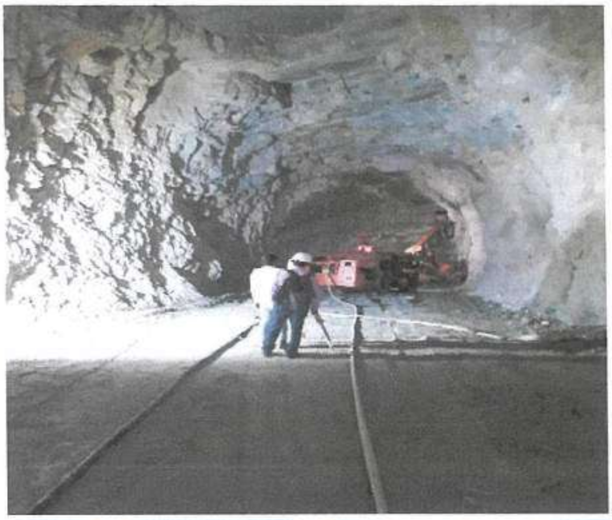

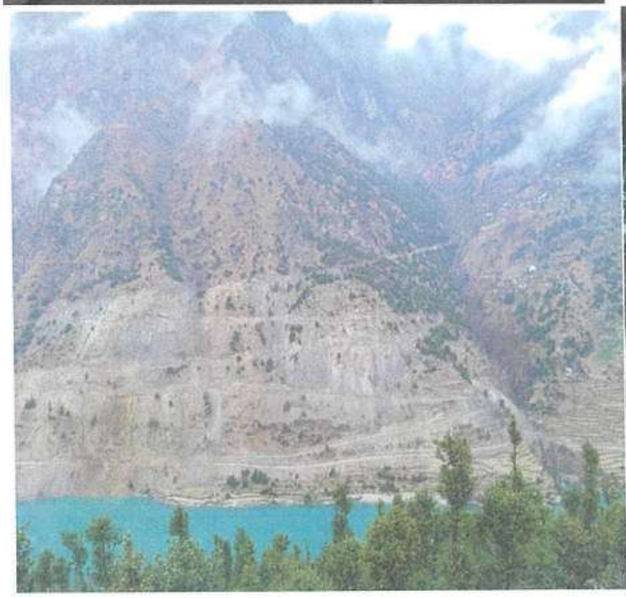
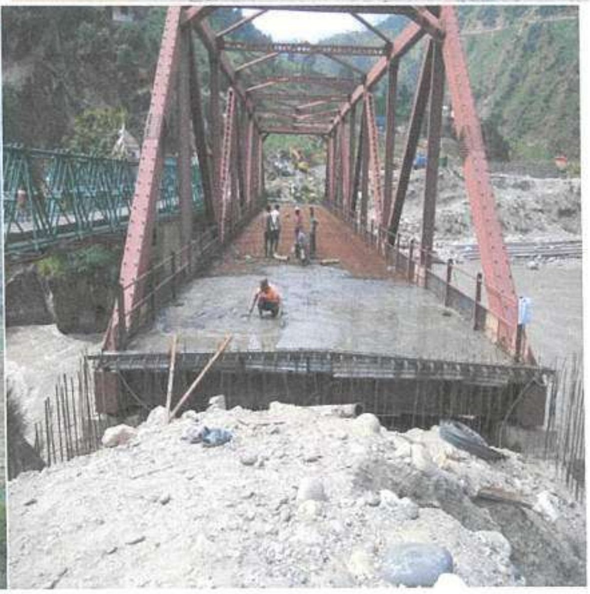

7TH ANNUAL REPORT 2017-18

Annual General Meeting at 3:00 p.m. on Saturday, 29th September, 2018 at Chenab Jal Shakti Bhawan Opposite Saraswati Dham, Rail Head Complex, Jammu-180012 J&K.

CHENAB VALLEY POWER PROJECTS [P] LIMITED

A Joint Venture of NHPC (A Govt. of India Enterprise), JKSPDC (A Govt. of J&K Undertaking) & PTC India Ltd.

CIN: U40105JK2011PTC003321

BOARD OF DIRECTORS

Shri K.B.Agarwal	Chairman (w.e.f 18.08.2018)
Shri M.Y. Khan	Chairman*
Shri Hirdesh Kumar	Director (w.e.f 14.08.2018)
Shri Shah Faesal	Director**
Shri Balraj Joshi	Director***
Shri M.K.Mittal	Director
Shri V.K.Rattan	Director (w.e.f 12.12.2017)
Shri M.S.Babu	Managing Director

* Shri M.Y.Khan ceased to be Director and Chairman due to withdrawal of nomination by JKSPDCC on 31.07.2018.

** Shri Shah Faesal ceased to be Director due to withdrawal of nomination by JKSPDCC on 14.08.2018.

*** Shri Balraj Joshi ceased to be director due to withdrawal of nomination by NHPC on 12.12.2017.

COMPANY SECRETARY

Shri Sudhir Anand

CONTENTS:

REGISTERED OFFICE AND INVESTOR RELATION CELL

Chenab Jal Shakti Bhavan Opposite Saraswati Dham Railhead Complex Jammu-180012-J&K.

STATUTORY AUDITORS

M/S S. Kumar Gupta & Co, Chartered Accountant.

NOTICE

Notice is hereby given that the 7th Annual general Meeting of Chenab Valley Power Projects Private Limited will be held on **Saturday, 29th day of September, 2018 at 3.00 P.M** at **CVPP registered Office, Chenab Jal Shakti Bhavan Opposite Saraswati Dham, Rail Head Complex Jammu -180012**-J&K to transact the following business:

ORDINARY BUSINESS:

ITEM NO.1: ADOPTION OF ANNUAL ACCOUNTS FOR THE YEAR 2017-18.

To receive, consider and adopt the Financial Statements of the Company for the financial year ended 31st March 2018 including Audited Balance Sheet as at 31st March, 2018 and the Statement of Profit and Loss Account for the year ended on that date together with Report of Board of Directors and Auditors' thereon along with the comments of the Comptroller and Auditor General of India thereon, in terms of Section 143(6) of the Companies Act, 2013.

ITEM NO.2: TO TAKE NOTE OF APPOINTMENT OF STATUTORY AUDITORS FOR THE YEAR 2018-19 AND FIXATION OF THEIR REMUNERATION.

To consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolutions:

"RESOLVED THAT appointment of M/S JSVP & Co, Chartered Accountants. duly appointed by Comptroller and Auditor General of India vide their letter No. CA.V/COY/Jammu & Kashmir.CVPPPL (0)/260 dated 25-07-2018 as Statutory Auditors under section 139 of the Companies Act, 2013 for the year 2018-19, be and is hereby noted.

RESOLVED FURTHER THAT pursuant to the provisions of section 142 and all other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including and statutory modification(s) or re-enactment thereof, for the time being in force), the Board of Directors be and is hereby authorised to fix the remuneration of Statutory Auditors for the year 2018-19.

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 the aforesaid resolution."

SPECIAL BUSINESS

ITEM NO.3

TO INCREASE THE AUTHORIZED SHARE CAPITAL FROM RS. 2500.00 CRORES TO RS. 3500.00 CRORES.

To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution.**

"RESOLVED THAT pursuant to Section 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the Authorized Share Capital of the Company be increased from Rs. 25,00,00,00,000.00 (Rupees Twenty Five Hundred Crores only) divided into 2500000000 Equity Shares of Rs. 10.00 (Rupees Ten only) each to **Rs. 35,00,00,00,000.00** (Rupees Thirty Five Hundred Crores only) divided into 3500000000 Equity Shares of Rs. 10.00 (Rupees Ten only) each and that **Clause V** of the Memorandum of Association of the Company altered accordingly."

ITEM NO. 4

TO ALTER THE CAPITAL CLAUSE V OF THE MEMORANDUM OF ASSOCIATION.

To consider and if thought fit to pass with or without modification the following resolution as a **Special Resolution.**

RESOLVED THAT pursuant to Section 61(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, the existing Clause V of the Memorandum of Association be substituted by the following :

CLAUSE V

The Authorized Share Capital of the Company **Rs. 35,00,00,00,000.00** (Rupees Fifty Five Hundred Crores only) divided into 3500000000 Equity Shares of Rs. 10.00 (Rupees Ten only).

By Order of the Board
For Chenab Valley Power Projects Private Limited

Place: Srinagar
Date: 05-09-2018

(SUDHIR ANAND)
Company Secretary.

Registered Office:
Chenab Jal Shakti Bhavan
Opposite Saraswati Dham, Rail Head Complex Jammu -180012-J&K

Notes:

1. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a member. **Form of Proxy is enclosed.**

2. The instrument of proxy must be deposited at the registered office, Chenab Jal Shakti Bhavan Opposite Saraswati Dham Railhead Complex, Jammu-180012-J&K not less than 48 hours before the time fixed for holding the meeting.

3. Explanatory Statement pursuant to section 102(3) of the Act is annexed herewith.

EXPLANATORY STATEMENT TO ITEM NO. 2.

The Statutory Auditors of our Company are being appointed by Comptroller and Auditor General of India.

For the year 2018-19, CAG has appointed the Chartered Accountant firm M/S JSVP & Co, Chartered Accountants, Jammu; as Statutory Auditors of our Company vide their letter No. CA.V/COY/Jammu & Kashmir.CVPPPL (0)/260 dated 25-07-2018. Thus the information regarding their appointment for the year 2018-19 as Statutory Auditors is recommended. **(Copy of CAG letter for the year 2018-19 is annexed)**

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(3) OF THE COMPANIES ACT, 2013 ANNEXED TO THE NOTICE.

ITEM NO 3 & 4

The present Authorized Share Capital of the Company is Rs 2500.00 Crores- (Rupees Fifteen Hundred Crores only) divided into 2500000000 Equity Shares of Rs 10.00 (Rupees Ten only) each and the paid up Share Capital is Rs 1379.19 Crores.

The growth of the Company's operations requires augmentation of resources. Therefore the Board in the 42nd BOD meeting held on 04.09.2018 while considering the present status of upcoming Projects of CVPP, decided to increase the authorized share capital of Company from Rs 2500 Crores to Rs 3500 Crores subject to the approval of shareholders. Thus keeping in view of the requirement of Equity for execution of Projects of the Company, the authorized share capital of the Company needs to be increased.

Accordingly increase in the Authorized Capital of the Company from Rs 2500.00 Crores to Rs 3500.00 Crores is recommended.

As per Section 102(3), of the Companies Act, 2013, the power to increase the Authorized Share Capital has to be exercised by the Company in general meeting. Accordingly the resolution at item No. 3 of the notice seeks approval of the members for increasing the Authorized Share Capital. Resolutions at Item No. 4 seek members' approval for making the consequential changes in the Memorandum of Association of the Company.

None of the Directors is concerned or interested in the proposed amendments to the Memorandum and Articles of Association.

By Order of the Board
For Chenab Valley Power Projects Private Limited

Place: Srinagar
Date: 05-09-2018

(SUDHIR ANAND)
Company Secretary.

Registered Office:
Chenab Jal Shakti Bhavan
Opposite Saraswati Dham, Rail Head Complex Jammu -180012-J&K

Chenab Valley Power Projects (P) Ltd

BOARD'S REPORT
FOR THE YEAR 2017-18

BOARD'S REPORT

Dear Members,

Your Directors are pleased to present the 7th Annual Report on the performance of your Company along-with the audited financial statements, Auditors' Report and review of financial statements by the Comptroller and Auditor General of India (C&AG) for the financial year ended March 31, 2018. Financial year 2017-18 was a year of achievement for the Company as major construction work of Pakal Dul H E Project (1000 MW) has started with the award of contract for its Power House. Foundation stone of the Project was laid by Hon'ble Prime Minister Shri Narendra Modi on 19th May 2018.

Tendering for the major works of Kiru HE Project (624MW) are also finalized and the construction work can be started immediately after Investment Approval of the Project is accorded by GoI. Tendering of Kwar HE Project (540 MW) is also in advance stage and its PIB proposal is in process. Further, the Company has established its own Corporate Office Building at a Prime location in Jammu.

As your company is in the stage of construction of Hydro Power Projects, there is no sales income, therefore the revenue received is mainly from the interest earned on the fund available from Promoters in the shape of equity.

1. FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March, 2018 is summarized below:

(Rs. in Cr)

Particulars	2017-18	2016-17
Sales & Other Income (Interest Income)	6.20	10.88
Profit before Tax	5.66	9.15
Tax Expenses	1.71	3.65
Net profit for the year	3.95	5.50
Appropriations	Nil	Nil
Balance carried forward to Reserve & Surplus	**3.95**	**5.50**

2. STATE OF AFFAIRS:

The Company has not yet started its commercial operation and earned only interest income on surplus equity fund invested in the form of short term deposits of varying periods.

3. STATUS OF PROJECTS:

PAKAL DUL HYDROELECTRIC PROJECT (1000 MW):

Brief Introduction:

The Pakal Dul H E Project (1000 MW) is proposed on river Marusudar, a tributary of river Chenab in district Kishtwar of J&K State. The project envisages construction of a 167 m high Dam, 2 nos. of Head Race Tunnel of 7.20 mtr dia and 9.6 km length each, an underground Power House with 4 units of 250 MW each. The annual energy generation will be 3330 MU.

The status of the project is as under:

Status of the project:

i) **CCEA Approval**

Investment Approval of Cabinet Committee on Economic Affairs (CCEA), Govt. of India was accorded on 28.10.2014 at a sanctioned cost of Rs. 8112.12 Cr at March 2013 price level taking into consideration subordinate debt of Rs.2500 Cr from Govt. of India and exemption from WCT/entry tax and waiver of 12% free power & water usage charges for first ten years from the completion of the project by Govt. of J&K.

The above sanction order has been modified vide MoP, GoI letter dated 19.10.2016 conveying that equity contribution to be infused by JKSPDC for implementation of Pakal Dul H.E Project would be in the form of grant to CVPPL by GoI to be released in a phased manner. Rs 500 Cr has already has been received from MoP, GoI till date as equity contribution of JKSPDC.

ii) Statutory Clearances

Statutory clearances in respect of the project have been obtained from various departments of the Central/State Governments namely Techno- Economic Appraisal (TEA) by CEA, Environmental Clearance by MOEF, Forest Clearance by GoJK, Wildlife Clearance by GoJK, Indus Water Treaty Clearance by MoWR, Clearance from Fisheries department and Hydraulic Division (PHE & Irrigation) GoJK, NOC from Geology and Mining Department GoJK, Consent to Establish Pakal Dul project by J&K State Pollution Control Board etc.

Exemption from levy of WCT, Entry Tax and Levy of Toll tax has been granted by the Govt of J&K. After implementation of GST in J&K, efforts are being made by the Company to get exemption equivalent to WCT from the Government of J&K.

iii) Land Acquisition

Approval for acquisition of private land for Power House and Reservoir areas have been received from Govt of J&K. Early disbursement of land compensation is being pursued with the district administration. Requisite forest land is also in possession of the Project for carrying out construction activities.

iv) Rehabilitation and Resettlement(R&R) plan

The Govt. of J&K has approved the Rehabilitation and Resettlement plan of the project vide order dated 22.02.2017. Rs 29.12 Crs has been released so far for implementation of R&R plan and a payment of Rs 18.00 Crores to Project Affected Families (PAFs) has been made so far.

Enhancement of compensation has been further recommended for approval of GoJK by the Empowered committee in its meeting held on 06.04.2018. Approval of GoJK is awaited.

v) Award of Major Works

Out of five packages, LOA for Power House package and Dam Package has been issued on 21.02.2018 and 21.06.2018 respectively. The construction work at power house site is in progress. Prime Minister Sh. Narendra Modi has laid the Foundation stone of the project on 19th May 2018 in presence of Governor J&K, Chief Minister J&K and other dignitaries of central Govt. as well as State Govt.

Evaluation of Electro- Mechanical Package is also completed and proposal for award of the same is being placed brfore the Board for consideration.

Tenders for the Hydro Mechanical Package have re-invited, as the earlier tendering process could not concluded.

Tenders for the Head Race Tunnel by Tunnel Boring Machine (TBM) are also evaluated and the report is being placed before the Board for its consideration.

vi) Infrastructure Works

a) Bailey Suspension bridge on river Chenab of 40T capacity has been commissioned in September 2015.

b) Road work from Bailey suspension bridge to Main Access Tunnel in the power house area has been completed.

c) Road to TBM Adit: Formation cutting work upto 5090mtr against total length of 5.71 Km is in progress.

d) Hydraulic Model Studies of the project has been entrusted to CWPRS Pune on 03.02.2017 and the studies are in progress.

e) The work of the roads to DT inlet and DT outlet has been awarded on dated 29.08.2017.

- DT inlet (4.25Km) - Formation cutting work upto 980m has been achieved so far.
- DT Outlet (1.2 Km) - Formation cutting work upto 700 m has been achieved so far.

f) Abutments and Structural Work of 70R steel truss double lane bridge at Bhandarkot has been completed and balance works shall be completed shortly.

2 KIRU HYDROELECTRIC PROJECT (624 MW):

Brief Introduction:

The project, a run-of-river scheme is located in Kishtwar of J&K State. The Kiru HE Project is proposed on river Chenab and envisages construction of 135 m high Dam and an underground Power House with 4 units of 156 MW each. The annual energy generation will be 2272 MU.

The status of the project is as under:

Status of the project:

i) CCEA Approval

PIB note has been submitted to MOP by NHPC Ltd on 10.08.2017 for investment approval of the project. PIB memorandum of the project has been circulated by MOP on 01.02.2018 for comments of various appraising agencies. The replies of the comments as received are being regularly submitted.

Company is pursuing approval of concessions / exemptions from GoJK on the same lines of Pakal Dul HE Project so that tariff of energy generated from the Project is minimum.

ii) Statutory Clearances

Statutory clearances in respect of the project have been obtained from various departments of the Central/State Governments namely Techno- Economic Appraisal (TEA) by CEA, Environmental Clearance by MOEF, Forest Clearance by GoJK, Indus Water Treaty Clearance by MoWR, Clearance from Fisheries Department GoJK, NOC from Geology and Mining Department GoJK, Consent to Establish the project by J&K State Pollution Control Board etc.

iii) Land Acquisition

Final award for acquisition of land for construction of the project has been issued vide letter dated 01.07.2017. Disbursement of compensation is in progress.

NOC to start the site activities of Kiru HE Project has also been obtained from J&K

State Forest Corporation vide letter dated 06.06.2017.

Diverted Forest land handed over by Forest Department, GoJK to CVPP on 14.03.2018.

iv) Rehabilitation and Resettlement(R&R) plan

The Empowered Committee meeting for approval of R&R plan held on 06.04.2018. The minutes of the meeting has been issued on 21.05.2018 wherein the plan has been recommended for approval. Govt order is awaited.

v) Award of Major Works

All the three packages of major works of the project are ready for award immediately after getting investment approval of the project.

vi) Infrastructure Works

a) Construction of approach roads for DT inlet and outlet awarded on 07.02.2017.

- DT outlet - Completed (Total length 1270m).
- DT inlet - 900m work completed against total length of 1600m.

b) Construction of approach road to Dam top from PMGSY's Chhicha Road of the total length of 215m has been completed.

c) Hydraulic Model Studies of the project has been entrusted to CWPRS Pune on 08.12.2016 and the studies are in progress.

d) Work for providing water supply to residential and non-residential buildings of the project awarded on 20.02.2018 and is in progress.

e) Work for consultancy services for Architectural and Structural Design including landscaping of the proposed combined colony for Kiru and Kwar HEPs awarded on 23.04.2018 and work is in progress

f) Border Roads Organization (BRO) has been assigned the job of upgradation of two bridges on Dul-Galhar Road.

g) Development of benches for site office is in progress and 500m bench length completed against the total of 570m bench length. Meanwhile, temporary site office has been set up.

3 KWAR HYDROELECTRIC PROJECT (540 MW):

Brief Introduction

The project is located in district Kishtwar of J&K State and is proposed on Chenab river. The Kwar HE Project (540 MW) envisages construction of 109 m high Dam, an underground Power House with 4 units of 135 MW each. The annual generation will be 1975 MU.

The status of the project is as under:

Status of the project:

i) CCEA Approval

Draft PIB Note submitted to MOP on 01.02.2018 by NHPC for investment approval of the project. PIB memorandum of the project has been circulated by MOP on 07.03.2018 for comments of various appraising agencies. The replies of the comments as received are being regularly submitted.

Company is pursuing approval of concessions / exemptions from GoJK on the same lines of Pakal Dul HE Project so that tariff of energy generated from the project is minimum.

ii) Statutory Clearances

Statutory clearances in respect of the project have been obtained from various departments of the Central/State Governments namely Techno- Economic Appraisal (TEA) by CEA, Environmental Clearance by MOEF, Forest Clearance by GoJK, clearance from Fisheries Department GoJK, NOC from Geology and Mining Department GoJK, Consent to establish the project by J&K State Pollution Control Board etc.

iii) Land Acquisition

Final award for acquisition of all the private and state land required for execution of project, has been issued on 22.03.2018. Disbursement of compensation is in progress.

NOC to start the construction activities from J&K State Forest Corporation issued on 08.02.2018.

Diverted Forest land handed over by Forest Department GoJK to CVPP on 14.03.2018.

iv) Rehabilitation and Resettlement(R&R) plan

The Empowered Committee has recommended for approval of the plan in the meeting held on 27.11.2017 and approval of GoJK have been conveyed by order dated 03.08.2018.

v) Award of Major Works

Technical evaluation of Civil works package is under progress and bids of remaining two packages are due for submission by September 2018.

vi) Infrastructure Works

a) LOA for construction of approach road to the project issued in April 2018 and the work is in progress. Out of total 4.48 Km of total length of road a progress of 2.5 Km has been achieved.

b) Hydraulic Model Studies of the project has been entrusted to CWPRS Pune on 09.11.2017 and the studies are in progress.

c) Bids for construction of 81m span 70R double lane bridge over River Chenab are being evaluated.

4. DULHASTI (STAGE- II) H E PROJECT

Board in its 35th meeting decided to take up preparation of DPR through NHPC and to seek necessary equity from the Promoters for the same. Subscription of equity for the Project is sought from the Promoters and is awaited.

4. DIVIDEND:

Your Directors have decided not to declare any dividend during the financial year.

5. CAPITAL STRUCTURE AND NET WORTH:

The Paid up Share Capital of the Company was increased from Rs 924.08 crores to Rs 1051.44 Crores during the year. Your Company's paid up share capital and net worth as on 31st March, 2018 was Rs. 1051.44 Crores and 1076.67 Crores respectively.

The Authorized Share Capital of the Company increased from Rs 1500 Crores to Rs. 2500 Crores with the approval of shareholders in the 6th AGM held on 20.09.2017.

In the State of Jammu and Kashmir, Chenab Valley Power Projects Private Limited is the number one Company in terms of its Authorized Share Capital and Paid up Share Capital.

6. TRANSFER OF SHARES:

There was no transfer of shares during the year.

7. DETAILS OF SUBSIDIARY, JOINT VENTURE OR ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint Venture or Associate Company.

8. BOARD OF DIRECTORS:

The Board of the Company was duly constituted in accordance with the provisions of the Companies Act 2013.

As on date of this report, the Board of Directors consists of following members:

S. No.	Name	Designation	DIN	Date of appointment
1	Sh. Mohammad Yousuf Khan	Nominee Director & Chairman	00751929	13/06/2011
2	Sh. Shah Faesal (IAS)	Nominee Director	07639398	17/03/2017
3	Sh. M K Mittal	Nominee Director	02889021	17/03/2017
4	Sh. V K Rattan	Nominee Director	07449990	12/12/2017
5	Sh.Muthirakkalayil Samuel Babu	Managing Director	06511216	01/03/2016
Sh. Balraj Joshi ceased to be director due to withdrawal of nomination by NHPC on 12-12-2017.				

9. MEETINGS OF BOARD OF DIRECTORS:

During the year, the directors of the company met on the following dates:

Date of Meeting	Place of Meeting	Directors Present
34th BoD Meeting May 13, 2017	NHPC Camp Office Pragati Bhawan New Delhi.	Sh. Mohammad Yousuf Khan, Sh. Shah Faesal, Sh. Balraj Joshi, Sh. M K Mittal & Sh. M S Babu.
35th BoD Meeting July 24, 2017	CVPP Corporate Office Jammu.	Sh. Mohammad Yousuf Khan, Sh. Shah Faesal, Sh. Balraj Joshi, Sh. M K Mittal & Sh. MS Babu.
36th BoD Meeting September 20, 2017	CVPP Corporate Office Jammu.	Sh. Mohammad Yousuf Khan, Sh. Shah Faesal, Sh. Balraj Joshi, Sh. M K Mittal & Sh. M S Babu.
37th BoD Meeting December 12, 2017	NHPC Camp Office New Delhi.	Sh. Mohammad Yousuf Khan, Sh. M K Mittal, Sh. V K Rattan & Sh. M S Babu.
38th BoD Meeting February 19, 2018	CVPP Corporate Office Jammu.	Sh. Mohammad Yousuf Khan, Sh. Shah Faesel, Sh. M K Mittal, Sh. V K Rattan & Sh. M S Babu.

10. TRANSFER TO GENERAL RESERVE:

Your Company has not transferred any amount to General Reserve during the year 2017-18.

11. STATUTORY AUDITORS:

The Statutory Auditors of the Company are appointed by the Comptroller and Auditor General of India (C&AG). M/s S. Kumar Gupta & Co., Amritsar was appointed as Statutory Auditors for the financial year 2017-18.

12. MATERIAL CHANGES AND COMMITMENTS:

There are no material changes affecting the financial position of the Company which have occurred between the end of the financial year of the Company to which the financial position relates and the date of this report. However, Letter of Acceptance for the work of Construction of Diversion Tunnel (along with HM works), Concrete Face Rockfill Dam (CFRD), Surface & Tunnel Spillway, Intake Structure, Two no's part Head Race Tunnel and Allied Structures of Pakal Dul H.E. Project for the value of Rs. 2853.01 Crores has been issued in favor of M/s Jaiprakash Associates Limited vide letter no CVPP/Pakal Dul/Dam Pckg/2018/1158 dated 21.06.2018.The Paid-up Share Capital of the Company has further increased from Rs 1051.44 Crores as on 31-03-2018 to Rs 1339.18 Crores after subscription of additional equity of 222.55 Crs by JKSPDC and Rs 65.19 Crs by NHPC, as on 05.06.2018.

13. PUBLIC DEPOSITS:

Your Company has not accepted any public deposit from the public within the meaning of Section 73 of the Companies Act, 2013, read with the Companies (Acceptance of Deposit) Rules, 2014 made there-under and, as such, no amount of principal or interest was outstanding on the date of the Balance Sheet and also on the date of this Report.

14. DIRECTORS' RESPONSIBILITY STATEMENT:

Your Directors declare as prescribed under sub section 5 of Section 134 of the Companies Act, 2013, as amended up-to-date, that:

a) In the preparation of the Annual Accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, wherever applicable;

b) Such accounting policies had been selected and applied consistently and judgments and estimates have been made that are reasonable and prudent so as to give a true and fair view of state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;

c) Proper and sufficient care has been taken 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 annual accounts are prepared on a going concern basis.

e) Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

15. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY:

The Company has neither given any loan nor guarantee. Further your company has not made any investments or securities during the financial year 2017-18 which are covered under section 186 of the Companies Act, 2013.

16. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

During the financial year 2017-18, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material. The Company's related party transactions are only with one of the JV partner (NHPC Limited) for receiving the consultancy services. All the contracts/ transactions/ entered into with related party was on arm's length basis, in the ordinary course of business and in the Company's interest.

There are no transactions that are required to be reported in accordance with the section 134(3)(h) of the Companies Act, 2013 in Form AOC-2. Hence said form does not form part of this report.

17. COMMENTS OF THE BOARD OF DIRECTORS ON QUALIFICATIONS, RESERVATIONS MADE BY THE STATUTORY AUDITORS ALONG WITH THE COMMENTS OF C&AG:

The Statutory Auditors has not made any qualifications or reservation in their Independent Auditors Report. The comments of Comptroller and Auditor General of India on financial statement for financial year 2017-18 in pursuant to section 143(6)(b) of the Companies Act, 2013 along with the management replies thereon are attached herewith as Annexure-I.

18. STRENGTHING IN RISK MANAGEMENT STRUCTURE:

The Projects of the Company are still in the initial stage of development. As such, the Company is yet to evolve and implement a formal risk management policy. However, the Company has evolved and implemented Fraud Prevention and Detection policy.

The Company is aware of the fact that the development of hydroelectric projects is associated with various uncertainties like geological surprises, hydrological problems, seismic risks, environmental issues, unforeseen contractual litigations, remoteness of project location, long gestation period, regulatory risks, etc., which could lead to unanticipated increase in project cost, time over-run, etc.

A formal risk management policy identifying the risk exposures of the Company including steps required for managing and mitigating the risks will be considered for development and implementation. However, the risks associated with hydro projects being undertaken by the Company are broadly classified into the following categories:

(a) Strategic Risk:

Risk of loss resulting from business factors. These risks adversely affect the achievement of strategic objectives which may impair overall enterprise value.

(b) Financial Risk:

Risk directly impacting the balance sheet.

(c) Operational Risk:

Risk of loss resulting from inadequate or failed processes, people and information systems.

(d) Compliance risk:

Risk arising out of non-compliance with/ non-fulfillment of legal, regulatory and statutory requirements.

19. VIGILANCE ACTIVITIES:

CVPP Vigilance policy/guidelines proposed in accordance with para 4.2 of MOP office memorandum No. C-30019/40/2014-V&S dated 01.10.2015 have been approved by CVPP Board in its 36th meeting on 20.09.20197.

Vigilance Units at CVPP CO Jammu and at all its projects sites headed by Chief Vigilance Officer are implementing the vigilance activities /functions through vigilance mechanisms such as Preventive Vigilance, Registration of complaints/ cases, Inquiry & Investigation, Surveillance & Detective Vigilance, Anti-corruption measures, Technical Examination of works, Disciplinary proceeding & Prosecution and Administrative Vigilance.

CVPP Vigilance Division is taking various measures including regular/ surprise inspection, monitoring of tender and execution of works, awareness workshops/Training Programs, guidelines/ circular to improve the system etc. as part of its vigilance function and monthly/quarterly / half yearly reports are being submitted to the management. Vigilance activities function with comprehensive Vigilance mechanisms are being taken up by Vigilance Division as per approved

Vigilance policy / guidelines of the company for awareness and compliance at all level in the Company.

20. EXTRACT OF ANNUAL RETURN:

An extract of annual return in form MGT-9 is annexed to this report as Annexure-II

21. STATUTORY INFORMATION:

➢ **Energy Conservation and Technology Absorption:**

a. **Natural lighting:** In order to obtain higher energy efficiency for the newly built Corporate office building, the exterior walls are provided with glass glazing so as to ensure natural lighting in the office working areas thereby reducing the requirement of electricity for lighting arrangements.

b. **Energy efficient LED lights:** LED lights have been installed in the building for reduced power consumption.

c. **HVAC:** Energy efficient HVAC system has been installed so as to reduce the power consumption.

d. **Sewage Treatment Plant:** As per the Building Permission granted by JDA, there was requirement of providing only septic tanks for sewage treatment, however, taking a proactive step CVPP decided to go for advanced technology and opted for installation of aerobic Sewage Treatment Plant (STP) instead of traditional septic tanks. The STP with 70 KLD installed capacity involving Fluidized Aerobic Bio Reactor technology has been installed for the waste water management of the building. In addition to sewage, the STP shall also treat the waste water discharged from building.

e. HRT in Pakal Dul is planned to be done by TBM and M/s Amberg Engineering was hired as a consultant to help CVPP in finalizing the specification of TBMs and to evaluate technical bid for HRT-TBM package.

f. Dam in Pakal Dul project is going to be the highest Concrete Face Rockfill Dam in India. Process is initiated to hire services of CFRD consultant which would help the main design consultant i.e. NHPC to design the Concrete Face Rockfill Dam.

➢ **Adaptation and Innovation:**

a. **Building Orientation:** The building design has been developed to take advantage of the best aspects of Jammu's climate. The Facade Optimization Principle has been applied in design for daylight & shading according to mass and orientation so as to adapt for future climate change. The building mass is oriented in the east-west direction with the larger sides facing north and south thereby minimizing solar heat gain during summers.

b. **Site Planning:** Availability of larger percentage of green/open areas around the building (i.e. about 30% of the total site area) has been achieved by adopting Vertical Expansion of the building (both over and underground). The underground area has been fully utilized by providing two basement floors to be used for parking of vehicles.

c. **Sitting Plan:** In order to avail maximum efficiency of HVAC and for reducing power consumption, the sitting arrangement has been planned in such a way that the closed rooms and full height cabins are placed along the outer walls/glass walls so that the heating effect of sun light does not extend to the work stations and other open areas, which are placed on interior side of the floors.

d. **Rain Water Harvesting System:** With increasing concretization, most of the rain water in urban areas finds its way directly into the drains resulting into heavy loss of recharge potential of otherwise non-concrete areas. Reiterating its commitment towards sustainable development, CVPP has opted for developing Rain Water Harvesting System for recharge of ground water. The system has been installed with 2 Nos. Rain Water Harvesting pits of size 2.5m dia and 3.0m effective depth with 160 (OD) UPVC slotted pipe up to a layer where sandy aquifers/permeable layers exist.

22. FOREIGN EXCHANGE EARNINGS AND OUTGO:

The foreign exchange transaction is summarized below:

Particulars	2017-18 (Amount)	2016-17 (Amount)
Expenditure in foreign currency i) Know - how ii) Interest iii) Other Misc. Matters	Nil	Nil
Earning in foreign currency i) Interest ii) Others	Nil	Nil

23. INTERNAL CONTROL SYSTEMS AND STANDARDS:

The Company has built adequate internal control systems towards achieving efficiency and effectiveness in operations, optimum utilization of resources, cost reduction and effective monitoring thereof.

The internal control mechanisms comprise a well-defined organization structure, documented policy guidelines, pre-determined authority levels and processes commensurate with size and capacity of the organization, faster decision making and fixing the level of responsibility.

During the year, M/s P.C. Bindal & Co., Chartered Accountants, Jammu has been engaged as Internal Auditors of the Company. No reportable material weakness has been observed by the firm.

24. TRAINING AND HUMAN RESOURCE DEVELOPMENT:

CVPP believes that business environment is full of challenges thrown by turbulent external environment and intense competition which demands continuous improvement and transformation at workplace. Further, such continuous improvement and transformation is possible only with the continual upgradation of employees' skills, competencies, attitude and knowledge.

Thus, constant endeavour has been made by investing in Training & Development of employees, thereby organizing in-house training programmes and deputing employees for external training programmes during the year under report.

During the year CVPP has organized In-house training programmes, like Preventive Vigilance while handling award of contract, Attitude & Personality Development, Programme on Goods and Services Tax, Managing Geological Situations at Hydropower Projects in the Himalayas etc. and also deputed employees in external training programmes, such as, Seminar on Disaster Management for Industrial Plants, Workshop on Renewable Energy Grid Interface Technology and Regulatory Framework, Workshop on Tunneling in Himalayan Region, Program on Dam Safety and Earthquake and Sediment Management for Hydropower Projects in Himalayan Region etc. conducted by external agencies, such as, CBIP, NPTI, IIPE, PGCIL, ICW Group etc.

The above programmes covered different facets and areas viz. Behavioral Competency, Functional Competency, Health & Lifestyle Management etc.

1. HR POLICIES:

HR policies are the major pillar on which the whole gamut of HR system revolves. CVPP being at its threshold, a number of policies have been framed, as per need and requirement aligned with the objectives of the organization. So far, CVPP has framed 31 nos policies.

2. LAYING OF FOUNDATION OF PAKAL DUL HE PROJECT:

The foundation of 1000 MW Pakal Dul HE Project was laid by the Hon'ble Prime Minister of India Shri Narendra Modi on 19th May 2018 at Zorawar Singh Auditorium, University of Jammu at Jammu J&K.

During inauguration address, Prime Minister appreciated the initiative taken by Government of J&K and NHPC by forming joint venture company Chenab Valley Power Projects [P] Ltd (CVPP) to harness the untapped hydro-potential of the

State. The Project is also included in Prime Minister's Development Package (PMDP) and the Government of India has sanctioned a grant of Rs.1192 crore to meet the equity contribution requirement of JKSPDC and a sub-ordinate loan of Rs.2500 Cr carrying interest rate of one percent.

3. MANPOWER PLANNING:

With the start of major construction activities of Pakal Dul HE Project and also Kiru & Kwar HE Projects being at the advanced stage of award of contracts, manpower requirement is accordingly being planned by floating requisition to Promoters Company NHPC and also the JKSPDC. Further, Administrative Staff College of India (ASCI) has also been engaged for the purpose of Manpower Planning. Simultaneously, a recruitment drive has also been initiated for appointment of requisite manpower in various disciplines

4. EMPLOYEES PROMOTION &OTHER WELFARE SCHEMES:

CVPP is taking due care of career growth of its employees by implementing CVPP Promotion Policy this year. Similarly, many welfare schemes have also been put in operation, such as, Group Personal Accident Insurance Scheme (GPAI), Issue of Winter Jackets and Snow Shoes, Employees Social Security Scheme, Group Mediclaim Policy etc.

5. SWACCH BHARAT ABHIYAAN DRIVE:

A cleanliness drive under Swacch Bharat Abhiyaan was organized at CVPP Corporate Office Campus, Jammu under the initiative of CVPP Ladies Club. The programme was inaugurated by Mrs Mehbooba Jan, wife of Shri M Y Khan, Chairman, CVPP. Senior Officers, employees and their families actively participated in the cleanliness drive that was launched from CVPP Corporate Office campus to the JDA Parking Lot near Vishal Mega Mart, Jammu.

5. INTERNATIONAL WOMEN'S DAY:

International Women's Day was celebrated at CVPP with zeal and passion. Mrs Mehbooba Jan, wife of Shri M Y Khan, Chairman CVPP, was the Chief Guest on the occasion. The function was attended by all female staff and wives of employees of CVPP. During the event, discussions on various issues concerning women in professional and personal walks of life were held, emphasizing the role and sacrifices made by women and their positive impact on the modern society.

6. ID CARD SYSTEM:

Redesigned Identity Card has been issued to all employees giving an appealing look and wearing the ID Card has been made compulsory during office hours. An extensive compliance to this effect has been witnessed.

7. CVPP FORMATION DAY:

Formation Day was celebrated with all gaiety and fervor on 13th June. The function was attended by all employees and their family members. During the Formation Day different programmes, including skits, plays, quizzes, tombola, singing and other competitions were organized. Children were the main attraction and show stealer who enthusiastically participated in the events.

8. BLOOD DONATION CAMP:

CVPP initially organized a Blood Donation Awareness programme, followed by full-fledged Blood Donation Camp on 17.07.2018 at its Corporate Office, Jammu. The camp was organized in association with Red Cross Society of India, Jammu Region and Blood & Transfusion Department of Government Medical College, Jammu.

25. INDUSTRIAL RELATIONS:

During the year, Industrial Relations remained cordial and harmonious all across the organization.

26. NO. OF CASES FILED IF ANY AND THEIR DISPOSAL UNDER SECTION 22 OF SEXUAL HARASSMENT OF WOMEN ACT:

In pursuance to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, a committee has been constituted by CVPP for redressal of Sexual Harassment Complaints in CVPP. However, there were no cases filed during the year under review.

27. CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY POLICY:

CVPP is committed to the concerns of its stakeholders and strives to promote and maintain good standards of CSR and Sustainability in all its business activities. To meet this commitment CVPP respects the rule of law, local communities and societies at large and it makes conscious efforts to enhance the quality of life and environmental sustainability through its CSR & Sustainability activities.

CVPP has formulated a CSR & Sustainability Policy in line with Section 135 of the Companies Act, 2013, Schedule VII of the Act and Companies (Corporate Social Responsibility Policy) Rules read with General Circulars issued on CSR by the Ministry of Corporate Affairs and the guidelines on Corporate Social Responsibility and Sustainability issued by Department of Public Enterprises (DPE).

The Policy provides for the provisions pertaining to implementation of CSR activities under various sectors in pursuance to the applicable Acts, Rules and Guidelines.

The CSR & Sustainability Policy of CVPP has been placed in public domain on the website of CVPP at the link https://www.cvppindia.com/csr.aspx

The Statutory disclosures with respect to the CSR Committee and an Annual Report on CSR activities forms part of this report as Annexure-3.

28. STATUS OF COURT CASES:

As per record there are 08 cases sub-judice before various Courts / Forums.

29. RIGHT TO INFORMATION:

Provisions of Right to Information (RTI) Act, 2005 are applicable on CVPP. All the cases received during the year under report have been suitably disposed off.

ACCLAMATION

The Board of Directors of your company places on record its sincere appreciation for the valuable support and guidance extended by the Govt. of J&K, Ministry of Power, Ministry of Environment & Forest and Climate Change, Central Electricity Authority, Central Water Commission and the Promoters of CVPP, without which the Company would not have been able to carry out its responsibilities. We acknowledge the participation and involvement of each one of them and solicit their continued co-operation and support in the future as well.

Your Directors place on record its deep gratitude for the co-operation and continued support extended by the Statutory Auditors and the office of the Comptroller and Auditor General of India.

Your Directors also place on record appreciation of the contribution made by all the employees whose sincere hard work, team efforts, devotion and sense of belongingness has contributed in the consistent growth of the company.

By Order of the Board of Directors
CHENAB VALLEY POWER PROJECTS [P] LIMITED

(Krishan Ballabh Agarwal)

CHAIRMAN

Place:
Dated:

DIN-08202308

Annexure -II

Form MGT – 9

Extract of Annual Return as on the financial year ended on March 31, 2018

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

I. REGISTRATION AND OTHER DETAILS

i)	CIN (Company Incorporation Number)	:	**U40105JK2011PTC003321**
ii)	Registration Date	:	**13/06/2011**
iii)	Name of the Company	:	**CHENAB VALLEY POWER PROJECTS [P] LIMITED**
iv)	Category / Sub-Category of the Company	:	**Company Limited by Shares / India Non-Government Company**
v)	Address of the Registered office and contact details	:	**Chenab Jal Shakti Bhawan, Opposite Saraswati Dham, Rail Head Complex, 180012-J&K**
vi)	Whether Listed Company	:	**No**
vii)	Name, Address and Contact details of the 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

S. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the Company
1.	Energy (Hydro Power) Electric Power Generation by Hydroelectric Power Plants	35101	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

S. No.	Name and Address of the Company	CIN/ GLN	Holding / Subsidiary / Associate	% of shares held	Applicable Section
	NIL	NIL	NIL	NIL	NIL

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 01.04.2017				No. of Shares at the end of the year 31.03.2018				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
Indian									
a) Individual / HUF	NIL	4	4	0.00	-	4	4	0.00	NIL
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	-	924079996	924079996	100	NIL	105143996	105143996	100	-
e) Bank / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	-	-	-	-	-	-	-	
Sub Total (A) (1) : -	NIL	924080000	924080000			1051440000	1051440000	100	NIL
(2) Foreign	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
a) NRI's – Individuals	-	-	-	-	-	-	-	-	-
b) Other – Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corp.	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	
Sub – Total (A) (2)		NIL							
Total Shareholding of Promoter (A) = (A)(1)+(A)(2)	-	924080000	924080000	100	NIL	1051440000	1051440000	100	NIL
B. Public Shareholding 1. Institutions		NIL							
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) :-		NIL							
2. Non – Institutions		NIL							
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
i) Indian	-	-	-	-	-	-	-	-	-
ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
i) Individual shareholders holding nominal share capital upto Rs. 1 Lac	-	-	-	-	-	-	-	-	-
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 lac	-	-	-	-	-	-	-	-	
c) Others (Specify)	-	-	-	-	-	-	-	-	-
Sub – Total (B)(2) :-	-	NIL	-	-	-	-	-	-	-
Total Public Shareholding (B)=(B)(1) + (B)(2)	-	NIL	-	-	-	-	-	-	-
C. Shares held by Custodian for GDRs & ADRs	-		-	-	-	-	-	-	-
Grand Total (A+B+C)	-	924080000	924080000	100	NIL	1051440000	1051440000	100	NIL

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholder's Name	Share holding at the end of the year			
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
01.	J&K Power Development Corporation Limited	459999999	49.78	NIL	J&K Power Development Corporation Ltd.	464999999	44.22	NIL	(5.56)
02.	Balraj Joshi (Representative of NHPC)	1	0.00	NIL	Balraj Joshi (Representative of NHPC)	1	0.00	NIL	NIL
03.	NHPC Limited	459999997	49.78	NIL	NHPC Limited	582359997	55.38	NIL	5.6
04.	PTC India Limited	4080000	0.44	NIL	PTC India Limited	4080000	0.4	NIL	(0.04)
05.	M.K Mittal (Representative of NHPC)	1	0.00	NIL	M.K Mittal (Representative of NHPC)	1	0.00	NIL	NIL
06.	M.S Babu (Representative of NHPC)	1	0.00	NIL	M.S Babu (Representative of NHPC)	1	0.00	NIL	NIL
07.	M Y Khan (Representative of JKSPDCL)	1	0.00	NIL	M Y Khan (Representative of JKSPDCL)	1			
	Total Shares	**924080000**	**100**	**NIL**		**1051440000**	**100**	NIL	NIL

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

S. No.		Shareholding in 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	924080000	100	1051440000	100
	Date wise Increase / Decrease in Promoters Share holding the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	Allotment of Additional Equity Shares to the Tune of Rs 5.0 Crores to JKSPDC Ltd. & Rs 122.36 Crores to NHPC Ltd. During the year 2017-18. Total Additional Allotment during the Year Rs. 127.36 Crore			
	At the End of the year	924080000	100	1051440000	100

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

S. No.		Shareholding in the beginning of the year		Cumulative Shareholding during the year	
	For Each of the Top 10 Shareholders	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
	At the beginning of the year	NIL			
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus / sweat equity etc.) :	NIL			
	At the End of the year (or on the date of separation, if separated during the year)				

(v) Shareholding of Directors and Key Managerial Personnel:

S. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	For each of the Directors and KMP	No. of Shares	% of total shares of the Company	No. of Shares	% of total Shares of the Company
1.	**Name of the Director**				
	At the beginning of the year	4	0.00	4	00
	Date wise Increase / Decrease in 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	4		4	
2.					
	At the beginning of the year				
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the End of the year				
3.					
	At the beginning of the year	-	-	-	-
	Date wise Increase / Decrease in 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	-	-	-	-

4.					
	At the Beginning of the year	-	-	-	-
	Date wise Increase / Decrease in Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No Change			
	At the End of the year				

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	NIL	NIL	NIL	
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	NIL	NIL	NIL	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	**NIL**	**NIL**	**NIL**	-
Change in Indebtedness during the financial year	-	-	-	-
* **Addition**	-	-	-	-
* **Reduction**	-	-	-	-
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not paid due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager Managing Director- M.S. Babu (01.04.2017-31.3.2018)				Total Amount
1.	Gross Salary		-	-	-	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961*	32,13,096	-	-	-	32,13,096.00
	b) Value of perquisites u/s 17(2) Income Tax Act, 1961	3,66,825	-	-	-	3,66,825.00
	c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	-	-	-	-	-
2.	Fee for attending Meeting	-	-	-	-	NIL
3.	Stock Option	-	-	-	-	NIL
4.	Sweat Equity	-	-	-	-	NIL
5.	Commission	-	-	-	-	NIL
	- as % of Profit	-	-	-	-	NIL
	(PF Contribution from Employer) – others, specify....	-	-	-	-	-
6.	Others, please specify**	4,53,656	-	-	-	4,53,656.00
	Total (A)	40,33,577	-	-	-	40,33,577.00
	Ceiling as per the Act	NA	-	-	-	NA

* Salary under Section 17(1) of the Income Tax Act, 1961 includes Performance Related Pay (PRP) paid for the year 2017-18 as per respective position held by the directors during that period.

** Others include lease rent, gratuity, leave encashment, medical reimbursement, EPF, Social Security Scheme & Pension Fund (matching Contribution) etc. which were not included in point no. (1).

B. Remuneration to other Directors:

S. No.	Particulars of Remuneration	Name of MD / WTD / Manager				Total Amount
	1. Independent Directors	-	-	-	-	NIL
	* Fee for attending board committee meetings	-	-	-	-	NIL
	* Commission	-	-	-	-	NIL
	* Others, please specify	-	-	-	-	NIL
	Total (1)	-	-	-	-	NIL

	2. Other Non – Executive Directors	-	-	-	-	NIL
	* Fee for attending board committee meetings	-	-	-	-	NIL
	* Commission	-	-	-	-	NIL
	* Others, please specify	-	-	-	-	NIL
	- as % of Profit	-	-	-	-	NIL
	- others, specify....	-	-	-	-	NIL
	Total (2)	-	-	-	-	NIL
	Total (B) = (1+2)	-	-	-	-	NIL
	Total Managerial Remuneration	-	-	-	-	NIL
	Overall Ceiling as per the Act	-	-	-	-	NIL

C. Remuneration to key managerial personnel other than MD / MANAGER / WTD

S. No.	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary		Total
1.	Gross Salary		-	
	a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961*	12,09,546	-	12,09,546.00
	b) Value of perquisites u/s 17(2) Income – tax Act, 1961	45,360	-	45,360.00
	c) Profits in lieu of Salary under Section 17(3) Income - tax Act, 1961	-	-	NIL
2.	Stock Option	-	-	NIL
3.	Sweat Equity	-	-	NIL
4.	Commission	-	-	NIL
	- as % of Profit	-	-	NIL
	- others, specify	-	-	
5.	Others, please specify**	1,51,103	-	1,51,103.00
	Total	14,06,009	-	14,06,009.00

* Salary under Section 17(1) of the Income Tax Act, 1961 includes Performance Related Pay (PRP) paid for the year 2017-18 as per respective position held by the directors during that period.

** Others include lease rent, gratuity, leave encashment, medical reimbursement, EPF, Social Security Scheme & Pension Fund (matching Contribution) etc. which were not included in point no. (1).

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding Fees imposed	Authority [RD / NCLT / Count]	Appeal made, if any (give Details)
A. COMPANY					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
B. DIRECTORS					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				
C. OTHER OFFICERS IN DEFAULT					
Penalty	NIL				
Punishment	NIL				
Compounding	NIL				

By Order of the Board of Directors

CHENAB VALLEY POWER PROJECTS [P] LIMITED

(Krishan Ballabh Agarwal)

CHAIRMAN

Date :
Place :

Annexure-III

ANNUAL REPORT ON CSR & SUSTAINABILITY ACTIVITIES (FY 2017-18)

A brief outline of the company's CSR Policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

CVPP is committed to the concerns of its stakeholders and strives to promote and maintain good standards of CSR and Sustainability in all its business activities. To meet this commitment CVPP respects the rule of law, local communities and societies at large and it makes conscious efforts to enhance the quality of life and environmental sustainability through its CSR & Sustainability activities.

The CSR & Sustainability Policy of CVPP forms the basis of conducting CVPP's business in a socially responsible manner with the aim to integrate the objectives of hydro power development and long term growth of the Company with social responsibility and sustainability by maintaining high level of organizational integrity and ethical behavior, in conformity with expected standards of transparency in reporting and disclosing the performance in all spheres of activities and by understanding and addressing the social, economic and environmental concerns of key stakeholders directly impacted by Company's operations and activities.

CSR Committee of the Board of CVPP, immediately upon its constitution, formulated the CSR & Sustainability Policy of the Company and the Board approved the same as per the recommendation of CSR Committee.

The Policy provides for the provisions pertaining to implementation of CSR activities under various sectors in pursuance to the inviolable Companies Act 2013, Schedule VII of the Act, CSR Rules and amendments thereof.

The CSR & Sustainability Policy of CVPP has been placed in public domain on the website of CVPP at the link https://www.cvppindia.com / csr.aspx

Highlights of the Policy

The budget provision for CSR & Sustainability works for a financial year will be 2% of the average net profits made by CVPP during the three immediately preceding financial years or any limit prescribed by the law.

The average net profit of the Company shall be calculated in accordance with the provisions of Section 198 of the Companies Act 2013, as amended.

Being a hydro power developer, CVPP will undertake CSR & Sustainability activities primarily near to its projects/power stations or Corporate Office. It will be ensured that at least 80% of the CSR & Sustainability activities are executed in and around CVPP's Projects, Power Stations and Offices preferably within 25 Km and in the District where the Project is located. However, other locations beyond 25 Km may also be chosen, based on the needs and as per the direction of Government of India on National Schemes / Campaigns, wherein upto 20% amount of CSR Budget may be spent, for the larger benefit of society/environment.

The CSR activities shall be undertaken by CVPP in accordance to the list of activities provided under Schedule-VII of the Companies Act and invariably includes activities for promoting education, skill development, healthcare, sanitation, women empowerment, environmental protection, sports, rural development, etc. in accordance with Schedule-VII of the Companies Act, 2013.

Expenditure on any other activity/item not in conformity with Schedule-VII of the Companies Act 2013, as amended from time to time, will not be accounted towards CSR expenditure.

CHENAB VALLEY POWER PROJECTS [P] LIMITED
A Joint Venture of NHPC (A Govt. of India Enterprise), JKSPDC (A Govt. of J&K Undertaking) & PTC India Ltd.
Registered Office: Chenab Jal Shakti Bhavan,Opp Saraswati Dham, Rail Head Complex, , Jammu–180012(J&K)
Tel. No: 0191-2479531; E-mail Id: snanand_cs@yahoo.co.in / cscvpp@gmail.com
CIN: U40105JK2011PTC003321

CSR & Sustainability Activities for FY 2017-18

The Annual CSR Plan & Budget for FY 2017-18 was approved by the Board with emphasis on Education and Healthcare sectors for the overall benefit of the community. Total four CSR activities)03 under Education Sector and 01 under Healthcare Sector(were approved for FY 2017-18. The projects of CVPP are located in District Kishtwar, therefore all the activities for FY 2017-18 were undertaken within the project areas so as to maximize the benefits to the local population.

The 03 activities implemented under Education Sector included providing of necessary and unavailable furniture and other items to 10 schools located in the project areas of our projects in District Kishtwar (i.e. 07 schools under Pakal Dul HEP, 02 schools under Kwar HEP and 01 School under Kiru HEP).

The activity implemented under Healthcare Sector included strengthening of one Health Care Centre (i.e. Health & Family Welfare Sub Centre, Padyarna) by providing the necessary equipments and furniture under Kwar HEP.

Further, the component of sustainable development, though small, was included in the CSR activities approved and implemented for FY 2017-18 through the provision of providing dust bins to the schools. The aim was to inculcate the concept of waste segregation and management among the students of these schools from beginning of their educational ladder.

The composition of CSR Committee.

The CSR Committee of CVPP comprises of:

Sh. Shah Faesal, Director CVPP

Sh. M. K. Mittal, Director CVPP

Sh. M. S. Babu Managing Director CVPP

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CIN: U40105JK2011PTC003321

Average net profit of the Company for last three financial years.

The average net profit of CVPP)P(Ltd for FY 2014-15, 2015-16 and 2016-17, in pursuance to Section 198 of Companies Act 2013, was Rs. 347.46 lacs.

Prescribed CSR expenditure)two percent of the amount as in item 3 above(

Rs. 6.95 lacs

Details of CSR spent during the financial year.

Total amount to be spent for the financial year 2017-18.
The prescribed expenditure for FY 2017-18 was Rs. 6.95 lacs, however, the Board of CVPP approved a total financial provision of Rs. 6.991 lacs for implementation of CSR activities for the financial year on the recommendation of the CSR Committee. Out of this, an amount of Rs. 6.9846 lacs has been spent and all the approved activities stand implemented.

Amount unspent, if any.

Nil

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Tel. No: 0191-2479531; E-mail Id: snanand_cs@yahoo.co.in / cscvpp@gmail.com
CIN: U40105JK2011PTC003321

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

(Rs. In lacs)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
S. No.	**CSR project or activity identified**	**Sector in which the project is covered**	**Projects or programs (1) Local area or other. (2) Specify the State & District where projects or programs were undertaken.**	**Amount outlay (budget) project or programs wise**	**Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads**	**Cumulative expenditure upto the reporting period**	**Amount spent: Direct or through Imple-menting Agency***
1.	Providing furniture in 07 schools by Pakal Dul HEP	Promoting Education	Local Area District Kishtwar, J&K State	3.00	2.9856	2.9856	Direct
2.	Providing furniture in 01 school by Kiru HEP	Promoting Education	Local Area District Kishtwar, J&K State	2.00	2.00	2.00	Direct
3.	Providing furniture in 02 schools by Kwar HEP	Promoting Education	Local Area District Kishtwar, J&K State	1.70	1.70	1.70	Direct
4.	Providing equipments/ furniture in Health & Family Welfare Sub-Centre, Padyarna by Kwar HEP	Promoting Healthcare	Local Area District Kishtwar J&K State	0.291	0.299	0.299	Direct
			Total	**6.991**	**6.9846**	**6.9846**	

* Give details of implementing agency: Implementing Agency was not involved.

In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board Report.
N.A.

Responsibility Statement of the CSR Committee of the Board that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

Implementation of CSR & Sustainability activities and monitoring thereof is in compliance with Companies Act 2013 and the CSR objectives and Policy of the Company.

Sd/- **M.K. Mittal** **Director CVPP** **Member CSR Committee of the Board**	**Sd/-** **Shah Faesal** **Director CVPP** **Member CSR Committee of the Board**	**Sd/-** **M.S. Babu** **Managing Director CVPP** **Member CSR Committee of the Board**

CHENAB VALLEY POWER PROJECTS [P] LIMITED

[A joint venture among NHPC Ltd, JKSPDC Ltd and PTC (India) Ltd]
(CIN: U40105JK2011PTC003321)

Financial Statement as on 31st March, 2018

Corporate Office:
Chenab Jal Shakti Bhawan,
Opposite Saraswati Dham,
Rail Head Complex,
Jammu – 180012 (J&K)

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
Chenab Valley Power Projects [P] Limited.

REPORT ON THE IND AS FINANCIAL STATEMENTS

We have audited the accompanying IndAS financial statements of **Chenab Valley Power Projects [P] Limited** ("the Company"), which comprise the Balance Sheet as at 31st March, 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors are 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 (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 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 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.

S. KUMAR GUPTA & CO. CA AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

Office : 53-E, Dayanand Nagar, Lane No. 2, Lawrence Road, Amritsar.
Phone : 0183-5095325 E-mail : ca.skumargupta@gmail.com

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 and 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.

OPINION

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

OTHER MATTERS

1. The status of equity contribution as on 31st March, 2018 from the promoters namely NHPC Ltd., JKSPDC and PTC (India) Limited stood at Rs. 582,36,00,000/- (55.39%), Rs. 465,00,00,000/- (44.23%) and Rs. 4,08,00,000/- (0.39%) respectively. Since NHPC is a public limited company and more than 50% of the paid up share capital of the company Chenab Valley Power Projects Private Limited (CVPPL) is being held by it, CVPPL has become subsidiary of NHPC Ltd which is a public company. Hence the company CVPPL , though a private limited company has acquired the status of deemed public company (being subsidiary of a public company.). The equity contribution of NHPC was raised to 55.39% in Oct 2017 .
2. Minimum number of Directors' as per Article of Association are four where as it should be ten as per the Promoters' Agreement. The Article of Association have not been modified to bring them in line with Promoters' Agreement (as per clause 113 of AOA).
3. Total paid up share capital of the Company is Rs. 1051.44 Crores as on 31st March, 2018. Paid share capital of PTC (India) Limited is still Rs. 4.08 Crore. Having regard to mutual promoter contribution ratio as stipulated in Promoters' Agreement, the paid up capital of PTC (India) Limited Should be Rs. 23.77Crores. Rs. 23.77 Crores has been calculated based on Contribution of NHPC towards paid up Capital . Therefore there is shortfall in promoters' contribution by PTC to the extent of Rs. 19.69 Crores.

AMRITSAR
FRN-1667

4. The paid up share capital of NHPC is 582.36 crores and as per promoters' agreement JKSPDC 's paid up share capital should reflect the matching amount. Hence the shortfall in promoter's contribution by JKSPDC is to the extent of 117.36 crores.
5. As per clause 84 of the Article of Association the post of Joint Managing Director shall be held by nominee of JKSPDC. However, the post is vacant since long.

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 Order.
2. The Comptroller and Auditor-General of India have issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act, 2013, the compliance of which is set out in "**Annexure B**".
3. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the 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.

Requirement of disclosure under section 164(2) of the Act is not applicable.

e) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls is not applicable to the Company.

f) With respect to the other matters to be included in the Auditor's Report for the year 2017-18 in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i) The Company has disclosed the impact of pending litigations on its financial position in its IND AS financial statements – Refer Note No. 34 (other explanatory Notes to Accounts)- Pt. No. 1 (a) (i) and Pt No. 2 (a)

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

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

iv) The disclosure for specified Bank Notes is not applicable during the year 2017-18.

For S. Kumar Gupta & Co.
Chartered Accountants
(FRN. 001667N)

KUMAR GUPTA & CO. CA AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

(CA. Vinamar Gupta)
Partner
M. NO. 503362

Date: 26.05.2018
Place: Jammu

Annexure – "A" to the Auditors' Report

[Referred to in our Report of even date on the Accounts of Chenab Valley Power Projects [P] Limited as at and for the year ended 31st March, 2018]

The Annexure referred to in our report to the members of Chenab Valley Power Projects [P] Limited for the year Ended on 31st March-2018. We report that:

(i) a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) These fixed assets have been physically verified by the management; no discrepancies were noticed on such verification.

c) In respect of following sums paid by the company for following Immovable properties , the status of title deeds is as under:

Corporate Office	6.00 Crore	Mutation recorded in revenue record in the name of the company.
Pakal Dul	435.47 Crores	NOC from J&K SFC obtained for RS. 435.47 Cores
Kiru	9.45 Crore	Utilization certificate received from J&K SFC
Kwar	3.44 Crore	Right to use the land granted by GoJK vide letter dated 08.08.2014.

(ii) No Inventory has been procured by the Company , hence no physical verification of Inventory is required

(iii) According to the information and explanation given to us, The Company has not granted 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. Accordingly clauses 3 (iii) (a) to 3 (iii) (c) of the Order are not applicable.

(iv) The Company has not directly or indirectly advanced loan to the persons covered under Section 185 of the Act or given guarantees or securities in connection with the loan taken by such persons. The Company has not made any investments or given any loan or any guarantee or security in connection with the loan to any person or body corporate covered under Section 186 of the Act during the year and has complied with the provisions of Section 186 of the Act, in respect of investments, loans, guarantee or security outstanding at the year end.

(v) According to the information and explanations given to us, the Company has not accepted any deposit nor has any unclaimed deposit within the meaning of the provisions of Sections 73 to 76 or any other relevant provision of the Act and the rules framed thereunder. Therefore, the provisions of Clause (v) of paragraph 3 of the Order are not applicable to the Company.

CA AMRITSAR FRN-1667

(vi) Maintenance of Cost accounting records are not applicable since the company is under survey & investigation phase.

(vii) (a) According to the records of the Company, undisputed statutory dues have been regularly deposited with appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues, were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no undisputed dues of income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess on account of any dispute, which have not been deposited.

(viii) The Company has not raised loans from financial institutions or banks or government or by issue of debentures and hence clause (viii) of paragraph 3 of the Order is not applicable to the Company.

(ix) The Company has not raised money by way of initial public offer or further public offer (including debt instruments) or term loan and hence clause (ix) of paragraph 3 of the Order is not applicable to the Company.

(x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the clause of payment of managerial remuneration in accordance with the requisite approval mandated by the provisions of Section 197 read with Schedule V to the Act, is not applicable to the Company.

(xii) In our opinion company is not a Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the Company.

(xiii) Related parties transactions are as per provisions of Company's Act, and disclosed in Financial Statements as required by the applicable accounting standards (Ind AS 24, "Related Party Disclosures")

(xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year and hence clause (xiv) of paragraph 3 of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the Directors or Persons connected with them and covered under Section 192 of the Act. Hence, clause (xv) of paragraph 3 of the Order is not applicable to the Company.

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

(xvi) To the best of our knowledge and as explained, the Company is not required to be registered under Section 45- IA of the Reserve Bank of India Act, 1934.

For S. Kumar Gupta & Co.
Chartered Accountants
(FRN. 001667N)

S. KUMAR GUPTA & CO. CA AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

(CA. Vinamar Gupta)
Partner
M. NO. 503362

Date: 26.05.2018
Place: Jammu

Annexure "B" to the Auditors' Report

[Referred to in our Report of even date on the Accounts of Chenab Valley Power Projects [P] Limited as at and for the year ended 31st March 2018]

CHENAB VALLEY POWER PROJECTS [P] LIMITED

AUDIT 2017-18

Directions u/s 143(5) of Companies Act 2013 applicable from the year 2014-15 and onwards

S.NO.	Directions	Remarks
1	If the company has been selected for disinvestment a complete report in terms of valuation of assets (including intangible assets and Land) and liability (including Committed and General Reserves) may be examined including the mode and present stage of Disinvestment process	The Company has not been selected for Disinvestment.
2	Please report whether there are any cases of waiver/write off of debts/ loans/ interest etc. If yes, the reasons there for and the amount involved	There are no cases of waiver/write off of debts/ loans/interest
3	Whether proper records are maintained for inventories lying with third parties and assets received as gifts from the government and other authorities	No inventories of the company are lying with third parties. No assets have been received as gift from government and other authorities.
4	A report on age wise analysis of pending legal/arbitration cases including the reasons for pendency and existence /effectiveness of monitoring mechanism for expenditure on all legal cases (foreign and local)	In the case of Jagdish Chand Gupta & Others an appeal has been filed against arbitration award by the the company. The appeal has been filed with District Court, Sector-43, Chandigarh on 26/09/2014. The law officer and the Manager of Pakal Dul HE Project have been deputed to personally attend all the hearings along with the legal Counsel. Counter Claim of Rs. 352 lakh has been filed in the year 2017-18 for non performance of contract as per terms and conditions.

For S. Kumar Gupta and Co.

Chartered Accountants

S. KUMAR GUPTA & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

CA Vinamar Gupta
(Partner)
M. No. 503362
Place : Jammu
Date : 26.05.2018

CHENAB VALLEY POWER PROJECTS [P] LIMITED

CVPP, Jammu

BALANCE SHEET AS AT 31ST MARCH, 2018

(CIN: U40105JK2011PTC003321) (Amount in ₹)

PARTICULARS	Note No.	As at 31st March, 2018	As at 31st March, 2017
ASSETS			
(1) NON-CURRENT ASSETS			
a) Property Plant & Equipment	2.1	39,71,99,967	20,02,12,194
b) Capital Work In Progress	2.2	5,60,16,69,857	4,82,15,81,403
c) Investment Property	2.3	-	-
d) Other Intangible Assets	2.4	4,48,66,52,059	4,39,41,55,846
e) Financial Assets			
i) Investments	3.1	-	-
ii) Loans	3.2	-	-
iii) Others	3.3	1,00,00,000	1,00,00,000
f) Non Current Tax Assets (Net)	4.1	-	-
g) Other Non Current Assets	4.2	1,52,36,18,945	70,37,41,035
TOTAL NON CURRENT ASSETS		12,01,91,40,828	10,12,96,90,478
(2) CURRENT ASSETS			
a) Inventories	5	-	-
b) Financial Assets			
i) Investments	6	-	-
ii) Trade Receivables	7	-	-
iii) Cash & Cash Equivalents	8	1,74,24,61,858	1,41,80,71,147
iv) Bank balances	9	2,00,00,000	-
v) Loans	10	27,68,055	38,58,872
vi) Others	11	4,59,72,968	1,82,56,737
c) Current Tax Assets (Net)	12	71,573	-
d) Other Current Assets	13	12,01,943	41,65,046
TOTAL CURRENT ASSETS		1,81,24,76,397	1,44,43,51,802
(3) Regulatory Deferral Account Debit Balances	14	-	-
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES		13,83,16,17,225	11,57,40,42,280
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	15.1	10,51,44,00,000	9,24,08,00,000
(b) Other Equity	15.2	90,41,58,949	21,28,01,121
TOTAL EQUITY		11,41,85,58,949	9,45,36,01,121
(2) LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	16.1	-	-
ii) Other financial liabilities	16.2	14,22,546	70,68,890
b) Provisions	17	2,27,47,365	71,63,521
c) Deferred Tax Liabilities (Net)	18	-	-
d) Other non-current Liabilities	19	-	-
TOTAL NON CURRENT LIABILITIES		2,41,69,911	1,42,32,411
(3) CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	20.1	-	-
ii) Trade Payables	20.2		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of Creditors other than micro enterprises and small enterprises		-	-
iii) Other financial liabilities	20.3	1,23,36,79,841	1,99,99,82,434
b) Other Current Liabilities	21	1,02,75,17,553	6,19,87,231
c) Provisions	22	12,76,90,971	4,42,35,542
d) Current Tax Liabilities (Net)	23	-	3,541
(4) FUND FROM C.O.	15.3	-	-
TOTAL CURRENT LIABILITIES		2,38,88,88,365	2,10,62,08,748
TOTAL EQUITY & LIABILITIES		13,83,16,17,225	11,57,40,42,280

Significant Accounting Policies	1
Expenditure attributable to construction (EAC) during the year forming part of capital work in progress	32
Disclosure on Financial Instruments and Risk Management	33
Other Explanatory Notes to Accounts	34

Note 1 to 34 form integral part of the Accounts

For and on the behalf of the Board of Directors of CVPP

For S. Kumar Gupta & Co.
Chartered Accountants
(Firm Regn. No.: 003667N)

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

(CA Vinamar Gupta)
Partner
M.No.: 503362

(M Y Khan)
Chairman

(M S Babu)
Managing Director

(K K Goel)
Chief (Finance)

(Sudhir Anand)
Company Secretary

Place: - Jammu
Date: - 26/05/2018

CHENAB VALLEY POWER PROJECTS [P] LIMITED

CVPP, Jammu

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

(CIN: U40105JK2011PTC003321)

(Amount in ₹)

	Note No.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
INCOME			
i) Revenue from Continuing Operations	24	-	-
ii) Other Income	25	6,20,16,457	10,88,16,893
TOTAL INCOME		6,20,16,457	10,88,16,893
EXPENSES			
i) Generation and Other Expenses	26	54,43,735	1,73,35,694
ii) Employee Benefits Expense	27	-	-
iii) Finance Cost	28	-	-
iv) Depreciation & Amortization Expense	29	-	-
TOTAL EXPENSES		54,43,735	1,73,35,694
Profit before Exceptional items, Rate Regulated Activities and Tax		5,65,72,722	9,14,81,199
Exceptional items		-	-
PROFIT BEFORE TAX		5,65,72,722	9,14,81,199
Tax Expenses	30		
i) Current Tax		1,71,14,068	3,64,77,426
ii) Adjustments for Income Tax		826	-
iii) Deferred Tax		-	-
Total Tax Expenses		1,71,14,894	3,64,77,426
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		3,94,57,828	5,50,03,773
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	-	-
PROFIT FOR THE YEAR AFTER NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES.		3,94,57,828	5,50,03,773
Profit for the year from continuing operations (A)		3,94,57,828	5,50,03,773
Profit from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit from discontinuing operations after tax		-	-
OTHER COMPREHENSIVE INCOME (B)			
(i) Items that will not be reclassified to profit or loss			
(a) Remeasurement of the defined benefit plans		-	-
Less: Income Tax on remeasurement of the defined benefit plans		-	-
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities on Remeasurement of defined benefit plans		-	-
-Movement in Regulatory Deferral Account Balances-Remeasurement of defined benefit plans		-	-
Less: Impact of Tax on Regulatory Deferral Accounts		-	-
Sub total (a)		-	-
(b)Investment in Equity Instruments		-	-
Less: Income Tax on Equity Instruments		-	-
Sub total (b)		-	-
Total (i)=(a)+(b)		-	-
(ii) Items that will be reclassified to profit or loss			
- Investment in Debt Instruments		-	-
Less: Income Tax on investment in Debt Instruments		-	-
Total (ii)		-	-
Other Comprehensive Income (B)=(i+ii)		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		3,94,57,828	5,50,03,773
Earning per share before movements in Regulatory Deferral Account Balances (Equity shares, face value of 10/- each)			
Basic		0.0404	0.074
Diluted		0.0403	0.073
Earning per share after movements in Regulatory Deferral Account Balances (Equity shares, face value of 10/- each)			
Basic		0.0404	0.074
Diluted		0.0403	0.073
Significant Accounting Policies	1		
Expenditure attributable to construction (EAC) during the year forming part of capital work in progress	32		
Disclosure on Financial Instruments and Risk Management	33		
Other Explanatory Notes to Accounts	34		
Note 1 to 34 form integral part of the Accounts			

For S. Kumar Gupta & Co.
Chartered Accountants
(Firm Regn. No.: 001667N)

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS CA AMRITSAR FRN-1667

(CA Vinamar Gupta)
Partner
M.No.: 503362

Place: - Jammu
Date: - 26/04/2018

For and on the behalf of the Board of Directors of CVPP

(M Y Khan)
Chairman

(M S Babu)
Managing Director

(K K Goel)
Chief (Finance)

(Sudhir Anand)
Company Secretary

CHENAB VALLEY POWER PROJECTS [P] LIMITED

CVPP, Jammu

CASH FLOW STATEMENT FOR THE PERIOD ENDED 31ST MARCH, 2018

(CIN: U40105JK2011PTC003321)

(₹ in Lacs)

PARTICULARS		AS AT 31ST MARCH, 2018		AS AT 31ST MARCH, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES:-					
Net Profit before tax and after extraordinary items			565.73		914.81
i) Adjustments:					
Finance cost		-		-	
Loss on sale/ disposal of assets		-		-	
Interest Income		(620.19)		(1,088.17)	
Profit on sale/ disposal of assets		-	(620.19)	-	(1,088.17)
Cash flow from operating activities before working capital adjustments			(54.46)		(173.36)
ii) Changes in Working Capital:-					
(Increase)/Decrease in Inventories		-		-	
(Increase)/Decrease in Other Assets, Loans & Advances		(8,436.12)		(2,671.48)	
Increase/(Decrease) in Trade and Other Payables & Liabilities		2,926.17	(5,509.95)	(8,739.35)	(11,410.83)
Cash flow from operating activities before taxes			(5,564.41)		(11,584.19)
Less : Taxes			171.15		364.77
NET CASH FLOW FROM OPERATING ACTIVITIES	(A)		(5,735.56)		(11,948.96)
B. CASH FLOW FROM INVESTING ACTIVITIES:-					
Property, Plant & Equipments, Other Intangible Assets & Expenditure on Construction Projects (including expenditure during construction forming part of CWIP)		(10,695.72)		(49,468.57)	
Interest Income Received		620.19		1,088.17	
Reliazation/ (Investment) in Bank Deposits		-		(100.00)	
NET CASH FLOW FROM INVESTING ACTIVITIES	(B)		(10,075.53)		(48,480.40)
C. CASH FLOW FROM FINANCING ACTIVITIES:-					
Proceeds from Equity Share Capital		19,255.00		72,398.00	
NET CASH FLOW FROM FINANCING ACTIVITIES	(C)		19,255.00		72,398.00
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)			3,443.91		11,968.64
CASH & CASH EQUIVALENTS AT THE BEGINING OF THE YEAR			14,180.71		2,212.07
CASH & CASH EQUIVALENTS AT THE END OF THE YEAR			17,624.62		14,180.71

Explanatory Notes:-

1. Cash & Cash Equivalents at the end of the year consists of Cash/ Cheque/ Draft in Hand and Bank Balance including Short Term Deposits of varing periods. The details of Cash & Cash Equivalents at the end of the year is as per Note no. 8 of Balance Sheet.
2. A bank deposit against which a bank guarantee has been issued in favour of J&K Forest Department for a period of five year (as per Note no. 3.3 of Balance Sheet) and shown under the category Investing Activities.

For S. Kumar Gupta & Co.
Chartered Accountants
FRN: 001667N

S. KUMAR GUPTA & CO. CA AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

(CA Vinamar Gupta)
Partner
M. No.: 503362

For and on the behalf of the Board of the Directors of CVPP

(M Y Khan)
Chairman

(M S Babu)
Managing Director

(K K Goel)
Chief (Finance)

(Sudhir Anand)
Company Secretary

Place: Jammu
Date: 26/07/2018

NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(i) Reporting entity

Chenab Valley Power Projects (P) Limited (the "Company") is a Joint Venture of NHPC Limited (A GoI Enterprise), JKSPDC (A GoJK Undertaking) and PTC (India) Limited and a Company domiciled in India. The address of the Company's registered office is Chenab Valley Power Projects (P) Limited, Chenab Jal Shakti Bhawan, Opposite Saraswati Dham, Rail Head Complex, Jammu-180012. The Company is primarily involved in the generation and sale of bulk power to various Power Utilities.

(ii) Basis of preparation

(A) Statement of Compliance

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

Basis of Measurement

The financial statements have been prepared on accrual basis of accounting under historical cost convention, except for following financial assets and financial liabilities which are measured at fair value:

- Certain financial assets and liabilities measured at fair value.
- Plan assets of defined employee benefit plans.

The methods used to measure fair values are discussed in Note 33.

(B) Functional and presentation currency

These financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded off to the Nearest Lacs (up to two decimals) for the Company. However, at Unit level, figures are presented in rupees (absolute number).

(D) Use of estimates and management judgements

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that may impact the application of accounting policies and the reported value of assets, liabilities, income, expenses and related disclosures including contingent assets and liabilities at the Balance Sheet date. The estimates and management's judgements are based on previous experience and other factors considered reasonable and prudent in the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

In order to enhance understanding of the financial statements, information about significant areas of estimation, uncertainty and critical judgements in applying accounting policies that may have the most significant effect on the amounts recognised in the financial statements are included in the following notes:

Critical judgements and estimates

a) Determining whether an arrangement contains a lease

Appendix C, Ind AS 17 'Determining whether an arrangement contains a lease' requires an assessment of whether:

- -fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and
- -the arrangement conveys a right to use the asset.

S. KUMAR GUPTA & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

Further, an arrangement conveys a right to use the asset if facts and circumstances indicate that it is remote that one or more parties other than the purchaser will take more than an insignificant amount of the output or other utility that will be produced or generated by the asset during the term of the arrangement, and the price that the purchaser will pay for the output is neither contractually fixed per unit of output nor equal to the current market price per unit of output as of the time of delivery of the output.

The Company enters into power purchase agreements with beneficiaries. Power Purchase Agreements (PPA) 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.

For embedded leases in the nature of a Finance Lease, the investment in the plant is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract amounts. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate of return on the Lease Receivable outstanding.

In the case of operating leases or embedded operating leases, the lease income from the operating lease is recognised in revenue on a straight-line basis over the lease term. The respective leased assets are included in the Balance Sheet based on their nature.

b) Useful life of Property, Plant and Equipment

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

Useful life of the assets used for generation of electricity is determined by the Central Electricity Regulatory Commission (CERC) Tariff Regulations as mentioned in part B of Schedule II of the Companies Act, 2013 except for construction plant & machinery and computers & peripherals which are in accordance with Schedule II of the Companies Act, 2013.

c) Recoverable amount of property, plant and equipment and capital work in progress

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

d) Post-retirement benefit plans

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

e) Revenue

The Company records revenue from sale of power based on Tariff approved by the CERC, as per the principles of Ind AS 18. However, in cases where tariff rates are yet to be approved, provisional rates are adopted considering the applicable CERC Tariff Regulations.

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f) Provisions and contingencies

The assessments undertaken in recognising provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has been made on the basis of best judgement by management regarding probable outflow of economic resources. Such estimation can change following unforeseeable developments.

g) Recoverable Amount of Rate Regulated Assets

The operating activities of the Company are subject to cost-of-service regulations whereby tariff charged for electricity generated is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. Guidance Note on Rate Regulated Activities issued by the ICAI (previous GAAP) and Ind AS 114- 'Regulatory Deferral Accounts' permits an entity to include in the rate base, as part of the cost of self-constructed (tangible) fixed assets or internally generated intangible assets, amounts that would otherwise be recognised as an expense in the statement of profit and loss in accordance with Ind AS. The Company estimates that items of regulatory deferral accounts recognised in the financial statements are recoverable as per the current CERC Tariff regulations 2014-19. However, changes in CERC tariff regulations beyond the current tariff period may affect the recoverability of such balances.

h) Impairment of Trade Receivables

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 owing to delay in realization of trade receivables, except to the extent already provided for.

j) Insurance Claim Recoverable

The recoverable amount of insurance claims in respect of damages to Property, Plant &Equipment is based on estimates & assumptions as per terms and conditions of insurance policies.

(iii) SIGNIFICANT ACCOUNTING POLICIES- A summary of the significant accounting policies applied in the preparation of financial statements as given below have been applied consistently to all periods presented in the financial statements.

1.0 Property, Plant and Equipment (PPE)

a) 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 AS" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

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. In cases where final settlement of bills with contractors is pending, but the asset is complete and available for use, capitalisation is done on estimated basis subject to necessary adjustments, including those arising out of settlement of arbitration/court cases.

d) Expenditure incurred on renovation and modernization of PPE on completion of the originally estimated useful life of the power station resulting in increased life and/or efficiency of an existing asset, is added to the cost of the related asset. PPE acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

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

f) Payments made/ liabilities created provisionally towards compensation (including interest on enhanced compensation awarded by the Court till the date of award), rehabilitation and other expenses including expenditure on environment management plans relatable to land in possession are treated as cost of land.

g) Assets over which the Company has control, though created on land not belonging to the Company are included under Property, Plant and Equipment.

h) Standby equipment and servicing equipment which meet the recognition criteria of Property, Plant and Equipment are capitalized.

i) Spares parts (procured along with the Plant & Machinery or subsequently) which meet the recognition criteria are capitalized. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other spare parts are treated as "stores & spares" forming part of the inventory.

j) If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection carried out.

k) An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the Statement of Profit and Loss when the asset is derecognised.

2.0 Capital work in Progress

a) Capital work in Progress 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 AS" to regard those amounts as deemed cost at the date of the transition to IND AS (i.e. as on April 1, 2015).

b) Expenditure incurred on assets under construction (including a project) is carried at cost under Capital Work in Progress (CWIP). Such costs comprise purchase price of assets including import duties and non-refundable taxes (after deducting trade discounts and rebates), expenditure in relation to survey and investigation activities of projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, etc.

c) Costs including employee benefits, professional fees, expenditure on maintenance and up-gradation of common public facilities, depreciation on assets used in construction of project, interest during construction and other costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management 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.

d) Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is accumulated under "Expenditure Attributable to Construction" and carried under "Capital Work in Progress" and subsequently allocated on a systematic basis over major immovable assets, other than land and infrastructure facilities on commissioning of projects, keeping in view the "attributability" and the "Unit of Measure" concepts in Ind AS 16- "Property, Plant & Equipment". Expenditure of such

S. KUMAR & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Intangible Assets and Intangible Assets under Development

a) Up to 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, "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).

b) 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.

c) Land taken for use from State Government (without transfer of title) and expenses on relief and rehabilitation as also on creation of alternate facilities for land evacuees or in lieu of existing facilities coming under submergence and where construction of such alternate facilities is a specific pre-condition for the acquisition of the land for the purpose of the project, are accounted for as Land-Right to use.

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.

4.0 **Foreign Currency Transactions**

a) Transactions in foreign currency are initially recorded at the functional currency spot rate at the date the transaction first qualifies for recognition. At each Balance Sheet date, monetary items denominated in foreign currency are translated at the functional currency exchange rates prevailing on that date.

b) Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

5.0 **Regulatory Deferral Accounts**

a) Where an item of expenditure incurred during the period of construction of a project is recognised as expense in the Statement of Profit and Loss i.e. not allowed to be capitalized as part of cost of relevant PPE in accordance with the Ind AS, but is nevertheless permitted by CERC to be recovered from the beneficiaries in future through tariff, the right to recover the same is recognized as "Regulatory Deferral Account Balances."

b) Expense/ income recognised in the Statement of Profit and Loss to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognised as "Regulatory Deferral Account Balances."

c) These Regulatory Deferral Account balances are adjusted from the year in which the same become recoverable from or payable to the beneficiaries.

d) Regulatory Deferral Account Balances are evaluated at each Balance Sheet date to ensure that the underlying activities meet the recognition criteria and it is probable that future economic benefits associated with such balances will flow to the entity. If these criteria are not met, the Regulatory Deferral Account Balances are derecognised.

e) Regulatory Deferral Account Balances are tested for impairment at each Balance Sheet date.

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6.0 Fair value measurement

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.

All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For financial assets and financial liabilities that are recognised at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation at the end of each reporting period.

7.0 Financial assets other than investment in subsidiaries and joint ventures

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 asset or to exchange financial asset or financial liability under conditions 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, Investments in equity shares of companies other than in subsidiaries & joint ventures, Trade Receivables, Advances to employees/ contractors, security deposit, claims recoverable etc.

a) Classification

The Company classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income (FVTOCI), and

The classification depends on the following:

(a) the entity's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

For assets measured at fair value, gains and losses will either be recorded in the Statement of Profit and Loss or Other Comprehensive Income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the group

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has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through Other Comprehensive Income.

b) Initial recognition and measurement

All financial assets except trade receivables are recognised initially at fair value plus, 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 the Statement of Profit and Loss.

The Company measures the trade receivables at their transaction price, if the trade receivables do not contain a significant financing component.

c) Subsequent measurement

Financial instruments at amortised cost

A 'financial instrument' is measured at the amortised cost if both the following conditions are met:

i) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

ii) Contractual terms of the asset give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. 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. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Financial instrument at Fair Value through Other Comprehensive Income (FVTOCI)

A 'financial instrument' is classified as at FVTOCI if both the following criteria are met:

i) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

ii) The asset's contractual cash flows represent SPPI.

Financial instruments at fair value through Other Comprehensive Income are measured at each reporting date at fair value. Fair value movements are recognized in Other Comprehensive Income (OCI). However, the Company recognizes interest income, impairment losses, reversals and foreign exchange gain or loss in the Statement of Profit and Loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to profit and loss. Interest income from these financial assets is included in other income using the EIR method.

d) Derecognition

A financial asset is derecognised only when:

i) The Company has transferred the rights to receive cash flows from the financial asset, or

ii) Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

e) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss on the following financial assets:

i) Financial assets that are debt instruments, and are measured at amortised cost.

ii) Financial assets that are debt instruments and are measured as at FVTOCI

iii) Contract Assets under Ind AS 11, Construction Contracts

iv) Lease Receivables under Ind AS 17, Leases.

v) Trade Receivables under Ind AS 18, Revenue.

The Company follows 'simplified approach' permitted under Ind AS 109, "Financial Instruments" for recognition of impairment loss allowance on contract assets, lease receivables and trade receivables resulting from transactions within the scope of Ind AS 11, Ind AS 17 and Ind AS 18, which requires expected life time losses to be recognised from initial recognition of the receivables.

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 not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. For assessing increase in credit risk and impairment loss, the Company assesses the credit risk characteristics on instrument-by-instrument basis. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL. The amount of expected credit loss (or reversal) for the period is recognized as expense/income in the Statement of Profit and Loss.

8.0 Inventories

Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipments and are valued at cost or net realizable value (NRV) whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

The amount of any write-down of inventories to net realisable value and all losses of inventories is recognized as an expense in the period in which write-down or loss occurs. The amount of any reversal of the write-down of inventories arising from increase in the net realisable value is recognized as a reduction from the amount of inventories recognized as an expense in the period in which reversal occurs.8

9.0 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.

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a) Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable and subsequently measured at amortised cost. Financial liabilities are classified as subsequently measured at amortized cost. 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 carrying amount of an asset if another standard permits such inclusion, over the period of the borrowings using the effective rate of interest.

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.

b) Subsequent measurement

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

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.

c) Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

d) 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.

10.0 Government Grants

a) The benefits of a government loan at a below market rate of interest is treated as Government Grant. The loan is initially recognised and measured at fair value and the government grant is measured as the difference between the initially recognized amount of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities and government grant is recognized initially as deferred income and subsequently in the Statement of Profit and Loss on a systematic basis over the useful life of the asset.

b) Monetary grants received from the government for creation of assets are initially recognised as deferred income when there is reasonable assurance that the grant will be received and the company will comply with the conditions associated with the grant. The deferred income so recognised is subsequently amortised in the Statement of Profit and Loss over the useful life of the related assets.

Government grant related to income is recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

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11.0 Provisions, Contingent Liabilities and Contingent Assets

a) Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the Balance Sheet date. 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. The expense relating to a provision net of any reimbursement is presented in the Statement of Profit and Loss or in the carrying amount of an asset if another standard permits such inclusion.

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

c) 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 management/independent experts. These are reviewed at each Balance Sheet date and are adjusted to reflect the current management estimate.

d) Contingent assets are possible assets that arise 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 judgment of management. These are assessed continually to ensure that developments are appropriately reflected in the financial statements.

12.0 Revenue Recognition and Other Income

a) Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs can be estimated reliably, there is no continuous management involvement and the amount of revenue can be measured reliably. Revenue from the sale of power is measured at the fair value of the consideration received or receivable.

b) Revenue from the sale of power (except for power stations which are considered as Finance/Operating Lease) is accounted for as per tariff notified by Central Electricity Regulatory Commission. In case of Power Stations where tariff is not notified, sale is recognized on provisional rates worked out by the Company based on the parameters and method adopted by the appropriate authority. Customers are billed on a periodic and regular basis. As at each reporting date, revenue from sale of power includes an accrual for sales delivered to customers but not yet billed (unbilled revenue). Rebates given to beneficiaries as early payments incentives are deducted from the amount of revenue. Recovery/ refund towards foreign currency variation in respect of foreign currency loans and recovery towards Income Tax are accounted for on year to year basis.

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c) Incentives/Disincentives are recognised as per Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations. In case of Power Stations where tariff have not been notified, incentives/disincentives are recognized provisionally on assessment of the likelihood of acceptance of the same.

d) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.

e) Interest/Surcharge recoverable from customers and liquidated damages /interest on advances to contractors is recognised when no significant uncertainty as to measurability and collectability exists.

f) For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in other income in the Statement of Profit and Loss.

13.0 Employee Benefits

i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed or included in the carrying amount of an asset if another standard permits such inclusion as the related service is provided.

A liability is recognised for the amount expected to be paid under short-term performance related cash bonus if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into Provident Fund Scheme and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to are recognised as an employee benefit expense in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the periods during which services are rendered by employees.

iii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's Gratuity Scheme, Provident Fund Scheme, Allowance on Retirement/Death to employees are in the nature of defined benefit plans.

The liability or asset recognised in the Balance Sheet in respect of Gratuity, and Provident Fund Scheme is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets.

The defined benefit obligation is calculated annually by actuary using the Projected Unit Credit Method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

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The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss or included in the carrying amount of an asset if another standard permits such inclusion.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in Other Comprehensive Income. They are included in retained earnings in the Statement of Changes in Equity and in the Balance Sheet.

iv) Other long-term employee benefits

Benefits under the Company's leave encashment scheme constitute other long term employee benefits.

The Company's net obligation in respect of long-term employee benefits is the amount of future benefits that employees have earned in return for their service in the current and prior periods. The benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations. The calculation is performed using the Projected Unit Credit Method. Contributions to the scheme and actuarial gains or losses are recognised in the Statement of Profit and Loss or included in the carrying amount of an asset if another standard permits such inclusion in the period in which they arise.

v) Termination benefits

The expenses incurred on terminal benefits in the form of ex-gratia payments and notice pay on voluntary retirement schemes are charged to the Statement of Profit and Loss in the year of incurrence of such expenses.

14.0 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying tangible assets 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. All other borrowing costs are expensed in the period in which they occur. 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.

Capitalisation of borrowing cost ceases when substantially all the activities necessary to prepare the qualifying tangible assets for their intended use are complete.

15.0 Depreciation and amortization

a) Depreciation on additions to /deductions from Property, Plant & Equipment (PPE) during the year is charged on pro-rata basis from / up to the date on which the asset is available for use / disposal.

b) Depreciation on Property, Plant and 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 except for assets specified in Policy No. 15.0(d) below.

c) i) Depreciation on Property, Plant and Equipment (except old and used) 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. 15.0(d) below.

ii) Depreciation on old and used items of PPE of other than Operating Units is charged on straight-line method to the extent of 90% of the cost of the asset over estimated useful life determined on the basis of technical assessment.

d) i) Depreciation in respect of following items of PPE is provided on straight line method based on the life and residual value (5%) given in the Schedule II of the Companies Act, 2013:

- Construction Plant & Machinery
- Computer & Peripherals

ii) Based on technical assessment, depreciation on Mobile Phones is provided on straight line basis over a period of three years with residual value of Re 1.

e) Temporary erections are depreciated fully (100%) in the year of acquisition /capitalization by retaining Re. 1/- as WDV.

f) Tangible Assets valuing Rs. 5000/- or less but more than Rs. 750/- are fully depreciated during the year in which asset is made available for use with Re. 1/- as WDV.

g) Low value items, which are in the nature of assets (excluding immovable assets) and valuing up to Rs. 750/- are not capitalized and charged off to revenue in the year of use.

h) Leasehold Land, in case of operating units, is amortized over the period of lease or 35 years whichever is lower, following the rates and methodology notified vide CERC tariff regulations.

i) Leasehold Land, in case of units other than operating units, is amortized over the period of lease or 35 years whichever is lower.

j) 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.

k) Land-Right to use is amortized over a period of 30 years from the date of commercial operation of the project in line with CERC tariff regulations notified for tariff fixation.

l) Cost of software recognized as 'Intangible Assets' is amortized on straight line method over a period of legal right to use or three financial years, whichever is earlier, starting from the year in which it is acquired.

m) 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 assets at the rate of depreciation and methodology notified by CERC tariff regulations.

n) 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.

o) 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 CERC.

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16.0 Impairment of non-financial assets other than inventories

a. The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) 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. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

c. In case of expenditure on survey & investigation of projects, if it is decided to abandon such a project under survey & investigation, expenditure incurred thereon is charged to the Statement of Profit and Loss in the year in which such decision is taken.

d. In case a project under survey and Investigation remains in abeyance by the order of appropriate authority/ by injunction of court order, any expenditure incurred on such projects from the date of order/ injunction of court is provided in the books from the date of such order till the period project is kept in abeyance by such order/ injunction. Provision so made is however reversed on the revocation of aforesaid order/ injunction.

e. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the 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 recognised.

17.0 Income Taxes

Income tax expense comprises current and deferred tax. 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 tax

i) The current tax is the expected tax payable on the taxable income for the year on the basis of the tax laws applicable at the reporting date and any adjustments to tax payable in previous years. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (permanent differences).

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ii) 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.

b) Deferred tax

i) Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Company's financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of an asset or liability in a transaction that at the time of the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

iii) The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

iv) Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would flow in the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

v) 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.

vi) Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

vii) Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

18.0 Compensation from third parties

Impairments or losses of items, related claims for payments of compensation from third parties including insurance companies and any subsequent purchase or construction of assets/inventory are separate economic events and are accounted for separately.

Compensation from third parties including from insurance companies for items of property, plant and equipment or for other items that were impaired, lost or given up is included in the Statement of Profit and Loss when the compensation becomes receivable. Insurance claims for loss of profit are accounted for based on certainty of realisation.

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19.0 Segment Reporting

a) In accordance with Ind AS 108 – Operating Segment, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's Management to allocate resources to the segments and assess their performance. The Board of Directors is collectively the Company's "Chief Operating Decision Maker" or "CODM" within the meaning of Ind AS 108.

b) Electricity generation is the principal business activity of the Company.

c) The Company is having a single geographical segment as all its Power Stations are located within the Country.

20.0 Leases

a) Company as a Lessee:

i. Leases of property, plant and equipment (mainly land acquired through lump sum upfront payments), where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance lease. Such finance leases are generally capitalised at the lease's inception at the fair value of the leased property which equals the transaction price i.e. lump sum upfront payments.

ii. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases are charged to Statement of Profit and Loss over the period of lease.

b) Company as a Lessor:

Power Purchase Agreements (PPA) 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 amounts to substantially all the fair value of the plant are considered as a Finance Lease. Other embedded leases are considered as Operating Lease.

i) For embedded leases in the nature of a Finance Lease, the investment in the plant is recognised as a Lease Receivable. The minimum lease payments are identified by segregating the embedded lease payments from the rest of the contract. Each lease receipt is allocated between the receivable and finance lease income so as to achieve a constant rate on the Lease Receivable outstanding.

ii) In the case of Operating Leases or embedded operating leases, the lease income from the operating lease is recognised in revenue over the lease term to reflect the pattern of use benefit derived from the leased asset. The respective leased assets are included in the Balance Sheet based on their nature and depreciated over its economic life.

21.0 Material prior period errors

Material prior period errors are corrected retrospectively by restating the comparative amounts for the prior periods presented in which the error occurred. If the error occurred before the earliest period presented, the opening balances of assets, liabilities and equity for the earliest period presented, are restated.

22.0 Earnings per share

a) Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

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b) Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

c) Basic and diluted earnings per equity share are also presented using the earnings amounts excluding the movements in regulatory deferral account balances.

23.0 Statement of Cash Flows

a) Cash and Cash Equivalents:

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash 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, and bank overdrafts. However, for Balance Sheet presentation, Bank overdrafts are shown within Borrowings under Current Liabilities.

b) Statement of cash flows is prepared in accordance with the indirect method prescribed in Ind AS 7- 'Statement of Cash Flows'.

24.0 Current versus non-current classification

The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

a) An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

b) A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

c) Deferred tax assets and liabilities are classified as non-current assets and liabilities.

25.0 Miscellaneous

a) Each material class of similar items is presented separately in the financial statements. Items of a dissimilar nature or function are presented separately unless they are immaterial.

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b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Company.

For S. Kumar Gupta & Co.
Chartered Accountants
FRN: 001667N

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS CA AMRITSAR FRN-1667

(CA Vinamar Gupta)
Partner
M. No. 503362

(K K Goel)
Chief (Finance)

(M S Babu)
Managing Director

(Amount in ₹)

NOTE NO. 2.1 Property, Plant and Equipment as on 31.03.2018

Sl. No.	PARTICULARS	GROSS BLOCK							DEPRECIATION				NET BLOCK	
		As at 01-Apr-2017	Additions		Deductions		Other Adjustments	As at 31st March, 2018	As at 01-Apr-2017	For the Year	Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
			IUT	Others	IUT	Others								
i)	Land – Freehold	60000000	0	0	0	0	0	60000000	0	0	0	0	60000000	60000000
ii)	Land – Leasehold	0	0	0	0	0	0	0	0	0	0	0	0	0
iii)	Roads and Bridges	72363015	0	0	0	14824085	0	57538930	3742025	1892734	0	5634759	51904171	68620990
iv)	Buildings	33242886	0	165665595	670791	26905318	0	171332372	3673387	3809811	0	7483198	163849174	29569499
v)	Railway sidings	0	0	0	0	0	0	0	0	0	0	0	0	0
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	0	0	0	0	0	0	0	0	0	0	0	0	0
vii)	Generating Plant and machinery	0	0	0	0	0	0	0	0	0	0	0	0	0
viii)	Plant and machinery Sub station	1448918	0	6570157	0	1148934	0	6870141	243252	153387	0	396639	6473502	1205666
ix)	Plant and machinery Transmission lines	1366875	0	0	0	1107536	0	259339	173181	86158	0	259339	0	1193694
x)	Plant and machinery Others	1016544	589395	5391553	589395	0	0	6408097	158716	183190	0	341906	6066191	857828
xi)	Construction Equipment	395773	0	0	0	0	0	395773	3054	0	0	3054	392719	392719
xii)	Water Supply System/Drainage and Sewerage	0	0	3000000	0	0	0	3000000	0	29374	0	29374	2970626	0
xiii)	Electrical installations	0	0	0	0	0	0	0	0	0	0	0	0	0
xiv)	Vehicles	5111432	0	3008255	0	0	0	8119687	1276229	850903	0	2127132	5992555	3835203
xv)	Aircraft/ Boats	0	0	0	0	0	0	0	0	0	0	0	0	0
xvi)	Furniture and fixture	25210562	1229569	12960706	1229569	5610781	0	32560487	3698975	2378263	15061	6092299	26468188	21511587
xvii)	Computers	5631495	77754	10198743	77754	49688	0	15780550	3991716	1642967	40200	5674883	10105667	1639779
xviii)	Communication Equipment	712320	0	602333	0	202689	1	1111965	102660	107890	3499	214049	897916	609660
xix)	Office Equipments	9798696	508424	33679280	508424	1163394	0	42314582	2028277	1767782	4045	3800104	38514478	7770419
xx)	Research and Development	0	0	0	0	0	0	0	0	0	0	0	0	0
xxi)	Other assets	3805766	2364990	21780939	2364990	51700	0	25535005	802229	1170119	0	1972348	23562657	3003537
xxii)	Tangible Assets of minor value >750 and < Rs.5000	310851	4681	1420004	4681	27	-1	1730827	309238	1412468	6998	1728704	2123	1613
	Total	220415133	4774813	264277565	5445604	51064152	0	432957755	20202939	15485046	69803	35757788	397199967	200212194
	Previous year	216563539	1070942	4773748	1070942	922154	0	220415133	10665259	9062064	475616	20202939	200212194	205898280
								0				0	0	0

Note : Additional disclosure of Property Plant and Equipment (PPE) as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note. For other explanatory notes, these are stated in Annexure-I to Note 2.1.

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(Amount in ₹)

Annexure to note no. 2.1 Property, Plant and Equipment as on 31.03.2018

Sl. No.	PARTICULARS	GROSS BLOCK							DEPRECIATION				NET BLOCK	
		As at 01-Apr-2017	Additions		Deductions		Other Adjustments	As at 31st March, 2018	As at 01-Apr-2017	For the Year	Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
			IUT	Others	IUT	Others								
i)	Land – Freehold	60000000	0	0	0	0	0	60000000	0			0	60000000	60000000
ii)	Land – Leasehold	0	0	0	0	0	0	0	0	0	0	0	0	0
iii)	Roads and Bridges	72518089	0	0	0	15849446	0	56668643	3897099	1892734	-1025361	4764472	51904171	68620990
iv)	Buildings	47535094	0	165665595	681898	31649164	0	180869627	17965595	3809811	-4754953	17020453	163849174	29569499
v)	Railway sidings	0	0	0	0	0	0	0	0	0	0	0	0	0
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	0	0	0	0	0	0	0	0	0	0	0	0	0
vii)	Generating Plant and machinery	0	0	0	0	0	0	0	0	0	0	0	0	0
viii)	Plant and machinery Sub station	1623928	0	6570157	0	1622228	0	6571857	418262	153387	-473294	98355	6473502	1205666
ix)	Plant and machinery Transmission lines	1631782	0	0	0	1631782	0	0	438088	86158	-524246	0	0	1193694
x)	Plant and machinery Others	1502997	788980	5391553	788980	0	0	6894550	645169	183190	0	828359	6066191	857828
xi)	Construction Equipment	7863564	0	0	0	0	0	7863564	7470845	0	0	7470845	392719	392719
xii)	Water Supply System/Drainage and Sewerage	0	0	3000000	0	0	0	3000000	0	29374	0	29374	2970626	0
xiii)	Electrical installations	0	0	0	0	0	0	0	0	0	0	0	0	0
xiv)	Vehicles	9633416	0	3008255	0	0	0	12641671	5798213	850903	0	6649116	5992555	3835203
xv)	Aircraft/ Boats	0	0	0	0	0	0	0	0	0	0	0	0	0
xvi)	Furniture and fixture	30023466	1630386	12960706	1630386	9129273	0	33854899	8511879	2378263	-3503431	7386711	26468188	21511587
xvii)	Computers	11961734	311511	10198743	311511	112679	0	22047798	10321955	1642967	-22791	11942131	10105667	1639779
xviii)	Communication Equipment	823999	0	602333	0	329571	3500	1100261	214339	107890	-119884	202345	897916	609660
xix)	Office Equipments	12352272	745761	33679280	745761	2310818	0	43720734	4581853	1767782	-1143379	5206256	38514478	7770419
xx)	Research and Development	0	0	0	0	0	0	0	0	0	0	0	0	0
xxi)	Other assets	7264632	2415810	21780939	2415810	64286	0	28981285	4261095	1170119	-12586	5418628	23562657	3003537
xxii)	Tangible Assets of minor value >750 and < Rs.5000	3992263	302612	1420004	302612	53436	-3500	5355331	3990650	1412468	-49910	5353208	2123	1613
	Total	268727236	6195060	264277565	6876958	62752683	0	469570220	68515042	15485046	-11629835	72370253	397199967	200212194
	Previous year	265437837	0	4773748	0	1484349	0	268727236	59539557	9442371	-466886	68515042	200212194	205898280

S. KUMAR GUPTA & CO. • CHARTERED ACCOUNTANTS • AMRITSAR FRN-1667

NOTE NO. 2.1 Property, Plant and Equipment as on 31.03.2017

(Amount in ₹)

Sl. No.	PARTICULARS	GROSS BLOCK							DEPRECIATION				NET BLOCK	
		As at 01-Apr-2016	Additions		Deductions		Other Adjustments	As at 31st March, 2017	As at 01-Apr-	For the Year	Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others								
i)	Land – Freehold	60000000	0	0	0	0	0	60000000	0	0	0	0	60000000	60000000
ii)	Land – Leasehold	0	0	0	0	0	0	0	0	0	0	0	0	0
iii)	Roads and Bridges	71212554	0	1255487	0	105026	0	72363015	1314480	2427545	0	3742025	68620990	69898074
iv)	Buildings	32426916	0	815970	0	0	0	33242886	2483213	1154398	35776	3673387	29569499	29943703
v)	Railway sidings	0	0	0	0	0	0	0	0	0	0	0	0	0
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	0	0	0	0	0	0	0	0	0	0	0	0	0
vii)	Generating Plant and machinery	0	0	0	0	0	0	0	0	0	0	0	0	0
viii)	Plant and machinery Sub station	1448918	0	0	0	0	0	1448918	157599	85653	0	243252	1205666	1291319
ix)	Plant and machinery Transmission lines	1379727	0	0	0	12852	0	1366875	87023	86158	0	173181	1193694	1292704
x)	Plant and machinery Others	1016544	0	0	0	0	0	1016544	79358	79358	0	158716	857828	937186
xi)	Construction Equipment	395773	0	0	0	0	0	395773	2324	391	339	3054	392719	393449
xii)	Water Supply System/Drainage and Sewerage	0	0	0	0	0	0	0	0	0	0	0	0	0
xiii)	Electrical installations	0	0	0	0	0	0	0	0	0	0	0	0	0
xiv)	Vehicles	5111432	44516	0	44516	0	0	5111432	638115	638114	0	1276229	3835203	4473317
xv)	Aircraft/ Boats	0	0	0	0	0	0	0	0	0	0	0	0	0
xvi)	Furniture and fixture	25195841	746536	448824	746536	434103	0	25210562	1853384	1773482	72109	3698975	21511587	23342457
xvii)	Computers	5066984	1	572261	1	7750	0	5631495	2463047	1288013	240656	3991716	1639779	2603937
xviii)	Communication Equipment	702320	13695	54099	13695	44099	0	712320	50980	40353	11327	102660	609660	651340
xix)	Office Equipments	9336961	115116	775362	115116	313627	0	9798696	1023701	974666	29910	2028277	7770419	8313260
xx)	Research and Development	0	0	0	0	0	0	0	0	0	0	0	0	0
xxi)	Other assets	3181628	134262	628828	134262	4690	0	3805766	425631	300108	76490	802229	3003537	2755997
xxii)	Tangible Assets of minor value >750 and < Rs.5000	87941	16816	222917	16816	7	0	310851	86404	213825	9009	309238	1613	1537
	Total	216563539	1070942	4773748	1070942	922154	0	220415133	10665259	9062064	475616	20202939	200212194	205898280

KUMAR GUPTA & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

(Amount in ₹)

Annexure note no. 2.1 Property, Plant and Equipment as on 31.03.2017

Sl. No.	PARTICULARS	GROSS BLOCK							DEPRECIATION				NET BLOCK	
		As at 01-Apr-2016	Additions		Deductions		Other Adjustments	As at 31st March, 2017	As at 01-Apr-2016	For the Period	Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others								
i)	Land – Freehold	60000000	0	0	0	0	0	60000000	0			0	60000000	60000000
ii)	Land – Leasehold	0	0	0	0	0	0	0	0	0	0	0	0	0
iii)	Roads and Bridges	71367628	0	1255487	0	105026	0	72518089	1469554	2427545	0	3897099	68620990	69898074
iv)	Buildings	46719124	0	815970	0	0	0	47535094	16775421	1190174	0	17965595	29569499	29943703
v)	Railway sidings	0	0	0	0	0	0	0	0	0	0	0	0	0
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	0	0	0	0	0	0	0	0	0	0	0	0	0
vii)	Generating Plant and machinery	0	0	0	0	0	0	0	0	0	0	0	0	0
viii)	Plant and machinery Sub station	1623928	0	0	0	0	0	1623928	332609	85653	0	418262	1205666	1291319
ix)	Plant and machinery Transmission lines	1648167	0	0	0	16385	0	1631782	355463	86158	-3533	438088	1193694	1292704
x)	Plant and machinery Others	1502997	0	0	0	0	0	1502997	565811	79358	0	645169	857828	937186
xi)	Construction Equipment	7863564	0	0	0	0	0	7863564	7470115	730	0	7470845	392719	393449
xii)	Water Supply System/Drainage and Sewerage	0	0	0	0	0	0	0	0	0	0	0	0	0
xiii)	Electrical installations	0	0	0	0	0	0	0	0	0	0	0	0	0
xiv)	Vehicles	9633416	0	0	0	0	0	9633416	5160099	638114	0	5798213	3835203	4473317
xv)	Aircraft/ Boats	0	0	0	0	0	0	0	0	0	0	0	0	0
xvi)	Furniture and fixture	30175212	0	448824	0	600570	0	30023466	6832755	1839550	-160426	8511879	21511587	23342457
xvii)	Computers	11592848	0	572261	0	203375	0	11961734	8988911	1452764	-119720	10321955	1639779	2603937
xviii)	Communication Equipment	813999	0	54099	0	44099	0	823999	162659	51680	0	214339	609660	651340
xix)	Office Equipments	12056707	0	775362	0	479797	0	12352272	3743447	991213	-152807	4581853	7770419	8313260
xx)	Research and Development	0	0	0	0	0	0	0	0	0	0	0	0	0
xxi)	Other assets	6646794	0	628828	0	10990	0	7264632	3890797	376598	-6300	4261095	3003537	2755997
xxii)	Tangible Assets of minor value >750 and < Rs.5000	3793453	0	222917	0	24107	0	3992263	3791916	222834	-24100	3990650	1613	1537
	Total	265437837	0	4773748	0	1484349	0	268727236	59539557	9442371	-466886	68515042	200212194	205898280
	Previous year	176826775	60955945	89265037	61018761	570630	-20529	265437837	53685646	9117563	-3263652	59539557	205898280	123141129

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

Note no. 2.2 Capital Work In Progress as on 31.03.2018

(Amount in ₹)

	Particulars	As at 01-Apr-2017	Addition	Adjustment	Capitalised	As at 31st March, 2018
i)	Roads and Bridges	34046722	94897868	(18348803)		110595787
ii)	Buildings	141287370	60501528	(824837)	198663024	2301037
iii)	Railway sidings	-				-
iv)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	-				-
v)	Generating Plant and Machinery	9149625			9149625	-
vi)	Plant and Machinery - Sub station	-				-
vii)	Plant and Machinery - Transmission lines	-				-
viii)	Plant and Machinery - Others	-				-
ix)	Construction Equipment	-				-
x)	Water Supply System/Drainage and Sewerage	-				-
xi)	Other assets awaiting installation	-				-
xii)	CWIP - Assets Under 5 KM Scheme Of the GOI	-				-
xiii)	Survey, investigation, consultancy and supervision charges	200726791	5226733	(2616)		205950908
xiv)	Expenditure on compensatory Afforestation	-	-	-	-	-
xv)	Expenditure attributable to construction *	4436245238	846451230	-	-	5282696468
	Less: Provided for	-	-	-	-	-
	Sub total (a)	4821455746	1007077359	(19176256)	207812649	5601544200
	* For addition during the period refer Note No. 32					
	Construction Stores	125657	-	-	-	125657
	Less : Provisions for construction stores	-	-	-	-	-
	Sub total (b)	125657	-	-	-	125657
	TOTAL	4821581403	1007077359	(19176256)	207812649	5601669857
	Previous year	4228752991	594375397	(478818)	1068167	4821581403

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

Note no. 2.2 Capital Work In Progress as on 31.03.2017

(Amount in ₹)

	Particulars	As at 01-Apr-2016	Addition	Adjustment	Capitalised	As at 31st March, 2017
i)	Roads and Bridges	24605525	9817734	-124340	252197	34046722
ii)	Buildings	111006509	31096831		815970	141287370
iii)	Railway sidings	-			-	-
iv)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	-			-	-
v)	Generating Plant and Machinery	-	9149625		-	9149625
vi)	Plant and Machinery - Sub station	-			-	-
vii)	Plant and Machinery - Transmission lines	-			-	-
viii)	Plant and Machinery - Others	-			-	-
ix)	Construction Equipment	-				-
x)	Water Supply System/Drainage and Sewerage	-			-	-
xi)	Other assets awaiting installation	-			-	-
xii)	CWIP - Assets Under 5 KM Scheme Of the GOI	-			-	-
xiii)	Survey, investigation, consultancy and supervision charges	194216202	6582440	(71851)	-	200726791
xiv)	Expenditure on compensatory Afforestation	-				0
xv)	Expenditure attributable to construction *	3898758416	537728767	(241945)	-	4436245238
	Less: Provided for	0				0
	Sub total (a)	**4228586652**	**594375397**	**-438136**	**1068167**	**4821455746**
	*** For addition during the period refer Note No. 32**					
	Construction Stores	166339		-40682	-	125657
	Less : Provisions for construction stores	-			-	-
	Sub total (b)	**166339**	-	**-40682**	-	**125657**
	TOTAL	**4228752991**	**594375397**	**-478818**	**1068167**	**4821581403**
	Previous year	3636716210	624904430	-1088274	31779375	4228752991

S. KUMAR GUPTA & CO.
CHARTERED ACCOUNTANTS
AMRITSAR
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CVPP, Jammu
CUMMULATIVE EDC

Annexure to Note 2.2
(Amount in Rupees)

Particulars	31-03-2018	31-03-2017
A. EMPLOYEES BENEFITS EXPENSES		
Salaries, wages, allowances	2316572640	2109249531
Gratuity and contribution to provident fund (including administration fees)	436065092	412211962
Staff welfare expenses	180202865	171568172
Leave Salary & Pension Contribution	1491260	1491260
Sub-total(a)	**2934331857**	**2694520925**
Less: Capitalized During the year/Period	0	0
Sub-total(A)	**2934331857**	**2694520925**
B. REPAIRS AND MAINTENANCE		
Building	27704155	15383182
Machinery	1301587	1301587
Others	11012420	9339097
Rent	72800967	49799007
Rates and taxes	665245	386245
Insurance	1609832	1461023
Security expenses	270496966	270496966
Electricity Charges	5505300	4584814
Travelling and Conveyance	30518834	25764524
Expenses on vehicles	6061156	6039887
Telephone, telex and Postage	4071994	3313054
Advertisement and publicity	13969594	6214695
Entertainment and hospitality expenses	472152	472152
Printing and stationery	6741869	5714234
Remuneration to Auditors	52959	52959
Design and Consultancy charges:		0
- Indigenous	436087989	196564837
- Foreign	45321538	45321538
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	1000200	390100
Expenditure on land not belonging to corporation	35131659	15958019
Land acquisition and rehabilitation	0	0
Loss on assets/ materials written off	141745	141745
Losses on sale of assets	74637	74637
Other general expenses	16130388	13694709
Sub-total (b)	986873186	672469011
Less: Capitalized During the year/Period	0	0
Sub-total(B)	**986873186**	**672469011**
C. FINANCE COST		
i) Interest on :		
a) Government of India loan	0	0
b) Bonds	0	0
c) Foreign loan	0	0
d) Term loan	0	0
e) Cash credit facilities /WCDL	0	0
g) Exchange differences regarded as adjustment to interest cost	0	0
Loss on Hedging Transactions	0	0
ii) Bond issue/ service expenses	0	0
iii) Commitment fee	0	0
iv) Guarantee fee on loan	0	0
v) Other finance charges	392088	392088
vi) EAC- INTEREST ON LOANS FROM CENTRAL GOVERNMENT-ADJUSTMENT ON ACCOUNT OF EFFECTIVE INTEREST	0	0
vii) EAC- INTEREST ON SECURITY DEPOSIT/ RETENTION MONEY-ADJUSTMENT ON ACCOUNT OF EFFECTIVE INTEREST	469367	319849
viii) EAC- COMMITTED CAPITAL EXPENSES- ADJUSTMENT FOR TIME VALUE	0	0
Sub-total (c)	**861455**	**711937**
Less: Capitalized During the year/Period	0	0
Sub-total (C)	**861455**	**711937**

S. KUMAR GUPTA & Co. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

D. EXCHANGE RATE VARIATION (NET)		
i) ERV (Debit balance)	0	0
Less: ii) ERV (Credit balance)	0	0
Sub-total (d)	**0**	**0**
Less: Capitalized During the year/Period	0	0
Sub-total(D)	**0**	**0**
E. PROVISIONS	552627	552312
Sub-total(e)	**552627**	**552312**
Less: Capitalized During the year/Period	0	0
Sub-total(E)	**552627**	**552312**
F. DEPRECIATION & AMORTISATION	50332223	44143205
Sub-total (f)	**50332223**	**44143205**
Less: Capitalized During the year/Period	0	0
Sub-total(F)	**50332223**	**44143205**
G. PRIOR PERIOD EXPENSES (NET)		
Prior period expenses	23763458	23763458
Less Prior period income	72206	72206
Sub-total (g)	23691252	23691252
Less: Capitalized During the year/Period	0	0
Sub-total (G)	**23691252**	**23691252**
H. LESS : RECEIPTS AND RECOVERIES		
i) Income from generation of electricity – precommissioning	0	0
ii) Interest on loans and advances	6907537	6907537
iii) Miscellaneous receipts	22055937	18155531
iv) Profit on sale of assets	4934	4934
v) Provision not required written back	66662334	59694898
vi) Hire charges/ outturn on plant and machinery	16150	16150
vii) EAC-FAIR VALUE GAIN - SECURITY DEPOSIT/ RETENTION MONEY	2350	0
viii) EAC- FAIR VALUE GAIN ON PROVISIONS FOR COMMITTED CAPITAL EXPENDITURE	0	0
Sub-total (h)	**95649242**	**84779050**
Less: Capitalized During the year/Period	0	0
Sub-total (H)	**95649242**	**84779050**
I. C.O./Regional Office Expenses (i)	1381703110	1084935646
Less: Capitalized During the year/Period	0	0
Sub-total(I)	**1381703110**	**1084935646**
GRAND TOTAL (a+b+c+d+e+f+g-h+i)	**5282696468**	**4436245238**
Less: Capitalized During the year/Period	**0**	**0**
GRAND TOTAL (A+B+C+D+E+F+G-H+I)	**5282696468**	**4436245238**

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE NO. 2.3 INVESTMENT PROPERTY as on 31.03.2018

(Amount in ₹)

Sl. No.	PARTICULARS	GROSS BLOCK							AMORTISATION				NET BLOCK	
		As at 01-Apr-2017	Additions		Deductions		Other Adjustments	As at 31st March, 2018	As at 01-Apr-2017	For the Year	Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
			IUT	Others	IUT	Others								
i)	Land Freehold	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
	Previous year	0	0	0	0	0	0	0	0	0	0	0	0	0

NOTE NO. 2.4 Other Intangible Assets as on 31.03.2018

(Amount in ₹)

Sl. No.	PARTICULARS	GROSS BLOCK							AMORTISATION				NET BLOCK	
		As at 01-Apr-2017	Additions		Deductions		Other Adjustments	As at 31st March, 2018	As at 01-Apr-2017	For the Year	Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
			IUT	Others	IUT	Others								
i)	Land- Right to Use	4389113324	0	94463070	0	300	0	4483576094	0	0	0	0	4483576094	4389113324
ii)	Computer Software	6012649	0	0	0	0	0	6012649	970127	1966557	0	2936684	3075965	5042522
	Total	**4395125973**	**0**	**94463070**	**0**	**300**	**0**	**4489588743**	**970127**	**1966557**	**0**	**2936684**	**4486652059**	**4394155846**
	Previous year	34549010	0	4360576963	0	0	0	4395125973	107160	862967	0	970127	4394155846	34441850

Note : Additional disclosure of Other Intangible Assets as per gross block of assets and accumulated depreciation under previous GAAP has been provided as Annexure-I to this Note.

S. KUMAR GUPTA & CO.
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AMRITSAR
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CHARTERED ACCOUNTANTS

(Amount in ₹)

Annexure note no. 2.3 INVESTMENT PROPERTY as on 31.03.2017

Sl. No.	PARTICULARS	GROSS BLOCK							AMORTISATION				NET BLOCK	
		As at 01-Apr-2016	Additions		Deductions		Other Adjustments	As at 31st March, 2017	As at 01-Apr-2016	For the Period	Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others								
i)	Land Freehold	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
	Previous year	0	0	0	0	0	0	0	0	0	0	0	0	0

(Amount in ₹)

Annexure note no. 2.4 Other Intangible Assets as on 31.03.2017

Sl. No.	PARTICULARS	GROSS BLOCK							AMORTISATION				NET BLOCK	
		As at 01-Apr-2016	Additions		Deductions		Other Adjustments	As at 31st March, 2017	As at 01-Apr-2016	For the Period	Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others								
i)	Land- Right to Use	34441850	0	4354671474	0	0	0	4389113324	0	0	0	0	4389113324	34441850
ii)	Computer Software	110694	0	5900189	0	0	0	6010883	110693	857668	0	968361	5042522	1
	Total	34552544	0	4360571663	0	0	0	4395124207	110693	857668	0	968361	4394155846	34441851
	Previous year	34552544	0	0	0	0	0	34552544	108928	1765	0	110693	34441851	34443616

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

(Amount in ₹)

Annexure to Note no. 2.3 INVESTMENT PROPERTY as on 31.03.2018

Sl. No.	PARTICULARS	GROSS BLOCK							AMORTISATION				NET BLOCK	
		As at 01-Apr-2017	Additions		Deductions		Other Adjustments	As at 31st March, 2018	As at 01-Apr-2017	For the Year	Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
			IUT	Others	IUT	Others								
i)	Land Freehold	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0
	Previous year	0	0	0	0	0	0	0	0	0	0	0	0	0

Please check the figures mannually and make correction if required. 0

(Amount in ₹)

Annexure to Note no. 2.4 Other Intangible Assets as on 31.03.2018

Sl. No.	PARTICULARS	GROSS BLOCK							AMORTISATION				NET BLOCK	
		As at 01-Apr-2017	Additions		Deductions		Other Adjustments	As at 31st March, 2018	As at 01-Apr-2017	For the Year	Adjustments	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
			IUT	Others	IUT	Others								
i)	Land- Right to Use	4389113324	0	94463070	0	300	0	4483576094	0	0	0	0	4483576094	4389113324
ii)	Computer Software	6010883	0	0	0	0	0	6010883	968361	1966557	0	2934918	3075965	5042522
	Total	**4395124207**	**0**	**94463070**	**0**	**300**	**0**	**4489586977**	**968361**	**1966557**	**0**	**2934918**	**4486652059**	4394155846
	Previous year	34552544	0	4360571663	0	0	0	4395124207	110693	857668	0	968361	4394155846	34441851

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE NO. 2.3 INVESTMENT PROPERTY as on 31.03.2017

Sl. No.	PARTICULARS	GROSS BLOCK							AMORTISATION				NET BLOCK	
		As at 01-Apr-2016	Additions		Deductions		Other Adjustments	As at 31st March, 2017	As at 01-Apr-	For the Year	Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others								
i)	Land Freehold	0	0	0	0	0	0	0	0	0	0	0	0	0
	Total	0	0	0	0	0	0	0	0	0	0	0	0	0

NOTE NO. 2.4 Other Intangible Assets as on 31.03.2017

(Amount in ₹)

Sl. No.	PARTICULARS	GROSS BLOCK							AMORTISATION				NET BLOCK	
		As at 01-Apr-2016	Additions		Deductions		Other Adjustments	As at 31st March, 2017	As at 01-Apr-	For the Year	Adjustments	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others								
i)	Land– Right to Use	34441850	0	4354671474	0	0	0	4389113324	0			0	4389113324	34441850
ii)	Computer Software	107159	0	5905489	0	0	0	6012649	107159	862967	0	970127	5042522	0
	Total	34549009	0	4360576963	0	0	0	4395125973	107159	862967	0	970127	4394155846	34441850

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE NO. 3.1 NON-CURRENT - FINANCIAL ASSETS - INVESTMENTS

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Total		

NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - LOANS

	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
a)	**Employees (at amortised Cost)**		
	- Secured (considered good)	-	-
	- Unsecured (considered good)	-	-
	- Unsecured (considered doubtful)	-	-
	Less : Provisions for doubtful Employees loans *1	-	-
	Sub-total	-	-
b)	**Contractor / supplier**		
	- Secured (considered good)	-	-
	- Unsecured (considered good)	-	-
	– Against bank guarantee	-	-
	– Others	-	-
	- Unsecured (considered doubtful)	-	-
	Less : Provisions for doubtful advances to Contractor/ Supplier *2	-	-
	Sub-total	-	-
c)	**Deposits**		
	- Unsecured (considered good)	-	-
	- Unsecured (considered doubtful)	-	-
	Less : Provision for Doubtful Deposits *3	-	-
	Sub-total	-	-
	TOTAL	-	-
	Provisions for doubtful Employees loans *1		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
	Provisions for doubtful advances to Contractor/ Supplier *2		
	Opening Balance	-	
	Addition during the year		
	Used during the year		
	Reversed during the year		
	Closing balance	-	-
	Provision for Doubtful Deposits *3		
	Opening Balance	-	-
	Addition during the year	-	-
	Used during the year	-	-
	Reversed during the year		-
	Closing balance	-	-
	Explanatory Note: -		
	i) Loan included in Other Loans (Employees) due from directors or other officers of the company at the end of the period	Nil	Nil
	ii) Advance due by firms or private companies in which any Director of the Company is a Director or member	Nil	Nil

NOTE NO. 3.3 NON-CURRENT - FINANCIAL ASSETS - OTHERS FINANCIAL ASSETS

	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A.	Bank Deposits with more than 12 Months Maturity	1,00,00,000	1,00,00,000
B.	Lease Rent receivable	-	-
C.	Interest receivable on lease	-	-
D.	Interest accrued on:	-	-
	- Bank Deposits with more than 12 Months Maturity	-	-
	- Others	-	-
	TOTAL	1,00,00,000	1,00,00,000

Explanatory Notes:

1) A bank guarantee against CLTD of Rs. 1.00 Crore for a period of five years has been issued during the financial year 2015-16 in favour of J&K Forest Department for implementation of environmental safeguard, engineering and bialogical measures for rejuvention of muck disposal site of Kiru HEP in district Kishtwar of J&K State.

* Refer para-9 of Note No. 34-Other Explanatory Notes to Accounts for receivable mortgaged/hypothecated as security.

S. KUMAR GUPTA & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

NOTE NO. 4.1 NON CURRENT TAX ASSETS (NET)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Advance Income Tax & Tax Deducted at Source	3,64,74,033	-
Less: Provision for Taxation	3,64,74,033	-
Total	-	-

NOTE NO. 4.2 OTHER NON-CURRENT ASSETS

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A. CAPITAL ADVANCES		
Secured (considered good)	-	-
Unsecured (considered good)		
– Against bank guarantee	-	-
– Others	1,52,45,91,514	70,61,39,577
Less : Provision for expenditure awaiting utilisation certificate	24,12,742	24,12,742
Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful advances *1	-	-
Sub-total	1,52,21,78,772	70,37,26,835
B. ADVANCES OTHER THAN CAPITAL ADVANCES		
i) DEPOSITS		
- Unsecured (considered good)	14,40,173	14,200
Less : Provision against demand raised by Govt.Depts.	-	-
- Unsecured (considered doubtful)	-	-
Less : Provision for Doubtful Deposits *2	-	-
	14,40,173	14,200
ii) Other advances		
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
	-	-
TOTAL	1,52,36,18,945	70,37,41,035
Provision for doubtful Advances *1		
Opening Balance	-	-
Addition during the year		-
Used during the year		-
Reversed during the year		-
Closing balance	-	-
Provision for doubtful Deposits *2		
Opening Balance	-	-
Addition during the year		-
Used during the year		-
Reversed during the year		-
Closing balance	-	-

NOTE NO. 5 INVENTORIES

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
(Valuation as per Significant Accounting Policy No.1(iii)(10))		
Stores and spares	-	-
Stores in transit/ pending inspection	-	-
Loose tools	-	-
Scrap inventory	-	-
Material at site	-	-
Material issued to contractors/ fabricators	-	-
Inventory for Self Generated VER's/REC	-	-
Less: Provision for Obsolescence & Diminution in Value *1	-	-
TOTAL	-	-
*1 Provision for Obsolescence & Diminution in Value		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year #		-
Closing balance	-	-
Explanatory Note:		
i) During the year, inventories written down to net realisable value (NRV) and recognised as an expense in profit or loss.	-	-

ii) For details, refer para-9 of Note No. 34- Other Explanatory Notes to Accounts for information of assets mortgaged/hypothecated with banks as security for related borrowings.

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE NO. 6 FINANCIAL ASSETS - CURRENT - INVESTMENTS

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
	-	-
Total	-	-

NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
- Unsecured - Considered Good	-	-
- Unsecured - Considered Doubtful	-	-
Less: Provision for doubtful debts *1	-	-
TOTAL	-	-
*1 Provision for doubtful debts		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year		-
Closing balance	-	-
Explanatory Note: -		
i) Debt due by directors or other officers of the company or any of them either severally or jointly with any other person or debts due by firms or private companies respectively in which any director of the Company is a partner or a director or a member.	Nil	Nil
ii) Debt due by subsidiaries/ Joint Ventures and others related parties of the company at point(i) above.	Nil	Nil
iii) Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.		

NOTE NO. 8 FINANCIAL ASSETS - CURRENT - CASH AND CASH EQUIVALENTS

	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	Balances with banks		
	• With scheduled banks		
i)	- In Current Account	1,84,44,848	80,70,852
ii)	- In deposits account	1,72,40,00,000	1,41,00,00,000
	(Deposits with original maturity of less than three months)	-	-
	• With other banks		
	- In current account		
	Others	-	-
B	Cheques, drafts on hand	-	-
C	Cash on hand		
	Cash on hand	17,010	295
	TOTAL	1,74,24,61,858	1,41,80,71,147
	Explanatory Note: -		
	1) Cash on hand - (Includes stamps on hand)	Nil	Nil
	2) Cash and Bank Balances on behalf of others and are not freely available for the business of the Company included in stated amount :-		
	- Others (Specify Nature)	Nil	Nil

NOTE 9 : FINANCIAL ASSETS - CURRENT - BANK BALANCES OTHER THAN CASH & CASH EQUIVALENTS

	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A	Balances with Banks	2,00,00,000	-
B	Deposit account-Unpaid Dividend / Interest	-	-
	TOTAL	2,00,00,000	-
	Explanatory Note: - Balance with bank includes a fixed deposit with bank for a period more than 3 month but less than 12 month.	2,00,00,000	-

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
OTHER LOANS		
Employees (including accrued interest)		
- Secured (considered good)	-	-
- Unsecured (considered good)	27,68,055	38,58,872
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful Employee loans & advances *1	-	-
	27,68,055	38,58,872
Contractor / supplier		
- Secured (considered good)	-	-
- Unsecured (considered good)		
– Against bank guarantee	-	-
– Others	-	-
- Unsecured (considered doubtful)	-	-
	-	-
TOTAL	27,68,055	38,58,872
*1 Provisions for doubtful Employee loans & advances		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
Closing balance	-	-
Explanatory Note: -		
1) Loan & Advances due from directors or other officers of the company at the end of the period	Nil	Nil
2) Advance due by firms or private companies in which any Director of the Company is a Director or member	Nil	Nil

NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Others		
a) Claims recoverable	4,44,72,488	1,24,72,794
Less: Provisions for Doubtful Claims *1	-	-
Sub-total	4,44,72,488	1,24,72,794
b) Interest Income accrued on Bank Deposits	15,00,480	57,83,943
c) Interest recoverable from beneficiary	-	-
d) Lease Rent receivable (Finance Lease)-Current	-	-
e) Interest receivable on Finance lease	-	-
f) Interest Accrued on Bonds	-	-
g) Receivable on account of unbilled revenue	-	-
h) Advance to Contractor against arbitration award	-	-
TOTAL	4,59,72,968	1,82,56,737
*1 Provisions for Doubtful Claims		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
Closing balance	-	-

Explanatory Note:-

1) Claim recoverable includes amount Rs. 4.36 Crore (previous year Rs. 1.24 Crore) on account of amount recoverable from NHPC Limited during the period and adjustment made through debit/ credit advices.

2) Receivable on account of unbilled revenue represents

- Others	-	-
Total	-	-

NOTE NO. 12 CURRENT TAX ASSETS (NET)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Current Tax Assets		
Current Tax (Refer Note No-23)	71,573	-
Total	71,573	-

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE NO. 13 OTHER CURRENT ASSETS

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A. Advances other than Capital Advances		
a) **Deposits**		
- Unsecured (considered good)	29,700	14,48,573
Less : Provision against demand raised by Govt.Depts.	-	-
- Unsecured (considered doubtful)	-	-
Less : Provision for Doubtful Deposits *1	-	-
Sub-total	29,700	14,48,573
b) Advance to contractor / supplier		
- Secured (considered good)	-	-
- Unsecured (considered good)		
– Against bank guarantee	-	-
– Others	70,446	22,17,688
Less : Provisions for expenditure awaiting utilization certificate	-	-
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful advances *2	-	-
Sub-total	70,446	22,17,688
c) **Other advances - Employees**		
- Unsecured (considered good)	1,23,249	16,427
- Unsecured (considered doubtful)		
Sub-total	1,23,249	16,427
d) **Interest accrued on:**		
Others		
- Considered Good	-	-
- Considered Doubtful	-	-
Less: Provisions for Doubtful Interest *3	-	-
Sub-total	-	-
B. **Others**		
a) Expenditure awaiting adjustment	-	-
Less: Provision for project expenses awaiting write off sanction *4	-	-
Sub-total	-	-
b) Losses awaiting write off sanction/pending investigation	17,76,227	-
Less: Provision for losses pending investigation/awaiting write off / sanction *5	17,76,227	-
Sub-total	-	-
c) **Prepaid Expenditure**	9,78,548	4,82,358
d) **Deferred Employee Costs**		
Secured - Considered Good	-	-
Unsecured	-	-
e) **Surplus / Obsolete Assets**	-	-
f) **Input GST**	-	-
g) **Others**	-	-
TOTAL	12,01,943	41,65,046
***1 Provisions for Doubtful Deposits**		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
Closing balance	-	-
***2 Provisions for doubtful advances (Contractors & Suppliers)**		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
Closing balance	-	-
***3 Provisions for Doubtful Accrued Interest**		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
Closing balance	-	-
***4 Provision for project expenses awaiting write off sanction**		
Opening Balance	-	-
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	-
Closing balance	-	-

KUMAR GUPTA & CO. CA AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

*5	Provision for losses pending investigation/awaiting write off / sanction		
	Opening Balance	-	-
	Addition during the year	17,76,227	-
	Used during the year	-	-
	Reversed during the year	-	-
	Closing balance	**17,76,227**	**-**
	Explanatory Note:-		
1	Loans and Advances due from Directors or other officers at the end of the year/ period	Nil	Nil
2	Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.	Nil	Nil
3	Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.	-	-

NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
(i) Wage Revision as per 3rd PRC		
Opening Balance	-	-
Addition during the year	-	-
Adjustment during the year	-	-
Reversed during the year	-	-
Closing balance	**-**	**-**
(ii) Exchange Differences on Monetary Items		
Opening Balance	-	-
Addition during the year	-	-
Adjustment during the year	-	-
Reversed during the year	-	-
Closing balance	**-**	**-**
Closing Balance (A)=(i)+(ii)	**-**	**-**
Deferred Tax Assets on Regulatory Deferral Account Balances	-	-
Less:-Deferred Tax Adjustments against deferred tax assets	-	-
Total (B)	-	-
Regulatory Deferral Account Balances net of Deferred Tax.(A-B)	**-**	**-**

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE : 15.1 EQUITY SHARE CAPITAL

(Amount in ₹)

PARTICULARS	As at 31st March, 2018		As at 31st March, 2017	
	Nos	Amount	Nos	Amount
a) Authorized Equity Share Capital (Par value per share Rs. 10)	2,50,00,00,000	25,00,00,00,000	1,50,00,00,000	15,00,00,00,000
b) No. of Equity shares issued, subscribed and fully paid (Par value per share Rs. 10)	1,05,14,40,000	10,51,44,00,000	92,40,80,000	9,24,08,00,000
c) **Changes in Equity Share Capital**				
Opening number of shares outstanding	92,40,80,000	9,24,08,00,000	20,01,00,000	2,00,10,00,000
Add: No. of shares/Share Capital issued/ subscribed during the year	12,73,60,000	1,27,36,00,000	72,39,80,000	7,23,98,00,000
Less: Reduction in no. of shares/Share Capital on account of buy back of shares.	-	-	-	-
Closing number of shares outstanding	1,05,14,40,000	10,51,44,00,000	92,40,80,000	9,24,08,00,000

d) The Company has issued only one kind of equity shares with voting rights proportionate to the share holding of the shareholders. These voting rights are exercisable at meeting of shareholders. The holders of the equity shares are also entitled to receive dividend as declared from time to time for them.

e) Shares in respect of each class in the company held by its holding company or its ultimate holding company including shares held by or by subsidiaries or associates of the holding company or the ultimate holding company in aggregate: NIL

f) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -

Shareholder	As at 31st March, 2018		As at 31st March, 2017	
	Nos	In (%)	Nos	In (%)
i) NHPC Limited	58,23,60,000	55.39%	46,00,00,000	49.78%
ii) JKSPDC Limited	46,50,00,000	44.23%	46,00,00,000	49.78%

g) Shares reserved for issue under options and contracts/commitments for the sale of shares/disinvestment, including the terms and amounts : NIL

h) In preceding five financial years immediately preceding 31.03.2018, Company has not allotted any equity share as fully paid up pursuant to contract(s) without payment being received in cash/ not allotted any equity share as fully paid up by way of bonus share(s). : NIL

KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

Note 15.2 Other Equity

	PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
1	Share Application Money Pending Allotment	65,19,00,000	-
2	General Reserve	-	-
3	Retained Earnings		
	i) Reserves created on account of Ind AS Adjustment	-	7,61,891
	ii) Closing Balance Remeasurement of the defined benefit plans	-	-
	iii) Surplus	25,22,58,949	21,20,39,230
4	FVTOCI Reserve-		
	- Equity Instruments	-	-
	- Debt Instruments	-	-
	Total	**90,41,58,949**	**21,28,01,121**
	*** Surplus**		
	Profit for the Year as per Statement of Profit and Loss	3,94,57,828	5,50,03,773
	Adjustment arising out of transition provisions for recognising Rate Regulatory Assets	-	-
	Balance brought forward	21,28,01,121	15,70,35,457
	Balance carried forward	**25,22,58,949**	**21,20,39,230**

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

Annexure to Note No. 15.2 OTHER EQUITY (Amount in ₹)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
(i) **General Reserve**		
As per last Balance Sheet	-	
Add: Transfer from Surplus/Retained Earnings	-	-
Less: Write back during the year	-	-
Add: Transfer from Self Insurance Fund	-	-
Less: Tranfer to Capital Redemption Reserve		-
As at Balance Sheet date	-	-
(ii) **Retained Earnings/ Surplus**		
As per last Balance Sheet	21,28,01,121	15,77,97,348
Add:- Prior Period errors (Net)		
Add: Profit during the year	3,94,57,828	5,50,03,773
Add: Transferred from OCI	-	-
Add: Amount written back from Corporate Social Responsibility Fund	-	-
Less: Transfer to Research & Development Fund	-	-
Less: Transfer to General Reserve	-	-
Less: Transfer to Corporate Office	-	-
Add: Transfer from Power Stations and Projects	-	-
As at Balance Sheet date	**25,22,58,949**	**21,28,01,121**
TOTAL	**25,22,58,949**	**21,28,01,121**

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2018

OTHER EQUITY

(Amount in ₹)

Attributable to equity holders	Share Application Money Pending Allotment	Reserve & Surplus						Other Comprehensive Income		Total
		Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Research & Development Fund	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	
Balance as at 1st April, 2017	-	-	-	-	-	-	21,28,01,121	-	-	21,28,01,121
Profit for the year		-	-	-	-	-	3,94,57,828	-	-	3,94,57,828
Other Comprehensive Income		-	-	-	-	-	-	-	-	-
Total Comprehensive Income		-	-	-	-	-	3,94,57,828	-	-	3,94,57,828
Share Application Money received during the year.	65,19,00,000									65,19,00,000
Transfer to Retained Earning										-
Amount written back from Bond Redemption Reserve		-	-	-	-		-			-
Tax on Dividend - Write back		-	-	-	-		-			-
Others										-
Transfer from Retained Earning							-			-
Dividend		-	-	-	-		-			-
Tax on Dividend		-	-	-	-		-			-
Transfer to Bond Redemption Reserve		-	-	-	-		-			-
Transfer to Research & Development Fund		-	-	-	-		-			-
Transfer to General Reserve						-	-			-
Total as on 31st March 2018	65,19,00,000	-	-	-	-	-	25,22,58,949	-	-	90,41,58,949

For S. Kumar Gupta & Co.
Chartered Accountants
(Firm Regn. No.: 001667N)

S. KUMAR GUPTA & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

(CA Vinamar Gupta)
Partner
M.No.: 503362

(K K Goel)
Chief (Finance)

(M S Babu)
Managing Director

STATEMENT OF CHANGES IN EQUITY AS AT 31ST MARCH, 2017

OTHER EQUITY

(Amount in ₹)

Attributable to equity holders	Reserve & Surplus							Other Comprehensive		Total
	Share Application Money Pending Allotment	Capital Redemption Reserve	Securities Premium	Bond Redemption Reserve	Research & Development Fund	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI	Debt instruments through OCI	
Balance as at 1st April, 2017	-	-	-	-	-	-	15,77,97,348	-	-	15,77,97,348
Profit for the year							5,50,03,773	-	-	5,50,03,773
Other Comprehensive Income							-	-	-	-
Total Comprehensive Income							5,50,03,773	-	-	5,50,03,773
Share Application Money received during the year.	-	-	-	-	-			-	-	-
Transfer to Retained Earning								-	-	-
Amount written back from Bond Redemption Reserve	-	-	-	-	-	-	-	-	-	-
Tax on Dividend - Write back	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-		-	-	-
Transfer from Retained Earning	-	-	-	-	-	-		-	-	-
Dividend	-	-	-	-	-	-		-	-	-
Tax on Dividend	-	-	-	-	-	-		-	-	-
Transfer to Bond Redemption Reserve	-	-	-	-	-	-	-	-	-	-
Transfer to Research & Development Fund	-	-	-	-	-	-	-	-	-	-
Transfer to General Reserve	-	-	-	-	-	-	-	-	-	-
Total as on 31st March 2018	-	-	-	-	-	-	21,28,01,121	-	-	21,28,01,121

For S. Kumar Gupta & Co.
Chartered Accountants
(Firm Regn. No.: 001667N)

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS CA AMRITSAR FRN-1667

(CA Vinamar Gupta)
Partner
M.No.: 503362

(K K Goel)
Chief (Finance)

(M S Babu)
Managing Director

NOTE NO. 15.3 FUNDS FROM CORPORATE OFFICE (Transfer Accounts)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
FUNDS FROM CORPORATE OFFICE	8,72,43,88,785	4,64,44,82,322
C.O. (JAMMU)	46,83,67,034	(2,35,55,90,942)
IUT Closing Entries - CO	-	-
DULHASTI (STAGE - II)	(38,71,167)	(38,71,167)
PAKAL DUL	(2,14,77,81,825)	(96,72,41,757)
KIRU	(97,61,87,837)	(88,30,83,675)
KWAR	27,08,96,560	39,98,48,769
CHEQUE PAID ACCOUNT: -		
C.O. (JAMMU)	1,33,46,17,000	5,64,87,88,000
DULHASTI (STAGE - II)	(43,80,000)	(43,80,000)
PAKAL DUL	(6,91,22,16,550)	(6,20,32,16,550)
KIRU	(55,80,51,000)	(27,57,35,000)
KWAR	(19,57,81,000)	-
CHEQUE COLLECTED ACCOUNT	-	-
Total	-	-

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NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Term Loans		
• From Banks		
' - Secured	-	-
' - Unsecured	-	-
• From Other Parties		
' - Secured	-	-
' - Unsecured-From Government (Subordinate Debts)	-	-
' - Unsecured-From Others	-	-
TOTAL	-	-
Maturity Analysis of Borrowings		
The table below summarises the maturity profile of the company's borrowings based on contractual payments :	N/A	N/A
Particulars		
More than 1 Year & Less than 3 Years	-	-
More than 3 Year & Less than 5 Years	-	-
More than 5 Years	-	-
TOTAL	-	-

NOTE NO. 16.2 FINANCIAL LIABILTIES - NON CURRENT - OTHERS

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Deposits/ retention money	14,22,546	70,68,890
TOTAL	14,22,546	70,68,890
Maturity Analysis of Deposit / Retention Money		
The table below summarises the maturity profile of the deposits/retention money based on contractual payments :		
Particulars		
More than 1 Year & Less than 3 Years	16,10,568	80,31,403
More than 3 Year & Less than 5 Years	-	-
More than 5 Years	-	-
TOTAL	16,10,568	80,31,403

NOTE NO. 17 PROVISIONS - NON CURRENT

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A. PROVISION FOR EMPLOYEE BENEFITS (provided for on basis of actuarial valuation)		
i) As per last Balance Sheet	71,63,521	93,04,018
Additions during the year	1,55,83,844	3,84,393
Amount used/ W- Off during the year	-	10,67,584
Amount reversed during the year	-	14,57,306
Closing Balance	**2,27,47,365**	**71,63,521**
B. OTHERS		
i) **Provision For Committed Capital Expenditure**		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Unwinding of discount	-	-
Closing Balance	-	-
ii) **Provision-Others**		
As per last Balance Sheet	-	-
Additions during the year		-
Amount used during the year		-
Amount reversed during the year		-
Closing Balance	-	-
TOTAL	2,27,47,365	71,63,521

* Information about Provisions are given in para 17 of Note 34-Other explanatory Notes to Accounts.

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NOTE NO. 18 DEFERRED TAX LIABILITIES (NET) - NON CURRENT

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Liability		
a) Property, Plant and Equipments, Investment Property and Intangible Assets.	-	-
b) Financial Assets at FVTOCI	-	-
c) Other Items	-	-
Less: Deferred Tax Adjustment against Deferred Tax Liabilities	-	-
Net Deferred Tax Liability	-	-
Less:-Set off Deferred Tax Assets pursuant to set off provisions		
a) Provision for doubtful debts, inventory and others		
b) Provision for employee benefit schemes		
c) Other Items		
Net Deferred Tax Assets	-	-
TOTAL	-	-

Explanatory Note: -

1) Deferred tax liability/(assets), in compliance to the Ind AS 12 on "Accounting for Taxes on Income" notified under The Companies Act, 2013 has been created as deferred tax liability/Assets.-

2) Movement in Deferred Tax Liability/Assets are shown in Annexure to Note No-18

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income received in advance (Advance Against Depreciation)	-	-
Grants in aid-from Government-Deferred Income	-	-
TOTAL	-	-
GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME		
As at the beginning of the year	-	
Add: Received during the year		
Less: Released to Statement of Profit and Loss		
Balance as at the year end	-	-
Grants in Aid-from Government-Deferred Income (Current)	-	-
Grants in Aid-from Government-Deferred Income (Non-Current)	-	-

NOTE NO. 20.1 BORROWINGS - CURRENT

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Borrowings-Other Loans-Secured		
From Banks	-	-
TOTAL	-	-

* Repayment Term: The Loan amount may be repaid at any point of time and in part also.

** Default in repayments (if any) : Nil

NOTE NO. 20.2 TRADE PAYABLE - CURRENT

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Total outstanding dues of micro enterprise and small enterprise(s)	-	-
Total outstanding dues of Creditors other than micro enterprises and small enterprises	-	-
TOTAL	-	-

Explanatory Note: -

Disclosure requirement under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 is given in Note No.34- Other Explanatory Notes to Accounts.

NOTE NO. 20.3 OTHER FINANCIAL LIABILITIES - CURRENT

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Liability against capital works/supplies	5,27,35,974	2,48,25,631
Deposits	-	-
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Deposits/ retention money	1,82,92,275	1,11,42,907
Unpaid interest	-	-
Other Payables-Payable to Employees	5,79,066	15,10,036
Other Payables-Payable to Others	1,16,20,72,526	1,96,25,03,860
TOTAL	**1,23,36,79,841**	**1,99,99,82,434**

Explanatory Notes:

1) Other Current Liabilities includes amount of Rs. 109.11 Crore* (Prevoius year Rs.194.47 Crore*) payable to NHPC Limited during the period on account of employees related transacion and adjustment made through debit/ credit advices.

*Payable against Pakal Dul HEP (in crores) *	-	85.59
Payable against Kiru HEP (in crores) *	103.03	103.03
Employees related transaction (during the period - in crores) *	6.08	5.85

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NOTE NO. 21 OTHER CURRENT LIABILITIES

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income received in advance (Advance against depreciation)	-	-
Unspent amount of deposit/agency basis works	-	-
Statutory dues payables	2,75,17,553	1,19,87,231
Advances against the deposit works	-	-
Amount Spent on Deposit Works	-	-
Other liabilities-Advance from Customers & Others.	1,00,00,00,000	5,00,00,000
Grants in aid-from Government-Deferred Income	-	-
TOTAL	1,02,75,17,553	6,19,87,231

NOTE NO. 22 PROVISIONS - CURRENT

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A. PROVISION FOR EMPLOYEE BENEFITS (provided for on basis of actuarial valuation)		
i) As per last Balance Sheet	2,75,580	3,70,244
Additions during the year	7,71,261	2,75,580
Amount used during the year	2,75,580	3,70,053
Amount reversed during the year		191
Closing Balance	**7,71,261**	**2,75,580**
ii) **Provision for Wage Revision**		
As per last Balance Sheet	58,14,699	52,63,768
Additions during the year	25,85,290	6,69,683
Amount used during the year	-	1,18,752
Amount reversed/ transferred during the year	22,09,479	-
Closing Balance	**61,90,510**	**58,14,699**
Less: Advance paid	61,90,510	58,14,699
Closing Balance (Net of advance)	-	-
iii) **Provision for Performance Related Pay/Incentive**		
As per last Balance Sheet	1,34,65,152	1,29,66,680
Additions during the year	4,38,71,758	1,34,65,152
Amount used during the year	1,09,48,239	1,25,89,573
Amount reversed during the year	23,51,449	3,77,107
Closing Balance	**4,40,37,222**	**1,34,65,152**
iv) **Provision For Wage Revision 3rd PRC**		
As per last Balance Sheet	1,47,07,364	-
Additions during the year	6,81,75,124	1,47,07,364
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	**8,28,82,488**	**1,47,07,364**
B. **OTHERS**		
i) **Provision - Others**		
As per last Balance Sheet	1,57,87,446	1,48,49,991
Additions during the year	-	9,37,455
Amount used during the year	-	-
Amount reversed during the year	1,57,87,446	-
Closing Balance	-	**1,57,87,446**
TOTAL	**12,76,90,971**	**4,42,35,542**

Explanatory Note: -

1) The cumulative amount provided towards the Personal Pay Adjustment w.e.f 01/02/2014 to 31/03/2018 under the head "Provision for Wage Revision" is Rs. 0.62 Crore (including provision for the current period Rs. 0.26 Crore) with corresponding amount shown as "Advance paid".

2) Information about Provisions are given in para 17 of Note 34 of Balance Sheet.

NOTE NO. 23 CURRENT TAX LIABILITIES (NET)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income Tax		
As per last Balance Sheet	8,78,80,168	5,14,02,742
Additions during the year	1,71,14,068	3,64,77,426
Amount adjusted during the year	-	-
Amount used during the year	3,394	-
Amount reversed during the year	5,14,02,741	-
Closing Balance	5,35,88,101	8,78,80,168
Less: Current Advance Tax	5,36,59,674	8,78,76,627
Net Current Tax Liabilities (Net)	(71,573)	3,541
Less: Current tax Assets (Move to Note No-12)	71,573	-
TOTAL	-	3,541

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NOTE NO. 24 REVENUE FROM CONTINUING OPERATIONS (Amount in ₹)

	PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
I	**Operating Revenue**		
A	SALES		
	SALE OF POWER	-	-
	Less :		
	Sales adjustment on a/c of Foreign Exchange Rate Variation	-	-
	Tariff Adjustments	-	-
	Regulated Power Adjustment	-	-
	Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	-	-
	Rebate to customers	-	-
	Sub - Total (A)	-	-
B	**Income from Finance Lease**	-	-
C	**Income from Operating Lease**	-	-
D	REVENUE FROM CONTRACTS, PROJECT MANAGEMENT AND CONSULTANCY WORKS		
	Contract Income	-	-
	Revenue from Project management/ Consultancy works	-	-
	Sub - Total (D)	-	-
	Sub-Total-I (A+B+C+D)	-	-
E	OTHER OPERATING REVENUE		
	Interest from Beneficiary States (Revision of Tariff)	-	-
	Sub-Total-II	-	-
	TOTAL (I+II)	-	-

KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE NO. 25 OTHER INCOME (Amount in ₹)

	PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
A)	**Interest Income**		
	- Interest from Investments carried at FVTOCI	-	-
	- Interest - Government Securities (8.5% tax free bonds issued by the State Governments)	-	-
	- Interest from Financial Assets carried at Amortized Cost		
	-Deposit Account	6,20,18,882	10,88,16,893
	- Employee's Loans and Advances (Net of Rebate)	-	-
	- Interest from advance to contractors	-	-
	- Others	-	-
B)	**Other Non Operating Income**		
	Late payment surcharge	-	-
	Income From Sale of Self Generated VERs/REC	-	-
	Realization of Loss Due To Business Interruption	-	-
	Profit on sale of investments	-	-
	Profit on sale of Assets.	-	-
	Income from Insurance Claim	-	-
	Liability/ Provisions not required written back #	96,10,396	24,55,377
	Material Issued to contractor		
	(i) Sale on account of material issued to contractors	-	-
	(ii) Cost of material issued to contractors on recoverable basis	-	-
	(iii)Adjustment on account of material issued to contractor	-	-
	Amortization of Grant in Aid	-	-
	Income on account of generation based incentive (GBI)	-	-
	Exchange rate variation	-	-
	Others	93,76,144	45,21,231
	Sub-total	8,10,05,422	11,57,93,501
	Add/(Less): C.O./Regional Office/PID Expenses	-	-
	Sub-total	8,10,05,422	11,57,93,501
	Less: Income transferred to Expenditure Attributable to Construction	1,89,88,965	69,76,608
	Less: Income transferred to Advance/ Deposit from Client/Contractees and against Deposit Works	-	-
	Less: Transfer of other income to grant	-	-
	Total carried forward to Statement of Profit & Loss	**6,20,16,457**	**10,88,16,893**
	Explanatory Note: -		
1	**Detail of Liability/Provisions not required written back #**		
	a) Bad & Doubtful Employees Loans (*1 under Note 3.2)	-	-
	b) Bad & Doubtful Advances to Contractor/ Supplier (*2 under Note 3.2)	-	-
	c) Bad & Doubtful Loan to State Government (*3 under Note 3.2)	-	-
	d) Bad & Doubtful Deposits (*4 under Note 3.2)	-	-
	e) Bad & Doubtful Capital Advances(*1 under Note No. 4.2)	-	-
	f) Bad & Doubtful Deposits(*2 under Note No. 4.2)	-	-
	g) Diminution in value of stores and spares (*1 under Note 5)	-	-
	h) Bad and doubtful debts (*1 under Note 7)	-	-
	i) Bad & Doubtful Employees Loans (*1 under Note 10)	-	-
	j) Provision for doubtful claims (*1 under Note No.11)	-	-
	k) Provisions for Doubtful Accrued Interest (*3 under Note No. 13)	-	-
	l) Provisions for Doubtful Deposits (*1 under Note No. 13)	-	-
	m) Provisions for doubtful advances (Contractors & Suppliers) (*2 under Note No. 13)	-	-
	n) Provision for project expenses awaiting write off sanction (*4 under Note No. 13)	-	-
	o) Provision for losses pending investigation/awaiting write off / sanction (*5 under Note No. 13)	-	-
	p) Provision for wage revision (Sl.no-A(ii) of Note No-22)	22,09,479	-
	q) Provision for PRP / Incentive /Productivity Linked Incentive (Sl.no-A(iii) of Note No-22)	23,51,449	3,77,107
	r) Provision for Superannuation/Pension Fund (Sl.no-A(iv) of Note No-22)	-	-
	s) Provision for Retirement benefits(Sl.no-A (i) of Note No-17 & 22)	-	14,57,497
	t) Provision for tariff adjustment [Sl. No B(i) under Note 22]	-	-
	u) Provision for Committed Capital Expenditure (Sl.no-B(i) of Note No-17 and Sl.no-B(ii) of Note No.-22)	-	-
	v) Provision for Livelihood Assistance (Sl.no-B(ii) of Note No-17 and Sl.no-B(iv) of Note No.-22)	-	-
	w) Provision for Restoration expenses of Insured Assets (Sl.no-B(iii) of Note No-22)	-	-
	x) Write back of Project expenses provided for		
	y) Provision for 3rd PRC (Sl. No-A(v) of Note No.-22)	-	-
	z) Others	50,49,468	6,20,773
	TOTAL	96,10,396	24,55,377
		-	-

NOTE NO. 26 GENERATION AND OTHER EXPENSES (Amount in ₹)

PARTICULARS		For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
A.	**GENERATION EXPENSES**		
	(i) Water Usage Charges	-	-
	(ii) Consumption of stores and spare parts	-	-
B.	Direct Expenditure on Contract, Project Management and Consultancy Works	-	-
C.	**REPAIRS & MAINTENANCE**		
	- Building	2,59,88,827	89,22,006
	- Machinery	-	-
	- Others	28,71,091	44,53,175
D.	OTHER EXPENSES		
	Rent & Hire Charges	3,13,69,853	1,98,30,327
	Rates and taxes	15,02,610	72,75,240
	Insurance	5,76,681	6,16,978
	Security expenses	41,41,674	8,55,913
	Electricity Charges	48,13,247	23,50,856
	Travelling and Conveyance	1,32,27,073	1,02,79,847
	Expenses on vehicles	14,37,314	12,23,505
	Telephone, telex and Postage	22,32,049	14,41,628
	Advertisement and publicity	1,00,68,452	38,19,428
	Entertainment and hospitality expenses	4,50,861	4,91,944
	Printing and stationery	19,59,158	23,37,619
	Consultancy charges - Indigenous	24,22,36,185	11,25,89,880
	Consultancy charges - Foreign	-	-
	Audit expenses (Refer explanatory note-3 below)	1,82,757	1,40,073
	Expenses on.compensatory afforestation/ catchment area treatment/ environmental expenses	6,10,100	-
	Expenditure on land not belonging to company	1,91,73,640	1,49,47,000
	Loss on Assets	18,40,233	86,277
	Losses out of insurance claims (upto excess clause)	-	-
	Losses out of insurance claims (beyond excess clause)	-	-
	Books & Periodicals	40,263	93,018
	Donation	-	-
	CSR/ Sustainable Development	6,98,460	-
	Community Development Expenses	-	-
	Directors' expenses	-	-
	Research and development expenses	-	-
	Interest on Arbitration/ Court Cases	-	-
	Interest to beneficiary states	-	-
	Expenditure on Self Generated VER's/REC	-	-
	Expenses for Regulated Power	-	-
	Less: - Exp Recoverable on Regulated Power	-	-
	Exchange rate variation	-	-
	Training Expenses	1,54,094	13,60,106
	Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC	20,220	33,000
	Operational/Running Expenses of Kendriya Vidyalay	-	-
	Operational/Running Expenses of Other Schools	-	-
	Operational/Running Expenses of Guest House/Transit Hostel	10,000	-
	Operating Expenses of DG Set-Other than Residential	-	-
	Other general expenses	54,57,070	38,13,153
	Sub-total	37,10,61,912	19,69,60,973
	Add/(Less): C.O./Regional Office/PID Expenses	-	-
	Sub-total	37,10,61,912	19,69,60,973
	Less: Amount transferred to Expenditure Attributable to Construction	36,56,18,177	17,96,25,279
	Less: Recoverable from Deposit Works	-	-
	Less: Transfer of Generation & other expenses - IPO/Buyback	-	-
		54,43,735	1,73,35,694
E.	**PROVISIONS**		
	Bad and doubtful debts provided	-	-
	Expected Credit Loss Allowance-Trade Receivables	-	-
	Bad and doubtful advances / deposits provided	-	-
	Bad and doubtful claims provided	315	-
	Doubtful Interest Provided for	-	-
	Diminution in value of stores and spares	-	-
	Shortage in store & spares provided	-	-
	Provision against diminution in the value of investment	-	-
	Project expenses provided for	-	-
	Provision for fixed assets/ stores provided for	-	-
	Diminution in value of Inventory of Self Generated VER's Provided for	-	-
	Provision for catchment area treatment plan	-	-
	Provision for Interest to Beneficiary	-	-
	Provision for interest against court/arbitration award	-	-
	Others	-	-
	Sub-total	315	-
	Add/(Less): C.O./Regional Office/PID Expenses	-	-
	Sub-total	315	-
	Less: Amount transferred to Expenditure Attributable to Construction	315	-
	Less: Recoverable from Deposit Works	-	-
		-	-
	Total carried forward to Statement of Profit & Loss	54,43,735	1,73,35,694

S. KUMAR GUPTA & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

Explanatory Note: -

1 The Company's significant leasing arrangements are in respect of operating leases of premises for offices, guest houses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest houses & transit camps are shown in Rent.

(Amount in ₹)

2 Detail of audit expenses are as under: -	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
i) Statutory auditors		
As Auditor		
Audit Fees	1,44,216	1,14,416
Tax Audit Fees	-	-
In other Capacity		
Taxation Matters	-	-
Company Law Matters	-	-
Management Services	-	-
Other Matters/services	15,143	-
Reimbursement of expenses	23,398	25,657
ii) Cost Auditors		
Audit Fees	-	-
Reimbursement of expenses	-	-
Total Audit Expenses	1,82,757	1,40,073

NOTE NO. 27 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Salaries, wages, allowances	41,13,14,167	27,59,43,436
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	4,41,83,953	6,51,25,813
Staff welfare expenses	2,60,58,229	1,31,04,866
Leave Salary & Pension Contribution	-	-
Sub-total	48,15,56,349	35,41,74,115
Add/(Less): C.O./Regional Office Expenses	-	-
Sub-total	48,15,56,349	35,41,74,115
Less: Employee Cost transferred to Expenditure Attributable to Construction	48,15,56,349	35,41,74,115
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	-	-

Explanatory Note: -

1 The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees. These leasing arrangements, which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for residential use of employees included in Salaries, wages, allowances.

2 Gratuity, Contribution to provident fund & pension scheme include contributions:	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
i) towards Employees Provident Fund	1,85,46,753	1,61,42,383
ii) towards Employees Defined Contribution Superannuation Scheme	1,26,16,858	1,13,44,565

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

NOTE NO. 28 FINANCE COST

(Amount in ₹)

	PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
A	Interest on Financial Liabilities at Amortized Cost :		
	Term loan	-	-
	Government of India loan	-	-
	Unwinding of discount-GOI Loan	-	-
	Sub-total	-	-
B	Other Borrowing Cost		
	Other finance charges	-	(605)
	Unwinding of discount-Provision & Financial Liablities	8,13,751	6,06,547
	Sub-total	8,13,751	6,05,942
C	Applicable net gain/ loss on Foreign currency transactions and translation		
	Exchange differences regarded as adjustment to interest cost	-	-
	Less: Interest adjustment on account of Foreign Exchange Rate Variation	-	-
	Sub-total	-	-
	Total (A + B + C)	8,13,751	6,05,942
	Add/(Less): C.O./Regional Office/PID Expenses	-	-
	TOTAL	8,13,751	6,05,942
	Less: Finance Cost transferred to Expenditure Attributable to Construction	8,13,751	6,05,942
	Less: Recoverable from Deposit Works	-	-
	Total carried forward to Statement of Profit & Loss	-	-

NOTE NO. 29 DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in ₹)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Depreciation & Amortisation Expenses	1,74,51,603	1,03,00,039
Depreciation adjustment on account of Foreign Exchange Rate Variation	-	-
Add/(Less): C.O./Regional Office / PID Expenses	-	-
Sub-total	1,74,51,603	1,03,00,039
Less: Depreciation & Amortisation Expenses transferred to Expenditure Attributable to Construction	1,74,51,603	1,03,00,039
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	-	-

KUMAR GUPTA & CO. CA AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

NOTE NO. 30 TAX EXPENSES (Amount in ₹)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Current Tax		
Income Tax Provision	1,71,14,068	3,64,77,426
Adjustment Relating To Earlier periods	826	-
Total current tax expenses	**1,71,14,894**	**3,64,77,426**
*Deferred Tax- **		
Decrease (increase) in deferred tax assets		
- Relating to origination and reversal of temporary differences	-	-
- Relating to change in tax rate	-	-
- Adjustments in respect of deferred tax of prior periods	-	-
Increase (decrease) in deferred tax liabilities		
- Relating to origination and reversal of temporary differences	-	-
- Relating to change in tax rate	-	-
- Adjustments in respect of deferred tax of prior periods	-	-
Total deferred tax expenses (benefits)	-	-
Less: Recoverable for tariff period upto 2009	-	-
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities	-	-
Net Deferred Tax	-	-
Total carried forward to Statement of Profit & Loss	**1,71,14,894**	**3,64,77,426**

Explanatory Notes:-

i)

Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Accounting profit/loss before income tax	5,65,72,722	9,14,81,199
Applicable tax rate	0.2755	0.3345
Computed tax expense	**1,55,87,199**	**3,06,04,486**
Tax effects of amounts which are not deductible (Taxable) in calculating taxable income (non allocable ecpense)	15,00,554	57,99,553
CSR/ Sustainable Development/ Community Development Expenses		
Recoverable portion of Deferred Tax		
Exempt and Tax Free Income		
Tax Incentives		
Adjustment for current tax of prior periods	826	
MAT Credit Available/(utilization)		
Reversal of Deferred Tax Assets		
Other Items - Interest under section- 234C	26,315	73,387
Income tax expense reported in Statement of P/L	1,71,14,894	3,64,77,426

NOTE NO. 31 Movement in Regulatory Deferral Account Balances (Amount in ₹)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Movement in Regulatory Deferral Account Balances on account of:-		
(i) Wage Revision as per 3rd PRC	-	-
(ii) Exchange Differences on Monetary Items	-	-
TOTAL (A)=(i)+(ii)	-	-
Impact of Tax on Regulatory Deferral Accounts		
Deferred Tax Expense (Benefit) on Movement in Regulatory Deferral Account Balances	-	-
Less:-Deferred Tax Adjustement against deferred tax assets.	-	-
TOTAL (B)	-	-
Total carried forward to Statement of Profit & Loss (A-B)	-	-

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NOTE NO. 32 EXPENDITURE ATTRIBUTABLE TO CONSTRUCTION FORMING PART OF CAPITAL WORK IN PROGRESS FOR THE PERIOD.

(Amount in ₹)

	PARTICULARS		For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
A.	EMPLOYEE BENEFITS EXPENSE			
	Salaries, wages, allowances		20,73,23,109	11,87,83,792
	Gratuity and contribution to provident fund		2,38,53,130	1,48,89,419
	Staff welfare expenses		86,34,693	26,56,337
	Leave Salary & Pension Contribution		-	-
		Sub-total	23,98,10,932	13,63,29,548
B.	REPAIRS & MAINTENANCE			
	Building		1,23,20,973	22,34,775
	Machinery		-	-
	Others		16,73,323	38,85,845
		Sub-total	1,39,94,296	61,20,620
C.	ADMINISTRATION & OTHER EXPENSES			
	Rent		2,30,01,960	61,53,598
	Rates and taxes		2,79,000	35,400
	Insurance		1,48,809	69,217
	Security expenses		-	-
	Electricity Charges		9,20,486	3,46,833
	Travelling and Conveyance		47,54,310	21,09,289
	Expenses on vehicles		21,269	1,31,028
	Telephone, telex and Postage		7,58,940	4,50,839
	Advertisement and publicity		77,54,899	-
	Entertainment and hospitality expenses		-	-
	Printing and stationery		10,27,635	12,65,177
	Design and Consultancy charges:			
	- Indigenous		23,95,23,152	10,68,87,469
	- Foreign		-	-
	Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses		6,10,100	-
	Expenditure on land not belonging to company		1,91,73,640	1,49,47,000
	Assets/ Claims written off		-	-
	Land Acquisition and Rehabilitation Expenditure		-	-
	Losses on sale of assets		-	-
	Other general expenses		24,35,679	1,40,786
	Exchange rate variation (Debit)		-	-
		Sub-total	30,04,09,879	13,25,36,636
D.	FINANCE COST			
	Interest on :			
	Government of India loan		-	-
	Bonds		-	-
	Foreign loan		-	-
	Term loan		-	-
	Cash credit facilities /WCDL		-	-
	Exchange differences regarded as adjustment to interest cost		-	-
	Loss on Hedging Transactions		-	-
	Bond issue/ service expenses		-	-
	Commitment fee		-	-
	Guarantee fee on loan		-	-
	Other finance charges		-	-
	Transfer of expenses to EAC- Interest on loans from Central Government-adjustment on account of effective interest		-	-
	Transfer of expenses to EAC-Interest on security deposit/ retention money-adjustment on account of effective interest		1,49,518	1,79,986
	Transfer of expenses to EAC-committed capital expenses-adjustment for time value		-	-
		Sub-total	1,49,518	1,79,986
E.	PROVISIONS		315	-
		Sub-total	315	-
F.	DEPRECIATION AND AMORTISATION EXPENSES		61,89,018	57,54,144
		Sub-total	61,89,018	57,54,144
G.	C.O./Regional Office Expenses:			
	Other Income		(81,18,773)	(32,86,203)
	Generation, Administration and Other Expenses		5,12,14,002	4,09,68,023
	Employee Benefits Expense		24,17,45,417	21,78,44,567
	Depreciation & Amortisation Expenses		1,12,62,585	45,45,895
	Finance Cost		6,64,233	4,25,956
	Provisions		-	-
		Sub-total	29,67,67,464	26,04,98,238
H.	LESS: RECEIPTS AND RECOVERIES			
	Income from generation of electricity – precommissioning		-	-
	Interest on loans and advances		-	-
	Profit on sale of assets		-	-
	Exchange rate variation (Credit)		-	-
	Provision/Liability not required written back		69,67,436	4,48,965
	Hire charges/ outturn on plant and machinery		-	-
	Miscellaneous receipts		39,00,406	32,41,440
	Transfer of fair value gain to EAC- security deposit / retention money		2,350	-
	Transfer of fair value gain to EAC - on provisions for committed capital expenditure		-	-
		Sub-total	1,08,70,192	36,90,405
	TOTAL (A+B+C+D+E+F+G-H)		84,64,51,230	53,77,28,767

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Note-33: Disclosure on Financial Instruments and Risk Management
(1)Fair Value Measurement

A) Financial Instruments by category

Financial assets	Notes	As at 31st March, 2018 FVTOCI	As at 31st March, 2018 Amortised Cost	As as 31st March, 2017 FVTOCI	As as 31st March, 2017 Amortised Cost
Non-current Financial assets					
(i) Non-current investments					
a) In Equity Instrument (Quoted)	3.1	-	-	-	-
b) In Debt Instruments (Govt./PSU)-Quoted	3.1	-	-	-	-
Sub-total		-	-	-	-
(ii) Loans	3.2				
a) Employees			-		-
b) Loan to Government of Arunachal Pradesh (Including interest accrued)	3.2 & 3.3		-		-
c) Others			-		-
(iii) Others					
-Bank Deposits with more than 12 Months Maturity (Including interest accrued)	3.3		1,00,00,000		1,00,00,000
Total Non-current Financial assets		-	1,00,00,000	-	1,00,00,000
			-		-
Current Financial assets					
(i) Current Investments	6		-		-
(ii) Trade Receivables	7		-		-
(iii) Cash and cash equivalents	8		1,74,24,61,858		1,41,80,71,147
(iv) Bank balances	9		2,00,00,000		-
(v) Loans	10		27,68,055		38,58,872
(vi) others (Excluding Lease Receivables)	11		4,59,72,968		1,82,56,737
Total Current Financial Assets		-	1,81,12,02,881	-	1,44,01,86,756
Total Financial Assets		-	1,82,12,02,881	-	1,45,01,86,756
			-		-

Financial Liabilities	Notes	As at 31st March, 2018 FVTOCI	As at 31st March, 2018 Amortised Cost	As as 31st March, 2017 FVTOCI	As as 31st March, 2017 Amortised Cost
(i) Long-term borrowings	16.1		-		-
(ii) Other Financial Liabilities	16.2		14,22,546		70,68,890
(iii) Borrowing -Short Term	20.1		-		-
(iv)Trade Payables including MSME	20.2		-		-
(v) Other Current financial liabilities					
a) Current maturities of long term borrowings	20.3		-		-
b) Interest Accrued but not due on borrowings	20.3		-		-
c) Other Current Liabilities	20.3		1,23,36,79,841		1,99,99,82,434
Total Financial Liabilities			1,23,51,02,387		2,00,70,51,324

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B) FAIR VALUATION MEASUREMENT

(Amount in ₹)

(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 classified its financial instruments into the following three levels prescribed under Ind AS-113 "Fair Value Measurements"

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.

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.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This includes security deposits/ retention money and loans at below market rates of interest.

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

		As at 31st March, 2018	As at 31st March, 2017
	Note No.	Level 1	Level 1
Financial Assets at FVTOCI **(i) Investments-**			
- In Equity Instrument (Quoted)	3.1	-	-
- In Debt Instruments (Govt./PSU)-Quoted	3.1	-	-
Total		-	-

Note:

All other financial assets and financial liabilities have been measured at amortised cost at balance sheet date and classified as non-recurring fair value measurement.

(Amount in ₹)

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

Particulars		As at 31st March, 2018			As at 31st March, 2017		
	Note No.	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Loans	3.2						
a) Employees			Nil			Nil	
b) Loans (including Interest Accrued)			-			-	
Others			-			-	
(ii) Others	3.3						
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)		1,06,18,206	-	-	1,08,27,322	-	-
Total Financial Assets		1,06,18,206	-	-	1,08,27,322	-	-
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3			-	-	-	-
(ii) Other Long Term Financial Liabilities	16.2			14,49,603	-	-	64,45,561
Total Financial Liabilities				14,49,603	-	-	64,45,561

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(Amount in ₹)

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

Particulars	Note No.	As at 31st March, 2018		As at 31st March, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets	3.2				
(i) Loans					
a) Employees		-	Nil	-	Nil
b) Loans (including Interest Accrued)		-	-	-	-
Others		-		-	
(ii) Others	3.3				
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)		1,00,00,000	1,06,18,206	1,00,00,000	1,08,27,322
Total Financial Assets		1,00,00,000	1,06,18,206	1,00,00,000	1,08,27,322
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1	-	Nil	-	Nil
(ii) Other Long Term Financial Liabilities	16.2	14,22,546	14,49,603	70,68,890	64,45,561
Total Financial Liabilities		14,22,546	14,49,603	70,68,890	64,45,561

Note:-
1. The Carrying amounts of current investments, Trade and other receivables, Cash and cash equivalents,Short-term loans and advances, Short term borrowings, Trade payables and other current financial liabilities are considered to be the same as their fair values, due to their short term nature.

2. For financial assets and financial liabilities measured at fair value, the carrying amounts are equal to the fair value.

(d) Valuation techniques and process used to determine fair values

(1) The Company values financial assets or financial liabilities using the best and most relevant data available. Specific valuation techniques used to determine fair value of financial instruments includes:

- Use of Quoted market price or dealer quotes for similar instruments.
- Fair value of remaining financial instruments is determined using discounted cash flow analysis.

(2) CVPP has adopted the discount rate of NHPC for fair valuation of financial assets or financial liabilities not at fair value (except long term employee loans) for FY 2017-18 i.e. 8.75% p.a. Since CVPP does not have any borrowings as on balance sheet date and considering the similar business and risk profile of NHPC and CVPP, discounting rate for recognition of fair value gain/ loss on financial assets/ financial liabilities has been done at the rate adopted by NHPC

(3) The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate as on 31.03.2018 of the parent company.

(4) As per Ind AS 109, financial liabilities that are subsequently measured at amortised cost are recognised initially at fair value minus transaction costs using the effective interest method. Since the transaction costs incurred on long term borrowings are not material, as such the company has not applied the effective interest method for initial recognition of such liabilities.

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(2)Financial Risk Management

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash & Cash equivalents, Other Bank Balances ,Trade receivables and financial assets measured at amortised cost, Lease Receivable.	Aging analysis, credit rating.	Diversification of bank deposits, letter of credit for selected customers.
Liquidity Risk	Borrowings and other facilities.	Rolling cash flow forecasts & Budgets	Availability of committed credit lines and borrowing facilities
Market Risk- Interest rate	Long term borrowings at variable rates	Sensitivity Analysis	1. Diversification of fixed rate and floating rates 2. Refinancing 3. Actual Interest is recovered through tariff as per CERC Regulation
Market Risk- security prices	Investment in equity and debt securities	Sensitivity Analysis	Portfolio diversification
Market Risk- foreign exchange	Recognised financial liabilities not denominated in INR.	Sensitivity Analysis	Foreign exchange rate variation is recovered through tariff as per CERC Regulation.

i) Credit risk

Credit risk is the risk that a counter party will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily trade receivables/leased assets) 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, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and 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.

The company operates in a regulated environment. Tariff of the company is fixed by the Central Electricity Regulatory Commission (CERC) through Annual Fixed Charges (AFC) comprising the following five components:
1. Return on Equity (RoE), 2. Depreciation, 3. Interest on Loans, 4. Operation & Maintenance Expenses and 5. Interest on Working Capital Loans. In addition to the above Foreign Currency Exchange variations and Taxes are also recoverable from Beneficiaries in terms of the Tariff Regulations. Hence variation in interest rate, currency exchange rate variations and other price risk variations are recoverable from tariff and do not impact the profitability of the company.

(B) 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.

Trade Receivables & lease receivables :-

The Company extends credit to customers in normal course of business. The Company monitors the payment track record of the customers. Outstanding 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.

Lease receivables of the company are with regard to Power Purchase Agreements classified as deemed lease as per Appendix C of Ind AS 17- 'Leases' as referred to in Note No. 34. The power purchase agreements are for sale of power to single beneficiary and recoverability of interest income and principal on leased assets i.e. PPE of the power stations are assessed on the same basis as applied for trade receivables.

Financial assets at amortised cost :-

Employee Loans: The Company has given loans to employees at concessional rates as per 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. The loans are secured by way of mortgage/hypothecation of the assets for which such loans are given. Management has assessed the past data and does not envisage any probable default on these loans.

Financial instruments and cash deposits :-

The Company considers factors such as track record, size of the bank, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the banks with which the Company has also availed borrowings. The Company invests surplus cash in short term deposits with scheduled banks. The company has balances and deposits with banks which are well diversified across private and public sector banks with limited exposure with any single bank.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as under:

Particulars	As at 31.03.2018	As at 31.03.2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments	0	0
Loans -Non Current	0	0
Other Non Current Financial Assets	10000000	10000000
Current Investments	0	0
Cash and cash equivalents	1742461858	1418071147
Bank balances	20000000	0
Loans -Current	2768055	3858872
Total (A)	**1775229913**	**1431930019**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	0	0
Lease Receivables	0	0
Total (B)	**0**	**0**
TOTAL (A+B)	**1775229913**	**1431930019**

(ii) Provision for expected credit losses :-

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company assesses outstanding receivables on an ongoing basis considering changes in payment behaviour and provides for expected credit loss on case-to-case basis.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

CERC Tariff Regulations 2014-19 allow the Company to raise bills on beneficiaries for late-payment surcharge. which adequately compensates the Company for time value of money arising due to delay in payment. Further, the fact that beneficiaries are primarily State Governments/ State Discoms and considering the historical credit loss experience for trade receivables, the Company does not envisage either impairment in the value of receivables from beneficiaries or loss due to time value of money due to delay in realization of trade receivables. However, the Company assesses outstanding trade receivables on an ongoing basis considering changes in operating results and payment behaviour and provides for expected credit loss on case-to-case basis. As at the reporting date company does not envisage any default risk on account of non-realisation of trade receivables.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Not over due	0-60 days past due	61-120 days past due	121-180 days past due	More than 180 days past due	Total
Gross Carrying amount as on 31.3.2018.	-	-	-	-	-	-
Gross Carrying amount as on 31.3.2017.	-	-	-	-	-	-

(iv) Reconciliation of impairment loss provisions

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

	Trade Receivables	Lease Receivable	Loans	Total
Balance as at 1.4.2017	-	-	-	-
Changes in Loss Allowances	-	-	-	-
Balance as at 31.03.2018	-	-	-	-

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(C) 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.

i) 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 and excess operating cash flows to meet its need for funds. The current committed lines of credit and internal accruals are sufficient to meet its short to medium term expansion needs. The Company monitors rolling forecasts of its liquidity requirements to ensure that it has sufficient cash to meet capital expenditure and operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the borrowing limits or covenants (where applicable) are not breached on any of its borrowing facilities.

The company had access to the following undrawn borrowing facilities at the end of the reporting period:

	As at 31st March 2018	As at 31st March 2017
At Floating Rate	Nil	Nil
	Nil	Nil
Total	**Nil**	**Nil**

ii) Maturities of Financial Liabilities:
The amounts disclosed in the table below are the contractual undiscounted cash flows. Balances due within 1 year is equal to their carrying balances as the impact of discounting is not significant.

As at 31st March 2018

(Amount in ₹)

Contractual maturities of financial liabilities	Note No.	Outstanding Debt as on 31.03.2018	Within 1 Year	More than 1 Year & Less than 3 Years	More than 3 Year & Less than 5 Years	More than 5 Year
Borrowings	16.1, 20.1 & 20.3	-	-	-	-	-
Other financial Liabilities	16.2 & 20.3	1,23,55,74,673	1,23,39,64,105	16,10,568	-	-
Trade Payables	20.2	-	-	-	-	-
Total Financial Liabilities		**1,23,55,74,673**	**1,23,39,64,105**	**16,10,568**	-	-

As at 31st March 2017

(Amount in ₹)

Contractual 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
Borrowings	16.1, 20.1 & 20.3	-	-	-	-	-
Other financial Liabilities	16.2 & 20.3	2,00,80,27,795	1,99,99,96,392	80,31,403	-	-
Trade Payables	20.2	-	-	-	-	-
Total Financial Liabilities		**2,00,80,27,795**	**1,99,99,96,392**	**80,31,403**	-	-

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(D) Market Risk:

The sensitivity analysis excludes the impact of movements in market variables on the carrying value of post-employment benefit obligation provisions and on the non-financial assets and liabilities. The sensitivity of the relevant item of the Statement of Profit and Loss 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. Company's policy is to maintain most of its borrowings at fixed rate. Company's fixed rate borrowings are carried at amortised cost and are not subject to interest rate risk. Further the company refinance these debts as and when favourable terms are available. The company is also compensated for variability in floating rate through recovery by way of tariff adjustments under CERC tariff regulations.

The exposure of the company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	As at 31st March 2018	As at 31st March 2018	As at 31st March, 2017	As at 31st March, 2017
	weighted average interest rate		weighted average interest rate	
Floating Rate Borrowings (INR)	Nil	-	Nil	-
Floating Rate Borrowings (FC)	Nil	-	Nil	-
Fixed Rate Borrowings (INR)	Nil	-	Nil	-
Fixed Rate Borrowings (FC)	Nil	-	Nil	-
Total	Nil	-	Nil	-

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 .

(Amount in ₹)

Particulars	Effect on Profit before Tax	
	As at 31st March 2018	As at 31st March, 2017
Borrowing in INR-Interest rates-decreased by .... basis points (Previous year 2016-17 decreased by .... basis points)*	Nil	Nil
Borrowing in FC-Interest rates-increased by .... basis points (Previous year 2016-17 increased by .... basis points)*	Nil	Nil
Borrowing in FC-Interest rates-decreased by .... basis points (Previous year 2016-17 decreased by .... basis points)*	Nil	Nil

However there is no impact on profit or loss for increase and decrease in interest rates, as the same is recoverable from beneficiaries through tariff.

(ii) Price Risk:

(a) Exposure

The company's exposure to price risk arises from investment in equity shares and debt instruments classified in the financial statements as Fair Value Through OCI. Company's investment in equity shares are listed in recognised stock exchange and are publicly traded in the stock exchanges. Company's investment in debt instruments comprise quoted Government Securities and Public Sector Bonds and are publicly traded in the market. The investment has been classified under non-current investment in Balance Sheet.

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(b) Price Risk Sensitivity

For Investment in Equity Instruments

The table below summarises the impact of increase/decrease in the market price of investment in equity instruments on the company's equity for the year:

Particulars	As at 31st March 2018		As at 31st March, 2017	
Investment in Equity shares of :	% change	Impact on other components of equity	% change	Impact on other components of equity
	Nil		Nil	
	Nil		Nil	

Sensitivity has been worked out based on the previous 3 years average of six monthly fluctuations in the share price as quoted on the National Stock Exchange (NSE).

For Investment in Debt Instruments

The table below summarises the impact of increase/decrease of the market value of the debt instruments on company's equity for the year:

Particulars	As at 31st March 2018		As at 31st March, 2017	
	% change	Impact on other components of equity	% change	Impact on other components of equity
	Nil		Nil	
	Nil		Nil	

(iii)Foreign Currency Risk

The company is compensated for variability in foreign currency exchange rate through recovery by way of tariff adjustments under the CERC Tariff Regulations.

(a) Foreign Currency Exposure:

The company's exposure to foreign currency risk at the end of the reporting period expressed in INR are as follows :

(Amount in ₹)

Particulars	As at 31st March 2018	As at 31st March, 2017
Financial Liabilities:		
Foreign Currency Loans	-	-
Other Financial Liabilities	-	-
Net Exposure to foreign currency (liabilities)	0	0

(b) Sensitivity Analysis

There is no impact of foreign currency fluctuations on the profit of the company as these are either adjusted to the carrying cost of respective fixed asset/Capital Work-in-Progress or recovered through tariff as per CERC Tariff Regulation 2014-19.

KUMAR GUPTA & CO. S. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

CVPP, Jammu

(3) Capital Management

(a) Capital Risk Management

The primary objective of the Company's capital management is to maximize the shareholder value. CERC Tariff Regulations prescribe Debt : Equity ratio of 70:30 for the purpose of fixation of tariff of Power Projects. Accordingly the company manages its capital structure to maintain the normative capital structure prescribed by the CERC.

The Company monitors capital using Debt : Equity ratio, which is net debt divided by total capital. The Debt : Equity ratio are as follows:

Statement of Gearing Ratio

Particulars	As at March 31, 2018	As at March 31, 2017
(a) Total Debt	-	-
(b) Total Capital	11,41,85,58,949	9,45,36,01,121
Gearing Ratio (a/b)	-	-

For S. Kumar Gupta & Co.
Chartered Accountants
(Firm Regn. No.: 001661N)

S. KUMAR GUPTA & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

(CA Vinamar Gupta)
Partner
M.No.: 503362

(K K Goel)
Chief (Finance)

(M S Babu)
Managing Director

Note No. - 34: Other Explanatory Notes to Accounts

1. Disclosures relating to Contingent Liabilities: -

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

(i) Capital works

Contractors have lodged claims aggregating to ₹ 1,74,67,519/- (previous year ₹ Nil) against the Company on account of rate & quantity deviation, cost relating to extension of time, 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. It includes ₹ 1,74,67,519/- (previous year ₹ Nil) towards arbitration awards including updated interest thereon, against the Company, which have been challenged/decided to be challenged in the Court of Law.

Management has assessed the above claims and recognized a provision of ₹ Nil (previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and estimated ₹ 1,74,67,519 (previous year ₹ Nil) as the amount of contingent liability i.e. amounts for which Company may be held contingently liable. In respect of such estimated contingent claims either outflow of resources embodying economic benefits is not probable or a reliable estimate of the amount required for settling the obligation cannot be made. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(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 ₹ Nil (Previous year ₹ Nil) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ Nil (Previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and estimated ₹ Nil (previous year ₹ Nil) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iii) Disputed Tax Demands

Disputed Income Tax/Sales Tax/Service Tax/ other taxes/duties matters pending before various appellate authorities amount to ₹ Nil (previous year ₹ Nil). Pending settlement, the Company has assessed and provided an amount of ₹ Nil (previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and rest of the claims i.e. ₹ Nil (previous year ₹ Nil) are being disclosed as contingent liability as outflow of resources is considered not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

(iv) Others

Claims on account of other miscellaneous matters amount to ₹ 1,04,15,862 (previous year ₹ 1,04,10,000). These claims are pending before various forums. Pending settlement, the Company has assessed and provided an amount of ₹ Nil (previous year ₹ Nil) based on probability of outflow of resources embodying economic benefits and estimated ₹ ₹ Nil (previous year ₹ Nil) as the amount of contingent liability as outflow of resources is considered as not probable. In respect of the rest of the claims/obligations, possibility of any outflow in settlement is considered as remote.

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The above is summarized as at 31.03.2018 as below:

(Amount in ₹)

Sl. No.	Particulars	Claims as on 31.03.2018	up to date Provision against the claims/ paid	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Addition/(deduction) from contingent liability during the period	Reduction of contingent liability from Opening Balance as on 01.04.2017
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1.	Capital Works	1,74,67,519	-	1,74,67,519	-	-	-
2.	Land Compen-sation cases	-	-	-	-	-	-
3.	Disputed tax matters	-	-	-	-	-	-
4.	Others	1,04,15,862	-	1,04,15,862	1,04,10,000	-	-
	Total	**2,78,83,381**	-	**2,78,83,381**	**1,04,10,000**	-	-

(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) There is possibility of reimbursement to the company of ₹ Nil (previous year ₹ Nil) towards above contingent liabilities.

(e) (i) An amount of ₹ Nil (previous year ₹ Nil) stands paid towards above Contingent Liabilities in respect of Capital Works, pursuant to Niti Aayog directions issued vide OM No. 14070/14/2016-PPPAU dated 5th September 2016, in cases where Arbitral Tribunals have passed orders in favour of contractors in arbitral proceedings and such awards/orders have been further challenged by the Company in a Court of Law, upto 75% of the arbitral award (including interest payable as per such award) subject to contractors fulfilling the terms and conditions laid down in the Standard Operating Procedures framed by the Company in this regard. The amount so released is being shown as Current Financial Assets-Others (Note No. 11).

(ii) An amount of ₹ Nil (previous year ₹ Nil) stands paid /deposited with courts towards above contingent liabilities to contest the cases and is being shown as Current Assets.

(f) 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.

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(g) Category of agency wise details of contingent liability as at 31.03.2018 are as under:

(Amount in ₹)

Sl. No.	Category of Agency	Claims as on 31.03.2018	up to date Provision against the claims/ paid	Contingent liability as on 31.03.2018	Contingent liability as on 31.03.2017	Addition(+)/deduction (-) from contingent liability during the period	Reduction of contingent liability from Opening Balance as on 01.04.2017
(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)=(v)-(vi)	(viii)
1	Central Govt. departments	-	-	-	-	-	-
2	State Govt. departments or Local Bodies	1,00,00,000	-	1,00,00,000	1,00,00,000	-	-
3	CPSEs	-	-	-	-	-	-
4	Others	1,78,83,381	-	1,78,83,381	4,10,000	-	-
	Total	2,78,83,381	-	2,78,83,381	1,04,10,000	-	-

2. **Contingent Assets:** Contingent assets in respect of the company are on account of the following:

a) **Counter Claims lodged by the company on other entities:**
The company has lodged counter claims aggregating to ₹ 3,51,81,330/- (previous year ₹ Nil) against claims of other entities. These claims have been lodged on the basis of contractual provisions and are being contested at arbitration tribunal/other forums/under examination with the counterparty. It includes ₹ Nil (previous year ₹ Nil) towards arbitration awards including updated interest thereon.

Based on Management assessment the inflow of economic benefits of ₹ Nil (previous year ₹ Nil) are probable and for rest of the claims, possibility of any inflow is remote.

b) **Other Cases**
Claims on account of other miscellaneous matters amount to ₹ Nil (previous year ₹ Nil). Management has assessed these claims and estimates that inflow of economic benefits of ₹ Nil (previous year ₹ Nil) are probable.

S. KUMAR GUPTA & CO. CHARTERED ACCOUNTANTS AMRITSAR FRN-1667

3. Estimated amount of contracts remaining to be executed on capital account and not provided for are as under:

(Amount in ₹)

	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	Property Plant and Equipment (including CWIP)	1058,91,24,074	14,42,69,916
2.	Investment Property	-	-
3.	Intangible Assets	-	-
	Total	**1058,91,24,074**	**14,42,69,616**

4. Pending approval of competent authority, provisional payments / provisions made towards executed quantities of works of some of the items beyond the approved quantities as also for extra items totalling to ₹ 83,27,489 (previous year ₹ Nil) are included in Capital Work-in-Progress/Property Plant &Equipment.

5. The effect of foreign exchange fluctuation during the period is as under:

(Amount in ₹)

		For the period ended 31.03.2018	For the Year ended 31.03.2017
(i)	Amount charged to Statement of Profit & Loss excluding depreciation (as FERV)	-	-
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)*	-	-
(iii)	Amount charged to Capital work-in-progress (as FERV)	-	-
(iv)	Amount adjusted by addition to the carrying amount of property, plant & equipment	-	-

6. **Operating Segment:**

a) Electricity generation is the principal business activity of the Company as per the Ind AS – 108 on 'Operating Segment'.

b) The Company is having a single geographical segment as all its Projects/Units are located within the Country.

7. **Related Party Disclosures are given below:**

The Company is a Joint Venture of NHPC Limited (A GoI Enterprise), JKSPDC (A GoJK Undertaking) and PTC (India) Limited. Pursuant to Paragraph 25 & 26 of Ind AS 24, entities over which the same government has control or joint control of, or significant influence, then the reporting entity and other entities shall be regarded as related parties. The Company has applied the exemption available for government related entities and have made limited disclosures in the financial Statements.

(a) Interest in Holding Co.:

Name of Companies	Principle place of operation	Principal activities	Proportion of Ownership interest as at	
			31.03.2018	31.03.2017
Not Applicable. Since the CVPP is a joint venture company of NHPC, JKSPDC and PTC (India) Ltd.				

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(b) Key Management Personnel:

S. No.	Name	Position Held
1.	M. Y. Khan	Chairman
2.	M. S. Babu	Managing Director
3.	Sudhir Anand	Company Secretary

(c) Name and nature of relationship with Government:

S. No.	Name of the Related parties	Nature of Relationship with CVPP
1	Government of India	Shareholder in NHPC having control over company
2	Govt. of Jammu & Kashmir	Shareholder in JKSPDC having control over company

(d) Key Management Personnel (KMP) compensation:

(Amount in ₹)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
Short Term Employee Benefits	50,81,140	47,27,605
Post-Employment Benefits	0	0
Other Long Term Benefits	0	0

(Amount in ₹)

Other Transactions with KMP	For the year ended 31.03.2018	For the year ended 31.03.2017
Sitting Fees and other reimbursements to non-executive/independent directors	3,60,000	3,60,000
Interest Received during the year	0	0

(e) Transactions with Related Parties-Following transactions occurred with related parties:

(Amount in ₹)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
(i)	(ii)	(iii)
i) Transaction with Government that has control over company (Central Govt./State Government) - CVPP		
Services Received by the Company	-	-
Services Provided by the Company	-	-
Sale of goods/Inventory made by the company	-	-

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ii) Transaction with Entities controlled by the same Government that has control over company - CVPP		
Purchase of property/Other assets	-	-
Purchase of goods/Inventory	-	-
Services Received by the Company	-	-
Services Provided by the Company	-	-
Sale of goods/Inventory made by the company	-	-
Insurance Premium paid by the Company	20,83,915	5,09,585
Settlement amount received by the Company against Insurance claim	-	-
iii) Transaction with Joint Venture Partners (NHPC, JKSPDC & PTC India Ltd)		
Services Provided by the Company	-	-
Services Received by the Company	23,67,89,076	8,29,08,812
Deputation of Employees by the company	-	-
Deputation of Employees to the company	-	-
Loan received by the Company	-	-
Equity contribution received by the Company	1,92,55,00,000	7,23,98,00,000
Dividend Paid by the company	-	-
iv) Transaction with KMP & Entities Controlled by KMP		
Services Provided by the Company	-	-
Services Received by the Company	-	-
Loan to KMP	-	-

(f) Outstanding Balances with Related Parties:

(Amount in ₹)

Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)
i)Balances with Government that has control over company (Central Govt./State Govt.) - CVPP		
Payables by the Company	-	-
Receivables by the Company	-	-
Loan from Government	-	-

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Balances out of commitments made by the company	-	-
ii) Balances with Entities controlled by the same Government that has control over company - CVPP		
Payables by the Company	-	-
Receivables by the Company	-	-
Balances out of commitments made by the company	-	-
Claim receivables from Insurance Company	-	-
iii) Balances with Joint Venture Partners (NHPC, JKSPDC & PTC India Ltd)		
Payables by the Company	5,78,85,540	66,29,883
Receivables by the Company	-	-
Loan outstanding	-	-
Balances out of commitments made by the company	-	-
iv) Balances with KMP & Entities Controlled by KMP		
Receivables by the Company	-	-

The Company has business transactions with the state governments and entities controlled by the Govt. of India. Transactions with these entities are carried out at market terms on arms-length basis through a transparent price discovery process against open tenders, except in a few cases of procurement of spares/services from Original Equipment Manufacturers (OEMs) for proprietary items/ on single tender basis due to urgency, compatibility or other reasons. Such single tender procurements are also done through a process of negotiation with prices benchmarked against available price data of same/similar items. Therefore, party-wise details of such transactions have not been given since such transactions are carried out in the ordinary course of business at normal commercial terms and not considered to be significant.

8. **Particulars of Security: The carrying amount of assets**: mortgaged/ hypothecated as security for borrowings are as under.

(Amount in ₹)

S. No	Particulars	As at 31.03.2018	As at 31.03.2017
	First Charge		
1	Property Plant & Equipment	-	-
2	Capital Work In Progress	-	-
3	Financial Assets- Others	1,00,00,000	1,00,00,000
	Total	1,00,00,000	1,00,00,000

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9. Disclosures Regarding Employee Benefit Obligations:

(A) Defined Contribution Plans-

(i) <u>Provident Fund</u>: The Company pays fixed contribution to Provident Fund at predetermined rates to Additional Commissioner of Provident Fund, J&K. The contribution to the fund for the period is recognized as expense and charges to the Statement of Profit & Loss/expenditure attributable to construction. The obligation of the Company is to make fixed contribution.

(B) Defined Benefit Plans- Company has following defined post-employment obligations:

(i) **Gratuity:** The Company has a defined benefit gratuity plan. The ceiling limit of gratuity is fixed as per the Payment of Gratuity Act, 1972, whereby every employee who has rendered continuous service of five years or more is entitled to get gratuity at 15 days salary (15/26 X last drawn basic salary plus dearness allowance) for each completed year of service subject to a maximum of ₹ 0.20 Crore on superannuation, resignation, termination, disablement or on death. The obligation of the company for the same is recognised on the basis of actuarial valuation.

(ii) **Allowances on Retirement/Death:** 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. In case of death, family of deceased employee can also avail this facility. The liability for the same is recognised on the basis of actuarial valuation.

(a) <u>Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:</u>

(i) **Gratuity:** The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(Amount in ₹)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2016-17	
Opening Balance as at 01.04.2016	**26,38,451**	**0**	**26,38,451**
Current Service Cost	(2,18,598)	0	(2,18,598)
Past Service Cost	0	0	0
Interest Expenses/ (Income)	2,11,076	0	2,11,076
Total Amount recognised in Profit or Loss	**(7,522)**	**0**	**(7,522)**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	0	0	0
(Gain)/loss from change in demographic assumptions	0	0	0
(Gain)/loss from change in financial assumptions	0	0	0
Experience (gains)/Losses	0	0	0
Total Amount recognised in Other Comprehensive Income	**0**	**0**	**0**
Contributions:-			
-Employers	0	0	0
-Plan participants	0	0	0
Benefit payments	0	0	0
Closing Balance as at 31.03.2017	**26,30,929**	**0**	**26,30,929**

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(Amount in ₹)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**26,30,929**	**0**	**26,30,929**
Current Service Cost	52,03,780	0	52,03,780
Past Service Cost	0	0	0
Interest Expenses/ (Income)	1,97,320	0	1,97,320
Total Amount recognised in Profit or Loss	**54,01,100**	**0**	**54,01,100**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	0	0	0
(Gain)/loss from change in demographic assumptions	0	0	0
(Gain)/loss from change in financial assumptions	0	0	0
Experience (gains)/Losses	0	0	0
Total Amount recognised in Other Comprehensive Income	**0**	**0**	**0**
Contributions:-			
-Employers	0	0	0
-Plan participants	0	0	0
Benefit payments	0	0	0
Closing Balance as at 31.03.2018	**80,32,029**	**0**	**80,32,029**

The net liability disclosed above related to funded and unfunded plans are as follows:

(Amount in ₹)

Particulars	**31st March 2018**	**31st March 2017**
Present Value of funded obligations	80,32,029	26,30,929
Fair value of Plan Assets	0	0
Deficit/(Surplus) of funded plans	**80,32,029**	**80,32,029**
Unfunded Plans	0	0
Deficit/(Surplus) before asset ceiling	**80,32,029**	**80,32,029**

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

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Particulars	Change in assumptions			Increase in assumptions			Decrease in assumptions	
	31.03.18	31.03.17		31.03.18	31.03.17		31.03.18	31.03.17
Discount Rate	0.50 %	0.50 %	Decrease by	8.40 %	8.62 %	Increase by	9.44 %	9.72 %
Salary Growth Rate	0.50 %	0.50 %	Increase by	9.50 %	9.81 %	Decrease by	8.51 %	8.77 %

(ii) **Allowances on Retirement/Death**: The amount recognised in the Balance Sheet as at 31.03.2017 & 31.03.2018 along with the movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(Amount in ₹)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2016-17	
Opening Balance as at 01.04.2016	**17,194**	**0**	**17,194**
Current Service Cost	13,051	0	13,051
Past Service Cost	0	0	0
Interest Expenses/ (Income)	1,376	0	1,376
Total Amount recognised in Profit or Loss	**31,621**	**0**	**31,621**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	0	0	0
(Gain)/loss from change in demographic assumptions	0	0	0
(Gain)/loss from change in financial assumptions	0	0	0
Experience (gains)/Losses	0	0	0
Total Amount recognised in Other Comprehensive Income	0	0	0
Contributions:-			
-Employers	0	0	0
-Plan participants	0	0	0
Benefit payments	0	0	0
Closing Balance as at 31.03.2017	**31,621**	**0**	**31,621**

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(Amount in ₹)

Particulars	Present Value of Obligation	Fair value of Plan Assets	Net Amount
	(i)	(ii)	iii=(i)-(ii)
		2017-18	
Opening Balance as at 01.04.2017	**31,621**	**0**	**31,621**
Current Service Cost	15,584	0	15,584
Past Service Cost	0	0	0
Interest Expenses/ (Income)	2,372	0	2,372
Total Amount recognised in Profit or Loss	**17,956**	**0**	**17,956**
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	0	0	0
(Gain)/loss from change in demographic assumptions	0	0	0
(Gain)/loss from change in financial assumptions	0	0	0
Experience (gains)/Losses	0	0	0
Total Amount recognised in Other Comprehensive Income	**0**	**0**	**0**
Contributions:-			
-Employers	0	0	0
-Plan participants	0	0	0
Benefit payments	0	0	0
Closing Balance as at 31.03.2018	**49,577**	**0**	**49,577**

The net liability disclosed above related to unfunded plans.

Sensitivity Analysis – The sensitivity of the defined benefit obligations to changes in the weighted principal assumptions is:

Particulars	Change in assumptions			Increase in assumptions			Decrease in assumptions	
	31.03.18	31.03.17		31.03.18	31.03.17		31.03.18	31.03.17
Discount Rate	0.50%	0.50%	Decrease by	8.06%	12.74%	Increase by	8.52%	11.17%

(c) Defined Benefit Plans: Significant estimates: Actuarial assumptions:

Particulars	31st March 2018	31st March 2017
Discount Rate	7.60%	7.50%
Salary growth rate	6.50%	6.00%

(d) The major categories of Plan Assets are as follows:

Gratuity (Amount in ₹)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme *	-	-	-	-
Cash & Cash Equivalents	-	-	-	-
Total	-	-	-	-

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme *	-	-	-	-
Cash & Cash Equivalents	-	-	-	-
Total	-	-	-	-

(e) **Risk Exposure:** Through its defined benefit plans, the Company is exposed to a number of risks, the most significant of which are detailed below:

Description of Risk Exposures:
Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

A) Salary Increase- Actual salary increase will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

B) Investment Risk – If Plan is funded then assets liabilities mismatch & actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

C) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

D) Mortality & disability – Actual deaths & disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

E) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

(f) **Defined benefit liability and employer contributions:**
Expected contributions to defined-benefit plans for the year ending March 31, 2018 are **₹ Nil**

The expected maturity analysis of Gratuity and Allowances on Retirement/Death is as under:
-

(₹ in Crore)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2018					
Gratuity	77,304	5,70,799	4,37,165	69,46,761	80,32,029

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Allowances on Retirement/Death	-	-	-	-	-
TOTAL	**77,304**	**5,70,799**	**4,37,165**	**69,46,761**	**80,32,029**
31.03.2017					
Gratuity	36,360	0	2,55,626	23,38,673	26,30,929
Allowances on Retirement/Death	-	-	-	-	-
TOTAL	**36,360**	**-**	**2,55,626**	**23,38,673**	**26,30,929**

(C) **Other long-term employee benefits (Leave Benefit):** The Company provides for earned leave and half-pay leave to the employees which accrue annually @ 30 days and 20 days respectively. The maximum ceiling of encashment of earned leave is limited to 300 days. However, any shortfall in the maximum limit of 300 days in earned leave on superannuation shall be fulfilled by half pay leave to that extent. The liability for the same is recognised on the basis of actuarial valuation.

(D) The corresponding expenditure of actuarial valuation in respect of employees of NHPC who are presently on the rolls of Chenab Valley Power Projects [P] Limited has been transferred to CVPP in the respective year through a debit/credit advice. The effect of the same has been acknowledged in IUT certificate during the year.

10.(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Sundry Debtors, Advances to Contractors, Sundry Creditors and Deposits/Earnest money from contractors are subject to reconciliation/ confirmation and respective consequential adjustments. Claims recoverable also include claims in respect of projects handed over or decided to be handed over to other agencies in terms of Government of India directives. In the opinion of the management, unconfirmed balances shall not have any material impact.

(b) The confirmation from external parties in respect of Trade Receivables, Trade Payables, Deposits, Advances to Contractors/Suppliers/Service Providers/Others including for capital expenditure and material issued to contractors is sought for outstanding balances of ₹ 5,00,000 or above in respect of each party as at 31st December of every year.

Status of confirmation of balances as at 31st December, 2017 as well as amount outstanding as on 31st March, 2018 is as under:

(Amount in ₹)

Particulars	Outstanding amount as on 31.12.2017	Amount confirmed	Outstanding amount as on 31.03.2018
Trade receivable	-	-	-
Deposits, Advances to contractors/ suppliers/service providers/ others including for capital expenditure and material issued to contractors	-	-	-
Trade/Other payables	136,49,36,100	106,42,69,080	108,78,90,236
Security Deposit/Retention Money payable	78,19,411	83,50,315	94,47,954

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(c) In the opinion of management, unconfirmed balances will not have any material impact.

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

(₹ in Crore)

	Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
a)*	Value of imports calculated on CIF basis: i) Capital Goods	-	-
b)*	Expenditure in Foreign Currency i) Interest ii) Other Misc. Matters	- -	- -
c)*	Value of spare parts and Components consumed in operating units. i) Imported ii) Indigenous	- -	- -
d)*	Earnings in foreign currency i) Others	-	-

* Accrual basis.

12. Disclosure related to Corporate Social Responsibility (CSR):

(i) The breakup of CSR expenditure under various heads of expenses incurred is as below:-

(Amount in ₹)

S. No.	Heads of Expenses constituting CSR expenses	For the period ended on 31.03.2018	For the period ended on 31.03.2017
1	Health Care and Sanitation	29,900	-
2	Education & Skill Development	6,57,950	-
3	Women Empowerment /Senior Citizen	-	-
4	Environment	-	-
5	Art & Culture	-	-
6	Ex-Armed Forces	-	-
7	Sports	10,610	-
8	National Welfare Fund	-	-
9	Technology & Research	-	-
10	Rural Development	-	-
11	Capacity Building	-	-
12	Swachh Vidyalaya Abhiyan	-	-
13	Swachh Bharat Abhiyan	-	-
	Total amount	**6,98,460**	**Nil**

(ii) Other disclosures: -

(a) Details of expenditure incurred during the year ended on 31.03.2018 paid and yet to be paid along with the nature of expenditure (capital or revenue nature) is as under:

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(Amount in ₹)

		Paid (a)	Yet to be paid (b)	Total (a+b)
(i)	Construction/Acquisition of any asset	6,98,460	0	6,98,460
(ii)	On purpose other than (i) above	0	0	0
	Total	**6,98,460**	**0**	**6,98,460**

(b) As stated above, a sum of ₹ Nil out of total expenditure of ₹ **6,98,460/-** is yet to be paid to concerned parties which are included in the relevant head of accounts pertaining to liabilities.

(iii) As per Section 135 read with Section 198 of Companies Act 2013, the amount required to be spent towards CSR works out to ₹ **6,94,928/-** for FY 2017-18. The Board of Directors had allocated total budget of ₹ **7,00,000/-** for FY 2017-18 (more than 2% of average net profit of preceding three financial years in terms of section 135 read with section 198 of Companies Act, 2013).

13. Disclosures as required under Section 22 of The Micro, Small and Medium Enterprises Development Act, 2006 read with notification of Ministry of Corporate Affairs dated 04.09.2015 (Refer Note no. 20.2 and 20.3 of the Balance Sheet) are as under:

(Amount in ₹)

Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	The principal amount and the interest due thereon remaining unpaid to any supplier on Balance Sheet date: a) Trade Payables: -Principal -Interest b) Others: -Principal -Interest	- - -	-
(ii)	The amount of interest paid by the buyer in terms of Section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
(iii)	The amount of interest due and payable for the year 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 Micro, Small and Medium Enterprises Development Act, 2006;	-	-
(iv)	The amount of interest accrued and remaining unpaid as on Balance Sheet date	-	
(v)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

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14. The management is of the opinion that no case of impairment of assets exists under the provisions of Ind AS-36 on "Impairment of Assets" as at 31st March 2018.

15. Earnings Per Share:

a) The Earnings Per Share (Basic and Diluted) are as under:

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Earnings per Share before Regulatory Income (₹) - Basic (₹) - Diluted	 0.0404 0.0403	 0.074 0.073
Earnings per Share after Regulatory Income (₹) - Basic (₹) - Diluted	0.0404 0.0403	 0.074 0.073
Face value per share (₹)	10.00	10.00

b) Reconciliation of Earning Used in calculating Earnings Per Share:

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Net Profit after Tax but before Regulatory Income used as numerator (Rs. in crore)	3.95	5.50
Net Profit after Tax and Regulatory Income used as numerator (Rs. in crore)	3.95	5.50

c) Reconciliation of weighted Average number of shares used as denominator:

	For the Year ended 31.03.2018	For the Year ended 31.03.2017
Weighted Average number of equity shares used as denominator Basic Diluted	 97,73,42,027 97,99,99,561	 74,33,83,333 74,83,83,333

16. Nature and details of provisions (refer Note No. 17 and 22 of Balance Sheet)

(i) General

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

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If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a Finance Cost.

(ii) **Provision for employee benefits** (Other than provisions for defined contribution and defined benefit plans which have been disclosed as per Ind AS-19 at S. No. 10 of Note No. 34):

a) **Provision for Performance Related Pay/Incentive:**

Short-term Provision has been recognised in the accounts towards Performance Related Pay/ incentive to employees for the year (Previous Year 2016-17) on the basis of Management Estimates in case of NHPC employees presently on the rolls of the Company on the basis of amount actually paid for the F.Y 2016-17

b) **Provision for Wage Revision as per 3rd Pay Revision Committee (PRC):**

Short term provision for wage revision of the of the company has been recognised in the accounts for the period 1.01.2017 to 31.03.2018 as per notification of the Development of Public Enterprises, Government of India.

17. The status of equity contribution as on 31st March, 2018, from joint venture partners namely NHPC, JKSPDC and PTC (India) Limited stood at Rs. 582,36,00,000/- (55.39%), Rs. 465,00,00,000/- (44.23%) and Rs. 4,08,00,000/- (0.39%) respectively.

18. In line with the revised decision of NHPC Limited to handover the assets/accommodation of Dulhasti Power Station to Pakal Dul Project on rental basis instead of ownership basis, conveyed by Dulhasti Power Station on 11.04.2017, the said assets/accommodation amounting to Rs. 3,28,78,810/- have been de-capitalised. The balance of assets has decreased with corresponding increase in advance to NHPC - Dulhasti Power Station. With this entry the balance under Advance to NHPC - Dulhasti Power Station increased to 3,51,57,478/- (including earlier balance of Rs. 22,78,668/-). Further, against the said balance under advance, Rs. 1,25,00,000/- has been adjusted against rent charges payable to NHPC -Dulhasti Power Station for the period from 01.10.2012 to 31.03.2018 amounting to Rs. 1,34,22,731/- and balance amount of Rs.2,26,57,478/- has been adjusted against the reimbursement to NHPC Ltd. towards expenditure on Pakal Dul Project amounting to Rs.175,58,53,519/-.

19. Till FY 2016-17, depreciation on mobile phones/ cellular phones was being charged as per the rate and methodology notified by CERC for the fixation of tariff. W.e.f. FY 2017-18, depreciation on Mobile phones is being provided on straight line basis over a period of three years with residual value of Re 1 based on management assessment. Accordingly, depreciation charge on mobile phones/ cellular phones during FY 2017-18 is higher by Rs. 7,569/-. Further, depreciation charge for mobile phones/ cellular phones existing as on 31st March 2018 shall be higher by Rs. 9,508/- during the next two financial years.

KUMAR GUPTA & CO. AMRITSAR FRN-1667 CHARTERED ACCOUNTANTS

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

For S. Kumar Gupta & Co.
Chartered Accountants
(Firm Regn. No. 001664N)

For and on behalf of the Board of Directors of CVPP

S. KUMAR GUPTA & CO. CA AMRITSAR FRN-1664 CHARTERED ACCOUNTANTS

(CA. Vinamar Gupta)
Partner
M. No. 503362

(M. Y. Khan)
Chairman

(M. S. Babu)
Managing Director

(K. K. Goel)
Chief (Finance)

(Sudhir Anand)
Company Secretary

Date: 26/05/2018
Place: Jammu

INDIAN AUDIT & ACCOUNTS DEPARTMENT
कार्यालयमहालेखाकार (लेखापरीक्षा), जम्मूवकश्मीर, जम्मू
OFFICE OF THE ACCOUNTANT GENERAL (AUDIT), J&K
PSUs Headquarter, Third Floor, AG Office Complex,
Shakti Nagar, Jammu-180001 (JAMMU & KASHMIR)

No: PSU Hqrs/BSCVPPL/ 2018-19/388
Dated: 24/07/2018

To

The Managing Director,
Chenab Valley Power Projects Private Limited,
Opposite Saraswati Dham, Railway Station Road,
Jammu

Subject: Comments of the Comptroller and Auditor General of India under section 143(6)(b) of the Companies Act, 2013 on the accounts of Chenab Valley Power Projects(P) Limited for the year ended 31st March, 2018

Sir,

I am to forward herewith Comments of the Comptroller and Auditor General of India under Section 143(6)(b) of the Companies Act, 2013 on the accounts of Chenab Valley Power Projects(P) Limited for the year ended 31st March, 2018 for being placed before the shareholders of the company in the Annual General Meeting. The date of holding of the Meeting and the minutes of the meeting may please be intimated to this office.

Please acknowledge the receipt.

Encl: One leaf

Yours faithfully,

Sr. Dy. Accountant General
(PSU)

COMMENTS OF THE COMPTROLLER & AUDITOR GENERAL OF INDIA UNDER SECTION 143 (6) (b) OF THE COMPANIES ACT, 2013 ON THE ACCOUNTS OF CHENAB VALLEY POWER PROJECTS (P) LIMITED FOR THE PERIOD ENDED 31st MARCH 2018

The preparation of financial statements of the Chenab Valley Power Projects (P) Limited for the period ended 31st March, 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller & Auditor General of India under Section 139(5) of the Companies Act, 2013 are responsible for expressing opinion on these financial statements under Section 143 of the Companies Act, 2013 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 26/05/2018.

I, on behalf of the Comptroller & Auditor General of India have conducted a supplementary audit under Section 143 (6) (a) of the Companies Act, 2013 of the financial statements of Chenab Valley Power Projects (P) Limited for the period ended 31st March 2018. The 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 accounting records. Based on my supplementary audit, I would like to highlight the following significant matters under Section 143 (6)(b) of the Companies Act, 2013 which have come to my attention and which in my view are necessary for enabling a better understanding of the financial statements and the related Audit Report.

GENERAL

The fact that the Company has received Rs.100.00 crore as equity contribution from Ministry of Power, Government of India on behalf of Jammu and Kashmir State Power Development Corporation Limited (JKSPDCL: Shareholder) and kept the said amount under 'Other current liabilities and Loans and Advances (Note-21)' pending authorisation from the JKSPDCL, has not been disclosed.

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

Place: Srinagar
Date: 24/07/2018

(Sushil Kumar Thakur)
Accountant General (Audit),
Jammu and Kashmir

CHENAB VALLEY POWER PROJECTS [P] LIMITED

A Joint Venture of NHPC (A Govt. of India Enterprise), JKSPDC (A Govt .of J&K Undertaking) &PTC India Ltd
Registered Office Chenab Jal Shakti Bhavan, Opposite Saraswati Dham Railhead Complex, Jammu–180012(J&K) Tel.No.:0191-2479531; **E-mailId:** snanand_cs@yahoo.co.in / cscvpp@gmail.com
CIN:U40105JK2011PTC003321

PROXYFORM-MGT11

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule19 (3) of the Companies (Management and Administration) Rules, 2014]

Name of the member(s):	
Registered Address:	
E-maill id:	

I being the member of _________________________________ Equity shares of Chenab Valley Power Projects [P] limited, hereby appoint

1. Name:
2. Address:
3. Signature:

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 7th Annual General Meeting of the Company, to be held on Saturday, 29th Day of September, 2018 at 3:00P.M at CVPP Corporate Office, Chenab Jal Shakti Bhavan Opposite Saraswati Dham, Railhead Complex Jammu–180006(J&K) and at any adjournment thereof in respect of such resolutions as are indicated:

Resolution for Ordinary Business	
1	To receive, consider and adopt the Directors' Report, Balance Sheet and Profit and Loss Account for the Financial Year ended 31st March,2018 and Auditor's Report thereon together with the comments of the Comptroller & Auditor General of India.
2	To take note of appointment of Statutory Auditors for the year 2018-19 and fixation of their remuneration.
Resolution for Special Business	
3	To increase the authorized Share Capital from Rs 2500 crores to Rs 3500 Crores
4	To Alter the Capital Clause V of the Memorandum of Association

Signed this day of September 2018.

Affix Revenue Stamp Re.1/-

____

Signature of Member

Notes:

1. This form of proxy in order to be effective should be duly completed and deposit at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
2. It is optional to indicate your preference. Your proxy will be entitled to vote in the manner as he/she may deem appropriate.
3. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

CHENAB VALLEY POWER PROJECTS [P] LIMITED

A Joint Venture of NHPC (A Govt. of India Enterprise), JKSPDC (A Govt .of J&K Undertaking) &PTC India Ltd
Registered Office Chenab Jal Shakti Bhavan, Opposite Saraswati Dham Railhead Complex, Jammu–180012(J&K) **Tel.No.**:0191-2479531; **E-mailId:** snanand_cs@yahoo.co.in / cscvpp@gmail.com
CIN:U40105JK2011PTC003321

ATTENDANCE SLIP

7TH ANNUAL GENERAL MEETING HELD ON SATURDAY, 29TH SEPTEMBER, 2018

Name and Address of the Shareholder(s)	
No.of shares	

I hereby record my presence at the 7th Annual General Meeting of the Company held on Saturday, 29th Day of September, 2018 at CVPP Corporate Office, Chenab Jal Shakti Bhavan Opposite Saraswati Dham Railhead Complex, Jammu–180012 (J&K).

Member's / Proxy's Name in Block Letters

Member's / Proxy's Signature

Note: Please fill the Attendance Slip.