					
Pay Revision	56	1021	-	58	1019
Performance Related Pay	1906	2815	-	1678	3043
Interest on Arbitration Awards	9391	947	-	-	10338
Others	3282	-	-	2458	824
Total (B)	14635	4783	-	4194	15224
Total (A) + (B)	**15127**	**7319**	**(4752)**	**4907**	**22291**
Previous Year	15115	2961	-	2949	15127

2.29 Revenue from Operations

(₹ Lakh)

	For the Year Ended March 31, 2017		For the Year Ended March 31, 2016
Sales			
Energy Sales	243686		247886
Less:			
Regulated Power Adjustment- Margin	1497		4423
Regulated Power Adjustment- Expenses	357		730
		241832	242733
UI Charges		1937	2939
RLDC Charges		62	207
Exchange Rate Variation recoverable from beneficiaries		1019	440
Revenue from Sales		244850	246319
Less : Rebate to Customers		244	245
Total Revenue from Sales		**244606**	**246074**
Other operating revenues:			
Sale from Wind Power		2120	3054
Consultancy Income		140	268
Total Other Operating Revenues		**2260**	**3322**
Total Revenue from Operations		**246866**	**249396**

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

CERC vide its order dated 27.01.2015 have provisionally determined the tariff of Rampur Hydro Power Station (RHPS) for the period 2014-16. Further, CERC vide its order dated 15.02.2017 has directed that the interim tariff granted by order dated 27.01.2015 in respect of RHPS shall continue to be in force till the tariff of the generation station for the 2014-19 is determined. The sales/billing to the beneficiaries have been made in accordance with the above order.

During the year, the Company has regulated the power of BYPL and J&K (P.Y.: BRPL, BYPL and J&K) after these companies failed to pay outstanding dues and sold the power allocated to these companies through PTC as per CERC (Regulations of Power Supply) Regulations, 2010. Accordingly 175.250 MUs (P.Y.: 348.334 MUs) of power was sold through PTC amounting to ₹4322 lakh (P.Y.: ₹9764 lakh) and included in Energy Sales. An amount of ₹1497 lakh (P.Y. : ₹4423 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹357 lakh (P.Y.: ₹730 lakh) on Sale through PTC.

2.30 Other Income

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Interest Income			
Banks	33324		30773
Employees	454		396
Contractors	835		5
Beneficiaries*	9064		7110
		43677	38284
Other Non-Operating Income			
Interest on Income Tax Refund		468	-
Receipt of Maintenance of ICF		224	294
Surcharge on late payment from customers		12001	1455
Dividend from Subsidiary / Associate / Joint Venture		241	-
Foreign Currency Fluctuation Adjustment		189	187
Sale of Scrap		17	17
Sales of Carbon Credit		6453	-
Miscellaneous Income #		1854	749
Total		**65124**	**40986**

* Interest from Beneficiaries is on account of arrear billing made to the beneficiaries subsequent to provisional determination of tariff for the period 2009-14 vide CERC order dated 20.06.2014.

# Details of Miscellaneous Income:			
Hire Rental Charges from Contractor		2	5
Profit on Sale of Fixed Assets		17	-
Rent Recovery from Staff/Others		58	71
Excess Provision Written Back		23	65
Sundry Credit Balances Written Back		1175	-
Liquidated Damages recovered		144	124
Claim Received from Insurance Company		326	380
Other Misc. Receipts		109	104
Total		**1854**	**749**

2.31 Employee Benefits Expense

(₹ Lakh)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Salaries,Wages, Allowances and Benefits	19893	16928
Contribution to Provident and Other Funds	3083	2105
Leave Salary and Pension Contribution*	647	643
Welfare Expenses	1716	1862
Total	**25339**	**21538**

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

2.32 Finance Costs

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Interest Expenses on:			
Foreign Currency Loans	2958		1435
Rupee Term Loans	3240		3633
Exchange differences regarded as adjustment to borrowing costs.	(4676)		13163
		1522	18231
Other Borrowing Costs			
Finance Charges		3048	2665
Total		**4570**	**20896**

2.33 Depreciation and Amortization Expense

(₹ Lakh)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Depreciation for the Year	68333	67898
Less: Depreciation attributable to Construction	66	78
Less: Depreciation written back	269	104
Depeciation Charged to Statement of Profit & Loss	**67998**	**67716**

2.34 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Repair and Maintenance:			
Buildings	1133		817
Roads	724		984
Plant & Machinery	584		619
Office Equipments & Furnitures	39		27
Civil Works	827		867
Electro Mechanical Works	2892		2339
Vehicles	97		96
Others	342		207
		6638	5956
Rent		917	1082
Rates & Taxes		29	9
Insurance		4355	4420
Security Expenses		2256	2004
Electricity Charges	1297		976
Less:- Recovered from Employees & Contractors	40		52
		1257	924
Research and Development		64	276
Travelling & Conveyance		379	407
Training and Recruitment Expenses	215		232
Less:- Cost of Application Forms Received	8		-
		207	232
Legal Expenses		143	172
Professional and Consultancy Charges		132	255
Communication Expenses		196	193
Printing & Stationery	95		116
Less: Receipts from Sale of Tenders	22		21
		73	95
Payment to Auditors		23	27
Advertisement & Publicity		255	162
EDP Expenses		104	106
Hiring of Vehicles		737	721
Entertainment Expenses		34	38
Expenses on Transit Camps		105	69
Books & Periodicals		12	13
C.S.R./ Sustainable Development Expenses		3394	3047
Stores Written Off		8	25
Loss on Disposal/Write off of Fixed Assets		1	87
Directors Sitting Fees		14	3
Business Promotion Expenses		109	74
Fees and subscription		248	388
Environment & Ecology Expenses		153	77
Safety Expenses		434	382
Interest on arbitration awards		948	948
Miscellaneous Expenses		277	165
Exchange Rate Variation		(49)	215
Project Inaugration Expenses		115	-
Expenses on Regulated Power	357		730
Less: Regulated Power Adjustment - Sales	357		730
		-	-
Total		**23568**	**22572**
Stores Consumption Included in Repairs and Maintenance		**1931**	**1182**

NOTE-2.35 : Disclosure on Financial Instruments and Risk Management

(1)Fair Value Measurement

A) Financial Instruments by category

(₹ Lakh)

Particulars	Note No.	As at March 31, 2017 Amortised Cost	As at March 31, 2016 Amortised Cost	As at April 1, 2015 Amortised Cost
Financial assets				
Non-current Financial assets				
(i) Non-current investments				
-In Equity Instrument (Unquoted)	2.5	58,906	47,047	1,138
(ii) Loans (to employee & others)	2.6	4,269	4,089	3,547
(iii) Others		-	-	-
-Bank Deposits with more than 12 Months Maturity	2.7	3	-	-
Current Financial assets				
(i) Trade and other receivables	2.12	61,301	1,00,123	1,37,516
(ii) Cash and cash equivalents	2.13	77,337	1,21,747	48,610
(iii) Bank balances other than (ii) above	2.14	3,54,159	2,66,662	2,37,022
(iv) Short-term loans (to employee & others)	2.15	18,664	10,243	14,659
(v) others				
(a) Amount recoverable	2.16	1,387	1,589	1,578
(b) interest receivable on investments and bank deposits	2.16	13,486	12,025	8,990
(c) other receivables	2.16	14,344	13,377	13,526
Total Financial Assets		**6,03,856**	**5,76,902**	**4,66,586**
Financial Liabilities				
Non-current Financial Liabilities				
(i) Long-term borrowings				
a) Term Loan From Domestic Bank	2.21	25,568	30,008	27,965
b) Term Loan from others	2.21	1,97,379	2,16,398	2,17,377
(ii) Deposits/Retention Money Non-current	2.22	21	74	32
Current Financial Liabilities				
(iii)Trade Payables including MSMED	2.25	2,704	1,721	1,466
(iv) Other Current financial liabilities				
a) Current Maturity of Term Loan from Domestic bank	2.26	4,440	4,440	4,440
b) Current Maturity of Term Loan from others	2.26	14,255	13,768	12,287
c) interest accrued but not due on borrowings	2.26	1,498	661	373
d) Deposits/Retention Money	2.26	15,844	14,172	22,484
e) Liability against Capital Works/Supplies	2.26	7,559	11,783	18,514
f) Other Payables	2.26	6,335	4,596	3,372
Total Financial Liabilities		**2,75,603**	**2,97,621**	**3,08,310**

Note:The company does not classify any financial asset/financial liability at fair value through profit or loss (FVTPL) & fair value through other comprehensive income (FVTOCI).

B) FAIR VALUATION MEASUREMENT

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has to classifiy its financial instruments into the three levels prescribed under the accounting standards.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date. The company has no financial instruments that are listed and traded in recongised Stock exchanges.
Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes security deposits/ retention money and loans at below market rates of interest.
Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:

(₹ Lakh)

		As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI										
(i) Investments-										
- In Equity Instrument (Quoted)		-	-	-	-	-	-	-	-	-
- In Government Securities		-	-	-	-	-	-	-	-	-
- In Public Sector Undertaking/Public Financial Institution & Corporate Bonds		-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-

Note:

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

(₹ Lakh)

		As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets										
(i) Loans (to employee & others)	2.6 & 2.15	-	22,933	-	-	14,332	-	-	18,206	-
(ii) Others -Bank Deposits with more than 12 Months Maturity	2.7	3	-	-	-	-	-	-	-	-
Total Financial Assets		**3**	**22,933**	**-**	**-**	**14,332**	**-**	**-**	**18,206**	**-**
Financial Liabilities										
(i) Long-term borrowings (including Current Maturity and interest)	2.21 & 2.26	-	2,43,140	-	-	2,65,275	-	-	2,62,442	-
(ii) Deposits/Retention Money (including Current)	2.22 & 2.26	-	15,865	-	-	14,246	-	-	22,516	-
Total Financial Liabilities		**-**	**2,59,005**	**-**	**-**	**2,79,521**	**-**	**-**	**2,84,958**	**-**

C) Assets for which fair values are disclosed

(₹ Lakh)

		As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(i) Investment Property		-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-

(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 avai able. Specific valuation techniques used to determine fair value of financial instruments includes:

-Use of Quoted market price or dealer quotes for similar intruments.

- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

The company has a team that performs the valuation of financial assets and liabilities required for financial reporting purpose .

(iii) Fair value of Financial Assets and liabilities measured at Amortised Cost

(₹ Lakh)

	Note No.	As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortised Cost							
(i) Loans	2.6 & 2.15	24,890	22,933	16,217	14,332	19,984	18,206
(ii) Bank Deposits with more than 12 Months Maturity	2.7	3	3	-	-	-	-
Total Financial Assets		**24,893**	**22,936**	**16,217**	**14,332**	**19,984**	**18,206**
Financial Liabilities at Amortised Cost							
(i) Long-term borrowings (incldng Current Maturity and interest)	2.21 & 2.26	2,43,140	2,43,140	2,65,275	2,65,275	2,62,442	2,62,442
(ii) Deposits/Retention Money (including Current)	2.22 & 2.26	15,868	15,865	14,253	14,246	22,518	22,516
Total Financial Liabilities		**2,59,008**	**2,59,005**	**2,79,528**	**2,79,521**	**2,84,960**	**2,84,958**

Significant Estimates:

The fair value of financial instruments that are not traded in an active market is 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. Deposits/ Retention money are fair valued using the domestic borrowing rate applicable to the company at the year end .

(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 copany is exposed to credit risk from its operating activties (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, 2017 and 31st March, 2016.

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 @ 1.5% percent per month. Considering the fact that the average return on short-term investments of the Company as on 31.03.2017 is 7.01% p.a., the interest recovered by way of surcharge 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 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 date 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, 2.26 and 2.27 of Balance Sheet)

As at 31st March, 2017

(₹ Lakh)

Contratual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2017	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Years & Less than 5 Years	More than 5 Years
1. Borrowings (including interest accrued but not due)	2.21 & 2.26	2,43,140	18,695	39,930	43,665	1,40,850
2. Other financial liabilities	2.26	29,759	29,738	21	-	-
3. Trade Payables	2.25	2,704	2,704	-	-	-
Total Financial Liabilities		**2,75,603**	**51,137**	**39,951**	**43,665**	**1,40,850**

As at 31st March, 2016

(₹ Lakh)

Contratual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2016	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)	2.21 & 2.26	2,65,275	18,208	38,880	42,485	1,65,702
2. Other financial liabilities	2.26	30,625	30,551	74	-	-
3. Trade Payables	2.25	1,721	1,721	-	-	-
Total Financial Liabilities		**2,97,621**	**50,480**	**38,954**	**42,485**	**1,65,702**

As at 1st April, 2015

(₹ Lakh)

Contratual maturities of financial liabilities	Note No.	Outstanding Debt as on 01.4.2015	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)	2.21 & 2.26	2,62,442	16,727	35,649	38,865	1,71,201
2. Other financial liabilities	2.26	44,402	44,370	32	-	-
3. Trade Payables	2.25	1,466	1,466	-	-	-
Total Financial Liabilities		**3,08,310**	**62,563**	**35,681**	**38,865**	**1,71,201**

(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 and accordingly not subject to interest rate risk as definned 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	31.03.2017	31.03.2016	01.04.2015
Variable Rate Borrowings	241642	264614	262069
Fixed Rate Borrowings	-	-	-
Total	**241642**	**264614**	**262069**

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	31.03.2017	31.03.2016
Effect on PAT with rise of 25 basis points	(475)	(520)
Effect on PAT with rise of 50 basis points	(950)	(1,041)

(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 :

(₹ Lakh)

Particulars	31.03.2017	31.03.2016	01.04.2015
Foreign Currency	**USD**	**USD**	**USD**
Net Exposure to foreign currency risk (asset)	-	-	-
Financial Liabilities:			
Foreign currency loan including interest accrued but not due (₹ Lakh)	213132	230827	230037
Net Exposure to foreign currency risk (liabilities)	**213132**	**230827**	**230037**

i. The above foreign currency risk exposure is for foreign currency loans taken for construction of Rampur Hydro Power Station from World Bank. As per accountig policy of the company, transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

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

The Company has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities. However, there is no impact on the Profit & Loss of the company due to change in foreign currency rates as the same is the pass through item to the beneficiaries as per CERC guidlines applicable to the period 2014-19.

(3) Capital Management

(a) Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No

changes were made in the objectives, policies or processes during the year ended 31st March, 2017.

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, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
(a) Loans and borrowings	2,43,140	2,65,275	2,62,442
(b) Trade & other payables	2,704	1,721	1,466
(c) Less : Cash and cash equivalent	77,337	1,21,747	48,610
(d) Net Debt (a+b-c)	1,68,507	1,45,249	2,15,298
(e) Total Capital	11,48,383	11,29,787	10,41,515
(f) Capital and net debt (d+e)	13,16,890	12,75,036	12,56,813
Gearing Ratio (d/f)	13%	11%	17%

Note: For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(b) Loan Covenents:

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

1. Company shall maintain credit rating AA and if rating comes down, rate of interest shall be increased by 65 basis point for each notch below AA rating in accordance with the applicable rates.
2. Debt to net worth should not exceed 2:1.

During the year the company has complied with the above loan covenants.

(c) Dividends:

(₹ Lakh)

	As at March 31, 2017	**As at March 31, 2016**
(i) Equity Shares Final dividend for the year 2015-16 of ₹0.47 per fully paid share approved in Sep-2016. (31st March 2016-₹0.42 per fully paid share for FY 2014-15).	19442	17374
Interim dividend for the year ended 31st March, 2017 of ₹2.25 per fully paid share NIL (31st March 2016-₹0.63 per fully paid share).	93074	26061
(ii) Dividend not recognised at the end of the reporting period	-	-

Note No. 2.36 :First Time adoption of IND AS

Transition from IGAAP to IND AS

The Company has adopted IND AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

For periods upto and including the year ended 31 March, 2016, the Company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Company has prepared IND AS compliant financial statements for period ending on 31st March, 2017. In preparing these financial statements, the Company has prepared opening IND AS balance sheet as at 1 April, 2015 the Company's date of transition to Ind-AS in accordance with requirement of IND AS 101, First time adoption of Indian Accounting Standards.The principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 are quantified and explained in detail as Annexure I &II to this Note . However the basic approach adopted is again summarized hereunder:

i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.

ii) All non-current financial assets/liabilities at below market rate of interest or zero interest and outstanding as on 01.04.2015 have been measured at fair value.

- Loans to employee such as house building advance, car advance, computer advance and scooter advance which are below market interest rate have been fair valued using discounted cash flow method. The interest rate used for valuing the above advances for income tax purpose (level 3 input) have been used as discount rate.

iii) In accordance with IND AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to IND AS.

iv) The estimates as at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with IGAAP.

v) IND AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under IND AS. Accordingly, the company has availed the following exemptions as per IND AS 101:

i) Optional exemptions:

a) Deemed Cost for Property, Plant & Equipment:

Property, Plant and Equipment up to March 31, 2015 were carried in the balance sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by IND AS 101, "First time adoption of IND ASs" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

Under the previous GAAP, as per AS 11, the effect of changes in foreign exchange rates, provided an alternate accounting treatment to Companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of depreciable asset, which would then be depreciated over the balance life of the asset. Ind AS 101 allows an exemption for the first time adopter to continue the above accounting treatment in respect of the long term foreign currency monetary items recognized in the financial statements for the period ended immediately before the beginning of the first Ind AS financial reporting period.

b) Designation & Fair value measurement of financial assets or financial liabilities at initial recognition: Ind AS 101 allows an entity to designate investment in equity instruments at FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of IND AS 109 to transactions entered into on or after date of transition.

Company has not retrospectively applied the amortized cost method for outstanding borrowings as on 01.04.2015 as it is impracticable to apply the same in line with para B8C of Ind AS 101. The impact of which is immaterial.

c) Investment in Subsidiaries and joint ventures: The Company has decided to avail the exemption with regard to measuring the investment in subsidiaries and joint venture as at date of transition at deemed cost which is previous GAAP carrying amount at that date.

d) Leases: Appendix C to Ind AS 17- Leases requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, the assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such arrangements/contracts.

ii) Mandatory exemptions:

a) Estimates: An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

Annexure-I to Note-2.36

(A) Reconciliation of Equity

(₹ Lakh)

Sl No.	Particulars	Note No.	As at 31st March 2016			As at 01st April 2015		
			Previous GAAP	Adjustments	IND AS	Previous GAAP	Adjustments	IND AS
	ASSETS							
(1)	**NON-CURRENT ASSETS**							
a)	Property Plant & Equipment	2.1	8,41,146	-	8,41,146	9,05,216	-	9,05,216
b)	Capital Work-in-progress	2.2	33,992	-	33,992	25,258	-	25,258
c)	Other Intangible Assets	2.3	88	-	88	22	-	22
d)	Intangible Assets Under Development	2.4	113	-	113	-	-	-
e)	**Financial Assets**							
	i) Investments	2.5	47,047	-	47,047	1,138	-	1,138
	ii) Loans	2.6	-	4,089	4,089	-	3,547	3,547
	iii) Others	2.7	-	-	-	-	-	-
f)	Deferred Tax Assets (Net)	2.8	35,263	-	35,263	28,537	-	28,537
g)	Regulatory Deferral Account Debit Balances	2.9	13,274	-	13,274	513	-	513
h)	Other Non Current Assets	2.10	20,825	(4,149)	16,676	18,982	(3,649)	15,333
(2)	**CURRENT ASSETS**							
a)	Inventories	2.11	3,865	56	3,921	3,678	98	3,776
b)	**Financial Assets**							
	i) Trade Receivables	2.12	1,13,200	(13,077)	1,00,123	1,50,708	(13,192)	1,37,516
	ii) Cash & Cash Equivalents	2.13	1,21,747	-	1,21,747	48,610	-	48,610
	iii) Bank balances other than (ii) above	2.14	2,66,662	-	2,66,662	2,37,022	-	2,37,022
	iv) Loans	2.15	-	10,243	10,243	-	14,659	14,659
	iv) Others	2.16	-	26,991	26,991	-	24,094	24,094
c)	Current Tax Assets (Net)	2.17	-	11,316	11,316	-	7,989	7,989
d)	Other Current Assets	2.18	40,774	(35,475)	5,299	39,761	(33,344)	6,417
	TOTAL ASSETS		**15,37,996**	**(6)**	**15,37,990**	**14,59,445**	**202**	**14,59,647**
	EQUITY AND LIABILITIES							
(1)	**EQUITY**							
(a)	Equity Share Capital	2.19	4,13,663	-	4,13,663	4,13,663	-	4,13,663
(b)	Other Equity	2.20	6,92,723	23,401	7,16,124	6,06,641	21,211	6,27,852
(2)	**LIABILITIES**							
	NON-CURRENT LIABILITIES							
a)	Financial Liabilities							
	i) Borrowings	2.21	2,46,406	-	2,46,406	2,45,342	-	2,45,342
	ii) Other financial liabilities other than those specified in item i & ii	2.22	-	74	74	-	32	32
b)	Provisions	2.23	8,952	-	8,952	7,965	-	7,965
c)	Other non-current Liabilities	2.24	86,426	(81)	86,345	86,566	(34)	86,532
(3)	**CURRENT LIABILITIES**							
a)	**Financial Liabilities**							
	i) Trade Payables	2.25	1,721	-	1,721	1,464	2	1,466
	ii) Other financial liabilities (other than those specified in item i & ii)	2.26	-	49,420	49,420	-	61,470	61,470
b)	Other Current Liabilities	2.27	49,578	(49,420)	158	61,680	(61,470)	210
c)	Provisions	2.28	38,527	(23,400)	15,127	36,124	(21,009)	15,115
	TOTAL EQUITY & LIABILITIES		**15,37,996**	**(6)**	**15,37,990**	**14,59,445**	**202**	**14,59,647**

(B) RECONCILIATION OF TOTAL COMPREHENSIVE INCOME

(₹ Lakh)

Particulars		Note No.	As at 31st March 2016		
			Previous GAAP	Adjustments	IND AS
INCOME					
i)	Revenue from Operations	2.29	2,49,849	(453)	2,49,396
ii)	Other Income	2.30	40,972	14	40,986
	TOTAL INCOME		**2,90,821**	**(439)**	**2,90,382**
EXPENSES					
i)	Generation, Administration and Other Expenses	2.34	22,819	(247)	22,572
ii)	Employee Benefits Expense	2.31	21,640	(102)	21,538
iii)	Finance Cost	2.32	20,895	1	20,896
iv)	Depreciation & Amortization Expense	2.33	67,716	-	67,716
	TOTAL EXPENSES		**1,33,070**	**(348)**	**1,32,722**
	Prior Period Items				-
Profit before Exceptional items, Rate Regulated Activities and Tax			1,57,751	(91)	1,57,660
	Exceptional items		-	-	-
PROFIT BEFORE TAX			1,57,751	(91)	1,57,660
	Tax Expenses				
i)	Current Tax		33,667	23	33,690
ii)	Deferred Tax	2.8	(6,726)	-	(6,726)
	Total Tax Expenses		**26,941**	**23**	**26,964**
PROFIT FOR THE PERIOD BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES			**1,30,810**	**(114)**	**1,30,696**
	Net movement in regulatory deferral account balance	2.9	12,761	-	12,761
	Impact of Tax on Regulatory Deferral Accounts		2,723	-	2,723
	Net movement in regulatory deferral account balance (Net of Tax)		10,038	-	10,038
PROFIT FOR THE PERIOD AFTER NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES.			**1,40,848**	**(114)**	**1,40,734**
	Profit for the period from continuing operations		**1,40,848**	**(114)**	**1,40,734**
	Profit from discontinued operations		-	-	-
	Tax expense of discontinued operations		-	-	-
	Profit from discontinuing operations after tax		**-**	**-**	**-**
II	**OTHER COMPREHENSIVE INCOME**				
A	**(i) Items that will not be reclassified to profit or loss**				
	- Remeasurements of the defined benefit plans		-	(110)	(110)
	Less: Income Tax on remeasurements of the defined benefit plans		-	23	23
	- Equity Investment		-	-	-
	Less: Income Tax on Equity Investment		-	-	-
B	**(i) Items that will be reclassified to profit or loss**				
	- Investment in Debt Instruments		-	-	-
	Less: Income Tax on investment in Debt Instruments		-	-	-
	Other Comprehensive Income (A+B)		-	(87)	(87)
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (I+II)		**1,40,848**	**(201)**	**1,40,647**

Annexure-II to Note-2.36

(A) RECONCILIATION STATEMENT OF TOTAL EQUITY

(₹ Lakh)

Particulars	31st March 2016	1st April 2015
Total Equity(Shareholder's Fund) as per Previous GAAP	**11,06,386**	**10,20,304**
Adjustments :		
Impact of arrangements/contracts containing a lease	-	-
Fair valuation of Investments	-	-
Fair valuation of Financial Assets and Financial liabilities other than investments	1	-
Discounting of Provisions	-	-
Proposed Dividend & Tax on Dividend	23,400	21,009
Change in policy for recognition of Property, Plant & Equipment (PPE)	-	-
Rectification of Depreciation	-	-
Investments-adjustment of transaction cost (premium/discount)	-	-
Remeasurement of defined Benefit plan-Tax effect	-	-
Tax effect of adjustments	-	-
Prior Period Adjustment	-	202
Total Adjustments	**23,401**	**21,211**
Total equity as per IND AS	**11,29,787**	**10,41,515**

(B) RECONCILIATION STATEMENT OF TOTAL COMPREHENSIVE INCOME

(₹ Lakh)

Particulars	31st March 2016
Profit after tax as per Previous GAAP	**140,848**
Adjustments:	
Impact of arrangements/contracts containing a lease	-
Fair valuation of Financial Assets and Financial liabilities other than investments	1
Discounting of Provisions	-
Change in policy for recognition of Property, Plant & Equipment (PPE)	-
Impact of Prior Period items transferred to Opening reserves	(202)
Remeasurement of defined benefit plan	110
Tax effect of adjustments	(23)
Total Adjustments	**(114)**
Profit after tax as per IND AS	**140,734**
Other comprehensive income	**(87)**
Total comprehensive income	**140,647**

Other Explanatory Notes to Accounts

2.37 Contingent Liabilities:-

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

(₹ Lakh)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Capital Works	25552	30186	32008
Land Compensation	1791	6193	6193
Disputed Service Tax Demand	1236	1236	1236
Others	165	165	165
Total	**28744**	**37780**	**39602**

(i) Capital works

Contractors have lodged claims aggregating to ₹27607 Lakh (previous year ₹32241 Lakh and as at 01.04.2015 ₹34063 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 lying at arbitration tribunal/other forums/under examination with the Company. As the amounts recommended by the Dispute Review Boards (DRBs)/Additional Dispute Review Boards (ADRBs) are much less than the amounts claimed by the contractors, the claims on account of further interest and escalation, if any, have not been considered.

(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 ₹1791 Lakh (previous year ₹6193 Lakh and as at 01.04.2015 ₹6193 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 Service tax Demand

Disputed Service Tax demand amounting ₹1333 Lakh was raised during F.Y. 2008-09 on account of foreign currency payments made to suppliers for supply of material and services for construction of Nathpa Jhakri Hydro Power Station .Out of above an amount of ₹97 Lakh was deposited in F.Y 2008-09 on service portion and the balance amount was contested as the service tax was not applicable on supply of material. No further communication was received from service tax department since then on the issue. However, in absence of formal withdrawal of demand by service tax department, an amount of ₹1236 lakh is being disclosed as contingent liability.

(iv) Others

Claims on account of other miscellaneous matters amounting to ₹165 lakh (previous year ₹165 lakh and as at 01.04.2015 ₹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 aforementioned case was admitted by Hon'ble High Court and is pending for hearing .

The above is summarized as at 31.03.2017 below:

(₹ Lakh)

Particulars	Claims as on 31.03.2017	Provision against the claims	Contingent liability as on 31.03.2017	Contingent liability as on 31.03.2016	Addition of contingent liability for the period
Capital Works	27607	2055	25552	30186	(4634)
Land Compensation	1791	-	1791	6193	(4402)
Disputed Service Tax demand	1236	-	1236	1236	-
Others	165	-	165	165	-
Total	**30799**	**2055**	**28744**	**37780**	**(9036)**

The above is summarized as at 31.03.2016 below:

(₹ Lakh)

Particulars	Claims as on 31.03.2016	Provision against the claims	Contingent liability as on 31.03.2016	Contingent liability as on 01.04.2015	Addition of contingent liability for the period
Capital Works	32241	2055	30186	32008	(1822)
Land Compensation	6193	-	6193	6193	-
Disputed Service Tax demand	1236	-	1236	1236	-
Others	165	-	165	165	-
Total	**39835**	**2055**	**37780**	**39602**	**(1822)**

(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.

2.38 Detail of Contingent Assets:

(₹ Lakh)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1) JHC Pertaining of demand of SJVN for recovery of cost in lieu of non returning of dewatering equipment.	43	43	43
2) Insurance claims	116	569	925
Total	**159**	**612**	**968**

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

(₹ Lakh)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	34662	10957	20651
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	7800	2230	2188
Total	**42462**	**13187**	**22839**

2.40 Balances of trade receivables, advances, deposits, trade payables, are reconciled periodically. However, as on 31.03.2017 out of ₹98875 lakh trade receivables, deposits, material lying with third parties etc. an amount of ₹91673 lakh has been confirmed and balance amount of ₹7202 lakh are subject to confirmation and consequential adjustment. Further trade payables amounting to ₹2704 lakh which includes provisions/estimated liabilities are yet to be confirmed, which in the opinion of the management will not have a material impact.

2.41 The effect of foreign exchange fluctuation during the year is as under:

(₹ Lakh)

	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i	*Amount charged to Statement of Profit and Loss excluding depreciation: -As FERV -As Borrowing cost	 (49) (4676)	 215 13163
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.

2.42 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 contribution of ₹1306 lakh (Previous Year: ₹1086 lakh) and ₹96 lakh (Previous Year: ₹182 lakh) is recognized as expense and charged to the Statement of Profit and Loss and Expenditure attributable to Construction respectively. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI.

Value of Obligation including interest payable to employees as on 31.03.2017 is ₹35274 lakh (P.Y.: ₹30773 lakh) whereas value of plan assets is ₹35627 lakh (P.Y.: ₹31131 lakh). Since the value of plan assets is comparatively higher as compared to value of obligation, there is no additional liability to the company as on balance sheet date.

(ii) Gratuity:

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

(iii) Leave encashment:

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

(iv) Retired Employee Health Scheme:

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

(v) Baggage Allowance:

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

(vi) Service Reward on Retirement:

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

I. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.50%	8.00%	8.00%
Future Salary Increase	6.00%	6.00%	6.00%

II. Employee benefit obligations at the end of year:

(₹ Lakh)

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Current	Non Current	Total	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	6966	-	6966	402	4752	5154	277	4313	4590
Gratuity	353	6074	6427	261	4474	4735	216	4149	4365
Other benefits	09	246	255	09	187	196	8	204	212
Post-employment medical benefits	92	4608	4700	81	4013	4094	72	4166	4238
Total employee benefit obligations	7420	10928	18348	753	13426	14179	573	12832	13405

III. Changes in Present Benefits Obligation

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Present value of obligation as at the beginning of the period	5154	4590	4735	4365	4094	3547	196	185
Acquisition Adjustment	-	-	38	24	-	-	-	-
Interest Cost	412	367	379	349	327	284	16	14
Current Service Cost	725	567	571	412	278	264	22	18
Past Service Cost	-	-	516	-	-	-	-	-
Benefits Paid	(623)	(707)	(264)	(202)	(141)	(112)	(32)	(54)
Actuarial (Gain)/Loss on obligation	1297	337	452	(213)	141	111	53	33
Present value of obligation as at the End of the period	6965	5154	6427	4735	4699	4094	255	196

IV. Amount Recognized in Balance Sheet

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Present Value of the obligation at end	6965	5154	6427	4735	4699	4094	255	196
Fair value of plan assets	-	-	4904	4536	-	-	-	-
Unfunded Liability/provision in Balance Sheet	(6965)	(5154)	-	-	(4699)	(4094)	(255)	(196)
Unfunded liability recognized in Balance Sheet	(6965)	(5154)	(1523)	(199)	(4699)	(4094)	(255)	(196)

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

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Service Cost	725	567	1075	412	278	264	21	18
Net Interest Cost	412	367	-	-	327	284	16	15
Net actuarial (gain)/loss recognized in the period	1297	337	-	-	-	-	-	-
Expense recognized in the Income Statement	2434	1271	1075	412	605	548	37	33

VI. Amount recognized in the Statement of Other Comprehensive Income:

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Net cumulative unrecognized actuarial gain/(loss) opening	---	---	---	---	---	---	---	---
Actuarial gain / (loss) for the year on PBO	---	---	(452)	213	(141)	(111)	(53)	(33)
Actuarial gain /(loss) for the year on Asset	---	---	5	---	---	---	---	---
Unrecognized actuarial gain/(loss) at the end of the year	---	---	(447)	213	(141)	(111)	(53)	(33)

VII. Sensitivity analysis
Impact of the change in discount rate

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Present Value of Obligation at the end of the period	6965	5451	6427	4735	4699	4094	255	196
Impact due to increase of 0.50 %	(329)	(241)	(280)	(221)	(317)	(432)	(12)	(9)
Impact due to decrease of 0.50 %	358	261	302	238	322	427	12	9

2.43 Segment information:

a) Operating Segments are defined as components of an enterprise for which financial information is available that is evaluated regularly by the Management in deciding how to allocate resources and assessing performance.

b) Electricity generation is the principal business activity of the Company. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS – 108 on 'Segment Reporting'.

c) The Company is having a single geographical segment as all its Power Stations are located within the Country.

d) Information about major customers:

S. No.	Name of Customer	Revenue from Customers (₹ Lakh)		Revenue from Customers as % of total revenue	
		F. Y. 2016-17	F. Y. 2015-16	F. Y. 2016-17	F. Y. 2015-16
1	Govt. of H.P.	63783	63701	26.08	25.89
2	PDD, J &K	25799	24647	10.55	10.01
3	U.P. Power Corporation	52262	51780	21.37	21.04
4	Punjab State Power Corporation Ltd.	28187	29268	11.52	10.67

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)

S. No.	Revenue from External Customers	F. Y. 2016-17	F. Y. 2015-16
1	Nepal (Consultancy)	20	-
2	Bhutan (Consultancy)	5	207
	Total	**25**	**207**

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

ii) Entities where control/significant influnce exists
Subsidiaries:

Name of Entity	% of Shareholding/voting Power				
	Principal Place of Operation/ Country of Incorporation	Principal activities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
SJVN Arun-3 Power Development Company Pvt. Ltd (Incorporated in Nepal)	Nepal	Power Generation	100%	100%	100%
SJVN Thermal Pvt. Ltd (Incorporated in India)	India	Power Generation	100%	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, 2017	As at March 31, 2016	As at April 1, 2015
Cross Border Power Transmission Company Ltd.	India	Power Transmission	26%	26%	26%
Kholongchhu Hydro Energy Limited	Bhutan	Power Generation	50%	50%	50%
Bengal Birbhum Coalfields Limited	India	Coal Mining	7.7%	7.7%	7.7%

Transactions with the related parties are as follows.

(₹ Lakh)

Particulars	Subsidiary Companies		Joint Ventures Companies		Key Management Personnel (KMP) & their relatives	
	F.Y. 2016-17	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2015-16	F.Y. 2016-17	F.Y. 2015-16
A. Transctions During the year						
1. Investment in Share Capital						
a) SJVN Arun-3 Power Development Company Pvt. Ltd.	6610	-	-	-	-	-
b) SJVN Thermal Pvt. Ltd.	-	43667	-	-	-	-
c) Cross Border Power Transmission Company Ltd.	-	-	229	538	-	-
d) Bengal Birbhum Coalfields Limited	-	-	-	1	-	-
e) Kholongchhu Hydro Energy Limited	-	-	3720	-	-	-
2. Share Application Money.						
a) Cross Border Power Transmission Company Ltd.	-	-	-	-	-	-
b) Kholongchhu Hydro Energy Limited	-	-	1300	2046	-	-
3. Consultancy Fee Received						
a) Cross Border Power Transmission Company Ltd.	-	-	85	33	-	-
4. Dividend						
a) Cross Border Power Transmission Company Ltd.	-	-	241	-	-	-
5. Sitting Fees	-	-	-	-	14	3
6. Remuneration	-	-	-	-	2	-
B. Outstanding Balances at the year end.						
1. Amount Recoverable						
a) SJVN Arun-3 Power Development Company Pvt. Ltd.	14361	8353	-	-	-	-
b) SJVN Thermal Pvt. Ltd.	3199	956	-	-	-	-
c) Cross Border Power Transmission Company Ltd.	-	-	-	29	-	-
d) Kholongchhu Hydro Energy Limited	-	-	131	51	-	-

Loans to/from Related Parties

(₹ Lakh)

Particulars	Key Management Personnel (KMP)	
	F.Y. 2016-17	F.Y. 2015-16
Loan to KMPs		
Beginning of the Year	23	28
Loans advanced	5	-
Loan repayments received	15	6
Interest charged	1	1
Interest received	1	-
End of the year/period	13	23

Note: Loan/ Recoverable from/to subsidiaries/JVs is ₹17691 Lakh (Previous Year ₹9389 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 short-term advances like multipurpose advance and long-term advances like House Building Advance, Car Advance and Computer Advance. While short-term advances are interest-free, long term advances are interest bearing at concessional rates as per policy of the Company.
2) Management/Consultancy services provided to subsidiaries/Joint Ventures and other transactions were on normal commercial terms and conditions at market rates.

2.45 Remuneration to Directors & Key Managerial Personnel

(₹Lakh)

		Year ended 31.03.2017	Year ended 31.03.2016
i)	Short Term Employee Benefits	234	243
ii)	Post Employment Benefits	9	6
iii)	Other Long Term Employee Benefits	27	20
iv)	Termination Benefits	-	-
v)	Employee Share Based Payments	-	-
	Total	270	269

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

2.46 Interest in Other Entities:

a) Subsidiaries

The company's subsidiaries as at 31st March, 2017 are set out below. The equity share capital of these companies is held directly by the company. The country of incorporation or registration is also their principal place of business.

Name of entity	Principal Activities	Country of Incorporation	% Equity Interest		
			As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
1. SJVN Arun-3 Power Development Company Pvt. Ltd	Generation/ Transmission of Power	Nepal	100%	100%	100%
2. SJVN Thermal Pvt. Ltd	Generation of Power	India	100%	100%	100%

b) Interest in joint ventures

The company's interest in joint ventures as at 31st March, 2017 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	Accounting Method	Quoted Fair Value			Carrying amount		
					31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Kholongchhu Hydro Energy Limited	Bhutan	50	Joint Venture (1)	Equity Method	*	*	*	7066	2046	-
Cross Border Power Transmission Company Limited	India	26	Joint Venture (2)	Equity Method	*	*	*	1261	1032	837

* 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 2017 using the Equity Method :

(₹ Lakh)

	Kholongchhu Hydro Energy Limited			Cross Border Power Transmission Company Limited		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current Assets						
Cash and cash equivalents	367	466	-	2261	213	102
Other Assets	3451	1407	-	5076	4864	519
Total Current Assets	3818	1873	-	7337	5077	621
Total Non-current Assets	8379	2374	-	21000	22165	15194
Current liabilities						
Current financial liabilities (excluding trade and other payable and provisions)	255	129	-	1844	872	216
Other Liabilities	384	26	-	1729	5360	2532
Total Current Liabilities	639	155	-	3573	6232	2748
Non-current liabilities						
non current financial liabilities (excluding trade and other payable and provisions)	-	-	-	17274	14681	10600
Other Liabilities	27	-	-	564	485	122
Total Non-current Liabilities	27	-	-	17838	15166	10722
Net Assets	11531	4092	-	6926	5844	2345

Summarised statement of Profit and Loss using Equity Method:

(₹ Lakh)

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Revenue	-	-	560	9625
Interest Income	-	-	3564	1984
Cost of raw material and components consumed	-	-	-	4721
Depreciation & amortization	-	-	2	2
Finance cost	-	-	1835	1500
Employee benefit	-	-	120	119
Other expense	-	-	403	3469
Profit before tax	-	-	1765	1798
Profit for the year (continuing operations)	-	-	1316	1432
Total comprehensive income for the year (continuing operations)	-	-	1316	1432

c) Individually Immaterial joint venture

In addition to the interest in joint ventures disclosed above, the company has interest in Bengal Birbhum Coalfields Limited to the tune of 7.7% which in the opinion of the management is not material. The financial statements of Bengal Birghum Coalfields Limited is not available and hence not considered in consolidation.

2.47 Earnings Per Share:-

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

	Year Ended 31.03.2017	Year Ended 31.03.2016
Net Profit after Tax but before Regulatory Income used as numerator (₹ Lakh)	156870	130697
Net Profit after Tax and Regulatory Income used as numerator (₹Lakh)	154414	140734
Weighted Average number of equity shares used as denominator	4136626500	4136626500
Earnings per Share before Regulatory Income (₹) – Basic & Diluted	3.79	3.16
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	3.73	3.40
Face value per share (₹)	10	10

2.48 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.

2.49 Disclosure Regarding Embedded Lease:

The Company has entered into arrangement with Maharashtra State Electricity Board (MSEB) for sale of wind power from Khirvire Wind power station for a period of 15 years. Under the agreement, the MSEB is obliged to purchase the output at fixed per unit price. Accordingly, the Company has classified the Power Station as Operating Leases as per Appendix-C to Ind AS 17- Leases.

Revenue from operation under note no. 2.29 includes an amount of ₹2120 Lakh (P.Y.: ₹3054 lakh) from sale of power from this plant.

Future minimum rental receivable under non-cancellable operating leases as on 31.03.2017 are as follows.

(₹ Lakh)

Particulars	31.03.2017	31.03.2016	01.04.2015
Within one year	NIL	NIL	NIL
After one year but not more than five years	NIL	NIL	NIL
Total	NIL	NIL	NIL

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

(₹ Lakh)

(A)	Expenditure in foreign currency	Year ended 31.03.2017	Year ended 31.03.2016
i)	Consultancy	-	5
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	-	-
iv)	Interest on World Bank Loan.	2958	1435
v)	Dividend Paid	-	-
vi)	Other Miscellaneous Matters	81	219
(B)	**Earnings in foreign currency**	-	-
(C)	**Value of Import calculated on CIF basis**		
i)	Capital Goods	-	288
ii)	Spare Parts	76	-
(D)	**Value of components, stores and spare parts consumed**		
i)	Imported	41 (2.12%)	-
ii)	Indigenous	1890 (97.88%)	1182 (100%)

2.51 Quantitative details in respect of energy generated & sold :

a) Hydro Power:-

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1912	1912
iii)	Actual Generation (Million Units)	9010.99	9297.18

b) Wind/Solar Power:-

Sr. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	52.60	47.60
iii)	Actual Generation (Million Units)	33.94	48.95

2.52 Payment to Auditors includes:

(₹ Lakh)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
As Auditors		
- Statutory Audit	9	10
- Tax Audit	2	3
- Limited Review	7	8
For other services (Certificates etc.)	1	1
Reimbursement of Expenses	1	2
Reimbursement of Service Tax	3	3
Total	**23**	**27**

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

(₹ Lakh)

Particulars	Currency	As at 31.03.2017	As at 31.03.2016
Borrowings, including Interest Accrued but not due thereon.	USD	213132	230827

2.54 Disclosure related to Corporate Social Responsibility (CSR) As per the Companies Act, 2013, the company is required to spend at least two percent 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 ₹3394 lakh [(2% of Average Profit Before Tax of immediately previous three years (P.Y.: ₹3047 lakh, 2% of Average Profit Before Tax of immediately previous three years)] to be spent on CSR during the year and the same has been booked to CSR expenses as per Accounting Policy. The Company has paid an amount of ₹3394 lakh (P.Y: ₹3047 lakh) to the CSR trust formed to manage the CSR activities.

Break-up of CSR expenditures incurred as intimated by CSR Trust under various heads during the year 2016-17 is as below.

(₹ Lakh)

S. No.	Activities	Amount
1	Health and hygiene	635
2	Education and Skill Development	1605
3	Infrastructural Development and Community Development	1051
4	Preservation and promotion of culture, Melas, Sports etc.	38
5	Sustainable Development	94
6	Swachh Vidhyalaya Abhiyan	26
7	Assistance to the victims natural disasters/ calamities	52
8	Miscellaneous CSR activities& Administrative Exp.	215
	Total	**3716**

2.55 Information in respect of micro and small enterprises as at 31st March 2017 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
a) Amount remaining unpaid to any supplier:		
Principal amount	7	84
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.	-	-

2.56 Corporate office building at Shimla has been capitalised by ₹13436 Lakh during the year under various heads of Property, Plant and Equipment on provisional basis pending receipt/settlement of final bill from the contractor/agency. Adjustment if any will be made on receipt/payment of final bill. The impact of same will not be material.

2.57 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 ₹48434 Lakh (P.Y.: ₹35769 Lakh) is due but not recognised on account of surcharge till 31.03.2017 due to significant uncertainties in the timing of its collection from the customers.

2.58 (a) The Institute of Chartered Accountants of India (ICAI) has issued a 'Guidance Note on Accounting for Rate Regulated Activities' which is applicable w.e.f. 1st April, 2015 to entities that provide goods or services whose prices are subject to cost of service regulations and the Tariff determined by the regulator is binding on the customers (beneficiaries). Since, the company is primarily engaged in the business of generation and sale of power which is subject to cost of service regulation as it meets the criteria set out in the guidance note; hence it is applicable to the company. Consequently, exchange differences arising from settlement/translation of monetary items denominated in foreign currency, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations, which were hitherto accounted as deferred foreign currency asset/liability in line with an opinion of the Expert Advisory Committee of the ICAI, are accounted as 'Regulatory asset/liability' and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries through regulatory income/expense

With effect from FY 2016-17, such rate regulated items are to be accounted for as per Ind AS 114- 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the previous GAAP.

Accordingly, the company has continued with the accounting policy for regulatory deferral account balances in its first Ind AS financial statements.

b) Disclosure relating to creation of Regulatory Deferral Accounts as per Ind AS 114:

The company has created regulatory assets and recognized corresponding regulatory income upto period ended 31.03.2017 as under:

(₹ Lakh)

Regulatory asset created in relation to:	Upto FY 2015-16	For the year ended 31.03.2017	Total up to 31.03.2017
Exchange rate variation regarded as Borrowing Costs	13274	(5558)	7716
Employee Benefit expense (Pay- revision w.e.f 01.01.2017)	-	2436	2436
Total	**13274**	**(3122)**	**10152**

2.59 Information required in respect of specified bank notes as required by Schedule III of the Companies Act, 2013.

(₹)

Particulars	Specified Notes (SBN)	Other Denomination Notes	Total
Closing Cash in hand on 08.11.2016	47500/-		47500/-
(+) Permitted Receipts		136854/-	136854/-
(-) Permitted Payments		-	-
(-) Amount deposited in Bank	47500/-	136854/-	184354/-

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

For and on behalf of the Board of Directors

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

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakh)

1	Sl. No.	1	2
2	Name of the subsidiary	SJVN Thermal Private Ltd.	SJVN Arun-3 Power Development Company Pvt. Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From Ist April 2016 to 31st March, 2017	From 15th July 2015 to 14th July, 2016
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A (Indian Company)	NPR (Incorporated in Nepal). Exchange Rate Fixed 1₹=1.6 NPR
5	Share capital	43668	6910
6	Reserves & surplus	(14)	(52)
7	Total assets	47374	21625
8	Total Liabilities	3720	14767
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	(12)	(25)
12	Provision for taxation	-	-
13	Profit after taxation	(12)	(25)
14	Proposed Dividend	-	-
15	% of shareholding	100	100

1. SJVN Thermal Private Ltd. & SJVN Arun-3 Power Development Company Private Ltd. is yet to commence business.
2. Names of associates or joint ventures which have been liquidated or sold during the year. - NIL
3. Above Figures of SJVN Arun-3 Power Development Company Private Ltd. is as per Unaudited Balance Sheet of 31.03.2017.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (₹Lakh)

Name of Associates/Joint Ventures	Cross Border Power Transmission Company Limited	Kholongchhu Hydro Energy Limited	Bengal Birbhum Coalfields Ltd.
1. Latest audited Balance Sheet Date	Audited upto 31.03.2016 (Unaudited As on 31.03.2017)	Audited upto 31.12.2016 (Unaudited As on 31.03.2017)	Audited as on 31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	26%	50%	7.7%
No. of shares	1,26,10,000 shares of ₹ 10 each	5,76,60,000 Equity Shares of ₹ 10/- each & share application money paid for 1,30,00,000 shares of ₹ 10 each.	7707 shares of ₹ 10/- each
Amount of Investment in Associates/Joint Venture	1261	7066	1
Extent of Holding %	26%	50%	7.7%
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Not Consolidated*
5. Net Worth attributable to Shareholding as per latest Unaudited Balance Sheet	1801	7066	N/A
6. Profit / Loss for the year (After tax)	1316	-	-
i. Considered in Consolidation	342	-	-
ii. Not Considered in Consolidation	-	-	-

* Accounts of Bengal Birbhum Coalfields Limited have not been consolidated for non-availability of accounts. Amount is immaterial.
Kholongchhu Hydro Energy Limited & Bengal Birbhum Coalfields Limited is yet to commence business.
Names of associates or joint ventures which have been liquidated or sold during the year. - NIL

INDIAN SUBSIDIARY
SJVN THERMAL PRIVATE LIMITED

Indian Subsidiary Company

SJVN Thermal Private Limited

(Formerly Buxar Bijlee Company Private Limited)
(A wholly owned subsidiary of SJVN Limited)

DIRECTORS REPORT, 2017

DEAR MEMBERS,

Your Directors have pleasure in presenting the Tenth Annual Report with Audited Accounts for the year ended March 31, 2017.

FINANCIAL HIGHLIGHTS

A. PERFORMANCE

(₹ Lakh)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Total Revenue	**6**	**15**
Total Expenses	18	16
Profit before Tax	**(12)**	**(1)**
Tax Expenses	-	-
Profit for the Year	**(12)**	**(1)**

B. POSITION

(₹ Lakh)

Particulars	As on March 31, 2017		As on March 31, 2016	
ASSETS				
Non-current Assets				
A) Property, Plant and Equipment		36834		36170
B) Capital Work-in-progress				
a) Preliminary	5378		4733	
b) Incidental Expenditure during Construction	4725	10103	3111	7844
C) Other Intangible Assets		1		2
D) Other Non-current Assets		324		365
Current Assets				
A) Financial Assets				
i) Cash and cash equivalents	102		415	
ii) Others	-	102	2	417
B) Current Tax Assets		1		5
C) Other Current Assets		9		5
Total Assets		**47374**		**44808**

PROJECT REVIEW

MOU:

MoU for extension of five years was signed between SJVN, Bihar State Power Holding Company Ltd. (BSPHCL) and Bihar Power Infrastructure Company (BPIC) on 20.11.2015.

STATUTORY CLEARANCE:

Environment Clearance:

Environment clearance of Buxar thermal power Project has been granted by Ministry of Environment & Forest, GoI on 28.02.2017.

Civil aviation clearance for Chimney:

NOC for height of chimney of Buxar Thermal Power Project has been issued by Airport Authority of India on 12.04.2017.

Water availability:

MoU for "Allocation for utilization of 55 cusec of water for BTPP" has been signed between STPL and Water Resource Deptt., Govt. of Bihar on 29.08.2016.

LAND ACQUISITION

1064.69 Acres of land for the development of the project has been acquired.

Govt. land-

Govt. land of 16 Acres has been acquired.

Private land-

A total amount of ₹ 367.13 Crore has been released by STPL to Bihar State Power Generation Company Limited (BSPGCL) towards land compensation.

96.38% amount has been disbursed to land owners by Distt. Administration. The remaining amount shall be disbursed on case to case basis as and when these cases are decided. However, possession of the land has been taken.

Mutation of acquired land was also started. The process of mutation of land measuring 1064.69 Acres (previous year 1056.85 acres) in favour of the company consists of two stages. Stage 1 issue of "Shudhi Patra" wherein name of previous owner is replaced with name of new owner. In respect of 1030.63 Acres of land (previous year: nil) "shudhi Patra" has been issued by circle officer, Buxar. In stage 2 wherever the Shudhi Patra has been issued the same is required to be entered into register II of land revenue record which is under process.

COAL BLOCK

It has been decided by the Ministry of Coal, Govt of India in October 2016 that Deocha Pachmi Coal Block, which was earlier jointly allocated to SJVN Limited for its 1320 MW Buxar Thermal Power along with six states Power Utilities, will now be allocated to one state and separate Coal Blocks to each of the other stakeholders. Accordingly, fresh application for allotment of new Coal Block for BTPP has been submitted to Ministry of Coal on 24.10.2016, which is under consideration.

Coal Linkage:

SJVN submitted an application to Ministry of Coal on 20.05.2016 for Grant of "Bridge Linkage" for 1320 MW Buxar Thermal Power

Project to bridge the time lag between requirement of coal and availability of coal from Coal Block. Response from Ministry of Coal on the same is still awaited. Earlier, in February 2016, an MOU for supply of imported coal (for initial years of operation) had been signed with MMTC Ltd.

UPDATION OF DPR

The DPR of the project has been updated by Consultant (NTPC) on 29.08.2016.

As per 1st Quarter, 2016 price level, the updated cost of project is ₹1052048 Lakh (as per DPR).

BARBED WIRE FENCING OF PROJECT AREA

The work of barbed wire fencing has been completed on 10.07.2016.

RAILWAY SIDING AND INFRASTRUCTURE

Feasibility Study Report (FSR) - The work of preparation of FSR has been completed and in principle approval accorded by East Central Railway, (ECR) on 29.09.2015.

Detailed Project Report (DPR) & Detailed Engineering (DE) - The work for "Consultancy services for Preparation of Detailed Project Report (DPR) and Detailed Engineering for setting up of Rail Infrastructure of Buxar Thermal Power Project (2x660MW) at Chausa, Buxar of STPL (SJVN Thermal Pvt. Ltd.)" has been awarded to M/s RITES Ltd.

The DPR has been prepared and submitted to East Central Railway, (ECR), Hazipur on 12.04.2017 for approval.

PIB APPROVAL

The investment approval of ₹436.68 Crore for pre-construction activities was accorded by Ministry of Power, GOI vide letter dated 26.05.2015.

PIB memo for main plant activities has been submitted to Ministry of Power, New Delhi on 14.02.2017 for approval. The same is under examination in CEA.

CONSTRUCTION POWER

LOA for "Composite supply of material & equipments, erection, testing and commissioning of 33 kV line" was issued to South Bihar Power Distribution Company Ltd. (SBPDCL). Route Survey of transmission line has been completed. Out of total length of 11 km. (214 poles approx.), 174 no. of poles have been erected in 9 km.

Revised estimate for 33/11 KV substation has been prepared and technically sanctioned. Tendering process is in progress.

FLY ASH

State Public Works Department and State Rural Works Department had been requested to submit their Consent for lifting of fly ash. The comfort letter in this regard has been obtained.

Expression of Interest (EoI) from interested Agencies/Parties for disposal of fly ash had been invited. Accordingly, letters have been sent to the interested parties for signing of MoU.

BOUNDARY WALL

Estimate for 3.275 kms. of boundary wall (above HFL) has been prepared and technically sanctioned. Tendering is in progress.

DIVIDEND

As the Company has not earned profit for the financial year under review, the Board of Directors have not recommended any dividend.

DEPOSITS

During the year the company has not accepted any fixed deposit within the meaning of Section 73 of Companies Act, 2013 and the rules made there under.

LOANS, GUARANTEES OR INVESTMENTS

Particulars of loans, guarantees or investments u/s 186 of Companies Act, 2013 are Nil

TRANSFER TO RESERVES

There is no transfer to reserves during the year under review.

RELATED PARTY TRANSACTIONS

Company has not entered into any related party transactions during the Financial Year 2016-17 except the following:

(₹ Lakh)

Particulars	Holding Company		Directors/ Key Management Personnel (KMP)	
	FY 2016-17	FY 2015-16	FY 2016-17	FY 2015-16
A. Transactions During the Year				
1. Issue of share capital				
a) SJVN Limited	-	43667	-	-
2. Amount Payable				
a) SJVN Limited#	3199	956		

Amount received from and repaid to SJVN Limited. The funds are being received for day to day establishment expenditure, payment for survey and investigation expenses and other payments.

HOLDING COMPANY

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

CSR ACTIVITIES

All the CSR activities are being done by Holding Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year under review are enclosed as **Annexure – I**.

AUDITORS REPORT

M/s B. Gupta & Co., Chartered Accountants, Patna, Bihar, was appointed by Comptroller and Auditor General of India (C&AG) as Statutory Auditors of the Company for Financial Year 2016-17. The Report of the Statutory Auditors to the Members on Accounts for the year ended 31.03.2017 is placed at **"Annexure – II"**.

Statutory Auditor's Comment and Management reply thereof is placed at **"Annexure III"**.

C&AG has decided not to conduct the supplementary audit of financial statements of the company for the year ended 31st March, 2017 under section 143 (6) of the Companies Act, 2013. Letter from C&AG of India on the Accounts for the year ended 31.03.2017 is placed at **"Annexure – IV"**.

SECRETARIAL AUDIT

The Board appointed M/s Sachin Gupta and Co., PCS, to conduct Secretarial Audit for the Financial Year 2016-17. The Report of the Secretarial Auditor for the year ended 31.03.2017 is placed at **"Annexure – V"**. Reply of Management to observation of Secretarial Auditors are placed at **"Annexure – VI"**

FORM No. MGT – 9

Placed at **"Annexure –VII"**

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.

BOARD MEETINGS

The Board Meetings are held normally at New Delhi. During the Financial Year 2016-17. 07 nos. of Board Meetings were held on 06th May 2016, 19th May 2016, 21st June 2016, 28th June 2016, 13th September 2016, 09th December 2016 and 17th March 2017. The maximum interval between any two meetings during this period was 97 days.

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

Sr. No.	Name of Director (Shri)	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (09th) held on 01-08-2016	Date of Appointment or Cessation of Director on the Board of Company
1	Ramesh Narain Misra	07	06	Yes	Appointed w.e.f. 06-05-2016
2	Amarjit Singh Bindra	07	07	Yes	Appointed w.e.f. 09-05-2013
3	Nand Lal Sharma	07	07	Yes	Appointed w.e.f. 09-05-2013
4	Rakesh Kumar Bansal	07	07	Yes	Appointed w.e.f. 09-05-2013

AUDIT COMMITTEE

As on 31st March 2017, the following Directors were the Members of the Audit Committee:

1	Shri Amarjit Singh Bindra	Chairman
2	Shri Nand Lal Sharma	Member
3	Shri Rakesh Kumar Bansal	Member

During the year 2016-17, 02 (Two) Audit Committee meetings were held on 09th December 2016 and 17th March 2017.

NOMINATION AND REMUNERATION COMMITTEE

As on 31st March 2017, the following Directors were the Members of the Nomination and Remuneration Committee:

1.	Shri Nand Lal Sharma	Chairman
2.	Shri Amarjit Singh Bindra	Member
3.	Shri Rakesh Kumar Bansal	Member

During the year 2016-17, 01 (One) Nomination and Remuneration Committee meeting was held on and 17th March 2017.

RISK MANAGEMENT POLICY

The development and implementation of Risk Management Policy is undertaken by Audit Committee.

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.

BOARD OF DIRECTORS

As on 31st March 2017, the Board of your company comprised the following Directors:-

Sr. No.	Name of the Directors	Designation
1	Shri Ramesh Narain Misra	Chairman
2	Shri Amarjit Singh Bindra	Director
3	Shri Nand Lal Sharma	Director
4	Shri Rakesh Kumar Bansal	Director

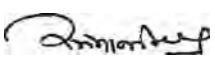
Shri Kanwar Singh, has been appointed as the Nominee Directors of SJVN Limited on the Board w.e.f. 15.07.2017.

ACKNOWLEDGEMENTS

The Board of Directors of the Company wish to place on record, their thanks and appreciation to Ministry of Power, Ministry of Coal, Govt. of Bihar/ BSEB, SJVN Limited, Auditors, Bankers, Contractors and Staff for their necessary support and contribution to the operations of the Company.

The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

For and on behalf of the Board of
SJVN Thermal Private Limited



(Ramesh Narain Misra)
Chairman
DIN No. : 03109225

Date: 15th July, 2017
Place: New Delhi

Annexure – I

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVEVIEW

All India installed power generation capacity as on 31.03.2017 was 3,26,848.53 MW. Capacity addition of 88,537 MW is envisaged in 12th Plan which includes share of Thermal, Hydro and Nuclear of 72,340 MW, 10,897 MW and 5300 MW respectively. Besides this, 15,000 MW has been targeted form renewable energy like Wind, Solar etc. for development during 12th Plan period.

Above industry scenario signifies that there is an ample opportunity for consistent growth of the business in thermal, hydro and renewable energy sector in the times to come. Keeping this in view, your company has taken a big leap forward towards the development of 1320 MW super-critical thermal power project at Chausa near Buxar in Bihar.

FINANCIAL DISCUSSION AND ANALYSIS

A detailed financial discussion and analysis is furnished below on the Audited Financial Statements of the company for the fiscal 2017: (Notes referred herein pertains to the respective Notes forming part of the Financial Statements)

A. RESULTS OF OPERATIONS

i. INCOME & EXPENDITURE

As the project(s) of the company are under construction, the Company did not generate any operating revenue during the year. However, interest amounting to ₹6 Lakhs (Previous Year: ₹15 Lakh) has been earned on short term deposit with Banks and shown as other income. A portion of employee benefit expenses related to Key Managerial Personnel amounting to ₹16 Lakhs (Previous Year: ₹15 lakh) in accordance with note no. 1.15 & 1.23 (d), Statutory Audit Fees & Out of Pocket expense, certain filing fees amounting to ₹2 Lakhs (Previous Year: ₹1 Lakh) are charged to the Statement of Profit and Loss. All other expenses during the year are identified as Capital Work-in-Progress, to be allocated on major immovable assets on commissioning of the Project in line with Accounting Policy No. 4 (b). Company has incurred a loss of ₹12 Lakhs (Previous Year: ₹1 Lakh) during the year ended 31st March 2017.

B. FINANCIAL POSITION

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

The items of the Balance Sheet are as under:

i) Non-Current Assets

(₹ Lakh)

Particulars	As on March 31,	
	2017	2016
Property, Plant and Equipment (Note 1.1)	36834	36170
Capital Work-in-Progress (Note 1.2)	10103	7844
Investment Property	-	-
Goodwill	-	-
Other Intangible Assets (Note 1.3)	1	2
Intangible Assets under development	-	-
Financial Assets	-	-
Deferred Tax Assets (Net)	-	-
Regulatory deferral account debit balance	-	-
Other Non-Current Assets (Note 1.4)	324	365
Total	**47262**	**44381**

Non-Current Assets as on March 31, 2017 comprise Property, Plant and Equipment (PPE), Capital Work-in-Progress, other Intangible Assets and other Non-Current Assets (Capital advance) and has increased by nearly 6% to ₹47262 Lakh as compared to ₹44381 Lakh as on March 31, 2016. This increase is mainly due to payment of ₹652 Lakh for acquisition of land, ₹645 Lakh for preconstruction activities and balance ₹1584 Lakh for acquisition of PPE (other than land), establishment expenditure and other preliminary expenses.

Property, Plant and Equipment (PPE)

Property, Plant and Equipment consist of Net Block of Property, Plant and Equipment after Depreciation. This includes Land- Freehold, Furniture, Fixture and Equipment, Vehicles, Electrical Equipment, Office Equipment and Data Processing Equipment. Net addition in PPE during the Current Fiscal is ₹664 Lakh (previous year: ₹36078 Lakh). The increase in net Property, Plant and Equipment is mainly due to payment of ₹652 Lakh for acquisition of 7.84 acres of land-freehold for construction of project in Chausa, Buxar district in Bihar & 14 acres of land for Rehabilitation and Resettlement and balance payment for addition in furniture, fixture and office equipment, Data Processing Equipment etc.

Further, mutation of freehold land included in PPE is under progress. The process of mutation of land measuring 1064.69 acres (previous year 1056.85 acres) in favour of the company consists of two stages. Stage 1 issue of "Shudhi Patra" wherein name of previous owner is replaced with name of new owner. In respect of 1030.63 acres of land (previous year: nil) "shudhi Patra" has been issued by circle officer, Buxar. In stage 2 wherever the Shudhi Patra has been issued the same is required to be entered into register II of land revenue record which is under process.

Capital Work-In-Progress (CWIP)

Capital Work-in-Progress (CWIP) during current Fiscal Year registered an increase of nearly 29% to ₹10103 Lakh as compared to ₹7844 lakh in previous Fiscal Year due to increase in preliminary expenditure amounting to ₹645 Lakh and Expenditure during Construction (EDC) of ₹1614 Lakh as detailed below.

(a) Expenditure During Construction (EDC)

(₹ Lakh)

Expenditure	Fiscal 2017	Fiscal 2016
Employee Benefits Expense (Note 1.2.1)	1269	986
Finance Costs (Note 1.2.1)	-	-
Depreciation (Note 1.2.1)	20	21
Other Expenses (Note 1.2.1)	325	261
Total Expenditure	**1614**	**1268**

(b) Employee Benefits Expense

The Employee Benefits Expense includes Salaries and Wages, Allowances, Incentives, contribution to Provident Fund and other

Funds and Welfare Expenses. These expenses accounted for 79% of total expenditure in Fiscal 2017 as compared to 78% in Fiscal 2016.

(c) Depreciation and Amortisation Expenses

Depreciation cost has remained almost same at ₹20 Lakh during the Fiscal 2017 as compared to ₹21 Lakh during Fiscal 2016.

(d) Other Expenses

Other Expenses comprise mainly of Rent of offices / TCs, Security, Travelling & Conveyance, Training, Expenses on Transit Camps, Hiring of Vehicles etc.

Other Expenses represents 20% of total expenditure during Fiscal 2017 and remain same on percentage basis in comparison to Fiscal 2016. In absolute terms the expenses were ₹325 Lakh in Fiscal 2017 in comparison to ₹261 Lakh during the previous fiscal.

Other Non- Current Assets

Other Non-Current Assets, comprising mainly of capital advances, for the current fiscal has decreased to ₹324 Lakh in comparison to ₹365 Lakh in previous fiscal due to transfer of advance to CWIP after completion of work for which advance was provided by the company.

ii) Current Assets

(₹ Lakh)

Particulars	As on March 31,	
	2017	2016
Inventories	-	-
Financial Assets	-	-
Investment	-	-
Trade Receivables	-	-
Cash and Cash Equivalents (Note 1.5)	102	415
Bank Balance other than above	-	-
Loans	-	-
Others (Note 1.6)	-	2
Current Tax Assets (Note 1.7)	1	5
Other Current Assets (Note 1.8)	9	5
Total	**112**	**427**

Current Assets as on March 31, 2017 have decreased by ₹315 Lakh mainly due to maturity and utilisation of funds of short term bank deposits made out of unutilised funds held in previous fiscal.

a) Cash and Cash Equivalents

Cash and Cash Equivalents include Balances in Current Accounts and short term deposit with banks. Decrease of ₹313 Lakh in Cash and Cash Equivalents is due to maturity and utilisation of funds parked as short term bank deposits in previous fiscal.

b) Current Tax Assets

Current Tax Assets have reduced to ₹1 Lakh in comparison to ₹5 Lakh in previous fiscal because of reduction in TDS on interest income earned from short term bank deposits due to maturity of such deposits and utilisation of funds.

c) Other Current Assets

Other Current Assets have increased to ₹9 Lakh in comparison to ₹5 Lakh in previous fiscal mainly due to payment of advance rent for TC/ Office building hired at Buxar.

iii) Net Worth

Net Worth of the company at the end of Fiscal 2016-17 has decreased to ₹43654 Lakh (Previous Year: ₹43666 Lakh) due to loss amounting to ₹12 Lakh incurred in current fiscal.

iv) Current Liabilities

(₹ Lakh)

Particulars	As on March 31,	
	2017	2016
Financial Liabilities		
Borrowings	-	-
Trade Payables	-	-
Other Financial Liabilities (Note 1.11)	3378	1011
Other Current Liabilities (Note 1.12)	181	48
Provisions (Note 1.13)	161	83
Total	**3720**	**1142**

The Current Liabilities as on March 31, 2017 and March 31, 2016 were ₹3720 Lakh and ₹1142 Lakh respectively and reportedly increased by ₹2578 Lakh (226%). This comprises other Financial Liabilities, other Current Liabilities and Short Term Provisions. Other Financial Liabilities have increased by ₹2367 Lakh due to funds amounting to ₹2243 Lakh received from holding company for day to day establishment expenditure, payment for survey and investigation expenses (pre-construction activities) & other payments and balance amount payable against statutory dues, remuneration of employees and deposit/ retention money from contractors. Other Current Liabilities increased by ₹133 lakh on account of year end liability for expenses and CWIP. Provisions have increased by ₹78 Lakh due to provision for pay revision and performance related pay of employees.

C. INTERNAL CONTROL SYSTEMS

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

In order to ensure that all checks and balances are in place and internal control systems are in order, regular Internal Audit is conducted by an independent firm of Chartered Accountants. Significant Audit Observations and Action Taken Reports (ATRs) are considered by the Management and recommendations / directions are complied with accordingly.

ANNEXURE-II

INDEPENDENT AUDITOR'S REPORT

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

1. Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of SJVN Thermal Private Limited ("the Company"), which comprise the Balance Sheet as at 31st March,2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

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

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

3. Auditor's Responsibility

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

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

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

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

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

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

4. Basis for Qualified Opinion

Land – freehold amounting to Rs. 36713.00 Lakhs (measuring 1064.69 Acres) (Previous year Rs.36,060.72 lakhs, measuring 1056.85 acres) appearing in the Balance Sheet under Property, Plant and Equipment (Note No. 1.1) has been accounted for pending execution of title deeds.

5. Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph above, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS:

(a) of the state of affairs (financial position) of the Company as at 31st March, 2017; and
(b) its Loss (financial performance including other comprehensive income) for the year ended on that date.
(c) its cash flows for the year ended on that date; and
(d) the changes in equity for the year ended on that date.

6. Emphasis of Matter

Without qualifying our report we draw your attention to the following facts:

(i) The projects of the company are under construction.
(ii) In line with the accounting policy no. B.4(b) expenses during the year are identified as capital work in progress to be allocated on major immovable assets on commissioning of the project.

7. Report on other Legal and Regulatory Requirements:

1. As required by the Companies (Auditor's Report) Order,2016 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in Annexure-'A' a statement on the matters specified in paragraphs 3 and 4 of the said order.
2. As required by section 143(3) of the 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 Cash Flow Statement 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 Ind AS Financial Statements comply with the Indian Accounting Standards prescribed under section 133 of the Act;
(e) With respect to adequacy of the internal financial controls over financial reporting of the Company and the operating

effectiveness of such controls, refer to our separate report in "Annexure – B".

(f) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company does not have any pending litigations which would impact its financial position.

ii) The Company does not have any long-term contract including derivative contract for which provision would be required for material foreseeable losses.

iii) There are no amounts as at 31st March,2017 which need to be transferred to the Investor Education and Protection Fund by the Company.

iv) The company did not have any holdings or dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016 – Refer Note 1.33.

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

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

For B. Gupta & Co.
Chartered Accountants
(FRN: 000933C)

CAMP: NEW DELHI
DATED: 22nd May, 2017

(S. P. SINHA)
PARTNER
(M.N:014854)

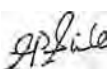
SJVN THERMAL PRIVATE LIMITED
ANNEXURE- 'A' TO THE AUDITOR'S REPORT
(Referred to in paragraph 7 of our Report of even date)

Sr. No.	Particulars	Auditor's comment
(i)		
(a)	Whether the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;	The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
(b)	Whether these fixed assets have been physically verified by the management at reasonable intervals; whether any material discrepancies were noticed on such verification and if so, whether the same have been properly dealt with in the books of account;	It is stated that fixed assets are physically verified by the management every three years. The same were physically verified in the year 2014-15 and the discrepancies noticed were properly dealt with in the books of account.
(c)	Whether the title deeds of immovable properties are held in the name of the company. If not, provide the details thereof;	No title deeds of immovable properties consisting of Land-freehold measuring 1064.69 acres have been executed. However, as per the records produced to us the process of mutation of land in favour of the company is in progress and the Circle Office, Buxar has issued "Shudhi Patra" in respect of 1030.63 acres of land.
(ii)	Whether physical verification of inventory has been conducted at reasonable intervals by the management and whether any material discrepancies were noticed and if so, whether they have been properly dealt with in the books of account;	No inventory is held by the company and therefore, question of physical verification does not arise.
(iii)	Whether the company has granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. If so,	The company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
(a)	Whether the terms and conditions of the grant of such loans are not prejudicial to the company's interest;	In view of our comments in paragraph (iii) above, this clause is not applicable.
(b)	Whether the schedule of repayment of principal and payment of interest has been stipulated and whether the repayments or receipts are regular;	In view of our comments in paragraph (iii) above, this clause is not applicable.
(c)	If the amount is overdue, state the total amount overdue for more than ninety days, and whether reasonable steps have been taken by the company for recovery of the principal and interest;	In view of our comments in paragraph (iii) above, this clause is not applicable.

Sr. No.	Particulars	Auditor's comment
(iv)	In respect of loans, investments, guarantees and security whether provisions of section 185 and 186 of the Companies Act, 2013 have been complied with. If not, provide the details thereof.	Since the company has neither granted any loan to directors (Section 185) nor made any investment (Section 186), question of complying with the provisions of sections 185 and 186 of the Companies Act, 2013 does not arise.
(v)	In case, the company has accepted deposits, whether the directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder, where applicable, have been complied with? If not, the nature of such contraventions be stated; If an order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal, whether the same has been complied with or not?	The Company has not accepted any deposits and, therefore, directives issued by the Reserve Bank of India and the provisions of sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed thereunder are not applicable.
(vi)	Whether maintenance of cost records has been specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 and whether such accounts and records have been so made and maintained.	The Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 has not specified the maintenance of cost records for the Company.
(vii)		
(a)	Whether the company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities and if not, the extent of the arrears of outstanding statutory dues as on the last day of the financial year concerned for a period of more than six months from the date they became payable, shall be indicated;	According to the records, Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and any other statutory dues to the appropriate authorities According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding for a period of more than six months from the date they became payable.
(b)	Where dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax have not been deposited on account of any dispute, then the amounts involved and the forum where dispute is pending shall be mentioned. (A mere representation to the concerned Department shall not be treated as a dispute).	There are no disputed dues of income tax or sales tax or service tax or duty of customs or duty of excise or value added tax.
(viii)	Whether the company has defaulted in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders? If yes, the period and the amount of default to be reported (in case of defaults to banks, financial institutions, and Government, lender wise details to be provided).	The Company has no loans or borrowing from a financial institution, bank, Government or debenture holders. Hence question of default in repayment of loans or borrowing to a financial institution, bank, Government or dues to debenture holders does not arise.
(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 moneys by way of initial public offer or further public offer (including debt instruments) and term loans and therefore, this clause is not applicable.
(x)	Whether any fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year; If yes, the nature and the amount involved is to be indicated;	According to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.
(xi)	Whether managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act? If not, state the amount involved and steps taken by the company for securing refund of the same;	This being a Government Company, Section 197 is not applicable.

Sr. No.	Particulars	Auditor's comment
(xii)	Whether the Nidhi Company has complied with the Net Owned Funds to Deposits in the ratio of 1: 20 to meet out the liability and whether the Nidhi Company is maintaining ten per cent unencumbered term deposits as specified in the Nidhi Rules, 2014 to meet out the liability;	The company not being a Nidhi Company this clause is not applicable.
(xiii)	Whether all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards;	All transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.
(xiv)	Whether the company has made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and if so, as to whether the requirement of section 42 of the Companies Act, 2013 have been complied with and the amount raised have been used for the purposes for which the funds were raised. If not, provide the details in respect of the amount involved and nature of non-compliance;	The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
(xv)	Whether the company has entered into any non-cash transactions with directors or persons connected with him and if so, whether the provisions of section 192 of Companies Act, 2013 have been complied with;	We are informed that company has not entered into any non-cash transactions with directors or persons connected with him.
(xvi)	Whether the company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and if so, whether the registration has been obtained.	The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934

FOR B. GUPTA & CO.
CHARTERED ACCOUNTANTS
[FRN:000993C]



[S.P. SINHA]
Partner
[M.N.014854]

CAMP: NEW DELHI
DATED: 22nd May, 2017

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, 2017 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, 2017 based on the procedures examined by us.

For B. Gupta & Co.
Chartered Accountants
(FRN: 000933C)

CAMP: NEW DELHI
DATED: 22nd May, 2017

(S.P. SINHA)
PARTNER
(M.N:014854)

Annexure- C

Report pursuant to directions issued by office of C& AG u/s 143(5) of the Companies Act, 2013 (referred to in Paragraph 8 of our report of even date)

Sr. No.	Direction	Remarks
1.	Whether the company has clear title/lease deeds for freehold and leasehold respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available?	The company does not have clear title deed for freehold land appearing in the Balance Sheet under Property, Plant and Equipment (Note No. 1.1) measuring 1064.69 acres. However, as per the records produced to us the process of mutation of land in favour of the company is in progress and the Circle Office, Buxar has issued "Shudhi Patra" in respect of 1030.63 acres of land.
2.	Whether there are any cases of waiver /write off of debts/loan/ interest etc., if yes, the reason there for and the amount involved.	We have not come across any cases of waiver/ write off of debts/ loan/interest etc.
3.	Whether proper records are maintained for inventories lying with third parties & assets received as gift from Government or other authorities.	During the year under review the company neither has any inventories lying with any third party nor has the company received any asset as gift from Government or other authorities.

FOR B. GUPTA & CO.
CHARTERED ACCOUNTANTS
[FRN:000993C]

CAMP: NEW DELHI
DATED: 22nd May, 2017

[S.P. SINHA]
Partner
[M.N.014854]

Annexure- III

Management reply on statutory auditor's qualification on financial statements of SJVN Thermal Private Limited for the year 2016-17

Statutory Auditor's qualification	Management reply
Land – freehold amounting to Rs 36713.00 Lakh (measuring 1064.69 Acres) (Previous year Rs.36,060.72 lakh, measuring 1056.85 Acres) appearing in the Balance Sheet under Property, Plant and Equipment (Note No. 1.1) has been accounted for pending execution of title deeds	The company has paid an amount of Rs 36713 Lakh (measuring 1064.69 Acres) to Bihar State Power Generation Company Limited for construction of 1320 MW (660*2) Buxar Thermal Power Project. The entire land is under physical possession of Company. The land has been demarcated by construction of pillars and fenced with barbed wire. Further, mutation of freehold land in favour of company is under way. The process of mutation of land measuring 1064.69 acres (previous year 1056.85 acres) in favour of the company consists of two stages. Stage 1 issue of "Shudhi Patra" wherein name of previous owner is replaced with name of new owner. In respect of 1030.63 acres of land (previous year: nil) "shudhi Patra" has been issued by circle officer, Buxar. In stage 2 wherever the Shudhi Patra has been issued the same is required to be entered into register II of land revenue record which is under process and the same will be completed in due course of time. In view of above, the company has capitalised the compensation amount and accounted for under the head Freehold land (including development expenses) under Property, Plant and Equipment (Note no. 1.1) in the Balance sheet. A suitable disclosure has also been made in note no. 1.1.

Annexure- IV

Comments of the Comptroller and Auditor General of India Under Section 143(6)(b) of the Companies Act, 2013 on the Financial Statements of SJVN Thermal Private Limited for the year ended 31 March, 2016

The preparation of financial statements of SJVN Thermal Private Limited for the year ended 31 March 2017 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 22 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have decided not to conduct the supplementary audit of the financial statements of SJVN Thermal Private Limited for the year ended 31 March 2017 under section 143(6)(a) of the Act.

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

Praveer Kumar

(Praveer Kumar)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-I,
KOLKATA

PLACE: Kolkata
DATED: 17th June, 2017

Annexure- V

Secretarial Audit Report
(For the Financial Year ended 31.03.2017)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Board of Directors
SJVN Thermal Private Limited
169, Patliputra Colony Patna - 800013

CIN: U31908BR2007PTC017646
Authorised Capital: Rs. 3000 Crores

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

Based on our verification of the **SJVN Thermal Private Limited** 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 ended on 31.03.2017,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:

1. I have examined the books, papers, minute books, forms and returns filed and other records maintained by **SJVN Thermal Private Limited ("The Company")** for the period ended on 31.03.2017 according to the provisions of:
   I. The Companies Act, 2013 (the Act) and the Rules made thereunder;
   II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
   III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

V. The Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') to the extent applicable to the Company;

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

i) Secretarial Standards issued by The Institute of Company Secretaries of India.
During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except that:

1. No Independent Director has been appointed in the Company
2. No woman Director has been appointed in the Company.

**However, representations have been sent by the Company to the concerned authority seeking the appointment of Independent Director and woman Director on the Board of the Company.

3. I further report that:

_ The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

_ 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.

_ Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

_ The Company has obtained all necessary approvals under the various provisions of the Act; and

_ There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, Listing Agreement and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

- As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous and no dissenting views have been recorded.

4. I further report that:

1. I further report that based on the information received and records maintained 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 Sachin Gupta & Co.

Sachin Gupta
(Proprietor)
Membership No.- 5313
CP No.: 4149

Place : NEW DELHI
Dated: 20/06/2017

Annexure

To,
The Members,
SJVN Thermal Private Limited
(U31908BR2007PTC017646)

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

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

For Sachin Gupta & Co.

Sachin Gupta
(Proprietor)
Membership No.- 5313
CP No.: 4149

Place : NEW DELHI
Dated: 20/06/2017

Annexure- VI

REPLY OF MANAGEMENT TO OBSERVATIONS OF SECRETARIAL AUDITOR

Sr. No.	Observation of Secretarial Auditors	Management Reply
1.	No Independent Director has been appointed in the Company	SJVN Thermal Private Limited is a wholly owned subsidiary Company of SJVN Limited which is a Central Public Sector Undertaking (CPSU) and the powers to appoint Independent 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.	No woman Director has been appointed in the Company.	The Board of SJVN Thermal Private Limited consists only of the Directors nominated by the Holding Company SJVN Limited from its Functional Directors. There is no Functional Women Director as such on the Board of the Holding Company and as per present guidelines, the Appointment of Directors is required to be done by the Concerned Administrative Ministry.

Annexure- VII

Form No. MGT-9
EXTRACT OF ANNUAL RETURNS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

[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 during the year
	De-mat	Physical	Total	% of Total Shares	De-mat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual (Nominee of SJVN)		1	1	0.01%	-	1	1	0.01%	-
b) Central Govt		-	-	-	-	-	-	-	-
c) State Govt(s)		-	-	-	-	-	-	-	-
d) Bodies Corp		43,66,79,999	43,66,79,999	99.99%	-	43,66,79,999	43,66,79,999	99.99%	-
e) Banks / FI		-	-	-	-	-	-	-	-
f) Any Other		-	-	-	-	-	-	-	-
Sub-total(A)(1):-		43,66,80,000	43,66,80,000	100%		43,66,80,000	43,66,80,000	100%	-

2) Foreign									
a) Individual (Nominee of SJVN)		-	-	-	-	-	-	-	-
b) Central Govt		-	-	-	-	-	-	-	-
c) State Govt(s)		-	-	-	-	-	-	-	-
d) Bodies Corp		-	-	-	-	-	-	-	-
e) Banks / FI		-	-	-	-	-	-	-	-
Sub-total(A)(2):-		-	-	-	-	-	-	-	-
Total Promoter Shareholding (A)=(A)(1)+(A)(2)		43,66,80,000	43,66,80,000	100%	-	43,66,80,000	43,66,80,000	100%	-
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 Rs. 2 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 2 lakh		-	-	-	-	-	-	-	-
c) Others (Specify)		-	-	-	-	-	-	-	-
Sub-total (B)(2)									
Total Public Shareholding (B)=(B)(1)+(B)(2)		-	-	-	-	-	-	-	-
C. Share 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	SJVN Limited & R. K. Agarwal	1	0.01%	-	-	-	-	-0.01%
3	N.C. Bansal & SJVN Limited	-	-	-	1	0.01%	-	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 total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Promoters 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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
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				
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
	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 – Rs 72 Lakh (detailed as under)

Sr. No.	KMP	Amount of remuneration (₹ Lakh)
1	CEO	34
2	CFO	30
3	CS	8
	Total	72

VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

SJVN THERMAL PRIVATE LIMITED

(Formerly Buxar Bijlee Company Private Limited)

(A wholly owned Subsidiary of SJVN Limited)

BALANCE SHEET AS AT MARCH 31, 2017

(₹ Lakh)

	Note No.		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS					
Non - current Assets					
Property, Plant and Equipment	1.1		36834	36170	93
Capital Work-in-progress	1.2		10103	7844	6073
Investment Property			-	-	-
Goodwill			-	-	-
Other Intangible Assets	1.3		1	2	-
Intangible assets under development			-	-	-
Financial Assets					
Investments		-		-	-
Trade receivable		-		-	-
Loans		-		-	-
Others		-		-	-
		-		-	-
Deferred Tax Assets (Net)			-	-	-
Regulatory Deferral Account Debit Balance			-	-	-
Other Non-current Assets	1.4		324	365	338
Current Assets					
Inventories			-	-	-
Financial Assets					
Investment		-		-	-
Trade Receivables		-		-	-
Cash and cash equivalents	1.5	102		415	3
Bank Balance other than above		-		-	-
Loans		-		-	-
Others	1.6	-		2	-
			102	417	3
Current Tax Assets	1.7		1	5	-
Other Current Assets	1.8		9	5	-
Total Assets			47374	44808	6507
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	1.9		43668	43668	1
Other Equity	1.10		(14)	(2)	(1)
Liabilities					
Non- current Liabilities					
Financial Liablities					
Borrowings			-	-	-
Trade Payable			-	-	-
Other Financial Liablities			-	-	-
			-	-	-
Provisions			-	-	-
Deferred Tax Liablities (net)					
Other Non- Current Liabilities			-	-	-
Current Liabilities					
Financial Liablities					
Borrowings			-	-	-
Trade Payables			-	-	-
Other Financial Liablities	1.11		3378	1011	6354
Other Current Liabilities	1.12		181	48	39
Provisions	1.13		161	83	114
Total Equity and Liabilities			47374	44808	6507

2.60 form an integral part of the financial statements.

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

For and on behalf of the Board of Directors

(Raman K Sharma)
Company Secretary
ACS-29662

(A. S. Shukla)
CFO

(Parveen Gupta)
CEO

(A. S. Bindra)
Director
DIN- 03358160

(R. N. Misra)
Chairman
DIN-03109225

For B. Gupta & Co.
Chartered Accountants
(FRN 000933C)

(S.P. Sinha)
M No. 014854
Place : New Delhi
Dated: 22nd May, 2017

SJVN THERMAL PRIVATE LIMITED

(Formerly Buxar Bijlee Company Private Limited)

(A wholly owned Subsidiary of SJVN Limited)

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED MARCH-31, 2017

(₹ Lakh)

	Note No.	For the Period Ended March 31, 2017	For the Period Ended March 31, 2016
Income			
Revenue from Operations		-	-
Other Income	1.14	6	15
Total Income		**6**	**15**
Expenses			
Employee Benefits Expense	1.15	16	15
Finance Costs		-	-
Depreciation and Amortization Expense		-	-
Other Expenses	1.16	2	1
Total Expenses		**18**	**16**
Profit Before Tax		**(12)**	**(1)**
Tax Expenses:			
- Current Tax		-	-
Profit(Loss) for the period		(12)	(1)
Other comprehensive income		-	-
Total Comprehensive Income for the period		(12)	(1)
Earnings Per Equity Share (For Continuing Opreations)			
- Basic and Diluted (₹)	1.24		
See acompanying notes to the Financial Statements			

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

For and on behalf of the Board of Directors

(Raman K Sharma)
Company Secretary
ACS-29662

(A. S. Shukla)
CFO

(Parveen Gupta)
CEO

(A. S. Bindra)
Director
DIN- 03358160

(R. N. Misra)
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For B. Gupta & Co.
Chartered Accountants
(FRN 000933C)

(S.P. Sinha)
M No. 014854
Place : New Delhi
Dated: 22nd May, 2017

SJVN THERMAL PRIVATE LIMITED

(Formerly Buxar Bijlee Company Private Limited)
(A wholly owned Subsidiary of SJVN Limited)

Statement of Change in Equity

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total
		Reserves and Surplus		Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefits Assets/ Liabilities (Net of Tax)		
Opening Balance as at April 1,2016	43668	-	(2)	-	(2)	43666
Change in Accounting Policy or Prior Period Items	-	-	-	-	-	-
Restated Balance as at April 1,2016	43668	-	(2)	-	(2)	43666
Other Comprehensive income for the period				-	-	-
Profit for the Period			(12)		(12)	(12)
Closing Balance as at March 31, 2017	**43668**	**-**	**(14)**	**-**	**(14)**	**43654**

Statement of Change in Equity

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total
		Reserves and Surplus		Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefits Assets/ Liabilities (Net of Tax)		
Opening Balance as at As at April 1, 2015	1	-	(1)	-	(1)	-
Change in Accounting Policy or Prior Period Items	-	-	-	-	-	-
Restated Balance as at As at April 1, 2015	1	-	(1)	-	(1)	-
Other Comprehensive income for the period				-	-	-
Profit for the Period			(1)		(1)	(1)
Issue of share capital	43667	-	-	-	-	43667
Closing Balance as at March 31, 2016	**43668**	**-**	**(2)**	**-**	**(2)**	**43666**

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

For and on behalf of the Board of Directors

(Raman K Sharma)
Company Secretary
ACS-29662

(A. S. Shukla)
CFO

(Parveen Gupta)
CEO

(A. S. Bindra)
Director
DIN- 03358160

(R. N. Misra)
Chairman
DIN-03109225

For B. Gupta & Co.
Chartered Accountants
(FRN 000933C)

(S.P. Sinha)
M No. 014854
Place : New Delhi
Dated: 22nd May, 2017

SJVN THERMAL PRIVATE LIMITED

(Formerly Buxar Bijlee Company Private Limited)

(A wholly owned Subsidiary of SJVN Limited)

STATEMENT OF CASHFLOW FOR THE PERIOD ENDED MARCH 31, 2017

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Cash flow from operating activites			
Profit for the period including OCI		(12)	(1)
Adjustment for non cash and non operating items:			
Interest on term deposits		(6)	(15)
Adjustment for assets and liabilities			
Loans, other financial assets and other assets	(4)		(5)
Other financial liabilities and other liabilities	2500		(5334)
Provisions	78		(31)
		2574	(5370)
Cash generated from operating activities		2556	(5387)
Income tax paid		4	(5)
Net cash generated by operating activities		2560	(5392)
Cash flow from investing activities:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(2881)		(37876)
Interest on term deposits	8		13
Net cash used in investing activities		(2873)	(37863)
Cash flow from financing activities:			
Issue of equity shares			43667
Cash used in financing activities		-	43667
Net increase in cash and cash equivalents		(313)	412
Opening balance of cash & cash equivalents		415	3
Closing balance of cash & cash equivalents		102	415

This is the Statement of Cash Flow referred to in our report of even date.

For and on behalf of the Board of Directors

(Raman K Sharma)
Company Secretary
ACS-29662

(A. S. Shukla)
CFO

(Parveen Gupta)
CEO

(A. S. Bindra)
Director
DIN- 03358160

(R. N. Misra)
Chairman
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For B. Gupta & Co.
Chartered Accountants
(FRN 000933C)

(S.P. Sinha)
M No. 014854
Place : New Delhi
Dated: 22nd May, 2017

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, 2017

Company Information and Significant Accounting Policies

A. Reporting Entity

SJVN Thermal Pvt. Ltd. (the "Company") is a company domiciled in India and limited by shares (CIN: U31908BR2007PTC017646). The address of the company's registered office is 169, Patliputra Colony, Patna, Bihar. The company is in pre-construction stage of implementing coal based thermal power plant at Chausa distt. Buxar (Bihar)

B. Significant Accounting Policies

1. Basis of Preparation:

The Company has adopted IND AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

The company has prepared its Opening IND AS Balance Sheet as at April 1, 2015 i.e. the Company's date of transition to Ind AS in accordance with the requirements of IND AS 101 ''First-time adoption of Indian Accounting Standards''. The transition was carried out from accounting principles generally accepted in India (''Indian GAAP'') which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit and cash flows for the year ended March 31, 2016 is disclosed in Note no 1.18 to these financial statements.

The preparation of the financial statements requires management to make estimates and assumptions that may impact the application of accounting policies and the reported value of Assets, Liabilities, Income, Expenses and related disclosures concerning the items involved as well as contingent assets and liabilities at the balance sheet date. Actual results could vary from these estimates. The estimates and management's judgements are based on previous experience and other factor considered reasonable and prudent in the circumstances. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no.1.35 on critical accounting estimates, assumptions and judgments).

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 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.

6. Intangible Assets

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

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

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

ii. the cost of the asset can be measured reliably

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

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

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

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 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.

9. Inventories

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

b) Inventories are valued at the lower of cost and net realizable value.

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

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

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

10. Foreign Currency Transactions:

a) Functional and presentation currency:

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

b) Transactions and balances

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

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

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

11. Financial instruments – initial recognition, subsequent measurement and impairment

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

a) Financial Assets

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

Initial recognition and measurement:

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

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

Subsequent measurement:

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

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

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

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

Impairment of financial assets:

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

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

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

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

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

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 exceptionunder IND AS 101 to value investments in subsidiaries atcost.

13.Investment in joint ventures and associates:

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

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

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

14. Leases

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

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

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

A. Finance lease:

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

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

c) Assets held under finance leases are recognised as assets of the

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

B. Operating lease

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

15. Government Grants

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

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

16. Borrowing costs

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

17. Provisions, Contingent Liabilities and Contingent Assets

a) A provision is recognised when:

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

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

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

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

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

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

e) Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

f) Contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company. Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable on the basis of judgement of management. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

18. Revenue Recognition and Other Income

a) Revenue from sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission (CERC). In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis. Revenue from sale of energy is recognized once the electricity has been transmitted to customers. As at each reporting date, energy revenue includes an accrual for sales transmitted to customers but not yet billed (unbilled Revenue).

b) Rebate to customers as early payment incentive is deducted from the amount of revenue from energy sales.

c) Incentives/disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.

d) Revenue from consultancy services rendered is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/ technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy contracts.

e) Interest/Surcharge on late payment/ overdue sundry debtors for sale of energy are recognised when no significant uncertainty as to measurability or collectability exists.

f) Dividend income is recognized when the company's right to receive payment is established.

g) Interest/surcharge/liquidated damages recoverable from suppliers and contractors, wherever there is uncertainty of realisation/acceptance are accounted for on receipts acceptance.

h) Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the effective interest method. Interest income on impaired loans/receivable is recognised using the original effective interest rate.

i) Compensation from third parties including from insurance are accounted for on certainty of realization.

19. Employee Benefits

Employee benefits consist of wages, salaries, benefits in kind, provident fund, pension, gratuity, post-retirement medical facilities, leave benefits and other terminal benefits etc.

a) Defined Contribution Plans

i) A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate trust and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the periods during which services are rendered by employees.

ii) The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by GOI.

iii) The company also has Defined Contribution Pension Scheme for providing pension benefit. The obligation of the company is to contribute the extent of amount not exceeding 30% of basic pay and dearness allowance less employer contribution/liability towards provident fund, gratuity, post-retirement medical facility (PMRF). The liability for the same is recognized on accrual basis. The scheme is funded by company and managed by separate trust created for this purpose.

b) Defined Benefit Plans

i. A defined benefit plan is a post-employment plan other than a defined contribution plan.

ii. The gratuity scheme is funded by the company and is managed by a separate trust. Company's liability is determined by the qualified actuary using the projected unit credit method at the year-end and any shortfall in the fund size maintained by the trust is additionally provided for by the company.

iii. The company has a Retired Employee Health Scheme (REHS), under which retired employees, spouse and eligible parents of retired employee are provided medical facilities in the company hospitals/ empanelled hospitals. They can also avail treatment as Out- patient subject to a ceiling fixed by the Company.

iv. The company also has other benefit plans i.e. leave encashment, allowance on retirement/ death and memento on superannuation.

v. The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The liability is ascertained at the year-end by the qualified actuary using the projected unit credit method.

vi. Service cost & net interest on the net defined benefit liability (asset) are recognized in Profit or loss unless another Standard permits inclusion in the cost of asset.

vii. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

c) Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period in which the service is provided.

20. Depreciation and amortization

a) Depreciation on Property, Plant & Equipment of Operating Units of the Company is charged to the Statement of Profit & Loss on straight-line method following the rates and methodology as notified by CERC for the fixation of tariff in accordance with Schedule-II Part B of the companies act 2013 except for assets specified in policy no. 20(c) below.

b) Depreciation on Property, Plant & Equipment of other than Operating Units of the Company is charged to the extent of 90% of the cost of the asset following the rates notified by CERC for the fixation of tariff except for assets specified in policy no. 20(c) below.

c) Depreciation on the following items of Property, Plant and Equipment is charged on straight line method on estimated useful life:

i. Computer & Peripherals depreciated fully (100%) in 3 years.

ii. Mobile Phones depreciated fully (100%) in 2 years.

d) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the month on which the asset is available for use / disposed.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization.

f) Assets costing upto ₹5000/- are fully depreciated in the year of acquisition.

g) Expenditure on software recognized as 'Intangible Asset' and is amortized fully on straight line method over a period of legal right to use or three years, whichever is less. Other intangible assets with a finite useful life are amortized on a systematic basis over its useful life.

h) Leasehold land is fully amortized through depreciation over the period of lease or 25 years, whichever is lower, following the rates and methodology notified by CERC for the purpose of fixation of tariff as amended from time to time.

i) Tangible Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.

j) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such asset determined following the applicable accounting policies relating to depreciation/ amortization.

k) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.

l) Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by the CERC.

21.Income Taxes

Income tax expense comprises current tax and deferred tax. Current Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case the tax is also recognised directly in equity or in other comprehensive income.

a) Current income tax

Current tax is expected tax payable on taxable profit for the year, using tax rates enacted or substantively enacted at the balance sheet date and any adjustments to tax payable in respect of previous years.

b) Deferred tax

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax is recognised in the statement of profit and loss except to the extent that it relates to items recognised directly in other comprehensive income or equity, in which case it is recognised in other comprehensive income or equity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

22. Dividend Distribution:

a) Final Dividends and interim dividends payable to Company's shareholders are recognized and accounted for in the period in which they are approved by the shareholders and the Board of Directors respectively.

b) Additional income taxes that arise from the distribution of dividends are recognised at the same time that the liability to pay the related dividend is recognised.

23. Segment Reporting:

a) Segments have been identified taking into account nature of product and differential risk and returns of the segment. These business segments are reviewed by the Management.

b) Electricity generation is the principal business activity of the company. Other operations viz., Consultancy works etc. do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.

c) The company is having a single geographical segment as all its Power Stations are located within the Country.

24. Statement of Cash Flows

a) Cash and cash equivalents includes cash/Drafts/Cheques on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

b) Statement of cash flows is prepared in accordance with the indirect method (whereby profit or loss is adjusted for effects of non-cash transactions) prescribed in Ind AS-7 "Statement of Cash Flows"

25.Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which error occurred. If the error occurred before the earliest period presented, opening balances of assets, liabilities and equity for the earliest period presented, are restated.

26. Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle

b) Held primarily for the purpose of trading

c) Expected to be realised within twelve months after the reporting period, or

d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in the normal operating cycle

b) It is held primarily for the purpose of trading

c) It is due to be settled within twelve months after the reporting period, or

d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

27.Miscellaneous

Minimum two percent of average Profit before Tax of three immediately preceding financial years is transferred to CSR Trust for incurring expenditure towards Corporate Social Responsibility (CSR) and Sustainable Development (SD).

C. Notes on Accounts

The amounts in Financial Statements are presented in Indian Rupees in Lakh except when otherwise stated. The previous year figures have also been reclassified / regrouped / rearranged wherever necessary to conform to current year classification.

1.1 Property, Plant & Equipment

Sl.No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2016	Additions during the year	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	For the year	Deduction	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1	Land Free hold Land (including development expenses)	36060	653	-	36713	-	-	-	-	36713	36060
2	Vehicles	12	-	-	12	3	1	-	4	8	9
3	Furniture, Fixture and Equipments	49	5	-	54	10	5	-	15	39	39
4	Electrical Equipments	44	14	-	58	6	3	-	9	49	38
5	Office Equipments	16	5	-	21	3	1	-	4	17	13
6	Data processing Equipments	35	6	1	40	24	9	1	32	8	11
Total		**36216**	**683**	**1**	**36898**	**46**	**19**	**1**	**64**	**36834**	**36170**
Previous Year :		121	-	-	36216	28	-	-	46	36170	93

* The Assets transferred by holding company are shown at gross value and Depreciation provided on those assets by holding company are shown under the head Depreciation (Transfer / Adjustment during the year).

** The process of mutation of land measuring 1064.69 acres (previous year 1056.85 acres) in favour of the company consists of two stages. Stage 1 issue of "Shudhi Patra" wherein name of previous owner is replaced with name of new owner. In respect of 1030.63 acres of land (previous year: nil) "shudhi patra" has been issued by circle officer, Buxar. In stage 2 wherever the shudhi patra has been issued the same is required to be entered into register II of land revenue record which is yet to done.

Individual assets of value less than ₹5000/-, total amounting to ₹1.67 lakh (Previous Year : ₹ 2.14 lakh) has been depreciated fully during the year in accordance with Accounting policy No. 20 (f).

1.2 Capital Work-in-progress

(₹ Lakh)

Sl No.	Particulars	As at April 1, 2016	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2017	Capitalised during the year	As at March 31, 2017
1	Preliminary	4733	645	-	5378		5378
2	Expenditure attributable to construction**	3111	1614	-	4725		4725
	Total	**7844**	**2259**	**-**	**10103**	**-**	**10103**
	Previous Year	6073	1771	-	7844		7844

** See note 1.2.1

1.2.1 Expenditure Attributable to Construction

(₹ Lakh)

	For the Year Ended March 31, 2017		For the Year Ended March 31, 2016
Employee Benefit Expenses:			
Salaries,Wages, Allowances and Benefits	982		724
Contribution to Provident and Other Funds	174		142
Leave Salary and Pension Contribution	27		23
Welfare Expenses	86		97
		1269	986
Repair and Maintenance:			
Office Equipments & Furnitures	3		2
Vehicles	2		2
Office	32		11
		37	15
Other Expenses:			
Rent		71	70
Security Expenses		44	27
Electricity Charges		5	7
Travelling & Conveyance		47	38
Training and Recruitment Expenses		9	11
Professional and Consultancy Charges		5	4
Communication Expenses		10	10
Printing & Stationery		5	5
Advertisement & Publicity		5	17
EDP Expenses		1	2
Hiring of Vehicles		26	26
Entertainment Expenses		2	2
Expenses on Transit Camps		41	18
Books & Periodicals		1	-
Fees and subscription		2	-
Miscellaneous Expenses		16	10
Depreciation and Amortization Expense		20	21
Total expenses		1616	1269
Recovery and Receipts:			
Misc Income		2	1
Total		2	1
Net expenditure attributable to constructions		1614	1268

1.3 Other Intangible Assets

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1, 2016	Additions during the year	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	For the year	Deduction	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1	Software	2	-	-	2	-	1	-	1	1	2
	Total	**2**	**-**	**-**	**2**	**-**	**1**	**-**	**1**	**1**	**2**
	Previous year	-	-	-	-	-	-	-	-	-	-

1.4 Other Non - current Assets

(₹ Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances			
Unsecured considered good			
-Covered by Bank Guarantees	-	10	97
-Others	324	324	232
Advances to Govt Departments	-	31	9
Total - Capital Advance	324	365	338
Total Other Non Current Assets	**324**	**365**	**338**

1.5 Current Assets

Cash and Cash Equivalents

(₹ Lakh)

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks				
Current Accounts	102		25	3
Term Deposits (having original maturity of upto 3 months)	-		390	-
		102	415	3
Total		**102**	**415**	**3**

1.6 Other Financial Assets

(₹ Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest Accrued but not due on deposits with Banks	-	2	-
Total Other Financial Asssets	**-**	**2**	**-**

1.7 Current Tax Assets(Net)

(₹ Lakh)

Particulars		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advance Tax Deposit	-		3	-
Tax deducted at Source	1		2	-
		1		
Less:Provision for Tax		-	-	-
Total		**1**	**5**	**-**

1.8 Other Current Assets

(₹ Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other Advances			
Advances to Officers of the Company	-	-	-
Advances to other employees of the Company	-	2	-
Advances to Others			
-Secured Considered Good	-	-	-
- Unsecured, considered good	8	2	-
Prepaid Expenses	1	1	-
Total	**9**	**5**	**-**

1.9 Equity Share Capital

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of par value ₹10/- each	3,00,00,00,000	3,00,000	3,00,00,00,000	3,00,000	3,00,00,00,000	3,00,000
ISSUED, SUBSCRIBED AND FULLY PAID UP						
Equity Shares of par value ₹10/- each fully paid up	43,66,80,000	43,668	43,66,80,000	43,668	10,000	1
Total		**43,668**		**43,668**	**10,000**	**1**

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

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Name of the shareholder	**No. of Shares**	**%**	**No. of Shares**	**%**	**No. of Shares**	**%**
SJVN Limited	436680000	100	436680000	100	10000	100

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

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Particulars	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**	**No. of Shares**	**Amount**
Number of shares at the beginning	436680000	43668	10000	1	10000	1
No. of shares issued during the year	-	-	436670000	43667	-	-
Number of shares at the end	436680000	43668	436680000	43668	10000	1

1.10 Other Equity

(₹ Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016
Retained Earnings		
Opening Balance	(2)	(1)
Add: Profit for the Year as per Statement of Profit and Loss	(12)	(1)
Surplus -Closing Balance	(14)	(2)
Total Other Equity	**(14)**	**(2)**

1.11 Other Financial Liablities-Current

(₹ Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others Payables:			
-Liability for Employees' Remuneration and Benefits	102	46	23
Amount Payable to Holding Company	3199	956	6327
Deposits, Retention Money from Contractors and Others	40	8	3
TDS and Other Taxes Payable	37	-	-
Others	-	1	1
Total	**3378**	**1011**	**6354**

1.12 Other Current Liablities

(₹ Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others	181	48	39
Total	**181**	**48**	**39**

1.13 Provisions

(₹ Lakh)

Particulars	As at April 1, 2016	For the year Additions	Write Back	Utilization	As at March 31, 2017
(A) Unfunded Employee Benefits	-	-	-	-	-
Total (A)	-	-		-	-
(B) Others:					
Pay Revision	-	43	-	-	43
Performance Related Pay	83	98	-	63	118
Total (B)	**83**	**142**	**-**	**64**	**161**
Total (A) + (B)	**83**	**142**	**-**	**64**	**161**
Previous Year	**114**	**-**	**-**	**31**	**83**

1.14 Other Income

(₹ Lakh)

Particulars	For the Period Ended March 31, 2017	For the Period Ended March 31, 2016
Interest Income		
Banks	6	15
Total	**6**	**15**

1.15 Employee Benefits Expense

(₹ Lakh)

Particulars	For the Period Ended March 31, 2017	For the Period Ended March 31, 2016
Salaries,Wages, Allowances and Benefits	15	13
Contribution to Provident and Other Funds	1	1
Welfare Expenses	-	1
Total	**16**	**15**

1.16 Other Expenses

(₹ Lakh)

	For the Period Ended March 31, 2017	For the Period Ended March 31, 2016
Payment to Auditors:		
As Auditor	1	1
Reimbursement of Expenses	1	-
Total	**2**	**1**

NOTE-1.17 : Disclosure on Financial Instruments and Risk Management

(1) Fair Value Measurement

A) Financial Instruments by category

(₹ Lakh)

Particulars	Note No.	As at March 31, 2017 Amortised Cost	As at March 31, 2016 Amortised Cost	As at April 1, 2015 Amortised Cost
Financial assets				
Non-current Financial assets				
(i) Non-current investments				
-In Equity Instrument (Unquoted)		-	-	-
(ii) Loans (to employee & others)		-	-	-
(iii) Others		-	-	
-Bank Deposits with more than 12 Months Maturity		-	-	-
Current Financial assets				
(i) Current Investments		-	-	-
(ii) Trade and other receivables		-	-	-
(iii) Cash and cash equivalents	1.5	102	415	3
(iv) Bank balances other than (iii) above		-	-	-
(v) Short-term loans (to employee & others)		-	-	-
(vi) others				
(a) Amount recoverable	1.6	-	-	-
(b) interest receivable on investments and bank deposites	1.6	-	2	-
(c) interest receivable from beneficiery	1.6	-	-	-
(d) other receivables (Unbilled Revenue)	1.6	-	-	-
Total Financial Assets		102	417	3
Financial Liabilities				
Non Current Financial Liabilities				
(i) Long-term borrowings				
a) Non-Convertible and Non Cumulative Bonds		-	-	-
b) Term Loan From Domestic Bank		-	-	-
c) Term Loan from others		-	-	-
(ii) Deposits/Retention Money-non current		-	-	-
Current Financial Liabilities				
(iii) Short-term borrowings		-	-	-
(iv)Trade Payables including MSMED		-	-	-
(v) Other Current financial liabilities				
a) Current Maturity of Non-Convertible and Non Cumulative Bonds	1.11	-	-	-
b) Current Maturity of Term Loan from Domestic bank	1.11	-	-	-
c) Current Maturity of Term Loan from others	1.11	-	-	-
d) interest accrued but not due on borrowings	1.11	-	-	-
e) Deposits/Retention Money	1.11	40	8	3
f) Liability against Capital Works/Supplies	1.11	-	-	-
g) Other Payables	1.11	3,338	1,003	6,351
Total		**3,378**	**1,011**	**6,354**

Note:The company does not classify any financial asset/financial liability at fair value through profit or loss (FVTPL) & fair value through other comprehensive income (FVTOCI).

B) FAIR VALUATION MEASUREMENT

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has to classifiy its financial instruments into the three levels prescribed under the accounting standards.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date. The company has no financial instruments that are listed and traded in recongised Stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes security deposits/ retention money and loans at below market rates of interest..

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:

(₹ Lakh)

		As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI										
(i) Investments-										
- In Equity Instrument (Quoted)		-			-			-		
- In Government Securities		-								
- In Public Sector Undertaking/Public Financial Institution & Corporate Bonds		-								
Total		-	-	-	-	-	-	-	-	-

Note:

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

(₹ Lakh)

		As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets										
(i) Loans (to employee & others)			-			-			-	
(ii) Others										
-Bank Deposits with more than 12 Months Maturity		-								
Total Financial Assets		-	-			-			-	
Financial Liabilities										
(i) Long-term borrowings (inclding Current Maturity and interest)			-			-			-	
(ii) Deposits/Retention Money (including Current)			40			8			3	
Total Financial Liabilities			**40**			**8**			**3**	

C) Assets for which fair values are disclosed :

(₹ Lakh)

	Note No.	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(i) Investment Property		-	-							
Total		-	-	-	-	-	-	-	-	-

(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 avaiable. Specific valuation techniques used to determine fair value of financial instruments includes:

-Use of Quoted market price or dealer quotes for similar intruments.

- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

The company has a team that performs the valuation of financial assets and liabilities required for financial reporting purpose .

(iii) Fair value of Financial Assets and liabilities measured at Amortised Cost

(₹ Lakh)

	Note No.	As at 31.03.2017		As at 31.03.2016		As at 01.04.2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortised Cost							
(i) Loans		-	-	-	-	-	-
(ii) Bank Deposits with more							
than 12 Months Maturity		-	-	-	-	-	-
Total Financial Assets		**-**	**-**	**-**	**-**	**-**	**-**
Financial Liabilities at Amortised Cost							
(i) Long-term borrowings							
(inclding Current Maturity and interest)		-	-	-	-	-	-
(ii) Deposits/Retention Money							
(including Current)	1.11	40	40	8	8	3	3
Total Financial Liabilities		**40**	**40**	**8**	**8**	**3**	**3**

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 orcustomer contract, leading to a financial loss. The copany is exposed to credit risk from its operating activties (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 ot 31st March, 2017 and 31st March, 2016."

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. (refer Note 2.11 of balance sheet)"

For year Ended 31st March, 2017

For year Ended 31st March 2016

(₹ Lakh)

Contratual maturities of financial liabilities	Note No.	Outstand-ing Debt as on 31.03.2016	With-in 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
1. Borrowings (including interest accrued but not due)		-	-	-	-	-
2 Other financial Liabilities	1.11	1,011	1,011	-	-	-
3.Trade Payables		-	-	-	-	-
Total Financial Liabilities		**1,011**	**1,011**	**-**	**-**	**-**

As at 1st April 2015

(₹ Lakh)

Contratual maturities of financial liabilities	Note No.	Outstand-ing Debt as on 01.04. 2015	With-in 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
1. Borrowings (including interest accrued but not due)		-	-	-	-	-
2 Other financial Liabilities	1.11	6,354	6,354	-	-	-
3.Trade Payables		-	-	-	-	-
Total Financial Liabilities		**6,354**	**6,354**	**-**	**-**	**-**

(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 and accordingly not subject to interest rate risk as definned 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:

Particulars	31.03.2017	31.03.2016	01.04.2015
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	31.03.2017	31.03.2016
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 :

(₹ Lakh)

Particulars	31.03. 2017	31.03. 2016	01.04. 2015
Foreign Currency	**USD**	**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 rartes as the same is the pass through item to the beneficiaries as per CERC guidlines.

(3) Capital Management

(a) Capital Risk Management

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient

capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2017.

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, 2017**	**As at March 31, 2016**	**As at April 1, 2015**
(a) Loans and borrowings	-	-	-
(b) Trade & other payables	-	-	-
(c) Less : Cash and cash equivalent	102.00	415.00	3.00
(d) Net Debt (a+b-c)	(102.00)	(415.00)	(3.00)
(e) Total Capital	43,654.00	43,666.00	-
(f) Capital and net debt (d+e)	43,552.00	43,251.00	(3.00)
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)
(i) Equity Shares	**As at 31st March, 2017**	**As at March 31, 2016**
Final dividend	-	-
Interim dividend	-	-
(ii) Dividend not recognised at the end of the reporting period	**-**	**-**

1.18 First Time adoption of IND AS

a) Transition from IGAAP to IND AS

The Company has adopted IND AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These are the Company's first annual financial statements prepared complying in all material respects with the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

For periods upto and including the year ended 31 March, 2016, the Company prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended). Accordingly, the Company has prepared IND AS compliant financial statements for period ending on 31st March, 2017. In preparing these financial statements, the Company has prepared opening IND AS balance sheet as at 1 April, 2015 the Company's date of transition to Ind-AS in accordance with requirement of IND AS 101, First time adoption of Indian Accounting Standards. The principal adjustments made by the Company in restating its IGAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 are quantified and explained in detail as Annexure I &II to this Note. However the basic approach adopted is again summarized hereunder:

i) All assets and liabilities have been classified into financial assets/ liabilities and non-financial assets/liabilities.

ii) All non-current financial assets/liabilities at below market rate of interest or zero interest and outstanding as on 01.04.2015 have been measured at fair value.

- Loans to employee such as house building advance, car advance, computer advance and scooter advance which are below market interest rate have been fair valued using discounted cash flow method. The interest rate used for valuing the above advances for income tax purpose (level 3 input) have been used as discount rate.

iii) In accordance with IND AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to IND AS.

iv) The estimates as at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with IGAAP.

v) IND AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under IND AS. Accordingly, the company has availed the following exemptions as per IND AS 101:

i) Optional exemptions:

a) Deemed Cost for Property, Plant & Equipment:

Property, Plant and Equipment up to March 31, 2015 were carried in the balance sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by IND AS 101, "First time adoption of IND ASs" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

Under the previous GAAP, as per AS 11, the effect of changes in foreign exchange rates, provided an alternate accounting treatment to Companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/ deducted from the cost of depreciable asset, which would then be depreciated over the balance life of the asset. Ind AS 101 allows an exemption for the first time adopter to continue the above accounting treatment in respect of the long term foreign currency monetary items recognized in the financial statements for the period ended immediately before the beginning of the first Ind AS financial reporting period.

b) Designation & Fair value measurement of financial assets or financial liabilities at initial recognition: Ind AS 101 allows an entity to designate investment in equity instruments at FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of IND AS 109 to transactions entered into on or after date of transition.

c) Investment in Subsidiaries and joint ventures: The Company has decided to avail the exemption with regard to measuring the investment in subsidiaries and joint venture as at date of transition at deemed cost which is previous GAAP carrying amount at that date.

d) Leases: Appendix C to Ind AS 17- Leases requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, the assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such arrangements/contracts.

Annexure-I to Note-1.18

(A) RECONCILIATION OF EQUITY

(₹ Lakh)

Sl No.	Particulars	Note No.	As at 31st March 2016 Previous GAAP	Adjustments	IND AS	As at 01st April 2015 Previous GAAP	Adjustments	IND AS
	ASSETS							
	(1) NON-CURRENT ASSETS							
a)	Property Plant & Equipment	1.1	36,170	-	36,170	93	-	93
b)	Capital Work In Progress	1.2	7,844	-	7,844	6,073	-	6,073
c)	Investment Property		-	-	-	-	-	-
d)	Other Intangible Assets	1.3	2	-	2	-	-	-
e)	Intangible Assets Under Development		-	-	-	-	-	-
f)	Financial Assets							
	i) Investments		-	-	-	-	-	-
	ii) Trade Receivables		-	-	-	-	-	-
	ii) Loans		-	-	-	338	(338)	-
	iii) Others		-	-	-	-		-
g)	Deferred Tax Assets (Net)		-	-	-	-	-	-
h)	Regulatory Deferral Account Debit Balances		-	-	-	-	-	-
i)	Other Non Current Assets	1.4	-	365	365	-	338	338
		-			-			
	(2) CURRENT ASSETS				-			-
a)	Inventories		-	-	-	-	-	-
b)	Financial Assets							
	i) Investments		-	-	-	-	-	-
	ii) Trade Receivables				-		-	
	iii) Cash & Cash Equivalents	1.5	415	-	415	3	-	3
	iv) Bank balances other than (iii) above		-	-	-	-	-	-
	v) Loans		375	(375)	-	-	-	-
	vi) Others	1.6	-	2	2	-	-	-
c)	Current Tax Assets (Net)	1.7	-	5	5	-	-	-
d)	Other Current Assets	1.8	2	3	5	-	-	-
	TOTAL ASSETS		**44,808**	**-**	**44,808**	**6,507**	**-**	**6,507**
(3)	Regulatory Deferral Account Debit Balances							
	Total assets and regulatory deferral account debit balances		**44,808**	**-**	**44,808**	**6,507**	**-**	**6,507**
	EQUITY AND LIABILITIES							
	(1) EQUITY							
(a)	Equity Share Capital	1.9	43,668	-	43,668	1	-	1
(b)	Other Equity	1.10	(2)	-	(2)	(1)	-	(1)
	(2) LIABILITIES							
	NON-CURRENT LIABILITIES							
	a) Financial Liabilities							
	i) Borrowings		-	-	-	-	-	-
	ii) Trade Payables		-	-	-	-	-	-
	iii) Other financial liabilities other than those specified in item i & ii		-	-	-	-	-	-
b)	Provisions		-	-	-	-	-	-
c)	Deferred Tax Liabilities (Net)		-	-	-	-	-	-
d)	Other non-current Liabilities		-	-	-	-	-	-
	(3) CURRENT LIABILITIES							
	a) Financial Liabilities							
	i) Borrowings		-	-	-	-	-	-
	ii) Trade Payables		-	-	-	-	-	-
	iii) Other financial liabilities (other than those specified in item i & ii)	1.11	-	1,011	1,011	-	6,354	6,354
b)	Other Current Liabilities	1.12	1,013	(965)	48	6,370	(6,331)	39
c)	Provisions	1.13	129	(46)	83	137	(23)	114
d)	Current Tax Liabilities (Net)		-	-	-	-		
	TOTAL EQUITY & LIABILITIES		**44,808**	**-**	**44,808**	**6,507**	**-**	**6,507**

(B) RECONCILIATION OF TOTAL COMPREHENSIVE INCOME

(₹ Lakh)

Sl No.	Particulars	Note No.	As at 31st March 2016 Previous GAAP	Adjustments	IND AS
INCOME					
i)	Revenue from Operations	2.30	-	-	-
ii)	Other Income	2.31	15	-	15
	TOTAL INCOME		**15**	**-**	**15**
EXPENSES					
i)	Generation, Administration and Other Expenses	2.34	1	-	1
ii)	Employee Benefits Expense	2.32	15	-	15
iii)	Finance Cost	2.33	-	-	-
iv)	Depreciation & Amortization Expense		-	-	-
	TOTAL EXPENSES		**16**	**-**	**16**
Prior Period Items					-
Profit before Exceptional items,Rate Regulated Activities and Tax			**(1)**	**-**	**(1)**
Exceptional items			-	-	-
PROFIT BEFORE TAX			**(1)**	**-**	**(1)**
Tax Expenses					
i)	Current Tax		-	-	-
ii)	Adjustments relating to earlier years		-	-	-
iii)	Deferred Tax		-	-	-
Total Tax Expenses			**-**	**-**	**-**
PROFIT FOR THE PERIOD BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES			**(1)**	**-**	**(1)**
PROFIT FOR THE PERIOD BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES			**(1)**	**-**	**(1)**
Rate Regulatory Income / (Expenses)			-	-	-
Impact of Tax on Regulatory Deferral Accounts			-	-	-
Rate Regulatory Income/ Expense (Net of Tax)			-	-	-
PROFIT FOR THE PERIOD AND NET MOVEMENTS IN NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES.			**(1)**	**-**	**(1)**
Profit for the period from continuing operations			**(1)**	**-**	**(1)**
Profit from discontined operations					
Tax expense of discontinued operations					
Profit from discontinuing operations after tax					
OTHER COMPREHENSIVE INCOME			**-**		
A	**(i) Items that will not be reclassified to profit or loss**				
- Remeasurements of the defined benefit plans			-	-	-
Less: Income Tax on remeasurements of the defined benefit plans			-	-	-
- Equity Investment			-	-	-
Less: Income Tax on Equity Investment			-	-	-
B	**(i) Items that will be reclassified to profit or loss**				
- Investment in Debt Instruments			-	-	-
Less: Income Tax on investment in Debt Instruments			-	-	-
Other Comprehensive Income (A+B)			**-**	**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD			**(1)**	**-**	**(1)**

Annexure-II to Note-1.18

(A) RECONCILIATION STATEMENT OF TOTAL EQUITY

(₹ Lakh)

Particulars	31st March 2016	1st April 2015
Total Equity(Shareholder's Fund) as per Previous GAAP	43,666.00	-
Adjustments :	-	-
Impact of arrangements/contracts containing a lease	-	-
Fair valuation of Investments	-	-
Fair valuation of Financial Assets and Financial liabilities other than investments	-	-
Discounting of Provisions	-	-
Proposed Dividend	-	-
Change in policy for recognition of Property, Plant & Equipment (PPE)	-	-
Rectification of Depreciation	-	-
Investments-adjustment of transaction cost (premium/discount)	-	-
Remeasurement of defined Benefit plan-Tax effect	-	-
Tax effect of adjustments	-	-
Prior Period Adjustment	-	-
	-	-
Total equity as per IND AS	**43,666.00**	-

(B) RECONCILIATION STATEMENT OF TOTAL COMPREHENSIVE INCOME

(₹ Lakh)

Particulars	31st March 2016
Profit after tax as per Previous GAAP	**(1)**
Adjustments:	
Impact of arrangements/contracts containing a lease	-
Fair valuation of Financial Assets and Financial liabilities other than investments	-
Discounting of Provisions	-
Change in policy for recognition of Property, Plant & Equipment (PPE)	-
Impact of Prior Period items transferred to Opening reserves	-
Remeasurement of defined Benefit plan	-
Tax effect of adjustments	-
Total Adjustments	**-**
Profit after tax as per IND AS	**(1)**
Other comprehensive income	**-**
Total comprehensive income	**(1)**

ii) Mandatory exemptions:

Estimates: An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

1.19 Contingent Liabilities:-

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

(₹ Lakh)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Land Compensation (see (i) below)	3	Nil	Nil

i) A demand of ₹ 3.23 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 31.03.2017 below:

(₹ Lakh)

Sl. No.	Particulars	Claims as on 31.03.2017	Provision against the claims	Contingent liability as on 31.03.2017	Contingent liability as on 31.03.2016	Addition of contingent liability for the period
1.	Land Compensation	3	-	3	-	3

The above is summarized as at 31.03.2016 below:

(₹ Lakh)

Sl. No.	Particulars	Claims as on 31.03.2016	Provision against the claims	Contingent liability as on 31.03.2016	Contingent liability as on 01.04.2015	Addition of contingent liability for the period
1.	Land Compensation	-	-	-	-	-

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 on 31.03.2017	As on 31.03.2016	As on 01.04.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	350	1474	37,925
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	-	-	-
Total	**350**	**1474**	**37,925**

1.20 The effect of foreign exchange fluctuation during the year is as under:

(Rs. Lakh)

Sr. No.	Particulars	Year ended 31 March 2017	Year ended 31 March 2016	Year ended 1 April 2015
i	*Amount charged to Statement of Profit and Loss excluding depreciation: -As FERV -As Borrowing cost	 - -	 - -	 - -
ii	*Amount charged to Statement of Profit and Loss excluding depreciation: -As FERV -As Borrowing cost)	 - -	 - -	 - -
iii	Amount adjusted by addition to carrying amount of fixed assets	-	-	-

1.21 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 are as under:

a) <u>Defined Contribution plans:</u>

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 ₹ 62.00 Lakh (Previous Year: ₹ 64 Lakh) is recognised as expense, charged to Expenditure During Construction (EDC) / Statement of Profit & Loss account (refer note 1.23 (d)). The obligation of the company is limited to fixed contribution and to ensure a minimum rate of return to the members as specified by Govt. of India.

ii) Pension:

Holding company has Defined Contribution Pension Scheme as approved by Ministry of Power (MOP) and liability for the same for the year towards employees posted in the company

on secondment is ₹ 51.00 Lakh (Previous Year : ₹ 43 Lakh) and is recognized on accrual basis. The same is recognised as expense, charged to Expenditure during Construction (EDC) / Statement of Profit & Loss account (refer note 1.23 (d)).

b) Defined benefit plans:

i) Gratuity:

Holding company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is managed by a separate trust, created by the holding company and liability for the same for the year towards employees posted in the company on secondment is ₹ 79 Lakh (Previous Year : ₹ 36 Lakh) and recognized on the basis of actuarial valuation. The same is recognised as expense charged to Expenditure during Construction (EDC).

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 ₹ 89 Lakh (Previous Year: ₹ 35 Lakh) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC).

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 ₹ 30 Lakh (Previous Year: ₹ 28 Lakh) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC).

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 ₹ 2 lakh (Previous Year: ₹ 1 lakh) and provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC).

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 during Construction (EDC).

I. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.50%	8.00%	8.00%
Future Salary Increase	6.00%	6.00%	6.00%

1.22 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 at Chausa, 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

1.23 Information on 'Related Party Disclosures' as per Ind AS 24 is provided as under:

a) List of Related Parties –

i) Directors & Key Management Personnel (KMP):

Sr. No.	Name of Director/KMP	Designation
1	Shri Ramesh Narian Misra	Chairman
2	Shri Amarjit Singh Bindra	Director
3	Shri Nand Lal Sharma	Director
4	Shri Rakesh Kumar Bansal	Director
5	Shri Parveen Gupta	Chief Executive Officer
6	Shri Abhay Shanker Shukla	Chief Financial Officer
7	Shri Raman Kant Sharma	Company Secretary

ii) Holding Company:

(₹ Lakh)

	% of Shareholding/voting Power				
Name of Entity	Principal Place of Operation/ Country of Incorporation	Principal activities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
SJVN Limited	India	Power Generation	100%	100%	100%

d) Remuneration to Directors & Key Managerial Personnel

(₹ Lakh)

Sr. No.	Particulars	Year ended 31 March 2017	Year ended 31 March 2016
i)	Short Term Employee Benefits	72	72
	Total	**72**	**72**

Remuneration to key management personnel has been charged to Statement of Profit & Loss as below: (refer note 1.21 (a))

- 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.

1.24 Earnings Per Share:-

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

Particulars	Year Ended 31.03.2017	Year Ended 31.03.2016
Net Profit/ (loss) after Tax but before Regulatory Income used as numerator (₹ in Lakh)	(12)	(1)
Net Profit after Tax and Regulatory Income used as numerator (₹ in Lakh)	(12)	(1)
Weighted Average number of equity shares used as denominator	43,66,80,000	12,44,31,041
Earnings per Share before Regulatory Income (₹) – Basic & Diluted	-	-
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	-	-
Face value per share (₹)	10	10

1.25 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.

1.26 Disclosure Regarding Embedded Lease: Nil

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

(₹ Lakh)

A	Expenditure in foreign currency	Year ended 31 .03.2017	Year ended 31 .03.2016
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	-	-

1.28 Quantitative details in respect of energy generated & sold :

a) Thermal Power (coal based):-

S. No.	Particulars	Year ended 31 .03.2017	Year ended 31 .03.2016
i)	Licensed Capacity (MW)	1320	1320
ii)	Installed Capacity (MW)	-	-
iii)	Actual Generation (Million Units)	-	-

1.29 Payment to Auditors includes:

(₹ Lakh)

Particulars	Year ended 31 .03.2017	Year ended 31 .03.2016
As Auditors		
- Statutory Audit	1	1
- Reimbursement of Expenses	1	-
Total	**2**	**1**

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

Particulars	Currency	As at 31.03. 2017	As at 31.03. 2016
Borrowings, including Interest Accrued but not due thereon.	-	-	-

1.31 Disclosure related to Corporate Social Responsibility (CSR): Nil

1.32 Information in respect of micro and small enterprises as at 31st March 2017 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Year ended 31 .03.2017	Year ended 31 .03.2016
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.	-	-

1.33 Information required in respect of specified bank notes as required by Schedule III of the Companies Act, 2013.

Particulars	Specified Bank Notes (SBN)	Other Denomination Notes	Total (Amount in ₹)
Closing Cash in hand on 08.11.2016	-	-	-
(+)Permitted Receipts	-	-	-
(-)Permitted Payments	-	-	-
(-)Amount deposited in Bank	-	-	-
Closing cash in hand on 30.12.2016	-	-	-

1.34 Opening balances/corresponding figures for previous year(s)/ period(s) have been re-grouped/ re-arranged, wherever necessary.

1.35 Disclosure as per Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

Sr. No.	Existing accounting estimate	Proposed Accounting estimate	Impact during the Year 2016-17	Reason for change
1	1.5 (a) (i) Depreciation and Amorisation- Depreciation is charged on straight line method following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff as amended from time to time except in case (i) Mobile phones which are depreciated @ 25%	20 c) (ii) Depreciation and amortisation- Depreciation on the following items of Property, Plant and Equipment is charged on straight line method on estimated useful life: Mobile Phones depreciated fully (100%) in 2 years.	There is no material impact on Incidental Expenditure During Construction (IEDC) and PPE net block.	As per change in company policy mobiles provided to employees will be charged fully in 2 years.

For and on behalf of the Board of Directors

(Raman K Sharma)
Company Secretary
ACS-29662

(A. S. Shukla)
CFO

(Parveen Gupta)
CEO

(A. S. Bindra)
Director
DIN- 03358160

(R. N. Misra)
Chairman
DIN-03109225

These are the notes referred to in the Financial Statements.

For B. Gupta & Co.
Chartered Accountants
(FRN 000933C)

(S.P. Sinha)
M No. 014854
Place : New Delhi
Dated: 22nd May, 2017

FOREIGN SUBSIDIARY

SJVN ARUN-3 POWER DEVELOPMENT COMPANY PRIVATE LIMITED

Foreign Subsidiary Company

SJVN Arun-3 Power Development Company Private Limited

BALANCE SHEET AS AT MARCH 31, 2017

(₹ Lakh)

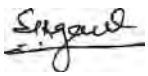
	Note No.		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS					
Non - current Assets					
Property, Plant and Equipment	2.1		7655	120	57
Capital Work-in-progress	2.2		11850	8516	7749
Investment Property	2.3		-	-	-
Goodwill	2.4		-	-	-
Other Intangible Assets	2.5		-	-	-
Intangible assets under development	2.6		-	-	-
Financial Assets					
Investments	2.7	-		-	-
Trade receivable	2.8	-		-	-
Loans	2.9	155		63	88
Others	2.10	-		-	-
			155	63	88
Deferred Tax Assets (Net)	2.11		-	-	-
Regulatory Deferral Account Debit Balance	2.12		-	-	-
Other Non-current Assets	2.13		1224	62	-
Current Assets					
Inventories	2.14		-	-	-
Financial Assets					
Investment	2.15	-		-	-
Trade Receivables	2.16	-		-	-
Cash and cash equivalents	2.17	371		57	7
Bank Balance other than above	2.18	6		-	-
Loans	2.19	58		15	15
Others	2.20	-		-	17
			435	72	39
Current Tax Assets	2.21		-	-	-
Other Current Assets	2.22		306	12	3
Total Assets			21625	8845	7936
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	2.23		6910	300	300
Other Equity	2.24		(52)	(27)	(2)
Liabilities					
Non- current Liabilities					
Financial Liablities					
Borrowings	2.25	-		-	-
Trade Payable	2.26	-		-	-
Other Financial Liablities	2.27	-		-	-
			-	-	
Provisions	2.28		-	-	-
Deferred Tax Liablities (net)	2.29		-	-	-
Other Non- Current Liabilities	2.30		-	-	-
Current Liabilities					
Financial Liablities					
Borrowings	2.31	-		-	-
Trade Payables	2.32	4		16	55
Other Financial Liablities	2.33	14611		8512	7582
			14615	8528	7637
Other Current Liabilities	2.34		-	11	1
Provisions	2.35		152	33	-
Current Tax Liablities (Net)	2.36		-	-	-
Total Equity and Liabilities			21625	8845	7936

Significant Accounting policies 1

The accompanying Notes form an integral part of the financial statement



(Akhileshwar Singh)
CFO



(Suresh Chandra Agarwal)
CEO

SJVN Arun-3 Power Development Company Private Limited
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Income			
Revenue from Operations	2.37	-	-
Other Income	2.38	-	-
Total Income		**-**	**-**
Expenses			
Employee Benefits Expense	2.39	-	-
Finance Costs	2.40	-	-
Depreciation and Amortization Expense	2.41	-	-
Other Expenses	2.42	25	25
Total Expenses		**25**	**25**
Profit/ (Loss) before exceptional and tax		**(25)**	**(25)**
Exceptional Items	2.43	-	-
Profit Before regulatory income and Tax		(25)	(25)
Regulatory Income/ (Expenses)	2.44	-	-
Profit Before Tax		(25)	(25)
Tax Expenses:			
- Current Tax		-	-
- Deferred Tax		-	-
Profit(Loss) for the period		**(25)**	**(25)**
Other comprehensive income		**-**	**-**
Total Comprehensive Income for the period		**(25)**	**(25)**
Earnings Per Equity Share (Par Value ₹62.50 each)		**-**	**-**
- Basic and Diluted (₹)			
Significant Accounting policies	**1**		

The accompanying Notes form an integral part of the financial statement

(Akhileshwar Singh)
CFO

(Suresh Chandra Agarwal)
CEO

SJVN Arun-3 Power Development Company Private Limited
STATEMENT OF CHANGE IN EQUITY

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total
		Reserves and Surplus		Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefits Assets/ Liabilities (Net of Tax)		
Opening Balance as at April 1,2016	300	-	(27)		(27)	273
Equity Shares issued during the year	6610					6610
Other Comprehensive income for the period						
Profit for the Period			(25)		(25)	(25)
Closing Balance as at 31 March 2017	**6910**	**-**	**(52)**		**(52)**	**6858**

The Company has only one class of equity shares having par value of ₹62.50 per share. The holder of the equity share are entitled to receive dividend as declare time to time and are entitled to voting right proportionate to their share holding at the meeting of share holder. The company is having single shareholder as its holding company SJVN Ltd India. During the year ending 31, March 2017 no dividend has been proposed & distributed as no commercial operation initiated. During the year company has issued 10576522 Equity Shares of ₹62.50 each amounting to INR 661032625 in favour of SJVN Ltd. The total equity share capital as on 31.03.2017 is ₹691032625/- Hence the total no. of equity share as on 31.03.2017 is 11056522.

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total
		Reserves and Surplus		Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefits Assets/ Liabilities (Net of Tax)		
Opening Balance as at As at April 1, 2015	300	-	(2)		(2)	298
Other Comprehensive income for the period			-	-	-	
Profit for the Period			(25)		(25)	(25)
Closing Balance as at March 31, 2016	**300**	**-**	**(27)**	**-**	**(27)**	**273**

(Akhileshwar Singh)
CFO

(Suresh Chandra Agarwal)
CEO

SJVN Arun-3 Power Development Company Private Limited
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Cash flow from operating activites			
Profit for the period including OCI		(25)	(25)
Adjustment for non cash and non operating items:			
Loss on disposal/ write off of fixed assets	-		24
		-	(1)
Adjustment for assets and liabilities			
Loans, other financial assets and other assets	(429)		(29)
Trade payable	(13)		-
Other financial liabilities and other liabilities	6088		920
Provisions	120		-
		5766	891
Cash generated from operating activities		**5741**	**890**
Cash flow from investing activities:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(12031)		(840)
Net cash used in investing activities		**(12031)**	**(840)**
Cash flow from financing activities:			
Issue of equity shares	6610		-
Cash used in financing activities		**6610**	**-**
Net increase in cash and cash equivalents		**320**	**50**
Opening balance of cash & cash equivalents		**57**	**7**
Closing balance of cash & cash equivalents		**377**	**57**
Restricted cash balance			
Margin Money for BG/ Letter of Credit and Pledged deposits		6	-
Total		**6**	**-**

(Akhileshwar Singh)
CFO

(Suresh Chandra Agarwal)
CEO

2.1 Property, Plant & Equipment

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation				Net Block	
		As at April 1,2016	Additions during the year	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	For the year	Deduction	As at March 31, 2017	As at March 31, 2017	As at March 31, 2016
1	Land										
	Free hold Land										
	(including development expenses)	-	7516	-	7516	-	-	-	-	7516	-
2	Buildings	78	-	-	78	11	3	-	15	63	67
3	Furniture, Fixture and Equipments	34	16	-	50	17	2	-	19	31	17
4	Electrical Works	14	-	-	14	3	1	-	4	10	11
5	Electrical Equipments	16	1	-	17	5	1	-	6	11	11
6	Office Equipments	12	4	-	16	4	1	-	5	11	8
7	Data processing Equipments	15	7	(4)	26	9	4	-	13	13	6
	Total	**169**	**7544**	**(4)**	**7717**	**49**	**12**	**-**	**62**	**7655**	**120**
	Previous Year :	96	85	12	169	39	18	8	49	120	57

Fixed Assets costing ₹ 5000 or less procured and deprreciated fully during the year.

	Current Year	Previous Year
	1	**1**

2.2 Capital Work-in-progress

(₹ Lakh)

Sl.No.	Particulars	As at April 1,2016	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2017	Capitalised during the year	As at March 31, 2017
1	Roads, Bridges & Culverts	-	1168	-	1168	-	1168
2	Preliminary	4132	-	(229)	4361	-	4361
3	Expenditure attributable to construction	4384	1937	-	6321	-	6321
	Total	**8516**	**3105**	**(229)**	**11850**	**-**	**11850**
	Previous Year	7749	867	100	8516	-	8516

2.2.1 Expenditure Attributable to Construction

(₹ Lakh)

Particulars		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Employee Benefit Expenses:			
Salaries,Wages, Allowances and Benefits	1089		492
Contribution to Provident and Other Funds	224		25
Leave Salary and Pension Contribution	4		4
Welfare Expenses	348		21
		1665	542
Repair and Maintenance:			
Buildings	33		22
Others	34		28
		67	50
Other Expenses:			
Rent		33	24
Security Expenses		5	4
Electricity Charges		3	2
Travelling & Conveyance		53	24
Legal Expenses		1	2
Professional and Consultancy Charges		61	32
Communication Expenses		7	4
Printing & Stationery	6		2
Less: Receipts from Sale of Tenders	1		1
		5	1
Advertisement & Publicity		8	1
EDP Expenses		4	1
Hiring of Vehicles		42	19
Entertainment Expenses		5	3
Miscellaneous Expenses		2	-
Depreciation and Amortization Expense		12	18
Other finance charges		2	1
Total expenses		1975	728
Recovery and receipts			
Interest Income : Employees		7	5
Misc Income		31	-
Total receipts		**38**	**5**
Net expenditure attributable to constructions		**1937**	**723**

2.3 Investment Property — Nil

2.4 Goodwill — Nil

2.5 Other Intangible Assets — Nil

2.6 Intangible Assets under Development — Nil

Financial Assets- Non Current

2.7 Investments — Nil

2.8 Trade Receivables — Nil

2.9 Loans

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other Loans			
Loans to Employees			
- Secured considered good	131	61	81
- Unsecured considered good	24	2	7
Total	**155**	**63**	**88**

2.10 Others — Nil

2.11 Deferred Tax Assets (Net) — Nil

2.12 Regulatory Deferral Account Debit Balance — Nil

2.13 Other Non - current Assets

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances			
Advances to Govt Departments	1224	62	-
Total Other Non Current Assets	**1224**	**62**	**-**

Current Assets

2.14 Inventories — Nil

Financial Assets- Current

2.15 Investment — Nil

2.16 Trade Receivables — Nil

2.17 Cash and cash Equivalents

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks			
Current Accounts	371	5	7
Remittances in Transit	-	52	-
Total	371	57	7

2.18 Others Bank Balances

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Margin Money for BG/ Letter of Credit and Pledged deposits	6	-	-
Total	6	-	-

2.19 Loans

(₹ Lakh)

		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Other Loans				
Loans to Employees				
- Secured considered good	30		11	12
- Unsecured considered good	8		1	1
		38	12	13
Other Advances:				
Unsecured considered good				
-Oficers of the Company	-		-	-
-Other Employees	20			
		20	3	2
Total Loans		**58**	**15**	**15**

2.20 Other Financial Assets

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Amount Recoverable from Contractor & Suppliers	-	-	17
Total Other Financial Asssets	-	-	17

2.21 Current Tax Assets (Net) — Nil

2.22 Other Current Assets

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Advances other than Capital Advances			
Other Advances			
Advances to Officers of the Company			
Advances to other employees of the Company	1	-	-
Advances to Govt Departments			
-Secured considered good	-	-	-
- Unsecured considered good	305	-	-
Advances to Others			
-Secured considered good	-	-	
- Unsecured, considered good	-	12	3
Total	306	12	3

2.23 Equity Share Capital

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of par value ₹62.50/- each	2,47,50,00,000	1,54,688	2,47,50,00,000	1,54,688	2,47,50,00,000	1,54,688
ISSUED, SUBSCRIBED AND FULLY PAID UP Equity Shares of par value ₹62.50/- each fully paid up	1,10,56,000	6910	4,80,000	300	4,80,000	300
Total		6910		300		300

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

Name of the shareholder	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	%	No. of Shares	%	No. of Shares	%
SJVN Limited	1,10,56,000	100	4,80,000	100	4,80,000	100

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

(₹ Lakh)

Particulars	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	4,80,000	300	4,80,000	300	4,80,000	300
No. of shares issued during the year	1,05,76,000	6610	-	-	-	-
Number of shares at the end	1,10,56,000	6910	4,80,000	300	4,80,000	300

2.24 Other Equity

(₹ Lakh)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Retained Earnings			
Opening Balance	(27)	(2)	-
Add: Profit for the year as per statement of Profit and Loss	(25)	(25)	(2)
Total Other Equity (A)+(B)	**(52)**	**(27)**	**(2)**

Non-Current Financial Liabilities

2.25 Borrowings — **Nil**

2.26 Trade Payable — **Nil**

2.27 Other Financial Liabilities — **Nil**

2.28 Non Current Provisions — **Nil**

2.29 Deferred Tax Liabilites (Net) — **Nil**

2.30 Other non-current Liabilities — **Nil**

CURRENT LIABILITIES

2.31 Borrowings — **Nil**

2.32 Trade Payables

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Micro and Small Scale Enterprises	-	-	-
Others	4	16	55
Total	**4**	**16**	**55**

2.33 Other Financial Liablities-Current

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others Payables:			
-Liability for Employees' Remuneration and Benefits	42	86	17
Amount Payable to Holding Company	14361	8353	7485
Deposits, Retention Money from Contractors and Others	132	72	80
TDS and Other Taxes Payable	76	1	-
Total	**14611**	**8512**	**7582**

2.34 Other Current Liablities

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others	-	11	1
Total	**-**	**11**	**1**

2.35 Provisions

(₹ Lakh)

Particulars	As at March 31, 2016	For the year			As at March 31, 2017
		Additions	Write Back	Utilization	
(A) Unfunded Employee Benefits	-	-	-	-	-
Total (A)	-	-	-	-	-
(B) Others:					
Pay Revision	-	111	-	-	111
Performance Related Pay	33	46	25	13	41
Total (B)	33	157	25	13	152
Total (A)+(B)	**33**	**157**	**25**	**13**	**152**
Previous Year	-	33	-	-	33

2.36 Current Tax Liabilities (Net) — Nil

2.37 Revenue from Operations — Nil

2.38 Other Income — Nil

2.39 Employee Benefits Expense — Nil

2.40 Finance Costs — Nil

2.41 Depreciation and Amortization Expense

(₹ Lakh)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Depreciation for the year	12	18
Less: Depreciation for the year attributable to Construction	12	18
Depreciation Charged to Statement of Profit and Loss	-	-

2.42 Other Expenses

(₹ Lakh)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Payment to Auditors	-	1
C.S.R./ Sustainable Development Expenses	25	-
Loss on Disposal/Write off of Fixed Assets	-	24
Total	**25**	**25**

2.43 Exceptional Items — Nil

2.44 Regulatory Income — Nil

SJVN ARUN-3 POWER DEVELOPMENT COMPANY PVT. LIMITED

Schedules forming part of the Accounts
for the year ended on 31st March, 2017
Significant Accounting Policies & Notes to the Accounts

Note 1

A. General Information:

SJVN Arun 3 Power Development Company Pvt. Ltd (SAPDC) has been established and registered on 25.04.20.13 as a private limited company under the Company Act 2063 duly floated by single share holder company SJVN Ltd (which is a joint venture of Government of India and Government of Himachal Pradesh) with an aim to plan, promote, organize and execute the Arun-3 Hydroelectric Project. The corporate office of the SAPDCPL is located at 3, Lokanthali, Thimi, Kathmandu, Nepal and project office is located at Khadbari#1 District Sankhuwasabha Nepal. The company has established transit offices at Kathmandu, Janakpur & Khandbari.

Memorandum of Understanding (MOU) was signed with the Govt. of Nepal for the execution of 900 MW Arun – III Hydro-electric Project on 02.03.2008. This project is proposed to be installed in the Sankhuwasabha District of Nepal which is 657 Km from Kathmandu via Biratnagar. The Survey license for DPR was issued by Government of Nepal. Application for Electricity Generation License has been filed to GoN.

Letter of intent issued on 23.05.2010 to carry out infrastructure work at Dam & Power House site. Detailed Project Agreement is in the process of examination by GoN before signing. The DPR of project was approved by Central Electricity Authority, India on 09.06.2014 with an estimated cost of projects as ₹5667.77 Crores (Now revised as a result of separation of transmission line). The Project development agreement with GON has been signed on 25.11.2015 for execution of the project. The acquisition of private land for Dam & Power house has been completed, the total cost of the land is ₹75.16 Crore . The construction of the project access road is in process & major civil i.e. construction of DAM will be awarded shortly.

B. Significant Accounting Policies:

1. Basis of Preparation:

The financial statements have been prepared in accordance with Nepal Accounting Standards (NAS) adopted by the Institute of Chartered Accountants of Nepal (ICAN), and presentational requirement of the Company Act 2063. The financial statements are presented in INRs, rounded to the nearest rupee. They are prepared on the historical cost basis unless otherwise stated. The accounting policies are consistently applied by the company.

2. Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles and Nepal Accounting Standard requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences between actual results and estimates are recognized in the periods in which the results are known/materialized.

3. Going Concern:

The Financial Statements are prepared on the assumption that the company is a going concern.

4. Fixed Assets:

i) Land is stated at the original cost of acquisition.

ii) Fixed Assets are stated at cost (or revalued amounts, as the case may be) less accumulated depreciation and any impairment in value. Where final settlement of bills with contractors is pending/under dispute, capitalization is done on estimated/provisional basis subject to necessary adjustment in the year of final settlement.

iii) Fixed Assets created on land not belonging to the Company are included under Capital Work-in-Progress/ Fixed Assets.

iv) Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress/ Fixed Assets.

v) Construction equipments declared surplus are shown at lower of book value and net realizable value.

vi) Cost incurred on acquisition, installation and construction of fixed assets during the current financial year which are not yet completed, has been transferred to Capital Work in Progress account. The same shall be capitalized and identified as individual assets only after the completion of construction.

5) Intagible Assets

i) All Project related expenditure viz, civil works, machinery under erection, construction and erection materials, pre-operative expenditure incidental/attributable to construction of project, borrowing cost incurred prior to the date of commercial operation, expenditure of infrastructure developments and expenditure on Survey, DPR and Investigation of the Projects are shown under Capital Work-in-Progress. These expenses are net of recoveries and income (net of tax) if any.

ii) Expenditure against "Deposit work" shall be accounted for on the basis of statement of account received from the concerned agency and acceptance by the company. However, provision shall be made wherever considered necessary.

iii) Claim for price variation/exchange rate variation in case of contract shall be accounted for on acceptance.

iv) Expenses incurred which are not directly related to projects, like Audit Fees expenses, Advertisement Expenses, Business Promotion Expenses and other startup cost if any has been charged to profit and loss account.

6) Depreciation and Amortization

a) Depreciation is charged on straight-line method to the extent of 90% of the Cost of Asset and in case of computers & peripherals the depreciation is 33.33%, and mobile phones rate of depreciation is taken @ 50% p.a.

b) Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.

c) Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.

d) Assets costing ₹5,000/- or less are depreciated fully in the year of procurement.

7) Impairment of Assets:

The Company identifies impairable fixed assets based on cash generating unit concept at the year-end for the purpose of arriving at impairment loss thereon, if any, being the difference between the book value and recoverable value of relevant assets. Impairment loss when crystallizes is charged to revenue for the year.

8) Borrowing Cost:

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised as an expenses in the period in which it is incurred.

9) Investments:

Investments that are intended to be held for more than a year, from the date of acquisition, are classified as long term investments and are carried at cost. However, provisions for diminution in value of investments are made to recognize decline, other than temporary, in value of the investments.

Investments other than long term investments, being current investments, are valued at cost or market price whichever is lower, determined on an individual basis.

10) Subsequent Expenditure:

Expenditure incurred to replace a component of an item of fixed assets that is accounted for separately, including major inspection and overhaul expenditure, is capitalized. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item of fixed assets. All other expenditure is recognized in the income statement as an expense as incurred.

11) Employee Benefits:

Short term employee benefits are recognized in the year during which the services have been rendered.The company does not have appointed any employees & the employees in the company are posted by Promoter Company.

Employees benefits like provident fund, housing facilities, forign country allownace, Pension, Gratuity, Welfare and other allowances are guided and applied as per the employees policies framed and regulated by parent company. As per the rules and regulation of parent company expenses has been charged.

12) Foreign currency transaction :

Transactions denominated in foreign currencies are normally recorded at the exchange rate prevailing at the date of transactions.

Foreign currency denominated assets and liabilities are reported as follows:

Monetary items are translated into rupees at the exchange rates prevailing at the balance sheet date except the liabilities against the purchase of goods. Non-Monetary items such as fixed assets are carried at their historical rupee values.

Gains/(losses) arising on the settlement of foreign currency transactions or restatement of foreign currency denominated assets and liabilities (monetary Items) are recognized in the income statement.

12) Inventories (As taken, valued & certified by management):

i) Inventories are valued at lower of cost arrived at on weighted average basis& net realizable value.

ii) Loose tool issued during the year are charged to consumption

iii) Store issued for operation & maintenance but lying unused at site are treated as part of inventory.

iv) The diminution in the value of obsolete, unserviceable & surplus store & spare is ascertained on review & provided for.

v) Scrap is accounted for as and when sold.

13) Revenue Recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue and associated costs incurred or to be incurred can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable net of value added tax, excise, rebates and discount. The following specific criteria are used for the revenue recognition:

a) Energy Sale

Revenue from the sale of energy is recognised in the income statement on accrual basis in accordance with the provisions of the Power Purchase Agreement (PPA) after Commercial Operation Date.

b) Interest Income:

Interest income (if any) is recognized on a time proportion basis taking into account the principal outstanding and interest rate applicable.

c) Rental Income:

Rental income is recognized on accrual basis as per the agreement, if any.

d) Insurance & Other Claims:

Insurance and other claims, to the extent considered recoverable, are accounted for in the year of claim. However, claims and refunds, whose recovery can not be ascertained with reasonable certainty, are accounted for on acceptance basis.

14) Trade and other Receivables:

Trade Debts and other Receivables are originated by the Company and are stated at cost less provisions for any uncollectible amount. Provision is made against debts considered doubtful of recovery whereas debts considered irrecoverable are written off.

15) Related party transactions:

All transactions with related parties are carried out by the Company at arm's length prices.

Related party Disclosure

1	Enterprises that Control the Company	SJVN LTD
2	Fellow Subsidiaries Companies	None
3	Key Management Personnel	1 Sh. R.N. Misra (Chairman) 2 Sh A. S. Bindra (Director) 3. Sh N.L. Sharma (Director) 4. Sh. R.K. Bansal (Director) 5 Sh. Kanwar Singh (Director)
4	Enterprises where key management personnel and thrier close member of family exercise significant influence	NIL

Summary of transactions with the above related parties is as follows:

(₹)

Particulars	For the year ended 31st March 2017	For the year ended 31st March 2016
Payable to SJVN LTD.	**1,43,60,72,144.00**	**83,53,16,669.00**

16) Cash and Bank Balances:

Cash and bank balances comprises cash in hand and balances with Banks as on Balance Sheet date. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are shown as short term loans in current liabilities in the Balance Sheet but the overdraft balances and other demand loans which are regularly utilised by company are shown as non-current liabilities.

17) Provisions, Contingent Liability and Contingent Assets:

Provisions are recognized when the Company has a present obligation as a result of past event; it is more likely than not that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates in accordance with Nepal Accounting Standards NAS 12 "Provisions, Contingent Liabilities and Contingent Assets".

A contingent liability is disclosed where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources.

18) Leases:

a) Financial Lease :

The company does not have any item covered under finance lease which needs disclosure as per Nepal accounting Standards.

b) Operating Lease :

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term are classified as operating leases. Operating lease payments are recognized as an expense in the income statement on a straight-line basis over the lease term.

19) Cash Flow Statements:

Cash flows are reported using the indirect method, whereby net profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated. The Cash flow statement is separately attached with the Financial Statements of the company.

20) Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

The prior period expenses, if any, are charged separately to the Income Statement. There is no change in the accounting policy during the year.

21) Taxation:

Current Tax:

Current Income tax is measured at the amount expected to be paid to the tax authorities in accordance with Nepalese Income Tax Act, 2058. Provision for Income Tax has been made as per self assessment by management in accordance with Income Tax Act, 2058(Amended). Provision for current tax is made after taking credit for allowances and exemptions. Benefit of tax holidays is taken as per Power Development Agreement (PDA). In case of matters under appeal, due to disallowance or otherwise, provision is made when the said liability is accepted by the company.

22) Share Based Payments:

Share based payment transaction is a transaction in which entity receives goods and services as consideration for equity instruments (including shares or share options) of the entity (referred to as "equity settled share passed transaction"). There is no share based transactions during the Year.

23) Earning Per Share:

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all diluted potential equity shares.

C. Notes to the Accounts

1) Share Capital

Share issued by the company are recorded as the proceeds received, net of direct costs.

2) Reserves and Surplus

Audit fees expenses for the Naplees year ending (2072-73) charged to profit and loss account. The payment of ₹25 Lakh has been made to Red Cross Sociiety & District Admn. Khandbari for renovation of Red Cross Society building & construction of Toilets in Sankhuwasaba District. The insurance claim for the fixed asstes loss due to fire ₹304796/- lodged to insurance company & the claim is still awaited.

3) Committed Cost of Contract

i) Details of committed cost of running contracts are as follows:-

Sl. No.	Contarctor Name	Purpose	Total Value as per Contract (₹)	O/s Value of the Contract (₹)	Remarks
1	"WAPCOS LTD ARNHEP-01/09 M/s Wapcos Ltd Gurgaon"	RFP for preparation of FSR,DPR, Bid documents, EIA/EMP studies	68031176	60000	
2	PCD 49 M/s Pumori Engineering Services Pvt Ltd Kathmandu	Obserbing discharge & silt Data	3980955	414587	
3	PCD 66 M/s S.K. Consultant, Kathmandu	Hiring of Survey Team	1061070	992613	
4	PCD 74 M/s WAPCOS LTD	Preparation of supplimentary EIA Studies	2655500	265550	
5	PCD 79 M/s HECT & RIMC JV	Preparation of Disaster Management plan	1617313	1617313	
6	PCD 81 HECT & RIMC JV, Ktm	Preparation of Nepal Employment & skill Training Plan	1596125	1596125	
7	PCD 80 KFA Consulting Pvt Ltd	Preparation of local benefit sharing plan	1553750	1553750	
8	PCD 82 M/s HECT & RIMC JV	Preparation of Nepal Industrial benefit Plan	1562931	1562931	
9	Department of Road	For construction of project access road (PH Area)	941422817	867995768	
10	Department of Road	For construction of project access road(Dam Site area)	453776871	316309218	
11	PCD -73 M/s Zillion Pappu JV	Construction of Prefab Structure at Phaksinda	57466316	57466316	
12	PCD-75 M/s Surya KM JV	Development of benches for prefabricated structure at Phaksinda	34872575	34872575	
13	PCD-60 M/s S.K. consultant	Setting of G&D Sites at Uwangaon	1038187	673291	
14	PCD -78 KM Engineers & Builders Pvt Ltd	Construction of DG Set Shed at tumlingtar	484043	484043	
15	PCD-68 M/s Bira Furniture	Construction of Prefab Structure at Tumlingtar	53238373	53238373	
Total			**1624358002**	**1339102453**	

4) Comparative Information

Previous year's figures have been regrouped/rearranged wherever necessary to facilitate comparison

5) Rounding Off

Though the books of accounts have been maintained in paisa, figures in the financial statement have been rounded off to the nearest rupees.

(Akhileshwar Singh)
CFO

(Suresh Chandra Agarwal)
CEO

CONSOLIDATED FINANCIAL STATEMENTS

Annexure – XII

INDEPENDENT AUDITOR'S REPORT

To

The Members of SJVN Limited
Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of SJVN Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") its associates and jointly controlled entities, comprising of the Consolidated Balance Sheet as at 31st March 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 ("the act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group and jointly controlled entities in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The respective Board of Directors of the companies included in the Group and its jointly controlled entities are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

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

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true & fair view in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on whether the Holding company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

Subject to our qualification/reservations reported hereunder, in our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the consolidated state of affairs (financial position) of the Group and jointly controlled entities as at 31st March 2017, and 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.

Audit Qualifications/Observations:

i) **The Management has not provided justification of Payment of Hydro allowance to Patel Gammon Joint Venture (PGJV) amounting to Rs. 928437602. As per Govt order hydro allowance was to be paid @ 25% minimum wages as additional wages. Actual records of minimum wages paid by the contractors were available with SJVN which are required to be submitted by the contractor along with each running account bill and also the same could have been verified with PF amount deducted and deposited by the contractor which is required to be submitted by the contractor. As per our assessment based on the actual wages paid by the contractor an amount of Rs. 57883509 was payable as Hydro Allowance to M/s PGJV. However, the management had released payment of Hydro**

allowance based on a notional formula for the same and paid Rs. 928437602 afterwards recovery of Rs. 14,78,03,826/- at the advice of Vigilance Department / CVC was made. However, the actual recovery on the basis of wages paid to the labourer comes out to be Rs. 720420580 which is yet to be recovered. To that extent the Capital Cost of Hydraulic Works is overstated and payable to contractors is overstated / recoverable from contractors is understated. Also the depreciation provided from the date of capitalization is also overstated to that extent.

Emphasis of Matter

We draw attention to Note No. 2.29 to the financial statements in respect of accounting of sales on provisionally approved tariff approved & applicable as on 31.03.2014 as provided in Tariff Regulations, 2014.

Our opinion is not modified in respect of these matters.

Audit Comparative Information for adjustments to transition to Ind AS:

The Comparative financial information of the Company for the year ended 31st March 2016 and the transition date opening balance sheet as at 1st April 2015 included in these Consolidated Ind AS financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 by us and reports of which dated 27th May 2016 AND 27th May 2015 respectively express an unmodified opinion on those standalone financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS.

Other Matters

a) We did not audit the financial statements/financial information of the following subsidiary whose financial statements/financial information reflect the details given below of total assets as at 31st March 2017, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in consolidated financial statements.

(₹ Lakh)

Name of the Company	Assets	Revenues	Net Cash Flows
Subsidiaries :			
SJVN Thermal Private Limited	47374	6	(313)

These financial statements /financial information have been audited by other auditor whose report has been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) and (11) of section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the report of the other auditor.

(b) We did not audit the financial statements/financial information of the following subsidiaries and jointly controlled companies whose financial statements/financial information reflect the details given below of assets as at 31st March 2017, total revenues and net cash flows for the year ended on that date to the extent to which they are reflected in the consolidated financial statements.

(₹ Lakh)

Name of the Company	Assets	Revenues	Net Cash Flows
Subsidiaries :			
SJVN Arun-3 Power Development Company Pvt. Ltd.	21625	-	320
Joint Ventures:			
Cross Border Power Transmission Company Ltd.	7368	459	N.A.
Kholongchhu Hydro Energy Ltd.	6749	-	-

The Results of Bengal Birbhum Coalfields Ltd. (Joint Venture Entity) has not been consolidated for non-availability of accounts.

These financial statements/financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-section (3) of section 143 of the Act in so far as 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 financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report, to the extent applicable, that :

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

b) In our opinion, proper books of account as required by law relating to the preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

c) The Consolidated Balance Sheet, the Consolidated Statements of Profit and Loss and the Consolidated Cash Flow Statement dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

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

e) On the basis of written representations received from the directors as at 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified from being appointed as a director in terms of Section 164(2) of the Act as on

31st March 2017. Moreover, this Para is not applicable to Govt. Companies.

f) With respect to adequacy of Internal Financial Controls over Financial reporting of the Group and the operating effectiveness of such controls, refer to our separate report in **"Annexure -1"** in our opinion the internal financial controls system is adequate but the operating effectiveness of such controls need be improved.

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 Holding Company, subsidiary company and jointly controlled entity management does not expect the claims/ obligations (including litigation), when ultimately concluded and determined, will have a material and adverse effect on the consolidated results of operations or financial conditions as disclosed in Note no. 2-37.

ii The Group and its jointly controlled entity had made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long-term contracts including derivative contracts; [or the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii There has been no delay in transferring amounts, required to be transferred, the Investors Education and Protection Fund by the Company [or, following are the instance of delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Holding Company, subsidiary company and jointly controlled entity or there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, subsidiary company and jointly controlled entity.

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

Place : New Delhi
Dated : 29.05.2017

(Suresh Chand Soni)
Partner
M.No. 083106

ANNEXURE 1 TO THE AUDITOR'S REPORT

ANNEXURE TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SJVN LIMITED

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

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2017, We have audited the internal financial controls over financial reporting of SJVN Limited (hereinafter referred to as "the Holding Company") and its subsidiary company and jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by the ICAI and 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 issued by the Institute of Chartered Accountants of India. Those Standards and 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 and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the Company's Internal Financial Controls system over financial reporting.

Meaning of Internal Financial Controls over financial reporting

A Company's Internal Financial Controls 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 purposed in accordance with generally accepted accounting principles. A company's Internal Financial Controls 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 Controls over Financial Reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Holding Company has in all material respects, and adequate Internal Financial Controls system over Financial Reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the Internal Controls 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, However, the following deficiencies in Internal Financial Controls were observed during audit:

i) ***Transactions ultra-virus : The company paid Rs. 1144 lakhs to DC Kullu as lease rent for the tunnel & allied land used without any lease deed during September 2014. However as per directions from Centre, no payment could be made without prior approval of Central Govt. Expenses booked during 2014 were reverse & shown as recoverable from Govt. but no action has been taken to recover the amount wrongly paid.***

ii) ***Circular no. 507/2016 issued to favour the members of top management is in violation of DPE Guidelines and is without approval from DPE, even the management did not consider it necessary to take approval from a disinterested Board and decision was taken for favouring certain group of top management.***

iv) ***Favour to Contractors : Favour is being done to contractors & we noticed the same in many cases like Rays Power Experts (P) Ltd., Patel Gammon JV etc. in releasing EMD and waiving off the LD. In other (Gamesha) case we noticed service tax payment for purchase of land on which stamp duty had been paid Although payment of ST was stopped yet the case has been preferred for arbitration. In case of Zamil Construction works order was issued for supply, construction of prefabricated store costing Rs. 420 Lakhs. and was to be completed by January 2016. However, we came to know that the Works order and special conditions attached do have contradictory conditions, work order say,……including Gantry girders for 10 ton EOT(2 nos.) while special conditions says "EOT crane shall be supplied by SJVN. Crane not in the scope of this contract & gantry girder will be supplied by the EOT crane manufacture.***

v) ***Head Office building at Shanan, interest free advance Rs. 10 crore was paid to NBCC who in turn paid the same to subcontractor and charging interest on the same. The management of SJVN neither checked the drawings nor the cost which resulted in defective and very high cost of construction. Cost of non-scheduled items purchased are exorbitantly high, items mentioned in MOU like window pane solar cell has not been put. Construction which was to be naturally lighted and heated is lacking in natural lights in most of the portion. It is also noted that the company after spending Rs 130 crores on office building is paying ₹1.50 Lakhs per month as rent on storing of old furniture in other building, such payment is infructuous.***

vi) ***Purchase of software from M/s IFS purchased is a sheer wastage of money, as the package is very old and will become useless after implementation of ERP. It is neither user friendly nor technically advanced & gives odd results***

Company needs to further strengthen the control system for tendering, issuing works orders & payment to Contractors.

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

(Suresh Chand Soni)
Partner
M.No. 083106

Place : Delhi
Date: 29.05.2017

CORRIGENDUM TO INDEPENDENT AUDITOR'S REPORT

To
The members of SJVN limited
Report on the Consolidated Financial Statements
Auditors' Report on the Consolidated Financial Statements page 32 Audit Qualification/ Observations Line no 8, Instead of Rs 57883509/- Rs 58772867 may be read.

For Soni Gulati & Co

Suresh Chand Soni
(Partner)

Date: 21.07.2017
Place: Shimla

Annexure – XIII

MANAGEMENT'S REPLY ON STATUTORY AUDITORS QUALIFICATION/OBSERVATIONS

Independent Auditor's Report on the Consolidated Financial Statements

Audit Qualifications/Observations	Management's Reply
The Management has not provided justification of Payment of Hydro allowance to Patel Gammon Joint Venture (PGJV) amounting to Rs. 928437602. As per Govt order hydro allowance was to be paid @ 25% minimum wages as additional wages. Actual records of minimum wages paid by the contractors were available with SJVN which are required to be submitted by the contractor along with each running account bill and also the same could have been verified with PF amount deducted and deposited by the contractor which is required to be submitted by the contractor. As per our assessment based on the actual wages paid by the contractor an amount of Rs. 57883509 was payable as Hydro Allowance to M/s PGJV. However, the management had released payment of Hydro allowance based on a notional formula for the same and paid Rs. 928437602 afterwards recovery of Rs. 14,78,03,826/- at the advice of Vigilance Department / CVC was made. However, the actual recovery on the basis of wages paid to the labourer comes out to be Rs. 720420580 which is yet to be recovered. To that extent the Capital Cost of Hydraulic Works is overstated and payable to contractors is overstated / recoverable from contractors is understated. Also the depreciation provided from the date of capitalization is also overstated to that extent.	The justification facts and associated background is as under: The Civil and Hydro Mechanical works of Rampur Hydroelectric Project RHEP were awarded under Package 1 and Package 2 to M/s Patel Gammon Joint Venture (PGJV). The contract was an item rate contract which include cost of material, machinery and labour etc. As per provisions of the contracts, contract price shall be adjusted taking into account any increase or decrease in cost resulting due to changes in legislation. The labour component in the price adjustment clause in respect of Package 1 & Package 2 was 35% and 25% respectively. Subsequently, the Government of Himachal Pradesh vide its notification (28.05.2008) inter-alia revised minimum wages of workers w.e.f. 01.01.2008. The said notification also provided for the first time an additional 25 per cent increase on the minimum wages as hydro allowance for labours working in Under Construction Hydro-Electric Power Projects located in Non-Tribal Area. SJVN constituted an in-house committee to furnish the recommendations regarding methodology and payment of hydro allowance. The committee in its Report recommended for payment of 25% Hydro Allowance on minimum wages w.e.f. Jan, 2008 on a formula derived by the committee taking into account the labour component of 35% for Package-1 and 25% for Package-2 (as provided in the contract agreement) as the payment against Package-1 & 2 to the contractors was as per BOQ (item rate) in which labour payment was not to be made separately. Further, the main contractor of package 1 & 2 had engaged a number of sub-contractors for execution of works, the workers/labours engaged by sub-contractors were also eligible for increased 25% as hydro allowance on minimum wages. Since, a number of sub-contractors were also engaged for execution of work, it was recommended by the Committee that it is more prudent to pay the hydro allowance on labour component provided in the respective contract. SJVN sought the legal opinion of the then Solicitor General of India (SGI) who opined that the Hydro Allowance of 25 per cent was payable by SJVN to contractors. The learned SGI also opined that hydro allowance may be paid based on the formula. Thus, the payment has been made as approved by the management taking into account the provisions of the Contract and opinion of the Solicitor General of India.

Annexure 1 to the Auditors' Report on the Consolidated Financial Statements

Auditors' Comment	Management's Reply
The following deficiencies in Internal Financial Controls were observed during audit : i) Transactions ultra- virus : The Company paid Rs 1144 lakhs to DC Kullu as lease rent for the tunnel & allied land used without any lease deed during September 2014. However as per directions from Centre, no payment could be made without prior approval of Central Govt. Expenses booked during 2014 were reversed & shown as recoverable from Govt. but no action has been taken to recover the amount wrongly paid.	i) The order to deposit lease amount was issued by DC, Kullu for land diverted for underground tunnel (which is termed as Notional Land) of Rampur Hydro Electric Project and Company is bound to comply with the orders issued by a Government Authority. Accordingly, amount was deposited on account of persistent demand raised by DC, Kullu. Government land is diverted on the basis of an order/ notification by the concerned Government. No lease deed is being signed for diverted Govt. land. Matter has already been taken up with concerned State Government Authorities.
ii) Circular no 507/2016 issued to favour the members of top management is in violation of DPE guidelines and is without approval from DPE, even the management did not consider it necessary to take approval from a disinterested Board and decision was taken for favouring certain group of top management.	ii) Circular No. 507/2016 regarding revision in life span and rate of depreciation on amenities provided to senior executives was issued with the approval of CMD as the same has not been excluded from the powers of CMD. Further, Board has also approved in its 200th Meeting held on 8th January 2011, which was also attended by five independent (disinterested) directors that in future SJVN should adhere a benchmark of NHPC for amenities provided to its executives. The revised circular was issued in line with the changes made by the NHPC.
iv) Favour to contractors: Favour is being done to contractors & we noticed the same in many cases like Rays Power Experts (P) Ltd., Patel gammon JV etc in releasing EMD and waiving off the LD. In other (Gamesha) case we noticed service tax payment for purchase of Land on which stamp duty had been paid Although payment of ST was stopped yet the case has been preferred for arbitration. In case of Zamil Construction works order was issued for supply, construction of prefabricated store costing Rs 420 lakhs and was to be completed by January 2016. However, we came to know that the Works order and special conditions attached do have contradictory conditions, work order says ,.....including Gantry girders for 10 ton EOT (2 nos.) while special condition says "EOT crane shall be supplied by SJVN. Crane not in the scope of this contract & gantry girder will be supplied by the EOT Crane manufacturer.	iv) The Bidders i.e. Ray power Experts (P) Ltd.,Patel Gammon JV etc. had submitted EMD at the time of submission of bids. As per the standard terms of bid documents, on Award of Work, EMD is either refunded or adjusted against the Security Deposit receivable from the respective Contractors. Accordingly, EMD of the respective contractors was converted to Security Deposit as per the Bid documents. M/s Rays Power experts Pvt. Ltd. were awarded 5 MW Solar Power Project for Rs. 2775.05 lakh. Due to financial crunch of M/s Rays Power Experts Pvt. Ltd., decision was taken to purchase Solar Panels directly by SJVN from the sub-vendor of M/s Rays Power Experts Pvt. Ltd. and provided to M/s Rays Power Projects which resulted in net saving of Rs. 120.75 lakh after adjusting the amount equivalent to Liquidated Damages (LD) from M/s Rays Power Experts Pvt. Ltd. The project got commissioned on 31st March, 2017. Thus LD has not been waived off. In case of contract with PGJV, the Board has approved the extension of time without levying of LD. Hence, LD is not leviable. Service tax has not been released to M/s Gamesa on the cost of the land. M/s Gamesa has approached for arbitration and the said amount has been shown as contingent liability. There is precedence clause provided in the contract awarded to M/s Zamil Construction. As per precedence clause, contractors bid will prevail and according to which contractor is required to provide and erect the gantry girders and the same has been communicated to the contractor.

Auditors' Comment	**Management's Reply**
v) Head Office building at Shanan, Interest free advance Rs 10 crore was paid to NBCC who in turn paid the same to subcontractor and charging interest on the same. The management of SJVN neither checked the drawings nor the cost which resulted in defective and very high cost of construction. Cost of Non-scheduled items purchased are exorbitantly high, Items mentioned in MOU like window pane solar cells has not been put. Construction which was to be naturally lighted and heated is lacking in natural lights in most of the portion. It is also noted that the company after spending Rs 130 crores on office building is paying Rs 1.50 lakhs per month as rent on storing of old furniture in other building, such payment is infructuous.	v) Advance was given to NBCC as per the provisions of MOU. NBCC is a Navratna Schedule 'A' Central Public Sector Undertaking engaged in construction of buildings on behalf of various Government and Government organisations. The estimated cost of the construction of Head Office Building was approved by the Board amounting to Rs 111.80 crore based on Floor Area Ratio excluding agency charges at April 2011 price level. The work of construction was awarded by NBCC through competitive bidding. The cost on completion will be approximately Rs 133 crore (including escalation etc.) which is marginally higher than the estimated cost. SJVN office building has been provided completion certificate by Municipal Corporation, Shimla as well as other statutory authorities. The space available in the present office building is inadequate to accommodate all the records and some other old furniture and as such space has been hired.
vi) Purchase of software from M/s IFS purchased is a sheer wastage of money, as the package is very old and will become useless after implementation of ERP. It is neither user friendly nor technically advanced & gives odd results.	vi) Old FA Software in SJVN was implemented in the year 2003-04. The implementation of new software and replacement of old software had become necessary. During 45th Audit Committee held on 30.07.2015, the Statutory Auditor during the course of interaction with committee, had pointed out that the accounting package adopted by SJVN was very old and needed immediate upgradation. Further, in order to take care of Ind AS, a fresh Accounting Package having capability of the same was required immediately. ERP implementation was to take longer time. Considering this being an immediate fresh requirement, contract of Accounting Package was awarded to IFS Solutions through competitive bidding. The accounting package provided by M/s IFS is working satisfactorily. Ind AS has been implemented in SJVN for the first time this year and the package being compliant to Ind AS is therefore based on latest application software and working smoothly.

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 2017

The preparation of consolidated financial statements of SJVN Limited for the year ended 31 March 2017 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 May 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) read with Section 129(4) of the Act of the consolidated financial statements of SJVN Limited for the year ended 31 March 2017. We conducted a supplementary audit of the financial statement of SJVN Limited, but did not conduct supplementary audit of the financial statements of SJVN Thermal Private Limited and Cross Border Power Transmission Company Limited for the year ended on that date. Further, Section 139(5) and 143(6)(b) of the Act are not applicable to SJVN Arun-3 Power Development Company Private Limited and Kholongchhu Hydro Energy Limited being incorporated in Foreign countries under the respective laws, for appointment of their Statutory Auditors nor for conduct of supplementary audit. Accordingly, C&AG has neither appointed the Statutory Auditors nor conducted the supplementary audit of these companies. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and selective examination of some of the accounting records.

On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

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

Ritika Bhatia

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

Place : New Delhi
Dated : 26 July 2017

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2017

(₹ Lakh)

	Note No.		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
ASSETS					
Non - current Assets					
Property, Plant and Equipment	2.1		842420	877436	905366
Capital Work-in-progress	2.2		65902	50352	39080
Other Intangible Assets	2.3		60	90	22
Intangible assets under development	2.4		227	113	-
Investment in Joint Venture/Associate	2.5		8867	3565	953
Financial Assets					
Investments	2.6	1		1	-
Loans	2.7	4423		4151	3635
Others	2.8	3		-	-
			4427	4152	3635
Deferred Tax Assets (Net)	2.9		42278	35263	28537
Regulatory Deferral Account Debit Balance	2.10		10152	13274	513
Other Non-current Assets	2.11		23625	17105	15671
Current Assets					
Inventories	2.12		3956	3921	3776
Financial Assets					
Trade Receivables	2.13	61301		100123	137516
Cash and cash equivalents	2.14	77810		122219	48620
Bank Balance other than above	2.15	354165		266662	237022
Loans	2.16	1163		949	862
Others	2.17	29217		26993	24111
			523656	516946	448131
Current Tax Assets	2.18		6888	11320	7989
Other Current Assets	2.19		6622	5316	6420
Total Assets			**1539080**	**1538853**	**1460093**
EQUITY AND LIABILITIES					
Equity					
Equity Share Capital	2.20		413663	413663	413663
Other Equity	2.21		735192	716582	627965
Liabilities					
Non- current Liabilities					
Financial Liablities					
Borrowings	2.22	222947		246406	245342
Other Financial Liablities	2.23	21		74	32
			222968	246480	245374
Provisions	2.24		4854	8952	7965
Other Non- Current Liabilities	2.25		82482	86345	86532
Current Liabilities					
Financial Liablities					
Trade Payables	2.26	2708		1737	1521
Other Financial Liablities	2.27	50361		49634	61594
			53069	51371	63115
Other Current Liabilities	2.28		4247	217	250
Provisions	2.29		22605	15243	15229
Total Equity and Liabilities			**1539080**	**1538853**	**1460093**
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)
Company Secretary
FCS-4833

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

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

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

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2017

(₹ Lakh)

	Note No.	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Income			
Revenue from Operations	2.30	246866	249396
Other Income	2.31	65131	41001
Total Income		**311997**	**290397**
Expenses			
Employee Benefits Expense	2.32	25356	21553
Finance Costs	2.33	4570	20896
Depreciation and Amortization Expense	2.34	67998	67716
Other Expenses	2.35	23596	22598
Total Expenses		**121520**	**132763**
Profit before non-controlling interests / Share in Net-profit of Joint Venture / Associate and net movement in regulatory deferral account balance and tax		190477	157634
Share in profit of Joint Venture / Associate		459	467
Profit before net movement in regulatory deferral account balance and tax		190936	158101
Net movement in regulatory deferral account balance	2.10	(3122)	12761
Profit Before Tax		**187814**	**170862**
Tax Expenses:			
- Current Tax		40111	36509
- Deferred Tax	2.9	(7015)	(6726)
Profit for the period		154718	141079
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
-Remeasurement of the net defined benefit liability/asset		(504)	(110)
-Income tax on above item		108	23
Total		**(396)**	**(87)**
Total Comprehensive Income for the period		**154322**	**140992**
Profit Attibutable to:			
Equity holders of the parent		1,54,376	1,40,707
Non Controlling Interests		342	372
		1,54,718	1,41,079
Total Comprehensive Income Attributable to:			
Equity holders of the parent		1,53,980	1,40,620
Non Controlling Interests		342	372
		1,54,322	1,40,992
Earnings Per Equity Share (before net movement in regulatory deferral account balance)			
Basic and Diluted (₹)	2.49	3.80	3.17
Earnings Per Equity Share (after net movement in regulatory deferral account balance)			
Basic and Diluted (₹)	2.49	3.74	3.41
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)**	**(Ramesh Narain Misra)**
Company Secretary	Director(Finance) cum CFO	Chairman & Managing Director
FCS-4833	DIN:03358160	DIN:03109225

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

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

Statement of Change in Equity

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total
		Reserves and Surplus		Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefits Assets/ Liabilities (Net of Tax)		
Changes in equity for the year ended March 31, 2017						
Opening Balance as at April 1,2016	413663	1313	715269	-	716582	1130245
Equity Shares issued during the year	-	-	-	-	-	-
Other Comprehensive income for the period	-	-	-	(396)	(396)	(396)
Profit for the Period	-	-	154718	-	154718	154718
Dividends						
Final Dividend	-	-	(19442)	-	(19442)	(19442)
Interim Dividend	-	-	(93074)	-	(93074)	(93074)
Dividend Tax						
Final Dividend	-	-	(3958)	-	(3958)	(3958)
Interim Dividend	-	-	(18948)	-	(18948)	(18948)
Share of Dividend & Dividend Tax in Joint Venture / Associate	-	-	(290)	-	(290)	-
Closing Balance as at March 31, 2017	**413663**	**1313**	**734275**	**(396)**	**735192**	**1149145**

(₹ Lakh)

Particulars	Equity Share Capital	Other Equity			Total Other Equity	Total
		Reserves and Surplus		Other Comprehensive Income		
		Securities Premium Reserve	Retained Earnings	Remeasurement of Defined Benefits Assets/ Liabilities (Net of Tax)		
Changes in equity for the year ended March 31, 2016						
Opening Balance as at As at April 1, 2015	413663	1313	626652	-	627965	1041628
Equity Shares issued during the year	-	-	-	-	-	-
Other Comprehensive income for the period	-	-	-	(87)	(87)	(87)
Profit for the Period	-	-	141079	-	141079	141079
Dividends						
Final Dividend	-	-	(17374)	-	(17374)	(17374)
Interim Dividend	-	-	(26061)	-	(26061)	(26061)
Dividend Tax						
Final Dividend	-	-	(3635)	-	(3635)	(3635)
Interim Dividend	-	-	(5305)	-	(5305)	(5305)
Closing Balance as at March 31, 2016	**413663**	**1313**	**715356**	**(87)**	**716582**	**1130245**

For and on behalf of the Board of Directors

(Soumendra Das)
Company Secretary
FCS-4833

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

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

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

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2017

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Cash flow from operating activites			
Profit before tax		187814	170862
Adjustment for:			
Depreciation and amortization	67998		67716
Interest on term deposits	(33330)		(30786)
Dividend from Subsididary / Associate / Joint Venture	(241)		
Share in profit of Joint Venture / Associate	(342)		(372)
Finance cost	4570		20896
Loss on disposal/ write off of fixed assets	1		111
Profit on sale of fixed assets	14		-
		38670	57565
Adjustment for assets and liabilities			
Inventories	(35)		(145)
Trade receivable and unbilled revenue	38096		37542
Loans, other financial assets and other assets	(1896)		4875
Trade payable	971		255
Other financial liabilities and other liabilities	3397		1418
Regulatory deferral account debit balance	3122		(12761)
Provisions	3104		999
		46759	32183
Cash generated from operating activities		**273243**	**260610**
Income tax paid		(35571)	(39721)
Net cash generated by operating activities		**237672**	**220889**
Cash flow from investing activities:			
Net expenditure on Property, Plant & Equipment and CWIP including advances for capital works	(59463)		(72297)
Term deposits with bank (having maturity more than three months)	(87113)		(30040)
Interest on term deposits	31871		27751
Investment in joint ventures	(5249)		(2242)
Net cash used in investing activities		**(119954)**	**(76828)**
Cash flow from financing activities:			
Repayment of borrowings	(48304)		(17126)
Proceed from borrowings	30008		6483
Interest and finance charges	(8409)		(7444)
Dividend Paid	(112516)		(43435)
Tax on Dividend	(22906)		(8940)
Cash used in financing activities		**(162127)**	**(70462)**
Net increase in cash and cash equivalents		**(44409)**	**73599**
Opening balance of cash & cash equivalents		**122219**	**48620**
Closing balance of cash & cash equivalents		**77810**	**122219**
Restricted cash balance			
Earmarked Balance (Unpaid Dividend)		86	54
Margin Money for BG/ Letter of Credit and Pledged deposits		5541	128
Total		**5627**	**182**

The accompanying notes from 2.1 to 2.63 form an integral part of the financial statements.

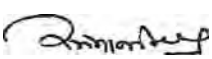
For and on behalf of the Board of Directors



(Soumendra Das)
Company Secretary
FCS-4833



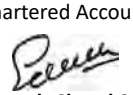
(Amarjit Singh Bindra)
Director(Finance) cum CFO
DIN:03358160



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

This is the Statement of Cash Flow referred to in our report of even date.

For Soni Gulati & Co.
Chartered Accountants



(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

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.

SJVN Limited together with its subsidiaries is herein after referred to as the "Group".

B. Significant Accounting Policies

1.1 Basis of Preparation:

The Group has adopted IND AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These are the Group's first annual financial statements prepared complying in all material respects with the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

The group has prepared its Opening IND AS Balance Sheet as at April 1, 2015 i.e. the group's date of transition to Ind AS in accordance with the requirements of IND AS 101 ''First-time adoption of Indian Accounting Standards''. The transition was carried out from accounting principles generally accepted in India (''Indian GAAP'') which is considered as the previous GAAP, as defined in IND AS 101. The reconciliation of effects of the transition from Indian GAAP on the equity as at April 1, 2015 and March 31, 2016 and on the net profit for the year ended March 31, 2016 is disclosed in Note no 2.37 to these financial statements.

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

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 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. 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 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 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.

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 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.

1.5 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.

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

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

1.9 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 estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

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

1.10 Foreign Currency Transactions:

a) **Functional and presentation currency:**
Consolidated financial statements have been presented in Indian Rupees (₹), which is the Group'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 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.

1.11 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 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 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 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 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 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 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 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.

1.12 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 does not have control or joint control over those policies.

c) The investment in joint ventures and associates is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the acquisition date.

1.13 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 other non-current 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

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.

1.14 Government Grants

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

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

1.15 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.

1.16 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 is 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) 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.

1.17 Revenue Recognition and Other Income

a) Revenue from sale of energy is accounted for as per tariff notified by Central Electricity Regulatory Commission (CERC). In case of power stations where the tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations. Further, recovery/refund towards foreign currency variation in respect of foreign currency loans is accounted for on year to year basis. Revenue from sale of energy is recognized once the electricity has been transmitted to customers. As at each reporting date, energy revenue includes an accrual for sales transmitted to customers but not yet billed (unbilled revenue).

b) Rebate to customers as early payment incentive is deducted from the amount of revenue from energy sales.

c) Incentives/disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.

d) Advance against depreciation considered as deferred income in earlier years is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the Hydro Power Station, considering the total useful life of the Hydro Power Station as 35 years.

e) Revenue from consultancy services rendered is recognised in the statement of profit and loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to actual progress/ technical assessment of work executed, in line with the terms of respective consultancy contracts. Claims for reimbursement of expenditure are recognized as other income, as per the terms of consultancy contracts.

f) Interest/Surcharge on late payment/ overdue sundry debtors for sale of energy are recognised when no significant uncertainty as to measurability or collectability exists.

g) Dividend income is recognized when the company's right to receive payment is established.

h) Interest/surcharge/liquidated damages recoverable from suppliers and contractors, wherever there is uncertainty of realisation/ acceptance are accounted for on receipts/acceptance.

i) Interest income on financial assets as subsequently measured at amortized cost is recognised on a time-proportion basis using the effective interest method. Interest income on impaired loans/ receivable is recognised using the original effective interest rate.

j) Income arising from sale of CERs-carbon credit is recognized on transfer/ sale of carbon credits i.e. when there is certainty regarding ultimate collection.

k) Compensation from third parties including from insurance are accounted for on certainty of realization.

1.18 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 (PMRF). 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 company hospitals/ empanelled hospitals. They can also avail treatment as Out- patient subject to a ceiling fixed by the Group.

v. The company also has other benefit plans i.e. leave encashment, allowance on retirement/ death and momento on superannuation.

vi. The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. The liability is ascertained at the year-end by the qualified actuary using the projected unit credit method.

vii. Service cost & net interest on the net defined benefit liability (asset) are recognized in Profit or loss unless another Standard permits inclusion in the cost of asset.

viii. Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

c) Short-term Benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed in the period in which the service is provided.

d) Terminal Benefits

Expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes, if any, are charged to the profit and loss in the year of incurrence of such expenses.

1.19 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. 1.19(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. 1.19(c) below.

c) Depreciation on the following items of Property, Plant and Equipment is charged on straight line method on estimated useful life:

i. Computer & Peripherals depreciated fully (100%) in 3 years.

ii. Mobile Phones depreciated fully (100%) in 2 years.

d) Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the month on which the asset is available for use / disposed.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization.
f) Assets costing upto ₹5000/- are fully depreciated in the year of acquisition.
g) Expenditure on software recognized as 'Intangible Asset' and is amortized fully on straight line method over a period of legal right to use or three years, whichever is less. Other intangible assets with a finite useful life are amortized on a systematic basis over its useful life.
h) Leasehold land is fully amortized through depreciation over the period of lease or 35 years, whichever is lower, following the rates and methodology notified by CERC for the purpose of fixation of tariff as amended from time to time.
i) Tangible Assets created on leasehold land are depreciated to the extent of 90% of original cost over the balance available lease period of respective land from the date such asset is available for use or at the applicable depreciation rates & methodology notified by CERC tariff regulations for such assets, whichever is higher.
j) Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liabilities on account of exchange fluctuation, price adjustment, settlement of arbitration/ court cases, change in duties or similar factors, the unamortized balance of such assets is depreciated prospectively over the residual life of such asset determined following the applicable accounting policies relating to depreciation/ amortization.
k) Where the life and / or efficiency of an asset is increased due to renovation and modernization, the expenditure thereon along with its unamortized depreciable amount is charged prospectively over the revised / remaining useful life determined by technical assessment.
l) 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.

1.20 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.

1.21 Dividend Distribution

a) Final Dividend and interim dividend 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 dividend are recognised at the same time that the liability to pay the related dividend is recognised.

1.22 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 group is having a single geographical segment as all its Power Stations are located within the Country.

1.23 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"

1.24 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.

1.25 Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification.

An asset is current when it is:

a) Expected to be realised or intended to be sold or consumed in the normal operating cycle
b) Held primarily for the purpose of trading
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

a) It is expected to be settled in the normal operating cycle
b) It is held primarily for the purpose of trading
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.1 Property, Plant & Equipment

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.2016	Additions during the year	Deductions/ Adjustments	As at 31.03.2017	As at 01.04.2016	For the year	Deduction	As at 31.03.2017	As at 31.03.2017	As at 31.03.2016
1.	**Land**										
	Lease hold Land (including development expenses) #	575	544	-	1119	40	20	-	60	1059	535
	Free hold Land (including development expenses) ##	49326	9120	118	58328	-	-	-	-	58328	49326
2.	Buildings $	129623	11093	131	140585	31238	4669	47	35860	104725	98385
3.	Roads and Bridges	6486	269	-	6755	1688	250	-	1938	4817	4798
4.	Plant and Machinery	1638	502	-	2140	772	98	-	870	1270	866
5.	Generating Plant and Machinery*	348759	7655	581	355833	120297	19473	239	139531	216302	228462
6.	Hydraulic Works(Dams, Tunnel, etc.)	807560	1306	389	808477	316881	43241	254	359868	448609	490679
7.	Vehicles	474	48	11	511	208	37	11	234	277	266
8	Furniture, Fixture and Equipments	1293	840	-	2133	516	96	-	612	1521	777
9	Electrical Works	2869	346	4	3211	970	167	2	1135	2076	1899
10	Electrical Equipments	360	103	2	461	123	26	1	148	313	237
11	Office Equipments	1717	1909	25	3601	661	121	10	772	2829	1056
12	Data processing Equipments	1395	274	172	1497	1245	124	166	1203	294	150
13	Capital Assets not owned by Company **	9672	-	-	9672	9672	-	-	9672	-	-
	Total	**1361747**	**34009**	**603**	**1394323**	**484311**	**68322**	**730**	**551903**	**842420**	**877436**
	Previous Year :	1321992	42707	2952	1361747	416626	67904	219	484311	877436	905366

Lease deed for leasehold land measuring 39-88-05 hectare (P.Y.: Nil) is yet to be executed.

Possession of freehold land measuring 0-05-22 hectare (P.Y.: 0-05-22 hectare) is still to be handed over to the Company.

"$ Title deeds/ title in respect of buildings costing ₹15 lakh (P.Y.: ₹15 lakh) are yet to be executed passed in favour of the company. Expenses on stamp duty etc. shall be accounted for on registration."

$ Buildings include Nil (P.Y: ₹127 lakh) being damaged assets for which provision has been made.

* Generating Plant & Machinery includes assets under operating lease having net block of ₹23398 lakh (P.Y.: ₹25075 lakh and ₹26947 lakh as on 01.04.2015), the disclosure of arrangement of lease and terms have been made in note 2.51.

** Capital Assets not owned by Company are on account of enabling assets used for construction of project which have been fully depreciated in the previous years.

! The process of mutation of land measuring 1064.69 acres (previous year 1056.85 acres) in favour of the company consists of two stages. Stage 1 issue of "Shudhi Patra" wherein name of previous owner is replaced with name of new owner. In respect of 1030.63 acres of land (previous year: nil) "shudhi patra" has been issued by circle officer, Buxar. In stage 2 wherever the shudhi patra has been issued the same is required to be entered into register II of land revenue record which is yet to done.

2.2 Capital Work-in-progress

(₹ Lakh)

Sl No.	Particulars	As at 01.04.2016	Additions during the year	Transfers/ Adjustments	Total WIP as at 31.03.2017	Capitalised the year	As at 31.03.2017
1	Buildings	12216	2953	(88)	15257	14149	1108
2	Civil Works	14	762	-	776	762	14
3	Roads, Bridges & Culverts	88	1414	88	1414	220	1194
4	Electrical Works	538	403	-	941	497	444
5	Electro Mechanical Works	968	2022	-	2990	1865	1125
6	Preliminary	12386	16283	-	28669	8	28661
7	Expenditure attributable to construction (Refer Note 2.2.1)	24142	9497	-	33639	283	33356
	Total	**50352**	**33334**	**-**	**83686**	**17784**	**65902**
	Previous Year	39080	17124	655	55549	5197	50352

2.2.1 Expenditure Attributable to Construction

(₹ Lakh)

Particulars	For the Year Ended March 31, 2017		For the Year Ended March 31, 2016
Employee Benefit Expenses:			
Salaries,Wages, Allowances and Benefits	5684		3855
Contribution to Provident and Other Funds	772		435
Leave Salary and Pension Contribution *	167		169
Welfare Expenses	778		302
		7401	4761
Repair and Maintenance:			
Buildings	82		24
Plant & Machinery	2		2
Office Equipments & Furnitures	8		8
Electro Mechanical Works	1		-
Vehicles	14		9
Others	127		88
		234	131
Other Expenses:			
Rent		220	183
Rates & Taxes		-	1
Insurance		1	1
Security Expenses		155	106
Electricity Charges		28	23
Research and Development		7	3
Travelling & Conveyance		176	153
Training and Recruitment Expenses		29	20
Legal Expenses		3	20
Professional and Consultancy Charges		94	104
Communication Expenses		64	48
Printing & Stationery	25		19
Less: Receipts from Sale of Tenders	3		2
		22	17
Advertisement & Publicity		38	21
EDP Expenses		11	10
Hiring of Vehicles		237	174
Entertainment Expenses		15	9
Expenses on Transit Camps		64	60
Books & Periodicals		3	1
Stores Written Off		1	-
Fees and subscription		134	3
Environment & Ecology Expenses		4	1
Miscellaneous Expenses		49	24
Rehabilitation Expenses		482	-
Depreciation and Amortization Expense		98	117
Interest and Finance Charges:			
Other finance charges		2	1
Total expenses		**9572**	**5992**
Recovery and Receipts:			
Interest Income:			
Banks		1	1
Employees		21	14
Misc Income		53	5
Total		**75**	**20**
Net expenditure attributable to construction		**9497**	**5972**

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

2.3 Other Intangible Assets

(₹ Lakh)

Sl.No.	Particulars	Gross Block				Amortization			Net Block		
		As at April 1, 2016	Additions during the year	Deductions/ Adjustments	As at March 31, 2017	As at April 1, 2016	For the year	Deduction March 31, 2017	As at March 31, 2017	As at March 31, 2016	As at April 1, 2016
1	Software	443	13	-	456	353	43	-	396	60	90
	Total	**443**	**13**	**-**	**456**	**353**	**43**	**-**	**396**	**60**	**90**
	Previous year:	**342**	**101**	**-**	**443**	**320**	**33**	**-**	**353**	**90**	**22**

2.4 Intangible Assets under Development

(₹ Lakh)

Sl. No.	Particulars	As at April 1, 2016	Additions during the year	Transfers/ Adjustments	Total WIP as at March 31, 2017	Capitalised during the year	As at March 31, 2017
1	Software	113	114	-	227	-	227
	Total	**113**	**114**	**-**	**227**	**-**	**227**
	Previous year	**-**	**113**	**-**	**113**	**-**	**113**

2.5 Investment in Joint Venture / Associate

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Kholongchhu Hydro Energy Ltd. (KHEL)			
Non-current Assets	8,379	2,374	-
Current Assets	3,818	1,873	-
Non-current Liabilities	(27)	-	-
Current Liabilities	(639)	(155)	-
Equity	**11,531**	**4,092**	**-**
Proportion of the Group's ownership	50%	50%	
Share Application money pending allotment in KHEL	1300	-	-
Carrying Amount of the Investment in KHEL (A)	**7,066**	**2,046**	**-**
Cross Border Power Transmission Company Limited (CPTC)			
Non-current Assets	21,000	22,165	15194
Current Assets	7,337	5,077	621
Non-current Liabilities	(17,838)	(15,166)	(10722)
Current Liabilities	(3,573)	(6,232)	(2748)
Equity	**6,926**	**5,844**	**2345**
Proportion of the Group's ownership	26%	26%	26%
Share Application money pending allotment in CPTC	-	-	343
Carrying Amount of the Investment in CPTC (B)	**1,801**	**1,519**	**953**
Total (A+B)	**8,867**	**3,565**	**953**

2.6 Investments

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Investment in Equity instrutments			
Non Trade-Unquoted (at cost)			
Joint Venture Companies			
7707(P.Y:7707) Equity Shares of ₹10/- each in Bengal Birbhum Coal Fields Ltd	1	1	-
Total Investments	**1**	**1**	**-**

Accounts of Bengal Birbhum Coalfields Limited have not been consolidated for non-availability of accounts. Amount is immaterial.

2.7 Loans

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
Security Deposits				
Secured considered good	-		-	-
Unsecured considered good	54		33	33
Doubtful	-		-	-
		54	33	33
Loans to Related Parties				
Loans to Directors				
Secured considered good	5		11	14
Unsecured considered good	-		2	5
Doubtful	-		-	-
		5	13	19
Other Loans				
Loan to officers of the company				
Secured considered good	15		11	19
Unsecured considered good	4		4	5
Doubtful	-		-	-
		19	15	24
Loans to other Employees				
Secured considered good	3894		2801	2564
Unsecured considered good	451		1289	995
Doubtful	-		-	-
		4345	4090	3559
Total		**4423**	**4151**	**3635**

2.8 Others

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Bank Deposit with more than 12 months maturity	3	-	-
Total	**3**	-	-

2.9 Deferred Tax Assets (Net)

(₹ Lakh)

	As at April 1, 2016	Additions/ (Adjustments) during the period	As at March 31, 2017
Deferred Tax Assets			
Temporary Difference in Depreciation	33120	8594	41714
Temporary Difference in Expenses	2143	(1579)	564
Total	**35263**	**7015**	**42278**
Previous Year	**28537**	**6726**	**35263**

2.10 Regulatory Deferral Account Debit Balance

(₹ Lakh)

	As at April 1, 2016	Movement during the year	As at March 31, 2017
Foreign exchange rate variation on foreign currency loans regarded as borrowing cost	13274	(5558)	7716
Employee benefits expense (pay revision)	-	2436	2436
Total	**13274**	**(3122)**	**10152**
Previous Year:	**513**	**12761**	**13274**

2.11 Other Non - current Assets

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Capital Advances			
Advances to Suppliers and Contractors			
Secured by hypothecation of Equipment/Material	-	166	928
Unsecured considered good			
-Covered by Bank Guarantees	95	446	887
-Others	1690	708	827
Advances to Govt Departments / Organisations	19647	13898	11248
Total	**21432**	**15218**	**13890**
Others			
Material at Site (Capital)	235	-	-
Prepaid Expenses	1	2	3
Deferred Empoyee Benefits Expense	1957	1885	1778
Total - Others	**2193**	**1887**	**1781**
Total Other Non-Current Assets	**23625**	**17105**	**15671**

Current Assets

2.12 Inventories

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Inventories			
Loose Tools	37	21	11
Stores and Spares	3923	3904	3769
	3960	3925	3780
Less : Provision for Shortage of store and Obsolescence	4	4	4
Total	**3956**	**3921**	**3776**

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

2.13 Trade Receivables

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Unsecured considered good	61301	100123	137516
Total	**61301**	**100123**	**137516**
Trade receivables due from Related Parties: Nil (P.Y.: Nil)			

2.14 Cash and Cash Equivalents

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balances with Banks			
Current Accounts	1405	2916	3675
Term Deposits (having original maturity of upto 3 months)	76405	119249	44945
	77810	122165	48620
Cheques & Drafts in hand	-	2	-
Remittances in Transit	-	52	-
Total	**77810**	**122219**	**48620**

2.15 Others Bank Balances

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Earmarked Balance (Unpaid Dividend)	86	54	47
Margin Money for BG/ Letter of Credit and Pledged deposits	5541	128	1309
Other Term Deposits(having original maturity of more than 3 months)	348538	266480	235666
Total	**354165**	**266662**	**237022**

2.16 Loans

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
Loans to Related Parties				
Loans to Directors				
- Secured considred good	5		5	5
- Unsecured considered good	1		5	4
		6	10	9
Loans to Other Related Parties				
Subsidiaries/joint ventures:				
- Unsecured considered good		131	80	22
Other Loans				
Loan to officers of the comapany:				
- Secured considered good	8		11	15
- Unsecured considered good	6		1	1
- Doubtful	-		-	-
		14	12	16
Loans to other Employees				
- Secured considered good	461		405	394
- Unsecured considered good	144		207	192
		605	612	586
Other Advances:				
Unsecured considered good				
-Directors	1		-	-
-Oficers of the Company	-		-	1
-Other Employees	406		235	228
		407	235	229
Total Loans		**1163**	**949**	**862**

2.17 Other Financial Assets

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Interest Accrued but not due on deposits with Banks	13486	12027	8990
Unbilled Revenue	14103	13377	13526
Amount Receivable from Others	82	-	-
Amount Recoverable from Contractor & Suppliers	1305	1589	1595
Dividend Receivable	241	-	-
Total Other Financial Assets	**29217**	**26993**	**24111**

2.18 Current Tax Assets(Net)

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
Advance Tax Deposit	164350		132281	95679
Tax deducted at Source	13497		10112	6993
		177847	142393	102672
Less:Provision for Tax		170959	131073	94683
Total		**6888**	**11320**	**7989**

2.19 Other Current Assets

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
Advances other than Capital Advances				
Other Advances				
Advances to Officers of the Company	-		-	-
Advances to other employees of the Company	11		2	-
		11	2	-
Advance to Suppliers and Contractors				
- Unsecured, considered good	61		63	63
-Doubtful	10		10	10
	71		73	73
Less: Provision for Doubtful Advances	10		10	10
		61	63	63
Advances to Govt Departments				
- Unsecured, considered good*	3660		2776	3521
Less: Provision for Expenditure	1738		1361	2064
		1922	1415	1457
Advances to Others				
- Unsecured, considered good		111	51	1715
Others				
Surplus Stores/Equipments	1463		1462	1438
Less: Provision for Shortage/ Obsolescence	1154		1154	1131
		309	308	307
Prepaid Expenses		3915	3171	2601
Deferred Empoyee Benefits Expense		293	306	277
Amount Recoverable from Ex-Employees	7		7	7
Less: Provisions	7		7	7
		-	-	-
Total		**6622**	**5316**	**6420**

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

2.20 Equity Share Capital

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Equity Shares of par value ₹10/- each	7000000000	700000	7000000000	700000	7000000000	700000
Issued, Subscribed and fully paid up						
Equity Shares of par value ₹10/- each fully paid up	4136626500	413663	4136626500	413663	4136626500	413663
Total		**413663**		**413663**		**413663**

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

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Name of the shareholder	No. of Shares	%	No. of Shares	%	No. of Shares	%
Government of India (GoI)	2666611700	64.46	2666611700	64.46	2666611700	64.46
Government of Himachal Pradesh (GoHP)	1055014800	25.51	1055014800	25.51	1055014800	25.51

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

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Name of the shareholder	No. of Shares	Amount	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	4136626500	413663	4136626500	413663	4136626500	413663
No. of shares issued during the year	-	-	-	-	-	-
Number of shares at the end	4136626500	413663	4136626500	413663	4136626500	413663

2.21 Other Equity

(₹ Lakh)

		As at March 31, 2017	As at March 31, 2016
A	**Securities Premium Reserve**	1,313	1,313
B	**Retained Earnings**		
	Opening Balance	715269	626652
	Add: Profit for the Year as per Statement of Profit and Loss	154718	141079
	Add: Other comprehensive income during the year	(396)	(87)
		869591	**767644**
	Less: Appropriations		
	Dividends		
	Final Dividends	19442	17374
	Interim Dividends	93074	26061
	Tax on Dividend:		
	Final Dividends	3958	3635
	Interim Dividends	18948	5305
	Closing Balance	**734169**	**715269**
	Total Other Equity(A + B)	**735482**	**716582**

Non-Current Financial Liabilities

2.22 Borrowings

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Term Loans			
From Banks:			
A Secured #			
Axis Bank Limited	25568	-	-
(Repayable in quarterly instalments from March 2017 to December 2023, carrying interest@ 8.05% p.a. reset after every three months)			
State Bank of India	-	30008	27965
(Repayable in quarterly instalments from March 2015 to December 2023, carrying interest@ Base Rate + fixed spread of 0.65% p.a. payable monthly)			
Total (A)	**25568**	**30008**	**27965**
#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)	197379	216398	217377
(Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)			
Total (B)	**197379**	**216398**	**217377**
Total (A+B)	**222947**	**246406**	**245342**

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, 2017	As at March 31, 2016	As at April 1, 2015
Deposits, Retention Money from Contractors and Others	21	74	32
Total	**21**	**74**	**32**

2.24 Non Current Provisions

(₹ Lakh)

	As at April 1, 2016	For the year Additions	Write Back/Trf/Adj	Utilization	As at March 31, 2017
Unfunded Employee Benefits					
Leave Encashment	4752	-	4752	-	-
Post Retirement Medical	4013	655	-	60	4608
Other Retirement Benefits	187	81	-	22	246
Total	**8952**	**736**	**4752**	**82**	**4854**
Previous Year	7965	1431	-	444	8952

2.25 Other non-current Liabilities

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Others:			
Government Grant	19	-	-
Deferred Income from Foreign Currency Fluctuation	1221	1410	1597
Advance Against Depreciation	81242	84935	84935
Total	**82482**	**86345**	**86532**

2.26 Trade Payables

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Micro and Small Scale Enterprises	7	16	23
Others	2701	1721	1498
Total	**2708**	**1737**	**1521**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.57.

2.27 Other Financial Liablities-Current

(₹ Lakh)

	As at March 31, 2017		As at March 31, 2016	As at April 1, 2015
Current Maturities of Long Term debt				
Secured				
- Rupee Term Loans	4440		4440	4440
Unsecured				
- Foreign Currency Loans (Guaranteed by GOI)	14255		13768	12287
		18695	18208	16727
Interest Accrued but not due on:				
- Foreign Currency Loans : World Bank	1498		661	373
- Rupee Term Loans	-		-	-
		1498	661	373
Unpaid Dividend		86	54	47
Others Payables:				
-Liability for Employees' Remuneration and Benefits		4316	3872	2763
Liability for Purchase/Construction of Fixed Assets:				
- Micro and Small Scale Enterprises		-	68	96
- Others		7559	11715	18418
Deposits, Retention Money from Contractors and Others		16016	14252	22567
Amount Payable to Gratuity Trust		1523	199	371
TDS and Other Taxes Payable		659	574	222
Others		9	30	10
Total		**50361**	**49634**	**61594**

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.57.
Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term debt indicated above are disclosed in Note 2.22.

2.28 Other Current Liablities

(₹ Lakh)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Revenue Received in Advance:			
Advance against Depreciation	3693	-	-
Others	554	217	250
Total	**4247**	**217**	**250**

2.29 Provisions

(₹ Lakh)

	As at April 1, 2016	Additions	For the year Write Back/Trf/Adj	Utilization	As at March 31, 2017
(A) Unfunded Employee Benefits					
Leave Encashment	402	2435	(4752)	623	6966
Post Retirement Medical	81	92	-	81	92
Other Retirement Benefits	9	9	-	9	9
Total (A)	**492**	**2536**	**(4752)**	**713**	**7067**
(B) Others:					
Pay Revision	56	1174	-	56	1174
Performance Related Pay	2022	2959	-	1779	3202
Interest on Arbitration Awards	9391	947	-	-	10338
Others	3282	-	-	2458	824
Total (B)	**14751**	**5080**	**-**	**4293**	**15538**
Total (A) + (B)	**15243**	**7616**	**(4752)**	**5006**	**22605**
Previous Year	15229	2961	-	2947	15243

2.30 Revenue from Operations

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Sales			
Energy Sales	243686		247886
Less:			
Regulated Power Adjustment- Margin	1497		4423
Regulated Power Adjustment- Expenses	357		730
		241832	242733
UI Charges		1937	2939
RLDC Charges		62	207
Exchange Rate Variation recoverable from beneficiaries		1019	440
Revenue from Sales		244850	246319
Less : Rebate to Customers		244	245
Revenue from Sales		244606	246074
Other operating revenues:			
Sale from Wind Power	2120		3054
Less : Rebate to Customers	-		-
		2120	3054
Consultancy Income		140	268
Total Other Operating Revenues		2260	3322
Total Revenue from Operations		**246866**	**249396**

"The Central Electricity Regulatory Commission (CERC) vide notification dated 21.02.2014 has notified the Tariff Regulations, 2014 containing inter-alia the terms & conditions for determination of tariff, applicable for a period of five years with effect from 01.04.2014. Pending approval of tariff by CERC in respect of Nathpa Jhakri Hydro Power Station (NJHPS), sales/billing to the beneficiaries have been made in accordance with the tariff approved & applicable as on 31.03.2014 as provided in Tariff Regulations, 2014. CERC vide its order dated 27.01.2015 have provisionally determined the tariff of Rampur Hydro Power Station (RHPS) for the period 2014-16. Further, CERC vide its order dated 15.02.2017 has directed that the interim tariff granted by order dated 27.01.2015 in respect of Rampur Hydro Power Station (RHPS) shall continue to be in force till the tariff of the generation station for the 2014-19 is determined. The sales/billing to the beneficiaries have been made in accordance with the above order."

During the year, the Company has regulated the power of BYPL and J&K (P.Y: BRPL,BYPL and J&K) after these companies failed to pay outstanding dues and sold the power allocated to these companies through PTC as per CERC(Regulations of Power Supply) Regulations, 2010. Accordingly 175.250 MUs (P.Y: 348.334 MUs) of power was sold through PTC amounting to ₹4322 lakh (P.Y: ₹9764 lakh) and included in Energy Sales. An amount of ₹1497 lakh (P.Y. : ₹ 4423 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹357 lakh (P.Y: ₹730 lakh) on Sale through PTC.

2.31 Other Income

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Interest Income			
Banks	33330		30788
Employees	454		396
Contractors	835		5
Beneficiaries*	9064		7110
		43683	38299
Other Non-Operating Income			
Interest on Income Tax Refund		468	-
Receipt of Maintenance of ICF		224	294
Surcharge on late payment from customers		12001	1455
Dividend from Subsidiary / Associate / Joint Venture		241	-
Foreign Currency Fluctuation Adjustment		189	187
Sale of Scrap		17	17
Sales of Carbon Credit		6453	-
Miscellaneous Income #		1855	749
Total		**65131**	**41001**

* Interest from Beneficiaries is on account of arrear billing made to the beneficiaries subsequent to provisional determination of tariff for the period 2009-14 vide CERC order dated 20.06.2014.

# Details of Miscellaneous Income:			
Hire Rental Charges from Contractor		2	5
Profit on Sale of Fixed Assets		17	-
Rent Recovery from Staff/Others		59	71
Excess Provision Written Back		52	65
Sundry Credit Balances Written Back		1175	-
Liquidated Damages recovered		144	124
Claim Received from Insurance Company		326	380
Other Misc. Receipts		80	104
Total		**1855**	**749**

2.32 Employee Benefits Expense

(₹ Lakh)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Salaries, Wages, Allowances and Benefits	19907	16941
Contribution to Provident and Other Funds	3085	2106
Leave Salary and Pension Contribution*	647	643
Welfare Expenses	1717	1863
Total	**25356**	**21553**

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

2.33 Finance Costs

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Interest Expenses on:			
Foreign Currency Loans	2958		1435
Rupee Term Loans	3240		3633
Exchange differences regarded as adjustment to borrowing costs.	(4676)		13163
		1522	18231
Other Borrowing Costs			
Finance Charges		3048	2665
Total		**4570**	**20896**

2.34 Depreciation and Amortization Expense

(₹ Lakh)

	For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Depreciation for the Year	68365	67937
Less: Depreciation attributable to Construction	98	117
Less: Depreciation written back	269	104
Depeciation Charged to Statement of Profit & Loss	**67998**	**67716**

2.35 Other Expenses

(₹ Lakh)

		For the Year Ended March 31, 2017	For the Year Ended March 31, 2016
Repair and Maintenance:			
Buildings	1133		817
Roads	724		984
Plant & Machinery	584		619
Office Equipments & Furnitures	39		27
Civil Works	827		867
Electro Mechanical Works	2892		2339
Vehicles	97		96
Others	342		207
		6638	5956
Rent		917	1082
Rates & Taxes		29	9
Insurance		4355	4420
Security Expenses		2256	2004
Electricity Charges	1297		976
Less:- Recovered from Employees & Contractors	40		52
		1257	924
Research and Development		64	276
Travelling & Conveyance		380	407
Training and Recruitment Expenses	215		232
Less:- Cost of Application Forms Received	8		-
		207	232
Legal Expenses		143	172
Professional and Consultancy Charges		132	255
Communication Expenses		196	193
Printing & Stationery	95		116
Less: Receipts from Sale of Tenders	22		21
		73	95
Payment to Auditors:			
As Auditor	15		15
For other Services	8		12
Reimbursement of Expenses	2		2
Payment to Auditors		25	29
Advertisement & Publicity		255	162
EDP Expenses		104	106
Hiring of Vehicles		737	721
Entertainment Expenses		34	38
Expenses on Transit Camps		105	69
Books & Periodicals		12	13
C.S.R./ Sustainable Development Expenses		3419	3047
Stores Written Off		8	25
Loss on Disposal/Write off of Fixed Assets		1	111
Directors Sitting Fees		14	3
Business Promotion Expenses		109	74
Fees and subscription		248	388
Environment & Ecology Expenses		153	77
Safety Expenses		434	382
Interest on arbitration awards		948	948
Miscellaneous Expenses		277	165
Exchange Rate Variation		(49)	215
Project Inaugration Expenses		115	-
Expenses on Regulated Power	357		730
Less: Regulated Power Adjustment - Sales	357		730
		-	-
Total		**23596**	**22598**
Stores Consumption Included in Repairs and Maintenance		**1931**	**1182**

NOTE-2.36 : Disclosure on Financial Instruments and Risk Management

(1)Fair Value Measurement

A) Financial Instruments by category

(₹ Lakh)

Particulars	Note No.	As at March 31, 2017 Amortised Cost	As at March 31, 2016 Amortised Cost	As at April 1, 2015 Amortised Cost
Financial assets				
Non-current Financial assets				
(i) Non-current investments				
-In Equity Instrument (Unquoted)	2.6	1	1	-
(ii) Loans (to employee & others)	2.7	4,423	4,151	3,635
(iii) Others				
-Bank Deposits with more than 12 Months Maturity	2.8	3	-	-
Current Financial assets				
(i) Trade and other receivables	2.13	61,301	1,00,123	1,37,516
(ii) Cash and cash equivalents	2.14	77,810	1,22,219	48,620
(iii) Bank balances other than (iii) above	2.15	3,54,165	2,66,662	2,37,022
(iv) Short-term loans (to employee & others)	2.16	1,163	949	862
(v) others				
(a) Amount recoverable	2.17	1,387	1,589	1,595
(b) interest receivable on investments and bank deposits	2.17	13,486	12,027	8,990
(c) other receivables	2.17	14,344	13,377	13,526
Total Financial Assets		**5,28,083**	**5,21,098**	**4,51,766**
Financial Liabilities				
Non Current Financial Liabilities				
(i) Long-term borrowings				
a) Term Loan From Domestic Bank	2.22	25,568	30,008	27,965
b) Term Loan from others	2.22	1,97,379	2,16,398	2,17,377
(ii) Deposits/Retention Money-Non current	2.23	21	74	32
Current Financial Liabilities				
(iii)Trade Payables including MSMED	2.26	2,708	1,737	1,521
(iv) Other Current financial liabilities				
a) Current Maturity of Term Loan from Domestic bank	2.27	4,440	4,440	4,440
b) Current Maturity of Term Loan from others	2.27	14,255	13,768	12,287
c) interest accrued but not due on borrowings	2.27	1,498	661	373
d) Deposits/Retention Money	2.27	16,016	14,252	22,567
e) Liability against Capital Works/Supplies	2.27	7,559	11,783	18,514
f) Other Payables	2.27	6,593	4,730	3,413
Total Financial Liabilities		**2,76,037**	**2,97,851**	**3,08,489**

Note:The company does not classify any financial asset/financial liability at fair value through profit or loss (FVTPL) & fair value through other comprehensive income (FVTOCI).

B) FAIR VALUATION MEASUREMENT

(i) Fair Value Hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair value are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the company has to classifiy its financial instruments into the three levels prescribed under the accounting standards.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments and traded bonds that have quoted price. The fair value of all equity instruments including bonds which are traded in the recognised Stock Exchange and money markets are valued using the closing prices as at the reporting date. The company has no financial instruments that are listed and traded in recongised Stock exchanges.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. This includes security deposits/ retention money and loans at below market rates of interest..

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(a) Financial Assets/Liabilities Measured at Fair Value-Recurring Fair Value Measurement:

(₹ Lakh)

	Note No.	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial Assets at FVTOCI										
(i) Investments-										
- In Equity Instrument (Quoted)		NIL			-	-				
- In Government Securities		NIL								
- In Public Sector Undertaking/										
Public Financial Institution										
& Corporate Bonds		NIL								
Total		-	-	-	-	-	-	-	-	-
Note:										

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed:

(₹ Lakh)

	Note No.	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets										
(i) Loans (to employee & others)	2.7 & 2.16		5,586			5,100			4,497	
(ii) Others -Bank Deposits with more than 12 Months Maturity	2.8	3								
Total Financial Assets		**3**	**5,586**			**5,100**			**4,497**	
Financial Liabilities										
(i) Long-term borrowings (inclding Current Maturity and interest)	2.22 & 2.27		2,43,140			2,65,275			2,62,442	
(ii) Deposits/Retention Money (including Current)	2.23 & 2.27		16,037			14,326			22,599	
Total Financial Liabilities			**2,59,177**			**2,79,601**			**2,85,041**	

C) Assets for which fair values are disclosed

(₹ Lakh)

	Note No.	As at 31.03.2017			As at 31.03.2016			As at 01.04.2015		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
(i) Investment Property			-							
Total		-	-	-	-	-	-	-	-	-

(ii) Valuation techniques and process used to determine fair values

The group values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

-Use of Quoted market price or dealer quotes for similar intruments.

- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

The group has a team that performs the valuation of financial assets and liabilities required for financial reporting purpose .

(iii) Fair value of Financial Assets and liabilities measured at Amortised Cost

(₹ Lakh)

	Note No.	As at 31.03.2017		As at 31.03.2016		As at 31.03.2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets at Amortised Cost							
(i) Loans	2.7 & 2.16	7,543	5,586	6,985	5,100	6,275	4,497
(ii) Bank Deposits with more than							
12 Months Maturity	2.8	3	3	-	-	-	-
Total Financial Assets		**7,546**	**5,589**	**6,985**	**5,100**	**6,275**	**4,497**
Financial Liabilities at Amortised Cost							
(i) Long-term borrowings							
(incldng Current Maturity and interest)	2.22 & 2.27	2,43,140	2,43,140	2,65,275	2,65,275	2,62,442	2,62,442
(ii) Deposits/Retention Money							
(including Current)	2.23 & 2.27	16,040	16,037	14,333	14,326	22,601	22,599
Total Financial Liabilities		**2,59,180**	**2,59,177**	**2,79,608**	**2,79,601**	**2,85,043**	**2,85,041**

Significant Estimates:

The fair value of financial instruments that are not traded in an active markets determined using valuation techniques. The group 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. Deposits/ Retention money are fair valued using the domestic borrowing rate applicable to the group at the year end.

(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 Company 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	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 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 ot 31st March, 2017 and 31st March, 2016.

The group's risk management is carried out as per policies approved by Board of Directors from time to time.

(A) <u>Credit Risk</u>

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 @ 1.5% percent per month. Considering the fact that the average return on short-term investments of the Group as on 31.03.2017 is 7.01%, the interest recovered by way of surcharge adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Group does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables.

b) Financial assets at amortised cost

Employee Loans: The Company 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 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 2.22, 2.26 and 2.27 of balance sheet).

As at 31st March, 2017

Contratual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2017	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
1. Borrowings (including interest accrued but not due)	2.22 & 2.27	2,43,140	18,695	39,930	43,665	1,40,850
2 Other financial Liabilities	2.27	30,189	30,168	21	-	-
3. Trade Payables	2.26	2,708	2,708	-	-	-
Total Financial Liabilities		**2,76,037**	**51,571**	**39,951**	**43,665**	**1,40,850**

As at 31st March 2016

Contratual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2016	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
1. Borrowings (including interest accrued but not due)	2.22 & 2.27	2,65,275	18,208	38,880	42,485	1,65,702
2 Other financial Liabilities	2.27	30,839	30,765	74	-	-
3.Trade Payables	2.26	1,737	1,737	-	-	-
Total Financial Liabilities		**2,97,851**	**50,710**	**38,954**	**42,485**	**1,65,702**

As at 1st April 2015

Contratual maturities of financial liabilities	Note No.	Outstanding Debt as on 01.4.2015	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
1. Borrowings (including interest accrued but not due)	2.22 & 2.27	2,62,442	16,727	35,649	38,865	1,71,201
2 Other financial Liabilities	2.27	44,526	44,494	32	-	-
3.Trade Payables	2.26	1,521	1,521	-	-	-
Total Financial Liabilities		**3,08,489**	**62,742**	**35,681**	**38,865**	**1,71,201**

(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 and accordingly not subject to interest rate risk as definned in the IND AS 107.

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

(₹ Lakh)

Particulars	31.03.2017	31.03.2016	01.04.2015
Variable Rate Borrowings	241642	264614	262069
Fixed Rate Borrowings			
Total	241642	264614	262069

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	31.03.2017	31.03.2016
Effect on PAT with rise of 25 basis points	(475)	(520)
Effect on PAT with rise of 50 basis points	(950)	(1,041)

(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

(a) Foreign Currency Risk Exposure:

The group's exposure to foreign currency risk at the end of the reporting period expressed in INR

(₹ Lakh)

Particulars	31.03. 2017	31.03. 2016	01.04. 2015
Foreign Currency	**USD**	**USD**	**USD**
Net Exposure to foreign currency risk (asset)	-	-	-
Financial Liabilities:			
Foreign currency loan including interest accrued but not due (₹in Lakh)	213132	230827	230037
Net Exposure to foreign currency risk (liabilities)	**213132**	**230827**	**230037**

i. The above foreign currency risk exposure is for foreign currency loans taken for construction of Rampur Hydro Power Station from World Bank. As per accountig policy of the group transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the exchange rates prevailing on that date. Non-monetary items denominated in foreign currency are reported at the exchange rate prevailing at the date of transaction.

ii. Exchange differences arising on translation or settlement of monetary items are recognised in the statement of profit and loss in the year in which it arises with the exception that exchange differences on long term monetary items related to acquisition of fixed assets entered up to March 31, 2016 are adjusted to carrying cost of fixed assets. The Group has elected to avail the exemption available under IND AS 101, with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities. However, there is no impact on the Profit & Loss of the company due to change in foreign currency rartes as the same is the pass through item to the beneficiaries as per CERC guidlines applicable to the period 2014-19.

(3) Capital Management

(a) Capital Risk Management

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. The primary objective of the Group's capital management is to maximize the shareholder value. The Group's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Group's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Group also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March, 2017.

The Group 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 March, 31 2017	As at March 31, 2016	As at April 1, 2015
(a) Loans and borrowings	2,43,140	2,65,275	2,62,442
(b) Trade & other payables	2,708	1,737	1,521
(c) Less : Cash and cash equivalent	77,810	1,22,219	48,620
(d) Net Debt (a+b-c)	1,68,038	1,44,793	2,15,343
(e) Total Capital	11,48,855	11,30,245	10,41,628
(f) Capital and net debt (d+e)	13,16,893	12,75,038	12,56,971
Gearing Ratio (d/f)	13%	11%	17%

Note: For the purpose of the Group's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings, trade and other payables less cash and short term deposits.

(b) Loan Covenents:

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

1. Group shall maintain credit rating AA and if rating comes down, rate of interest shall be increased by 65 basis point for each notch below AA rating in accordance with the applicable rates.
2. Debt to net worth should not exceed 2:1.

During the year the group has complied with the above loan covenants.

(c) Dividends:

(₹ Lakh)

(i) Equity Shares	As at March 31, 2017	As at March 31, 2016
Final dividend for the year 2015-16 of ₹0.47 per fully paid share approved in Sep-2016. (31st March 2016- ₹0.42 fully paid share for FY 2014-15).	19442	17374
Interim dividend for the year ended 31st March, 2017 of ₹ 2.25 per fully paid share NIL (31st March2016-₹ 0.63) per fully paid share.	93074	26061
(ii) Dividend not recognised at the end of the reporting period	-	-

Note No. 2.37 :First Time adoption of IND AS

Transition from IGAAP to IND AS

The Group has adopted IND AS for the financial year beginning on April 1, 2016 with April 1, 2015 as the date of transition. These are the Group's first annual financial statements prepared complying in all material respects with the accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, the Companies Act, 2013 and the provisions of the Electricity Act, 2003 to the extent applicable.

For periods upto and including the year ended 31 March, 2016, the Group prepared its financial statements in accordance with IGAAP, including accounting standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

Accordingly, the Group has prepared IND AS compliant financial statements for period ending on 31st March, 2017. In preparing these financial statements, the Group has prepared opening IND AS balance sheet as at 1 April, 2015 the Company's date of transition to Ind-AS in accordance with requirement of IND AS 101, First time adoption of Indian Accounting Standards.The principal adjustments made by the Group in restating its IGAAP financial statements, including the balance sheet as at 1 April 2015 and the financial statements as at and for the year ended 31 March 2016 are quantified and explained in detail as Annexure I &II to this Note . However the basic approach adopted is again summarized hereunder:

i) All assets and liabilities have been classified into financial assets/liabilities and non-financial assets/liabilities.

ii) All non-current financial assets/liabilities at below market rate of interest or zero interest and outstanding as on 01.04.2015 have been measured at fair value.

- Loans to employee such as house building advance, car advance, computer advance and scooter advance which are below market interest rate have been fair valued using discounted cash flow method. The interest rate used for valuing the above advances for income tax purpose (level 3 input) have been used as discount rate.

iii) In accordance with IND AS 101, the resulting adjustments are considered as arising from events and transactions entered before date of transition and recognized directly in the retained earnings at the date of transition to IND AS.

iv) The estimates as at 1 April 2015 and at 31 March 2016 are consistent with those made for the same dates in accordance with IGAAP.

v) IND AS 101 also allows to first time adopter certain exemptions from the retrospective application of certain requirements under IND AS. Accordingly, the company has availed the following exemptions as per IND AS 101:

i) Optional exemptions:

a) Deemed Cost for Property, Plant & Equipment:

Property, Plant and Equipment up to March 31, 2015 were carried in the balance sheet in accordance with Indian GAAP. The Group has elected to avail the exemption granted by IND AS 101, "First time adoption of IND ASs" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

Under the previous GAAP, as per AS 11, the effect of changes in foreign exchange rates, provided an alternate accounting treatment to Companies with respect to exchange differences arising on restatement of long-term foreign currency monetary items. Exchange differences on account of depreciable assets could be added/deducted from the cost of depreciable asset, which would then be depreciated over the balance life of the asset. Ind AS 101 allows an exemption for the first time adopter to continue the above accounting treatment in respect of the long term foreign currency monetary items recognized in the financial statements for the period ended immediately before the beginning of the first Ind AS financial reporting period.

b) Designation & Fair value measurement of financial assets or financial liabilities at initial recognition: Ind AS 101 allows an entity to designate investment in equity instruments at FVTOCI on the basis of the facts and circumstances that exist at the date of transition to Ind AS. In addition, the exemption permits prospective application of requirements of IND AS 109 to transactions entered into on or after date of transition.

Group has not retrospectively applied the amortized cost method for outstanding borrowings as on 01.04.2015 as it is impracticable to apply the same in line with para B8C of Ind AS 101. The impact of which is immaterial.

c) Investment in Subsidiaries and joint ventures:The Group has decided to avail the exemption with regard to measuring the investment in subsidiaries and joint venture as at date of transition at deemed cost which is previous GAAP carrying amount at that date.

d) Leases: Appendix C to Ind AS 17- Leases requires an entity to assess whether a contract or arrangement contains a lease. In accordance with Ind AS 17, the assessment should be carried out at the inception of the contract or arrangement. Ind AS 101 provides an option to make this assessment on the basis of facts and circumstances existing at the date of transition to Ind AS, except where the effect is expected to be not material. The Company has elected to apply this exemption for such arrangements/contracts.

ii) Mandatory exemptions:

a) Estimates: An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with the previous GAAP, unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1st April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP.

(A) Reconciliation of Equity

(₹ Lakh)

Sl No.	Particulars	Note No.	As at 31st March 2016 Previous GAAP	Adjustments	IND AS	As at 01st April 2015 Previous GAAP	IND AS	Adjustments
	ASSETS							
(1)	**NON-CURRENT ASSETS**							
A)	PROPERTY PLANT & EQUIPMENT	2.1	8,83,318	(5,882)	8,77,436	9,05,369	(3)	9,05,366
B)	CAPITAL WORK IN PROGRESS	2.2	50,676	(324)	50,352	42,893	(3,813)	39,080
C)	OTHER INTANGIBLE ASSETS	2.3	512	(422)	90	22	-	22
D)	INTANGIBLE ASSETS UNDER DEVELOPMENT	2.4	113	-	113	-	-	-
E)	INVESTMENT IN JOINT VENTURE/ASSOCIATE	2.5	-	3,565	3,565	-	953	953
F)	**FINANCIAL ASSETS**							
I)	INVESTMENTS	2.6	-	1	1	254	(254)	-
II)	LOANS	2.7	-	4,151	4,151	-	3,635	3,635
III)	OTHERS	2.8	-	-	-	-		-
G)	DEFERRED TAX ASSETS (NET)	2.9	35,263	-	35,263	28,537	-	28,537
H)	REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES	2.10	13,274	-	13,274	513	-	513
I)	OTHER NON CURRENT ASSETS	2.11	21,127	(4,022)	17,105	19,487	(3,816)	15,671
		-			-			
(2)	**CURRENT ASSETS**				-			-
A)	INVENTORIES	2.12	3,865	56	3,921	3,678	98	3,776
B)	**FINANCIAL ASSETS**							
I)	TRADE RECEIVABLES	2.13	1,13,242	(13,119)	1,00,123	1,50,708	(13,192)	1,37,516
II)	CASH & CASH EQUIVALENTS	2.14	1,22,307	(88)	1,22,219	48,734	(114)	48,620
III)	BANK BALANCES OTHER THAN (III) ABOVE	2.15	2,66,863	(201)	2,66,662	2,37,023	(1)	2,37,022
IV)	LOANS	2.16	-	949	949	-	862	862
IV)	OTHERS	2.17	-	26,993	26,993	-	24,111	24,111
C)	CURRENT TAX ASSETS (NET)	2.18	-	11,320	11,320	-	7,989	7,989
D)	OTHER CURRENT ASSETS	2.19	32,669	(27,353)	5,316	25,999	(19,579)	6,420
	TOTAL ASSETS		**15,43,229**	**(4,376)**	**15,38,853**	**14,63,217**	**(3,124)**	**14,60,093**
	EQUITY AND LIABILITIES							
(1)	**EQUITY**							
(A)	EQUITY SHARE CAPITAL	2.20	4,13,663	-	4,13,663	4,13,663	-	4,13,663
(B)	OTHER EQUITY	2.21	6,92,064	24,518	7,16,582	6,06,615	21,350	6,27,965
(2)	**LIABILITIES**							
	NON-CURRENT LIABILITIES							
A)	**FINANCIAL LIABILITIES**							
I)	BORROWINGS	2.22	2,50,354	(3,948)	2,46,406	2,48,098	(2,756)	2,45,342
II)	OTHER FINANCIAL LIABILITIES OTHER THAN THOSE SPECIFIED IN ITEM I & II	2.23	-	74	74	-	32	32
B)	PROVISIONS	2.24	8,952	-	8,952	7,965	-	7,965
C)	OTHER NON-CURRENT LIABILITIES	2.25	86,478	(133)	86,345	86,622	(90)	86,532
(3)	**CURRENT LIABILITIES**							
A)	**FINANCIAL LIABILITIES**							
I)	TRADE PAYABLES	2.26	1,744	(7)	1,737	1,483	38	1,521
II)	OTHER FINANCIAL LIABILITIES (OTHER THAN THOSE SPECIFIED IN ITEM I & II)	2.27	-	49,634	49,634	-	61,594	61,594
B)	OTHER CURRENT LIABILITIES	2.28	51,353	(51,136)	217	62,533	(62,283)	250
C)	PROVISIONS	2.29	38,621	(23,378)	15,243	36,238	(21,009)	15,229
	TOTAL EQUITY & LIABILITIES		**15,43,229**	**(4,376)**	**15,38,853**	**14,63,217**	**(3,124)**	**14,60,093**

(B) RECONCILIATION OF TOTAL COMPREHENSIVE INCOME

(₹ Lakh)

			As at 31st March 2016		
Sl No.	Particulars	Note No.	Previous GAAP	Adjustments	IND AS
	INCOME				
i)	Revenue from Operations	2.30	2,49,999	(603)	2,49,396
ii)	Other Income	2.31	40,993	8	41,001
	TOTAL INCOME		**2,90,992**	**(595)**	**2,90,397**
	EXPENSES				
i)	Generation, Administration and Other Expenses	2.35	23,081	(483)	22,598
ii)	Employee Benefits Expense	2.32	22,081	(528)	21,553
iii)	Finance Cost	2.33	20,947	(51)	20,896
iv)	Depreciation & Amortization Expense	2.34	67,751	(35)	67,716
	TOTAL EXPENSES		**1,33,860**	**(1,097)**	**1,32,763**
	Prior Period Items				
	Profit before non-controlling interests / Share in Net-profit of				
	Joint Venture / Associate and net movement in regulatory deferral account balance and tax		1,57,132	502	1,57,634
	Share in profit of Joint Venture / Associates		-	467	467
	PROFIT BEFORE TAX		**1,57,132**	**969**	**1,58,101**
	Tax Expenses				
i)	Current Tax		33,681	105	33,786
ii)	Deferred Tax	2.9	(6,726)	-	(6,726)
	Total Tax Expenses		**26,955**	**105**	**27,060**
	PROFIT FOR THE PERIOD BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		**1,30,177**	**864**	**1,31,041**
	Net movement in regulatory deferral account balance	2.10	12,761	-	12,761
	Impact of Tax on Regulatory Deferral Accounts		2,723	-	2,723
	Net movement in regulatory deferral account balance (Net of Tax)		10,038	-	10,038
	PROFIT FOR THE PERIOD AND NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES.		**1,40,215**	**864**	**1,41,079**
	Profit for the period from continuing operations		1,40,215	864	1,41,079
	Profit from discontined operations		-	-	-
	Tax expense of discontinued operations		-	-	-
	Profit from discontinuing operations after tax		-	-	-
II	**OTHER COMPREHENSIVE INCOME**				
A	**(i) Items that will not be reclassified to profit or loss**				
	- Remeasurements of the defined benefit plans		-	(110)	(110)
	Less: Income Tax on remeasurements of the defined benefit plans		-	23	23
	- Equity Investment		-	-	-
	Less: Income Tax on Equity Investment		-	-	-
B	**(i) Items that will be reclassified to profit or loss**				
	- Investment in Debt Instruments		-	-	-
	Less: Income Tax on investment in Debt Instruments		-	-	-
	Other Comprehensive Income (A+B)		-	(87)	(87)
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD (I+II)		**1,40,215**	**777**	**1,40,992**

Annexure-II to Note-2.37

(A) RECONCILIATION STATEMENT OF TOTAL EQUITY

(₹ Lakh)

Particulars	31st March 2016	1st April 2015
Total Equity (Shareholder's Fund) as per Previous GAAP	11,05,727	10,20,278
Adjustments :		
Impact of arrangements/contracts containing a lease	-	-
Fair valuation of Investments	-	-
Fair valuation of Financial Assets and Financial liabilities other than investments	1	-
Discounting of Provisions	-	-
Proposed Dividend & Tax on Dividend	23,400	21,009
Change in policy for recognition of Property, Plant & Equipment (PPE)	-	-
Rectification of Depreciation	-	-
Investments-adjustment of transaction cost (premium/discount)	-	-
Change in method of consolidation as per Ind As	479	139
Remeasurement of defined Benefit plan-Tax effect	-	-
Other adjustments (KHEL)	638	-
Tax effect of adjustments	-	-
Prior Period Adjustment	-	202
Total	**24,518**	**21,350**
Total equity as per IND AS	**11,30,245**	10,41, 628

(B) RECONCILIATION STATEMENT OF TOTAL COMPREHENSIVE INCOME

(₹ Lakh)

Particulars	31st March 2016
Profit after tax as per Previous GAAP	1,40,215
Adjustments:	
Impact of arrangements/contracts containing a lease	-
Fair valuation of Financial Assets and Financial liabilities other than investments	1
Discounting of Provisions	-
Change in policy for recognition of Property, Plant & Equipment (PPE)	-
Change in method of consolidation as per Ind As	422
Impact of Prior Period items transferred to Opening reserves	(202)
Remeasurement of defined Benefit plan	110
Other adjustments (KHEL)	638
Tax effect of adjustments	(105)
Total Adjustments	864
Profit after tax as per IND AS	1,41,079
Other comprehensive income	(87)
Total comprehensive income	**1,40,992**

Other Explanatory Notes to Accounts

2.38 (a) Basis of Preparation

The consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015. For all periods up to and including the year ended 31 March 2016, the Group prepared its financial statements in accordance accounting standards notified under the section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended 31 March 2017 are the first the Group has prepared in accordance with Ind AS.

The consolidated financial statements are presented in INR and all values are rounded to the nearest lakh, except when otherwise indicated.

2.38 (b) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 31 March 2017. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee) Exposure, or rights, to variable returns from its involvement with the investee, and the ability to use its power over the investee to affect its returns.

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including the contractual arrangement with the other vote holders of the investee, rights arising from other contractual arrangements, the Group's voting rights and potential voting rights, the size of the group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders. The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary. Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies. 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.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

Group information

Name of entity	Principal Activities	Country of Incorp-oration	% Equity Interest		
			As at 31.03. 2017	As at 31.03. 2016	As at 01.04. 2015
1.SJVN Arun-3 Power Devel-opment Group Pvt. Ltd	Gen-eration/ Transmis-sion of Power	Nepal	100%	100%	100%
2. SJVN Thermal Pvt. Ltd	Genera-tion of Power	India	100%	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 Group Limited.
3. The group has 7.7% interest in Bengal Birbhum Coalfields Limited.

2.39 Contingent Liabilities:-

a) Claims against the Group not acknowledged as debts in respect of:

(₹ Lakh)

Particulars	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Capital Works	25552	30186	32008
Land Compensation	1794	6193	6193
Disputed Service Tax Demand	1236	1236	1236
Bank Guarantees	-	1	1
Others	165	165	165
Total	**28747**	**37781**	**39603**

(i) Capital works

Contractors have lodged claims aggregating to ₹27607 Lakh (previous year ₹32241 Lakh and as at 01.04.2015 ₹34063 Lakh) against the Group on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the group as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Group. As the amounts recommended by the Dispute Review Boards (DRBs)/Additional Dispute Review Boards (ADRBs) are much less than the amounts claimed by the contractors, the claims on account of further interest and escalation, if any, have not been considered.

(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 ₹1791 Lakh (previous year ₹6193 Lakh and as at 01.04.2015 ₹6193 Lakh) before various authorities/courts and a demand of ₹3 Lakh (previous year Nil) 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 Service tax Demand

Disputed Service Tax demand amounting ₹1333 Lakh was raised during F.Y. 2008-09 on account of foreign currency payments made to suppliers for supply of material and services for construction of Nathpa Jhakri Hydro Power Station .Out of above an amount of ₹97 Lakh was deposited in F.Y 2008-09 on service portion and the balance amount was contested as the service tax was not applicable on supply of material. No further communication was received from service tax department since then on the issue. However, in absence of formal withdrawal of demand by service tax department, an amount of ₹1236 lakh is being disclosed as contingent liability.

(iv) Others

Claims on account of other miscellaneous matters amounting to ₹165 lakh (previous year ₹165 lakh and as at 01.04.2015 ₹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 aforementioned case was admitted by Hon'ble High Court and is pending for hearing

The above is summarized as at 31.03.2017 below:

(₹ Lakh)

Sl. No.	Particulars	Claims as on 31.03.2017	Provision against the claims	Contingent liability as on 31.03.2017	Contingent liability as on 31.03.2016	Addition of contingent liability for the period
1.	Capital Works	27607	2055	25552	30186	(4634)
2.	Land Compensation	1794	-	1794	6193	(4402)
3.	Disputed Service Tax demand	1236	-	1236	1236	-
4.	Bank Guarantees	-	-	-	1	(1)
5.	Others	165	-	165	165	-
	Total	**30802**	**2055**	**28747**	**37781**	**(9037)**

The above is summarized as at 31.03.2016 below:

(₹ Lakh)

Sl. No.	Particulars	Claims as on 31.03.2016	Provision against the claims	Contingent liability as on 31.03.2016	Contingent liability as on 01.04.2015	Addition of contingent liability for the period
1.	Capital Works	32241	2055	30186	32008	(1822)
2.	Land Compensation	6193	-	6193	6193	-
3.	Disputed Service Tax demand	1236	-	1236	1236	-
4.	**Others**	**165**	**-**	**165**	**165**	**-**
	Total	**39835**	**2055**	**37780**	**39602**	**(1822)**

(b) The above contingent liabilities do not include contingent liabilities on account of pending cases in respect of service matters & others where the amount cannot be quantified.

(c) It is not practicable to ascertain and disclose the uncertainties relating to outflow in respect of contingent liabilities.

(d) The group's management does not expect that the above claims/ obligations (including under litigation), when ultimately concluded and determined, will have a material and adverse effect on the group's results of operations or financial condition.

2.40 Detail of Contingent Assets:

(₹ Lakh)

Particulars	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
1) JHC Pertaining of demand of SJVN for recovery of cost in lieu of non returning of dewatering equipment.	43	43	43
2) Insurance claims	116	569	925
Total	**159**	**612**	**968**

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

(₹ Lakh)

Particulars	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
Estimated amount of contracts remaining to be executed on capital account and not provided for	54579	16757	59834
Other commitments (on account of Repair & Maintenance and Supply of Material etc)	7800	2230	2188
Total	**62379**	**18987**	**62022**

2.42 Balances of trade receivables, advances, deposits, trade payables, are reconciled periodically. However, as on 31.03.2017 out of ₹82864 lakh trade receivables, deposits, material lying with third parties etc an amount of ₹74113 lakh has been confirmed and balance amount of lakh ₹8751 are subject to confirmation and consequential adjustment. Further trade payables amounting to ₹2708 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)

	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
(i)	*Amount charged to Statement of Profit and Loss excluding depreciation: -As FERV -As Borrowing cost	 (49) (4676)	 215 13163
(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.

2.44 Disclosure under the provisions of IND-AS-19 'Employee Benefits':-

General description of various defined employee benefits are as under:

a) Defined Contribution plans:

(i) Pension:

The 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 contribution of ₹1306 lakh (Previous Year: ₹1114 lakh) and ₹172 lakh (Previous Year: ₹258 lakh) is recognized as expense and charged to the Statement

of Profit and Loss and Expenditure attributable to Construction respectively. 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.

Value of Obligation including interest payable to employees as on 31.03.2017 is ₹35274 lakh (P.Y.: ₹30773 lakh) whereas value of plan assets is ₹35627 lakh (P.Y.: ₹31131 lakh). Since the value of plan assets is comparatively higher as compared to value of obligation, there is no additional liability to the company as on balance sheet date.

(ii) Gratuity:

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

(iii) Leave encashment:

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

(iv) Retired Employee Health Scheme:

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

(v) Baggage Allowance:

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

(vi) Service Reward on Retirement:

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

I. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As on 31.03.2017	As on 31.03.2016	As on 01.04.2015
Mortality Table	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Discount Rate	7.50%	8.00%	8.00%
Future Salary Increase	6.00%	6.00%	6.00%

II. Employee benefit obligations at the end of year:

(₹ Lakh)

Particulars	31 March 2017			31 March 2016			1 April 2015		
	Current	Non Current	Total	Current	Non Current	Total	Current	Non Current	Total
Leave obligations	6966	-	6966	402	4752	5154	277	4313	4590
Gratuity	353	6074	6427	261	4474	4735	216	4149	4365
Other benefits	09	246	255	09	187	196	08	204	212
Post-employment medical benefits	92	4608	4700	81	4013	4094	72	4166	4238
Total employee benefit obligations	**7420**	**10928**	**18348**	**753**	**13426**	**14179**	**573**	**12832**	**13405**

III. Changes in Present Benefits Obligation

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16	31.03.17	31.03.16
Present value of obligation as at the beginning of the period	5154	4590	4735	4365	4094	3547	196	185
Acquisition Adjustment	-	-	38	24	-	-	-	-
Interest Cost	412	367	379	349	327	284	16	14
Current Service Cost	725	567	571	412	278	264	22	18
Past Service Cost	-	-	516	-	-	-	-	-
Benefits Paid	(623)	(707)	(264)	(202)	(141)	(112)	(32)	(54)
Actuarial (Gain)/Loss on obligation	1297	337	452	(213)	141	111	53	33
Present value of obligation as at the End of the period	**6965**	**5154**	**6427**	**4735**	**4699**	**4094**	**255**	**196**

IV. Amount Recognized in Balance Sheet

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	**31.03.16**	**31.03.17**	**31.03.16**	**31.03.17**	**31.03.16**	**31.03.17**	**31.03.16**
Present Value of the obligation at end	6965	5154	6427	4735	4699	4094	255	196
Fair value of plan assets	-	-	4904	4536	-	-	-	-
Unfunded Liability/provision in Balance Sheet	(6965)	(5154)	-	-	(4699)	(4094)	(255)	(196)
Unfunded liability recognized in Balance Sheet	**(6965)**	**(5154)**	**(1523)**	**(199)**	**(4699)**	**(4094)**	**(255)**	**(196)**

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

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	**31.03.16**	**31.03.17**	**31.03.16**	**31.03.17**	**31.03.16**	**31.03.17**	**31.03.16**
Service Cost	725	567	1075	412	278	264	21	18
Net Interest Cost	412	367	-	-	327	284	16	15
Net actuarial (gain)/loss recognized in the period	1297	337	-	-	-	-	-	-
Expense recognized in the Income Statement	**2434**	**1271**	**1075**	**412**	**605**	**548**	**37**	**33**

VI. Amount recognized in the Statement of Other Comprehensive Income:

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	**31.03.16**	**31.03.17**	**31.03.16**	**31.03.17**	**31.03.16**	**31.03.17**	**31.03.16**
Net cumulative unrecognized actuarial gain/(loss) opening	---	---	---	---	---	---	---	---
Actuarial gain / (loss) for the year on PBO	---	---	(452)	213	(141)	(111)	(53)	(33)
Actuarial gain /(loss) for the year on Asset	---	---	5	---	---	---	---	---
Unrecognized actuarial gain/(loss) at the end of the year	**---**	**---**	**(447)**	**213**	**(141)**	**(111)**	**(53)**	**(33)**

VII. Sensitivity analysis

Impact of the change in discount rate

(₹ Lakh)

Particulars	Earned Leave		Gratuity		PRMS		Other Benefits	
	31.03.17	**31.03.16**	**31.03.17**	**31.03.16**	**31.03.17**	**31.03.16**	**31.03.17**	**31.03.16**
Present Value of Obligation at the end of the period	6965	5451	6427	4735	4699	4094	255	196
Impact due to increase of 0.50 %	(329)	(241)	(280)	(221)	(317)	(432)	(12)	(9)
Impact due to decrease of 0.50 %	358	261	302	238	322	427	12	9

2.45. Segment information:

a) Operating Segments are defined as components of an enterprise for which financial information is available that is evaluated regularly by the Management in deciding how to allocate resources and assessing performance.

b) Electricity generation is the principal business activity of the Group. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS – 108 on 'Segment Reporting'.

c) The Group is having a single geographical segment as all its Power Stations are located within the Country.

d) Information about major customers:

S. No.	Name of Customer	Revenue from Customers (₹ Lakh)		Revenue from Customers as a % of total revenue	
		F. Y. 2016-17	F. Y. 2015-16	F. Y. 2016-17	F. Y. 2015-16
1	Govt. of H.P.	63783	63701	26.08	25.89
2	PDD, J &K	25799	24647	10.55	10.01
3	U.P. Power Corporation	52262	51780	21.37	21.04
4	Punjab State Power Corporation Ltd.	28187	29268	11.52	10.67

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

(₹ Lakh)

S. No.	Revenue from External Customers	F. Y. 2016-17	F. Y. 2015-16
1	Bhutan (Consultancy)	5	207
	Total	**5**	**207**

2.46. Information on 'Related Party Disclosures' as per Ind AS 24 is provided as under:

a) List of Related Parties –

i) Directors & Key Management Personnel:

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

ii) Entities where control / significant influence exists

Subsidiaries:

Name of Entity	Principal Place of Operation/ Country of Incorporation	Principal activities	% of Shareholding/voting Power as at March 31, 2017	as at March 31, 2016	as at April 1, 2015
SJVN Arun-3 Power Development Group Pvt.Ltd (Incorporated in Nepal)	Nepal	Power Generation	100%	100%	100%
SJVN Thermal Pvt. Ltd (Incorporated in India)	India	Power Generation	100%	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, 2017	as at March 31, 2016	as at April 1, 2015
Cross Border Power Transmission Group Ltd.	India	Power Transmission	26%	26%	26%
Kholongchhu Hydro Energy Limited	Bhutan	Power Generation	50%	50%	50%
Bengal Birbhum Coalfields Limited	India	Coal Mining	7.7%	7.7%	7.7%

Transactions with the related parties are as follows.

(₹ Lakh)

Particulars	Joint Ventures Companies		Key Management Personnel (KMP) & their relatives	
	F. Y. 2016-17	F. Y. 2015-16	F. Y. 2016-17	F. Y. 2016-17
A. Transctions During the year				
1. Investment in Share Capital				
a) Cross Border Power Transmission Ltd.	229	538	-	-
b) Bengal Birbhum Coalfields Limited	-	1	-	-
c) Kholongchhu Hydro Energy Limited	3720	-	-	-
2. Share Application Money.				
a) Cross Border Power Transmission Ltd.	-	-	-	-
b) Kholongchhu Hydro Energy Limited	1300	2046	-	-
3. Consultancy Fee Received				
a) Cross Border Power Transmission Ltd.	85	33	-	-
4.Dividend				
a) Cross Border Power Transmission Ltd.	241	-	-	-
5. Sitting Fees	-	-	14	3
6. Remuneration	-	-	2	-
B. Outstanding Balances at the year end.	-	-	-	-
1. Amount Recoverable				
a) Cross Border Power Transmission Ltd.	-	29	-	-
b) Kholongchhu Hydro Energy Ltd.	131	51	-	-

Loans to/from Related Parties

(₹ Lakh)

Particulars	Key Management Personnel (KMP)	
	31.03.2017	31.03.2016
Loan to KMPs		
Beginning of the Year	23	28
Loans advanced	5	-
Loan repayments received	15	6
Interest charged	1	1
Interest received	1	-
End of the year/period	13	23

Note: Loan from/to JVs is ₹131 Lakh (Previous Year ₹80 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 short-term advances like multipurpose advance and long-term advances like House Building Advance, Car Advance and Computer Advance. While short-term advances are interest-free, long term advances are interest bearing at concessional rates as per policy of the Group.

2) Management/Consultancy services provided to subsidiaries/ Joint Ventures and other transactions were on normal commercial terms and conditions at market rates.

2.47 Remuneration to Directors & Key Managerial Personnel

(₹ Lakh)

		Year ended 31.03.2017	Year ended 31.03.2016
i)	Short Term Employee Benefits	234	243
ii)	Post Employment Benefits	9	6
iii)	Other Long Term Employee Benefits	27	20
iv)	Termination Benefits	-	-
v)	Employee Share Based Payments	-	-
	Total	270	269

2.48 Interest in Other Entities:

a) Subsidiaries

The group's subsidiaries as at 31st March, 2017 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 Incor-poration	% Equity Interest		
			as at March 31, 2017	as at March 31, 2016	as at April 1, 2015
1. SJVN Arun-3 Power Development Group Pvt. Ltd	Generation/ Transmission of Power	Nepal	100%	100%	100%
2. SJVN Thermal Pvt. Ltd	Generation of Power	India	100%	100%	100%

b) Interest in joint ventures

The group's interest in joint ventures as at 31st March, 2017 are set out below which in the opinion of the management, are material to the group. The entities listed below have share capital consisting solely of equity shares, which are held directly by the group. The country of incorporation or registration is also their principal place of business and the proportion of ownership interest is the same as the proportion of voting rights held.

(₹ Lakh)

Name of entity	Place of Business	% of ownership interest	Relation-ship	Ac-counting Method	Quoted Fair Value			Carrying amount		
					31st March 2017	31st March 2016	1st April 2015	31st March 2017	31st March 2016	1st April 2015
Kholongchhu Hydro Energy Limited	Bhutan	50	Joint Ven-ture (1)	Equity Method	*	*	*	7066	2046	-
Cross Border Power Transmission Company Limited	India	26	Joint Venture (2)	Equity Method	*	*	*	1801	1519	953

* 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 Group Limited. The group is domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The Group 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 2017 using the Equity Method :

(₹ Lakh)

	Kholongchhu Hydro Energy Limited			Cross Border Power Transmission Company Limited		
	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015	As at 31.03.2017	As at 31.03.2016	As at 01.04.2015
Current Assets						
cash and cash equivalents	367	466	-	2261	213	102
Other Assets	3451	1407	-	5076	4864	519
Total Current Assets	3818	1873	-	7337	5077	621
Total Non-Current Assets	8379	2374	-	21000	22165	15194
Current liabilities						
Current financial liabilities (excluding trade and other payable and provisions)	255	129	-	1844	872	216
Other Liabilities	384	26	-	1729	5360	2532
Total Current Liabilities	639	155	-	3573	6232	2748
Non Current liabilities						
non current financial liabilities (excluding trade and other payable and provisions)	-	-	-	17274	14681	10600
Other Liabilities	27	-	-	564	485	122
Total Non-current Liabilities	27	-	-	17838	15166	10722
Net Assets	11531	4092	-	6926	5844	2345

Summarised statement of Profit and Loss using Equity Method:

(₹ Lakh)

	Kholongchhu Hydro Energy Limited		Cross Border Power Transmission Company Limited	
	31st March 2017	31st March 2016	31st March 2017	31st March 2016
Revenue	-	-	560	9625
Interest Income	-	-	3564	1984
Cost of raw material and components consumed	-	-	-	4721
Depreciation & amortization	-	-	2	2
Finance cost	-	-	1835	1500
Employee benefit	-	-	120	119
Other expense	-	-	403	3469
Profit before tax	-	-	1765	1798
Profit for the year (continuing operations)	-	-	1316	1432
Total comprehensive income for the year (continuing operations)	-	-	1316	1432

c) Individually Immaterial joint venture

In addition to the interest in joint ventures disclosed above, the group has interest in Bengal Birbhum Coalfields Limited to the tune of 7.7% which in the opinion of the management is not material. The financial statements of Bengal Birghum Coalfields Limited is not available and hence not considered in consolidation.

2.49 Earnings Per Share:-

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

(₹ Lakh)

	Year Ended 31.03.2017	Year Ended 31.03.2016
Net Profit after Tax but before Regulatory Income used as numerator (₹ Lakh)	157174	131041
Net Profit after Tax and Regulatory Income used as numerator (₹Lakh)	154718	141079
Weighted Average number of equity shares used as denominator	4136626500	4136626500
Earnings per Share before Regulatory Income (₹) – Basic & Diluted	3.80	3.17
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	3.74	3.41
Face value per share (₹)	10	10

2.50 Impairment of Assets-

Ind AS 36, in the opinion of the management there is no indication of any significant impairment of assets during the year.

2.51 Disclosure Regarding Embedded Lease:

The Group has entered into arrangement with Maharashtra State Electricity Board (MSEB) for sale of wind power from Khirvire Wind power station for a period of 15 years. Under the agreements, the MSEB is obliged to purchase the output at fixed per unit price. Accordingly, the Group has classified the Power Station as Operating Leases as per Appendix-C to Ind AS 17- Leases.

Revenue from operation under note no. 2.30 includes an amount of ₹2120 Lakh (P.Y ₹3054 lakh) from sale of power from this plant.

Future minimum rental receivable under non-cancellable operating leases as on 31.03.2017 are as follows.

(₹ Lakh)

Particulars	**31.03.2017**	**31.03.2016**	**01.04.2015**
Within one year	NIL	NIL	NIL
After one year but not more than five years	NIL	NIL	NIL
Total	NIL	NIL	NIL

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

(₹ Lakh)

(A)	**Expenditure in foreign currency**	**Year ended 31.03.2017**	**Year ended 31.03.2016**
i)	Consultancy	-	5
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	-	-
iv)	Interest on World Bank Loan.	2958	1435
v)	Dividend Paid	-	-
vi)	Other Miscellaneous Matters	81	219
(B)	**Earnings in foreign currency**		-
(C)	**Value of Import calculated on CIF basis**		
i)	Capital Goods	-	288
ii)	Spare Parts	76	-
(D)	**Value of components, stores and spare parts consumed**		
i)	Imported	41 (2.12%)	-
ii)	Indigenous	1890 (97.88%)	1182 (100%)

The above figures do not include expenditure incurred by Foreign Subsidiaries and Joint Ventures in the currency of their respective Country.

2.53 Quantitative details in respect of energy generated & sold :

a) Hydro Power:-

S. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1912	1912
iii)	Actual Generation (Million Units)	9010.99	9297.18

b) Wind/Solar Power:-

S. No.	Particulars	Year ended 31.03.2017	Year ended 31.03.2016
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	52.60	47.60
iii)	Actual Generation (Million Units)	33.94	48.95

2.54 Payment to Auditors includes:

(₹ Lakh)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
As Auditors		
- Statutory Audit	10	12
- Tax Audit	2	3
- Limited Review	7	8
For other services (Certificates etc.)	1	1
Reimbursement of Expenses	2	2
Reimbursement of Service Tax	3	3
Total	**25**	**29**

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

Particulars	Currency	As at 31.03.2017	As at 31.03.2016
Borrowings, including Interest Accrued but not due thereon.	USD	213132	230827

2.56 Disclosure related to Corporate Social Responsibility (CSR)

During the year an amount of ₹3394 lakh (P.Y ₹3047 lakh) has been paid to the CSR trust formed to manage the CSR activities.

Break-up of CSR expenditures incurred as intimated by CSR Trust under various heads during the year 2016-17 is as below.

(₹ Lakh)

S. No.	Activities	Amount
1	Health and hygiene	635
2	Education and Skill Development	1605
3	Infrastructural Development and Community Development	1051
4	Preservation and promotion of culture, Melas, Sports etc.	38
5	Sustainable Development	94
6	Swachh Vidhyalaya Abhiyan	26
7	Assistance to the victims natural disasters/ calamities	52
8	Miscellaneous CSR activities& Administrative Exp.	215
	Total	**3716**

In addition to above an amount of ₹25 Lakh has also been spent by SJVN Arun-III Power Development Company Pvt. Ltd. towards CSR expenses.

2.57 Information in respect of micro and small enterprises as at 31st March 2017 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Year ended 31.03.2017	Year ended 31.03.2016
a) Amount remaining unpaid to any supplier:		
Principal amount	7	84
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 Corporate office building at Shimla has been capitalised by ₹13436 Lakh during the year under various heads of Plant, Property and Equipment on provisional basis pending receipt/ settlement of final bill from the contractor/agency. Adjustment if any will be made on receipt/payment of final bill. The impact of same will not be material.

2.59 CERC (Terms & Conditions of Tariff) Regulations provide for levy of late payment surcharge by generating group in case of delay in payment by beneficiaries beyond 60 days from the date of presentation of bill. An amount of ₹48434 Lakh (P.Y.: ₹35769 Lakh) is due but not recognised on account of surcharge till 31.03.2017 due to significant uncertainties in the timing of its collection from the customers.

2.60 (a) The Institute of Chartered Accountants of India (ICAI) has issued a 'Guidance Note on Accounting for Rate Regulated Activities' which is applicable w.e.f. 1st April, 2015 to entities that provide goods or services whose prices are subject to cost of service regulations and the Tariff determined by the regulator is binding on the customers (beneficiaries). Since, the group is primarily engaged in the business of generation and sale of power which is subject to cost of service regulation as it meets the criteria set out in the guidance note; hence it is applicable to the group. Consequently, exchange differences arising from settlement/translation of monetary items denominated in foreign currency, to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations, which were hitherto accounted as deferred foreign currency asset/liability in line with an opinion of the Expert Advisory Committee of the ICAI, are accounted as 'Regulatory asset/liability' and adjusted from the year in which the same becomes recoverable from or payable to the beneficiaries through regulatory income/expense.

With effect from FY 2016-17, such rate regulated items are to be accounted for as per Ind AS 114- 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the previous GAAP.

Accordingly, the group has continued with the accounting policy for regulatory deferral account balances in its first Ind AS financial statements.

b) Disclosure relating to creation of Regulatory Deferral Accounts as per Ind AS 114:

The group has created regulatory assets and recognized corresponding regulatory income upto period ended 31.03.2017 as under:

(₹ Lakh)

Regulatory asset created in relation to:	Upto FY 2015-16	For the year ended 31.03.2017	Total up to 31.03.2017
Exchange rate variation regarded as Borrowing Costs	13274	(5558)	7716
Employee Benefit expense (Pay- revision w.e.f 01.01.2017)	-	2436	2436
Total	**13274**	**(3122)**	**10152**

2.61 Information required in respect of specified bank notes as required by Schedule III of the Companies Act, 2013.

(₹)

Particulars	Specified Notes (SBN)	Other Denomination Notes	Total
Closing Cash in hand on 08.11.2016	47500/-	-	47500/-
(+) Permitted Receipts	-	136854/-	136854/-
(-) Permitted Payments	-	-	-
(-) Amount deposited in Bank	47500/-	136854/-	184354/-

2.62. Additional Information as required by Schedule III to the Companies Act, 2013

(₹ Lakh)

Name of the Entity	Net Assets i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
A. Parent (SJVN Ltd.)				
Balance as on 31.03.2017	94.82	1089476	99.75	154017
Balance as on 31.03.2016	95.81	1082741	99.72	140646
B. Indian Subsidiaries				
SJVN Thermal Private Limited				
Balance as on 31.03.2017	3.80	43654	(0.01)	(12)
Balance as on 31.03.2016	3.86	43666	-	(1)
C. Foreign Subsidiaries				
SJVN Arun-3 Power Development Company Private Limited.				
Balance as on 31.03.2017	0.60	6858	(0.02)	(25)
Balance as on 31.03.2016	0.02	273	(0.02)	(25)
D. Indian Joint Ventures				
Cross Border Power Transmission Company Limited.				
Balance as on 31.03.2017	0.16	1801	0.22	342
Balance as on 31.03.2016	0.13	1519	0.26	372
E. Foreign Joint Ventures				
Kholongchhu Hydro Energy Limited				
Balance as on 31.03.2017	0.62	7066	-	-
Balance as on 31.03.2016	0.18	2046	-	-
TOTAL AS ON 31.03.2017	**100**	**1148855**	**100**	**154322**
TOTAL AS ON 31.03.2016	**100**	**1130245**	**100**	**140992**

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

For and on behalf of the Board of Directors

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

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.

For Soni Gulati & Co.
Chartered Accountants

(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : May 29,2017

Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

(Information in respect of each subsidiary to be presented with amounts in ₹ Lakh)

1	Sl. No.	1	2
2	Name of the subsidiary	SJVN Thermal Private Ltd.	SJVN Arun-3 Power Development Company Pvt. Ltd.
3	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	From Ist April 2016 to 31st March, 2017	From 15th July 2015 to 14th July, 2016
4	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries	N.A (Indian Company)	NPR (Incorporated in Nepal). Exchange Rate Fixed 1`=1.6 NPR
5	Share capital	43668	6910
6	Reserves & surplus	(14)	(52)
7	Total assets	47374	21625
8	Total Liabilities	3720	14767
9	Investments	-	-
10	Turnover	-	-
11	Profit before taxation	(12)	(25)
12	Provision for taxation	-	-
13	Profit after taxation	(12)	(25)
14	Proposed Dividend	-	-
15	% of shareholding	100	100

1. SJVN Thermal Private Ltd. & SJVN Arun-3 Power Development Company Private Ltd. is yet to commence business.
2. Names of associates or joint ventures which have been liquidated or sold during the year. - NIL
3. Above Figures of SJVN Arun-3 Power Development Company Private Ltd. is as per Unaudited Balance Sheet of 31.03.2017.

Part "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures (₹Lakh)

Name of Associates/Joint Ventures	Cross Border Power Transmission Company Limited	Kholongchhu Hydro Energy Limited	Bengal Birbhum Coalfields Ltd.
1. Latest audited Balance Sheet Date	Audited upto 31.03.2016 (Unaudited As on 31.03.2017)	Audited upto 31.12.2016 (Unaudited As on 31.03.2017)	Audited as on 31.03.2016
2. Shares of Associate/Joint Ventures held by the company on the year end	26%	50%	7.7%
No. of shares	1,26,10,000 shares of ₹ 10 each	5,76,60,000 Equity Shares of ₹ 10/- each & share application money paid for 1,30,00,000 shares of ₹ 10 each.	7707 shares of ₹ 10/- each
Amount of Investment in Associates/Joint Venture	1261	7066	1
Extent of Holding %	26%	50%	7.7%
3. Description of how there is significant influence	-	-	-
4. Reason why the associate/joint venture is not consolidated	Consolidated	Consolidated	Not Consolidated*
5. Net Worth attributable to Shareholding as per latest Unaudited Balance Sheet	1801	7066	N/A
6. Profit / Loss for the year (After tax)	1316	-	-
i. Considered in Consolidation	342	-	-
ii. Not Considered in Consolidation	-	-	-

* Accounts of Bengal Birbhum Coalfields Limited have not been consolidated for non-availability of accounts. Amount is immaterial.
Kholongchhu Hydro Energy Limited & Bengal Birbhum Coalfields Limited is yet to commence business.
Names of associates or joint ventures which have been liquidated or sold during the year. - NIL

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies(Management and Administration) Rules, 2014)

SJVN LIMITED

CIN : L40101HP1988GOI008409

Registered Office: SJVN Corporate Office Complex, Shanan, Shimla – 171 006, Himachal Pradesh.

Name of the member(s):		E-mail 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 29th Annual General Meeting of the Company, to be held on Friday, September 22nd, 2017 at 1500 HRS at "Hotel Peterhoff, Chaura Maidan, Shimla – 171004" and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:-

	Resolutions	For	Against
1.	To receive, consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the year ended 31st March, 2017 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 ₹2.25 per share and to declare the final dividend, if any, on equity shares for the financial year 2016-17.		
3.	To appoint a Director in place of Shri Nand Lal Sharma [DIN 03495554], who retires by rotation and being eligible, offers himself for re-appointment.		
4.	To appoint a Director in place of Shri Kanwar Singh [DIN 05351047], who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Ratification of Remuneration of Cost Auditor for the Financial Year 2017-18.		

Please affix ` 1 Revenue Stamp

Signed this _____ day of _____ 2017.

_____
(Signature of Member)

_____	_____	_____
Signature of First proxy holder	Signature of Second proxy holder	Signature of Third proxy holder

Notes:-

(1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.

(2) A Proxy need not be a member of the Company.

(3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

**(4) This is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'for' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he /she thinks appropriate.

(5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.

(6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.

SJVN LIMITED

CIN : L40101HP1988GOI008409

Registered Office: SJVN Corporate Office Complex, Shanan, Shimla – 171 006, Himachal Pradesh.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL

Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id	
Client Id	

FOLIO No.	
No. of Shares	

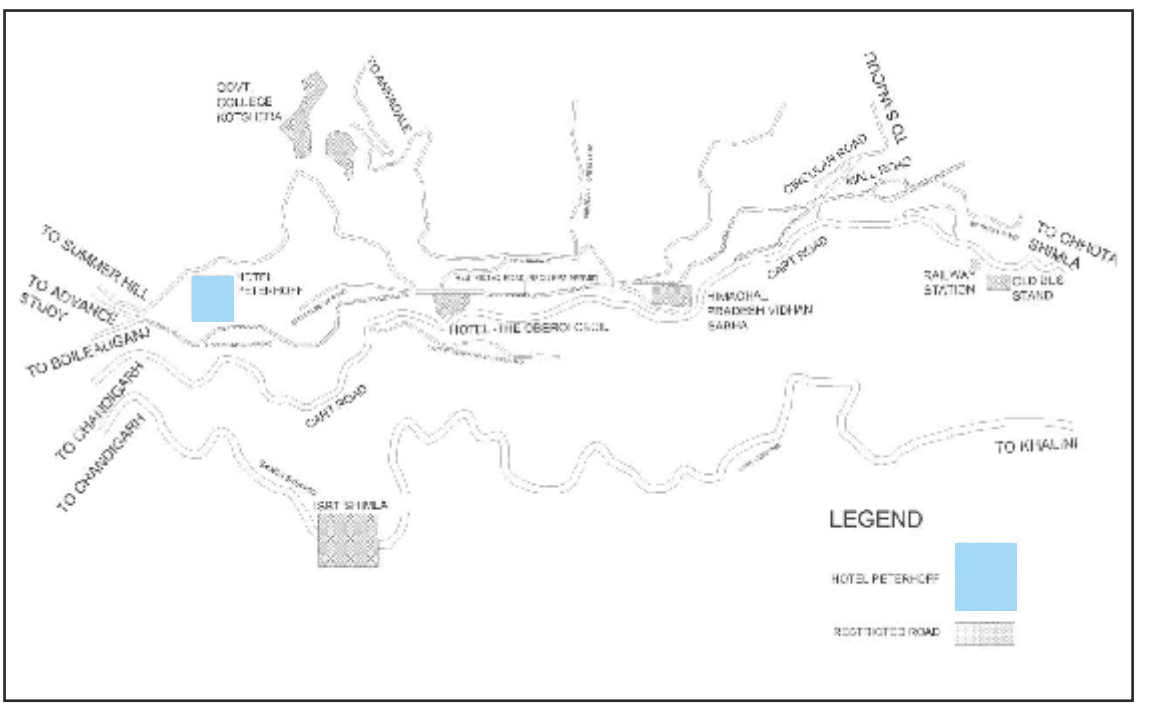
NAME AND ADDRESS OF THE SHAREHOLDER.....

.....

I hereby record my presence at the 29TH ANNUAL GENERAL MEETING of the Company held on Friday, September 22nd, 2017at 1500 HRS at "Hotel Peterhoff, Chaura Maidan, Shimla – 171004".

Signature of Shareholder

ROUTE MAP TO THE VENUE OF THE AGM



REMINDER

Dear Shareholder,

Sub: Payment of unpaid Dividend for previous years

During the past financial years, your Company has declared the following dividends since listing of its shares:-

Sr. No.	Financial Year	Interim/ Final	Dividend per Share	Declaration Date	Record Date
1.	2016-17	Interim	? 2.25	13-02-2017	24-02-2017
2.	2015-16	Final	? 0.47	22-09-2016	15-09-2016
3.	2015-16	Interim	? 0.63	04-02-2016	17-02-2016
4.	2014-15	Final	? 0.42	22-09-2015	15-09-2015
5.	2014-15	Interim	? 0.63	05-02-2015	18-02-2015
6.	2013-14	Final	? 0.98	09-09-2014	02-09-2014
7.	2012-13	Final	? 0.96	12-09-2013	05-09-2013
8.	2011-12	Final	? 0.94	03-09-2012	27-08-2013
9.	2010-11	Final	? 0.80	26-08-2011	19-08-2011
10.	2009-10	Final	? 0.60	15-09-2010	02-09-2010

All the Shareholders who were on the Register of Members on the respective record dates are entitled to receive the corresponding dividends.

Your company has made multiple attempts to dispatch your dividend. In case you were a member on the above record dates and have still not received any of the dividends declared during the above years, you are requested place a request via post/ email/ Fax to the Investor Relations Department or the R&T Agent for payment of unpaid dividends quoting your full Demat Account number comprising of DP ID and Client ID / Folio No. to enable us take prompt action.

The Contact details are as under:-

Investor Relations Department	Registrar & Share Transfer Agent (R&T)
Shri. Soumendra Das Company Secretary, SJVN Limited SJVN Corporate Office Complex, Shanan, Shimla - 171 006, Himachal Pradesh Tel No.: +91 177 2660075 Fax No.: +91 177 2660071 E-mail Id: investor.relations@sjvn.nic.in	Alankit Assignments Limited, Alankit House, 4E/2 Jhandewalan Extension New Delhi, Pincode-110055 Tel No.: +91 11 42541201, Fax No. : +91 11 42541201 Email Id: info2alankit.com

Thanking you
For SJVN Limited



(Soumendra Das)
Company Secretary

Vision

To be the best-in-class Indian Power Company globally admired for developing affordable clean power and sustainable value to all stakeholders.

Mission

To drive socio-economic growth and optimize shareholders' and stakeholders' interest by:

- Developing and operating projects in cost effective and socio-environment friendly manner.
- Nurturing human resources talent with care.
- Adopting innovative practices for technological excellence.
- Focusing on continuous growth and diversification

Objectives

In the pursuit of above mission, the company had set for itself the following Corporate Objectives:

- Operating and maintaining power stations with maximum performance efficiency.
- Establishing and following sound business, financial and regulatory policies.
- Taking up of other hydro power projects.
- Completion of the new projects allocated to SJVN in an efficient and cost effective manner.
- Use of the best project management practices towards project implementation by applying latest 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 work culture and work environment conducive to the growth and development of both the organization and the individuals through introduction of participative management philosophy.
- Fulfilling social commitments towards society. Achieving constructive cooperation and building personal relations with stakeholders, peers, and other related organizations.
- Striving for clean and green project environment with minimal ecological and social disturbances.
- To strive for acquiring Nav Ratna Status.



एसजेवीएन लिमिटेड

SJVN Limited

(A Joint Venture of Govt. of India & Govt. of H.P.)

A Mini Ratna & Schedule "A" PSU

CIN : L40101HP1988GOI008409

Regd. Office : SJVN Corporate Office Complex, Shanan, Shimla - 171 006. H.P. (INDIA)

Expediting Office : Icon Building, C-4, District Centre, Saket, New Delhi - 110 017

Phone : 0177-2660075, Fax: 0177-2660071

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