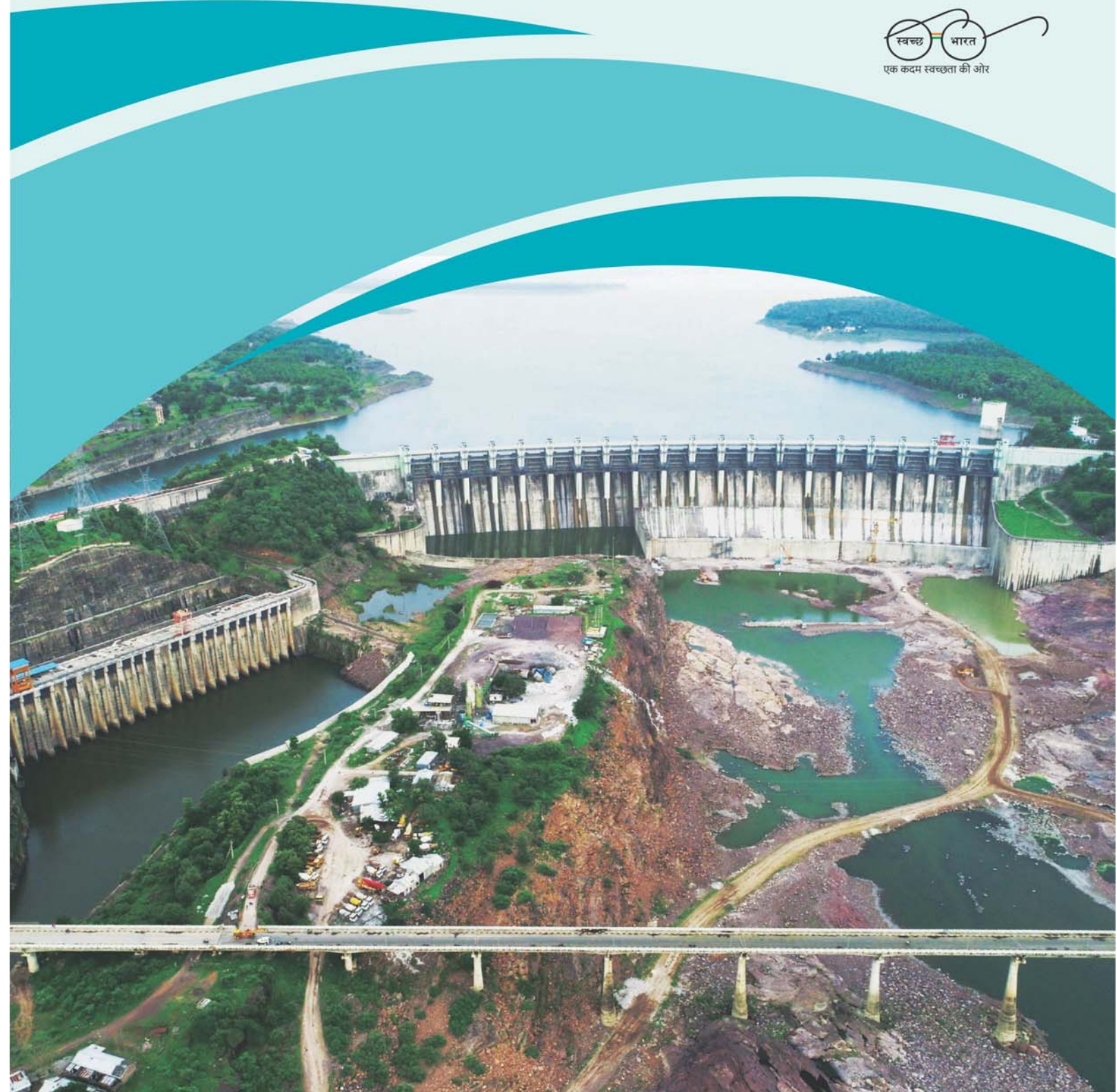




18^{वीं} वार्षिक प्रतिवेदन 18th Annual Report 2017-18



निदेशक मंडल, एनएचडीसी / Board of Directors, NHDC

(दिनांक 24 सितम्बर, 2018 की स्थिति में)



श्री बलराज जोशी
अध्यक्ष एवं प्रबंध निदेशक, एनएचपीसी व अध्यक्ष, एनएचडीसी
Shri Balraj Joshi
Chairman & Managing Director, NHPC & Chairman, NHDC



मो. ए.जी. अंसारी
प्रबंध निदेशक, एनएचडीसी
Md. A.G. Ansari
Managing Director, NHDC



श्री रजनीश वैशा, आईएएस
अपर मुख्य सचिव, एनवीडीसी, उपाध्यक्ष एनवीडीए एवं निदेशक, एनएचडीसी
Shri Rajneesh Vaish, IAS
Additional Chief Secretary NVDD, Vice Chairman, NVDA & Director, NHDC



श्री सत्य प्रकाश मंगल
स्वतंत्र निदेशक, एनएचपीसी एवं निदेशक, एनएचडीसी
Shri Satya Prakash Mangal
Independent Director, NHPC & Director, NHDC



श्री विजय कुमार
कार्यपालक निदेशक (वित्त)-आई.ए., एनएचपीसी एवं निदेशक, एनएचडीसी
Shri Vijay Kumar
Executive Director (Finance)- IA, NHPC & Director, NHDC



श्री आर.पी. मालवीय
सदस्य (वित्त), एनवीडीए एवं निदेशक, एनएचडीसी
Shri R.P. Malviya
Member (Finance), NVDA & Director, NHDC



श्रीमती सावित्री श्रीवास्तव
महाप्रबंधक (आईटी एण्ड सी), एनएचपीसी एवं निदेशक, एनएचडीसी
Smt. Savitri Srivastav
GM (IT & C), NHPC & Director, NHDC



श्री नरेन्द्र सिंह तोमर
नामित निदेशक, एनएचडीसी
Shri Narendra Singh Tomer
Nominee Director, NHDC

कंपनी सचिव
Company Secretary

श्री विनय त्रिपाठी
Shri Vinay Tripathi

वैधानिक लेखा परीक्षक
Statutory Auditor

मैसर्स एस.के. लुल्ला एण्ड कंपनी

18, प्रेम नगर, फोर्ट रोड, साईबाबा मंदिर के पास,
ग्वालियर - 474002 (म.प्र.)

M/s S.K. Lulla & Co.

18, Prem Nagar, Fort Road, Near Saibaba Mandir,
Gwalior - 474002 (M.P.)

बैंकर्स/वित्तीय संस्थाएं/Bankers/Financial Institution for the Year 2017-18

Central Bank of India
सेंट्रल बैंक ऑफ इंडिया

Indian Overseas Bank
इंडियन ओवरसीज बैंक

Bank of India
बैंक ऑफ इंडिया

Corporation Bank
कारपोरेशन बैंक

State Bank of India
स्टेट बैंक ऑफ इंडिया

UCO Bank
यूको बैंक

HDFC Bank
एचडीएफसी बैंक

Union Bank of India
यूनियन बैंक ऑफ इंडिया

CHAIRPERSON'S SPEECH

Dear Shareholders,

On behalf of Board of Directors and employees of NHDC Limited, I welcome you at the 18th Annual General Meeting of our company for F.Y. 2017-18. The annual report for the year ended 31st March, 2018 along with the Board's Report and Audited Financial Statement have been circulated to you. With your permission, I shall take them as read.

Your company's total installed capacity is 1,520 MW. The power project in operations as on date are 1,000 MW- Indira Sagar and 520 MW- Omkareshwar H.E. Project. These two Project generated 1325.25 MU (previous year 4748.5 MU) of energy during F.Y. 2017-18. Out of total generation, Indira Sagar Power Station (ISPS) and Omkareshwar Power Station (OSPS) have generated 881.68 MU and 443.57 MU respectively.

Your Company has registered revenue from operation (net) of Rs. 784.91 Crore and net profit of Rs. 553.18 Crore (as per Ind AS) in financial year 2017-18 as compare to Rs.1306.93 Crore and Rs. 931.28 Crore respectively in previous year. The revenue from operation, net profit or generation of energy has been reduced in 2017-18 due to extraordinary low Monsoon inflow, as result of this ISPS reservoir could be filled only up to 39% of its full capacity.

In December, 2017, Your Company has paid interim dividend of Rs. 237 per equity share for face value of Rs. 1,000/-. The Board recommended that the same interim dividend be treated as final dividend for Financial Year 2017-18, subject to approval of shareholders in the AGM. Accordingly, the total dividend payout is Rs. 465.12 Crore, representing 84% of the profit after tax of current year.

Your Company has been working tirelessly for exploring the possibility of other hydro power projects situated at Madhya Pradesh. Further, the Company in dynamic scenario is desirous of adding renewable energy generated through solar power to its power portfolio and in this connection, your company is exploring the possibilities for installation of solar power project for supply of power to lift irrigation/multipurpose schemes implemented by NVDA/GoMP, initially up to 30 MW. The board of NHDC has already given nod for the said development of "Solar Project".

Your Company is aware of the challenges of sustaining growth, retaining cost and performance in the context of emerging market competition, and other factor's emanating out in the process of envisaged growth and related diversification.

Your Company has put special attention to social issues of health, safety and development of society along with objective of Sustainable Development & Ethics business practice. The CSR activities are being carried out in accordance with Schedule VII of Companies Act, details as provided in Board's Report.

Your Company has maintained a sound frame work of corporate governance and is endeavoring hard to implement the same in letter and spirit. The Company has also adopted Whistle Blower Policy for reporting the instances of unethical/ improper conduct.

We firmly believe in delivering maximum returns to all stakeholders. Continuous performance improvement is the driver for moving our company ahead. The faith reposed by stakeholders in the management of company is a valuable support and inspiration for us. Despite big challenges ahead, I am optimistic about future. I am confident that with our intensified focus, we will provide significant value to our stakeholders in the year ahead.

I, on behalf of all directors on Board, wish my deepest gratitude to all stakeholder's, Central Govt. and Govt. of Madhya Pradesh, regulatory authorities, CERC, Bankers/Financial Institutions and society as a whole for providing valuable guidance and support in our efforts.

My special thanks and appreciation to the members of the Board and the Senior Management team for the valuable contribution and suggestions in improving the performance of the Company.

Last but not the least, I complement all employees for their immense dedication, commitment, cooperation and excellent all round performance during the year.

Thank You.

Date: 24th Sept., 2018
Place: Bhopal

Sd/-
Chairperson

Board's Report

TO THE MEMBERS,

NHDC Limited

Your Directors are pleased to present the 18th Annual Report on the performance of your Company along with audited financial statements, Auditors' Report, Report of Secretarial Auditor and review of financial statements by the Comptroller and Auditor General of India (C&AG) for the financial year ended 31st March, 2018.

1. FINANCIAL HIGHLIGHTS:

The financial results for the year ended 31st March 2018 are summarized below:

(Amount ₹ in Lacs)

	Particulars	For the Year Ended 31.03.2018	For the Year Ended 31.03.2017
	INCOME		
i)	Revenue from Continuing Operations	78,491	1,30,693
ii)	Other Income	27,177	29,270
	TOTAL INCOME	1,05,668	1,59,963
	EXPENSES		
i)	Generation and Other Expenses	13,566	16,859
ii)	Employee Benefits Expense	12,274	10,323
iii)	Finance Cost	32	20
iv)	Depreciation & Amortization Expense	7,321	7,335
	TOTAL EXPENSES	33,193	34,537
	Profit before Exceptional items, Rate Regulated Activities and Tax	72,475	1,25,426
	PROFIT BEFORE TAX	72,475	1,25,426
	Tax Expenses	18,792	32,908
	PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES	53,683	92,518
	Movement in Regulatory Deferral Account Balances (Net of Tax)	1,635	610
	PROFIT FOR THE YEAR AFTER NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES.	55,318	93,128
	Profit for the year from continuing operations (A)	55,318	93,128
	OTHER COMPREHENSIVE INCOME (B)		
	Items that will not be reclassified to profit or loss		
	- Remeasurement of the defined benefit plans	48	(209)
	Less: Income Tax on remeasurement of the defined benefit plans	17	(72)
	Less: Deferred Tax Adjustment Against Deferred Tax Liabilities	(17)	72
	Other Comprehensive Income (B)	48	(209)
	TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)	55,366	92,919

2. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK:

INDIRA SAGAR PROJECT (ISP):

Indira Sagar Project (8X125 MW) is a multipurpose Project with largest reservoir in India having a gross storage capacity of 12.22 Bm³ corresponding to FRL of 262.13 m and the mother project for all the downstream projects in Narmada Basin. The installed capacity of the project is 1000 MW, with Stage-wise Annual Design Energy of 1980 MU, 1095 MU & 876 MU during Stage-I, II & III respectively.

The generation from Indira Sagar Project during the FY 2017-18 was 881.68 MU. The Plant Availability Factor (PAF) of 87.81% was achieved in FY 2017-18 as against the Normative Annual Plant Availability Factor (NAPAF) of 85%.

OMKARESHWAR PROJECT (OSP):

Omkareshwar Project (8 X 65 MW) is the first downstream project in the cascading series downstream of Indira Sagar Project, with an installed capacity of 520 MW and Annual Design Energy of 1166.57 MU, 695.63 MU & 565.46 MU during Initial, Intermediate & Final phase respectively. As per directives of GoMP, the Reservoir Level of OSP is being operated at EL 193.0 M as against the FRL of EL 196.60 M.

The generation from Omkareshwar Project during FY 2017-18 was 443.57 MU. The Plant Availability Factor (PAF) of 96.08 % was achieved in FY 2017-18 as against the Normative Annual Plant Availability Factor (NAPAF) of 90%.

POWER GENERATION:

The two Power Project of your company viz., ISP and OSP have generated total 1325.25 MU of energy during FY 2017-18 and operated as peaking Power Stations as per schedule provided by MPSLDC. The generation from both the Power Station has reduced in 2017-18, despite of maintaining availability of machines optimally, due to the following reason:

- (i) ISPS reservoir could be filled only up to 39% of its full capacity i.e. up to EL 254.16 M against FRL of EL 262.13 M, resulting in live storage of 3.8 BMC in 2017-18 against possible 9.8 BMC at FRL.
- (ii) Extraordinary low Monsoon inflow of 4.5 BMC only (least in 100 years) during FY 2017-18 against 27.3 BMC in previous year FY 2016-17.
- (iii) Consumptive utilization of water by GoMP likely to increase up to 13.0 BMC against 11.5 BMC during last year.

Further, in consideration of deficient Mansoon in 2017, GoMP/NVDA/MPSLDC has conserved the water for consumptive use viz- drinking water, irrigation etc, thereby, allowing lesser water utilization for electricity generation and accordingly, generation from both the Power Stations have reduced considerably in 2017-18.

REVENUE FROM OPERATION (NET) AND TOTAL COMPREHENSIVE INCOME:

During the year under review, the company has registered revenue from operation as Rs. 784.91 Cr. and Total Comprehensive Income for the FY 2017-18 was Rs 553.66 Cr.

DIVERSIFICATION ACTIVITIES:

NHDC is trying its best for getting solar power projects in the state of Madhya Pradesh. New avenues in renewable energy like Floating Solar Photo Voltaic Project with the help of Solar Energy Corporation of India are also being explored.

3. PERFORMANCE RATING UNDER MOU:

As per prevailing guidelines of DPE, GOI, your company is required to sign MOU (to be finalized by DPE) with its Holding Company i.e. NHPC every year. Based on the performance made by NHDC during the F.Y. 2016-17, DPE, GOI had evaluated the performance of the Company against MOU 2016-17 as “**Very Good**”.

4. CAPITAL STRUCTURE:

During the year, the capital structure of your Company remained unchanged with paid up capital of Rs. 196258 lacs.

5. DIVIDEND:

Your Company had paid an interim dividend of Rs. 237/- per equity share of face value of Rs. 1000/- in December 2017. The Board recommended that the same interim dividend be treated as final dividend for the year under review. Accordingly, the total dividend (including interim dividend) pay-out for the financial year

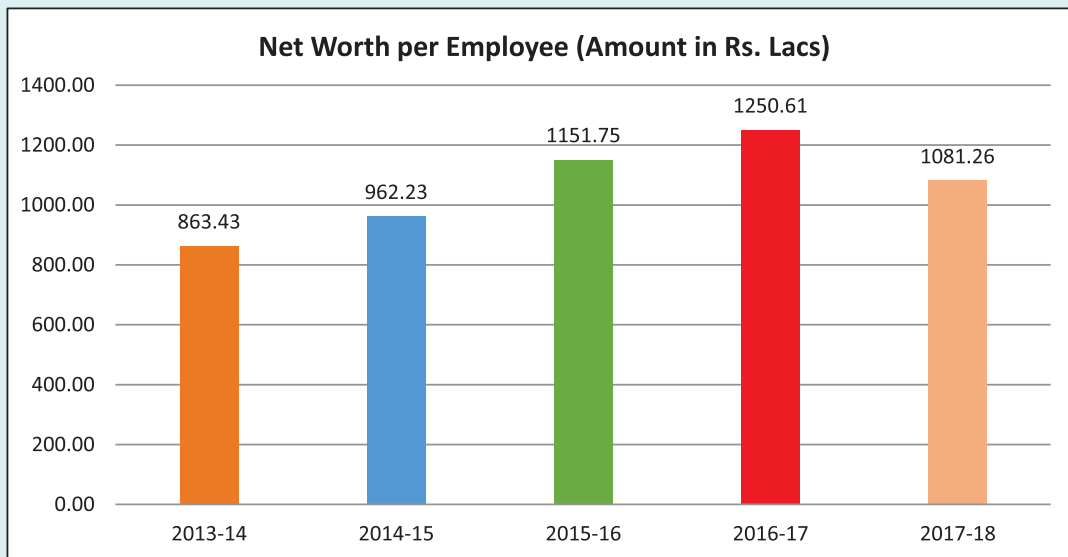
2017-18 comes to Rs. 46512 Lacs (Rs. 55981 Lacs including dividend tax of Rs. 9469 Lacs) representing 84% of profit after tax, as against a dividend pay-out of Rs. 76541 Lacs representing 82% of the profits after tax in the previous year. The dividend pay-out is subject to the approval of shareholders in the ensuing AGM.

6. AMOUNTS TRANSFERRED TO RESERVES:

A sum of Rs.102 Lacs stands utilised from CSR Reserve (as against transfer of Rs. 705 Lacs to CSR Reserve during previous year) as per policy of the Company and further transfer to R&D Reserve is no longer required subsequent to changes in DPE guidelines.

7. HUMAN RESOURCE:

Your Company believes that human resource is the biggest asset for the organization with whose contribution the company has achieved its milestones and shall continue to take big leap in the future. The Company believes that in fulfillment of its business plan, the potential of employees should be suitably leveraged. As on 31st March 2018, Company had a strong force of 547 employees. Being a learning organization, the company has continuously emphasized on training & development of employees in order to keep them updated and consequently meeting emerging organizational needs. For overall competency enhancement, job enrichment/ job enlargement and job rotation is done, thereby creating knowledge asset for the organization. The chart below shows Net Worth per employee of the Company.



8. RESERVATION FOR SC/ST/OBC:

Your Company follows the instructions relating to reservation of post for SC/ST/OBCs/Differently abled persons in service as per the directives issued from time to time for recruitment and promotion of employees. In order to effectively redress the grievances of SC/ST/OBC employees, Liaison Officers have been designated. Special arrangements have been made at Projects/Offices for smooth access of differently abled persons.

9. WELFARE MEASURES FOR EMPLOYEES WITH DISABILITIES:

Total No. of NHDC Cadre Employees as on 31 st March 2018	Physically Challenged Employees			% of Physically Challenged Employees	
	VI	HI	OH	Total	% age
470	-	2	6	8	1.70

VI=Visual Impaired, HI=Hearing Impaired, OH=Orthopedic Handicap

Steps taken for the welfare of employees with disabilities:

The reservation and relaxation has been provided to physically challenged candidates/employees in direct recruitment and promotion as per guidelines issued by DoPT/Ministry of Social Justice & Empowerment from time to time. In addition to above, following welfare schemes has also been extended to employees with disabilities:-

- Financial assistance is provided to employees (who get physically handicapped while in service) for vocational training.
- Reimbursement is given to blind and orthopedically handicapped employees for monthly conveyance allowance.
- Reimbursement of expenses for purchase of hearing aid is given to hearing impaired employees/their dependents.
- Reimbursement of cost of artificial limbs and interest free loan for the same are given to employees/their dependents.
- Restriction of age is not applicable in respect of physically/mentally retarded children while considering them as dependents.

10. INFORMATION TECHNOLOGY AND COMMUNICATION:

Your Company has a robust technology and communication infrastructure. Information Technology (IT) and Cyber Security policy is in place to manage the IT system to ensure optimum and secure utilization of the assets. The Company has co-located its key servers at all the projects/power stations.

All key business functions viz Finance, Human Resource, Inventory & Compliance software etc. have been implemented in Oracle & D2K based systems. In addition to this IT&C department re-designed & re-vamp the official website of your Company and also implemented Online Performance Appraisal System through NHDC website.

IT Security audit for all NHDC Locations (for a period of 3 Years) is under process.

As per Government of India directives, the procurement process through e-procurement and e-Reverse auction system is operational in your Company. E-Waste is also being disposed-off in environment friendly manner.

11. OFFICIAL LANGUAGE (OL) IMPLEMENTATION REPORT:

During the year under review, the Official Language section of your company has made effective efforts to achieve desired targets in the compliance of OL Annual Programme.

12. EXTRACT OF ANNUAL RETURN:

The extract of Annual Return in format MGT-9 for the F.Y. 2017-18 has been enclosed at **Annexure “A”** with this report. Further, the details of annual return for the F.Y 2017-18 will be available at website i.e. www.nhdcindia.com.

13. NUMBER OF BOARD MEETINGS:

The Board of your company met five times during the financial year 2017-18, the details of which are given in the Corporate Governance Report that forms part of the Annual Report. The intervening gap between any two meetings was within the prescribed limit under the Companies Act, 2013.

14. PARTICULARS OF LOAN, GUARANTEES AND INVESTMENT UNDER SECTION 186 OF THE COMPANIES ACT, 2013:

Particulars of loans & guarantees given, investments made and securities provided are given in the standalone financial statements (please refer to Note No. 6 and 16 of the standalone financial statements).

Further, section 186 of the Companies Act, 2013 (except sub-section 1) regarding loans made, guarantees given or securities provided is not applicable to the Companies engaged in the business of providing infrastructure facilities.

15. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

The Company's major related party transactions are generally with its holding company and associates for receiving consultancy services, leasing out of properties and manpower services. All the contracts / arrangement / transactions entered into with related parties were on arm's length basis, intended to further Company's interest. Accordingly, the disclosure of Related Party Transactions as required under the Companies Act, 2013 is not applicable.

Attention of the members is also drawn to Para No. 9 of Note No. 34 (Other Explanatory Notes to Accounts) to the financial statement 2017-18, which sets out related party disclosures as per Ind AS 24.

16. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION BETWEEN THE END OF THE FINANCIAL YEAR AND DATE OF REPORT:

There are no material changes and commitment affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report.

17. RISK MANAGEMENT POLICY:

Your company has developed Risk Management Policy in the year 2010 and Revised Risk Management Policy has been implemented since Feb 2017 to increase confidence in the achievement of organization's objectives and to remain a competitive and sustainable organization and enhance its operational effectiveness. The risks identified by the company have been classified under the following risk categories:

- **Strategic Risk** - Risk of loss resulting from business factors.
- **Financial Risk** - Risk directly impacting the balance sheet and access to capital.
- **Operational Risk** - Risk of loss resulting from inadequate or failed processes, people and information systems.
- **Compliance Risk** - Risk arising out of non-compliance with/ non-fulfilment of legal, regulatory and statutory requirements.

The Risk Management Committee comprising of GM's/HOPs has gone through all risks assumed by the company. Risk coordinators for all the risks have been assigned, who are responsible for timely action to manage the risks, which may have detrimental effect on the business of the company. Implementation of Risk Management Policy has resulted in increased focus on corporate governance and managing the risks during operation of the power stations. The company is complying all the legal and regulatory requirements. Mitigation measures has been taken/ initiated for the risks identified by the company during the years 2017-18.

18. RIGHT TO INFORMATION ACT, 2005:

As per the directives of the Government of India, the Right to Information Act, 2005 was implemented in the Company and all the required infrastructural arrangements such as appointment of Public Information Officers, Assistant Public Information Officers and Appellate Authorities are available. The compliances of other formalities under the Act, are also being made at all the offices of Public Information Officers in NHDC Ltd.

19. INDUSTRIAL RELATIONS:

During the year, industrial relations remained cordial and harmonious at all Projects / Power Stations.

20. VIGILANCE ACTIVITIES:

The Vigilance Division of your Company is constantly making all efforts to support the management by bringing awareness amongst the employees in the organization to ensure adherence to various procedures and guidelines so as to bring transparency and fairness in the system. All circulars / guidelines issued by the organization as well as instructions from Government of India & Central Vigilance Commission are being circulated among the HODs and HOPs of your company regularly.

Further, vigilance appreciation programmes / workshops, surprise / regular inspections are being conducted at the projects and Corporate Office regularly as preventive measures. Continuous efforts are being made to protect the interest of the Stakeholders by keeping a close watch on activities in the Organization and

continually improving the existing system and procedures. The details of vigilance cases disposed off and the pending cases during the year under review are given below:

CASES DISPOSED OFF DURING YEAR 2017-18:

S.No.	Case Reference No.	Nature of Cases
1.	Vig.97	Irregularities in the "Construction of approach road including culverts from village Bhavrali to farmland of villagers".
2.	Vig.92	Irregularities in the "Construction of cement concrete road from Pipari-Ratanpur road junction to resettlement site Devziri".
3.	Vig.88	Non-compliance of C.O. circular, while framing estimates for two works for supply of man power for O & M of Electro-mechanical works.
4.	Vig.90	Irregularities in the "Development of plots & construction of cement concrete internal road at resettlement site Devziri".
5.	Vig.98	Irregularities in the "Construction of double layer Concertina coil RR masonry security fencing on left bank upstream of Indira Sagar reservoir at Indira Sagar Power Station (ISPS) Narmada Nagar".

PENDING CASES DURING 2017-18: NIL

21. STATEMENT IN RESPECT OF ADEQUACY OF INTERNAL FINANCIAL CONTROL WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Management had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively in reference to financial statements.

22. DEPOSITS:

Your Company has not accepted any deposits covered under Chapter V of the Companies Act, 2013 as such, no amount of principal or interest was outstanding as on Balance Sheet date.

23. DETAILS OF DIRECTORS AND KEY MANAGERIAL PERSONNEL (KMPs):

The appointment / cessation of following directors are made during F.Y. 2017-18

S.No.	Name of Director(s) Appointed in the Company	Details of Cessation, if any
01.	Sh. Dhiman Parija as Chief Executive Director w.e.f. 01 st August, 2016. Further Additional charge of Managing Director-NHDC w.e.f. from 17 th March, 2017.	Ceased from directorship w.e.f. 02 nd June, 2017.
02.	Sh. K. M. Singh as Chairman w.e.f. 16 th November, 2015.	Ceased from directorship w.e.f. 31 st July, 2017.
03.	Sh. S. K. Panwar as Director w.e.f. 09 th July, 2013.	Ceased from directorship w.e.f. 30 th June, 2017.
04.	Sh. A. G. Ansari as CED/M.D w.e.f. 24 th July, 2017.	-
05.	Sh. J. N. Shivhare as Director w.e.f. 24 th July, 2017.	Ceased from directorship w.e.f. 08 th September, 2017.
06.	Sh. Ratish Kumar as Chairman w.e.f. 11 th August, 2017.	Ceased from directorship w.e.f. 26 th September, 2017.
07.	Sh. R. P. Malviya as Director w.e.f. 22 nd September, 2017.	-
08.	Sh. Balraj Joshi as Chairman w.e.f. 27 th September, 2017.	-
09.	Sh. Narendra Singh Tomer as Director w.e.f. 08 th February, 2018.	-

The Board expresses its gratitude for the contributions and guidance given by the outgoing Directors of the Company.

Further, Sh. Vijay Kumar and Sh. R. P. Malviya are directors retiring by rotation in the ensuing Annual General Meeting and are eligible for re-appointment.

As on 31st March, 2018 details of KMPs & their cessation is given below:

S.No.	Name of KMP(s) Appointed in the Company	Details of Cessation, if any.
01.	Sh. Dhiman Parija as Managing Director.	Ceased from directorship w.e.f. 02 nd June, 2017.
02.	Sh. A. G. Ansari as Managing Director.	-
03.	Sh. B. L. Saboo as CFO	-
04.	Sh. Vinay Tripathi as Company Secretary.	-

Further, the description of remuneration paid to MD/WTD is given in the Corporate Governance Report that forms part of the Annual Report.

24. SECRETARIAL AUDIT REPORT:

Secretarial Audit Report in prescribed format as given by M/s M. M. Chawla & Associates, Practicing Company Secretaries is enclosed at **Annexure “B”** to the Board’s Report, which is self-explanatory in itself.

25. SIGNIFICANT AND MATERIAL ORDERS:

There are no significant and material orders passed by the regulators or courts & tribunals impacting the going concern status and Company’s operations in future.

26. PROCUREMENT FROM MICRO & SMALL ENTERPRISES:

Your company follows the Public Procurement policy for Micro and Small Enterprises (MSEs) Order, 2012 at all its locations. The Company is extending all the benefits as per Public Procurement policy to MSEs like exemption of tender fee, earnest money deposit, purchase preference and interest on delayed payments etc.

During the financial year 2017-18, under public procurement policy, the Company has procured product and services from MSEs constituting 31.08% of total annual procurement value including the value of items/ equipment’s/ services which are either original equipment manufacturers (OEMs) proprietary equipment and / or not manufactured/provided by MSEs, against the mandated target of 20% set by ministry of Micro, Small and medium enterprises (MSME), Govt of India.

27. E-PROCUREMENT:

As a part of transparent procurement system and in compliance to guidelines issued by Ministry of Power and Central Vigilance Commission, your company has opted for e- procurement solution across the company. The procurement process for supply/ works/contracts cases over the value of Rs. 2 lakh is being done through e-procurement. Your company has also implemented e-Reverse Auction for the work of Electro-Mechanical /Hydro-mechanical Contracts & procurement of goods, where procurement is not of urgent nature, having estimated value of more than Rs. 5 Crores.

The Company is also in process for adopting the GeM (Government E-market place) for procurement of goods/services as per the government directive.

28. CORPORATE SOCIAL RESPONSIBILITY (CSR) POLICY:

Corporate Social Responsibility is a company’s commitment to its stakeholders to conduct business in an economically, socially and environmentally sustainable manner that is transparent and ethical. Your company has a long standing commitment to address the needs of the society, in view of its beliefs that for any economic development to be meaningful, the benefits from the business must trickle down to the society at large, the Company is of the firm view that the corporate goals must be aligned with the large goals of the society. Your company is aware of the need to work beyond financial consideration and put in the little efforts to ensure that it is perceived not just as a corporate entity that exists merely for power generation but as a wholesome entity created for the goods of the society and for improving the quality of life of the communities we serve. As a constructive partner in the society in which it operates, NHDC Ltd has been taking concrete actions to realize its social responsibility objective, thereby building values for its stakeholders and customers.

As per companies Act 2013, the board of every company referred in Section 135 shall ensure that the company spends, in every financial year, at least two percent of its average net profits of the company made during the three preceding financial year, in pursuance of its Corporate Social Responsibility Policy; provided that the company shall give preference to the local area and area around it where it operates, for spending the amount earmarked for Corporate Social Responsibility activities. As such in line with Companies Act, 2013, CSR budget of Rs. 20.028 Crore was approved by the board for FY 2017-18.

As on 31st March 2018 the composition of CSR Committee consists of Shri R. P. Malviya, Director as Chairman along with Shri A.G. Ansari, Managing Director, C.A. Satya Prakash Mangal, Director, and Smt. Savitri Srivastav, Director. The company has already formulated and implemented CSR Policy. The CSR work is being carried out as per approved CSR Policy of the company and as per companies Act, 2013.

Details about the CSR policy and initiatives taken by the company on Corporate Social Responsibility during the year is available on website www.nhdcindia.com. The annual report on CSR activities is appended as **Annexure “C”** to the Board’s report.

29. AUDIT COMMITTEE:

As on 31st March, 2018, the composition of Board level audit committee consists of CA. Satya Prakash Mangal, Director as Chairman along with three other directors as members i.e. Sh. Vijay Kumar, Director, Sh. R.P. Malviya, Director and Smt. Savitri Srivastav, Director. The scope of audit committee has been made in accordance with Sec. 177 of the Companies Act, 2013 and further in accordance with corporate governance guidelines - 2010, as applicable to CPSE. The reference is also provided in corporate governance section appended to Board’s Report. Further all the recommendations made by the Audit Committee during the year were accepted by the Board.

30. PARTICULARS OF EMPLOYEES:

The Government Companies are exempted from complying with provisions of Section 197 of the Companies Act, 2013. Therefore, such particulars have not been included as part of Board’s Report.

31. EVALUATION MECHANISM:

Ministry of Corporate Affairs vide its notification dated 05th June, 2015 exempted/amended certain provisions of the Companies Act, 2013 for Government Companies. Your Company is a Joint Venture of NHPC Limited (Govt. of India Enterprise) and Govt. of Madhya Pradesh. As per existing articles, the joint venture partners nominate the suitable persons as their respective directors on the Board as may be necessary for effective functioning of the company. Their performance is evaluated by the respective appointing authority. The performance evaluation of the Board and its Committee is yet to be carried out.

32. POLICY ON REMUNERATION OF KMPs (OTHER THAN DIRECTORS) & OTHER EMPLOYEES AND THEIR ANNUAL PERFORMANCE EVALUATION:

As regards policy on remuneration of KMPs (other than directors) and other employees of the Company, their pay structure, allowances and other benefits are governed as per approval accorded by the Board of Directors. Annual performance evaluation of senior management personnel and other Employees of the company are being done as per the “Performance Appraisal-Recording and Custody” rules of the company read with relevant guidelines of Department of Public Enterprises, Govt. of India.

33. INDEPENDENT DIRECTOR(s):

The required number of Independent Director(s) are yet to be appointed on the Board of your company by Ministry of Power, Govt. of India subject to its applicable to J.V. Companies.

34. VIGIL MECHANISM:

The Company has already formulated a Vigil Mechanism Policy for directors and employees to report their genuine concerns or grievance and the same is placed on web site of the Company. No such cases have been reported during F.Y. 2017-18.

35. DISCLOSURES ON SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

NHDC follows the CCS (Conduct) Rules, 1964 Guidelines regarding prevention of sexual harassment of working women in the work place. The Company has constituted committees in its all Project/Offices under these guidelines. No case under these guidelines was reported in F.Y. 2017-18 before the Committee.

36. FRAUD PREVENTION POLICY:

The Fraud prevention policy of the Company has already been implemented in NHDC and placed on website of the Company. As on 31st March, 2018 no such cases of fraud have been reported to Audit Committee/Board.

37. STATUTORY AND OTHER INFORMATION:

The information required to be furnished as per the Companies Act, 2013 and/or Corporate Governance guidelines on the following matters is placed at **Annexure “D”**.

- i) Management Discussion and Analysis Report (MDAR).
- ii) Report on Corporate Governance.
- iii) Information on conservation of energy, technology absorption and foreign exchange earnings and out go.

38. STATUTORY AUDITORS:

The Statutory Auditors of your company are appointed by the Comptroller and Auditor General (C&AG) of India. During F.Y. 2017-18, the C&AG appointed M/s S. K. Lulla & Co. Chartered Accountants, Gwalior as a “Statutory Auditors” for conducting the Audit of the company.

The notes on financial statements referred to in the Auditor’s Report are self-explanatory and do not call for any further comments. The Auditor report does not contain any qualification, reservation or adverse remark. No instance of fraud has been reported by the Auditors under Section 143(12) of the Companies Act, 2013.

The report of the Statutory Auditors on the statements of accounts of the Company for the financial year ended on 31st March, 2018 is given at **Annexure “E”** to the Report. The comments on accounts for the year ended 31st March, 2018 by C&AG of India along with management reply, if any, under section 143(6) of the Companies Act, 2013 are enclosed at **Annexure “F”** to this report.

39. COST AUDITORS:

M/s Dhananjay V. Joshi & Associates, Indore “Cost Auditors” have been appointed to conduct the audit of cost accounting records of the Company for the F.Y. 2017-18 as per the requirement of Companies Act, 2013.

40. DIRECTORS RESPONSIBILITY STATEMENT (DRS):

In accordance with the provisions of Section 134(5) of the Companies Act 2013, your directors confirm that:

- a) in the preparation of the annual accounts for the financial year ended 31st March, 2018, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2018 and of the profit / loss of the Company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act 2013 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors had prepared the annual accounts on a going concern basis;
- e) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively and timely compliances.

41. ACKNOWLEDGEMENTS:

The Board acknowledges with thanks the guidance and cooperation extended by various Ministries, State Govt. and other Govt. agencies at various stages of work. The Board places on record its appreciation for cooperation extended by the Statutory Auditors, Office of Comptroller and Auditor General of India (C&AG), Bankers and other concerned authorities. Further the Board wishes to record its deep gratitude to all the members of NHDC Ltd. family whose enthusiasm, dedication, endeavor and cooperation have made the achievement of a satisfying performance possible. The Board is also confident that the employees will continue to contribute their best in the coming years.

For and on behalf of the Board of Directors

Sd/-
(Balraj Joshi)
Chairman
DIN: 07449990

Dated: 14.08.2018

Place: Delhi

Annexure "A"

FORM NO. MGT.9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31 March, 2018

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

I. REGISTRATION AND OTHER DETAILS:

i	CIN	U31200MP2000GOI014337
ii	Registration Date	01 st August, 2000
iii	Name of the Company	NHDC Ltd.
iv	Category/Sub-Category of the Company	Government Company / Limited by shares.
v	Address of the Registered office and contact details	NHDC Parisar, Near Hotel Lake View Ashoka, Shyamla Hills, Bhopal (M.P) 462013
vi	Whether listed company	No
vii	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A

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	Generation of Hydro Electricity	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
1	NHPC Ltd	L40101HR197 5GOI032564	Holding	51.08%	Section 2 (46) read with section 2 (87)

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual	-	Yes	5	0.00	-	Yes	5	0.00	Nil
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt (s) -Govt of M.P.	-	Yes	9601598	48.92	-	Yes	9601598	48.92	Nil
d) Bodies Corp. -NHPC	-	Yes	10024197	51.08	-	Yes	10024197	51.08	Nil
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any Other.	-	-	-	-	-	-	-	-	-
Sub-total (A) (1):			19625800	100			19625800	100	
(2) Foreign	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks / FI									
e) Any Other....									
Sub-total (A) (2):- Total shareholding of Promoter (A) = (A)(1)+(A)(2)			19625800				19625800		Nil
B. Public Shareholding									
1. Institutions	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (specify)									
Sub-total (B)(1):-									

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
2. Non-Institutions a) Bodies Corp. i) Indian ii) Overseas b) Individuals i) Individual shareholders holding nominal share capital upto Rs. 1 lakh ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh c) Others (specify) Sub-total (B)(2):-	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total Public Shareholding (B) = (B)(1) + (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	-		19625800		-		19625800		

(ii) Shareholding of Promoters

S. No.	Shareholder's Name	Shareholding at the beginning of the year			Share holding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Co.	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the Co.	% of Shares Pledged/ encumbered to total shares	
1	NHPC & on their behalf	10024200	51.08	Nil	10024200	51.08	Nil	Nil
2	GoMP & on their behalf	9601600	48.92	Nil	9601600	48.92	Nil	Nil
	Total	19625800			19625800			

(iii) Change in Promoter's Shareholding (Please specify, if there is no change)

S.No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	19625800	100	19625800	100
2	Date wise Increase/ Decrease in Promoters Share holding during the year specifying the reasons for increase/ decrease (e.g. allotment/ transfer/bonus/ sweat equity etc):	No change during the year			
3	At the End of the year	19625800	100	19625800	100

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

S.No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	At the beginning of the year	Nil	Nil	Nil	Nil
2	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	Nil	Nil	Nil
3	At the End of the year (or on the date of separation, if separated during the year)	Nil	Nil	Nil	Nil

(v) Shareholding of Directors and Key Managerial Personnel:

S.No.	Name of Director's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	Sh. A. G. Ansari (On behalf of NHPC)	1	0.00	1	0.00
2	Sh. Rajneesh Vaish (On behalf of GoMP)	1	0.00	1	0.00

S.No.	Name of Director's	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
3	Sh. Vijay Kumar (On behalf of NHPC)	1	0.00	1	0.00
4	Smt. Savitri Srivastav (On behalf of NHPC)	1	0.00	1	0.00

V. INDEBTEDNESS

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

(Rs. in lacs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	-	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	-	-	-	-
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 due	-	-	-	-
Total (i+ii+iii)	-	-	-	-

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

(Rs. in lacs)

S. No.	Particulars of Remuneration	Name of MD/WTD/ Manager				Total Amount
		WTD/CED (Sh. Dhiman Parija up to 02.06.2017)	WTD/CED (Sh. A.G. Ansari w.e.f.24.07.2017)	
1.	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income-Tax Act, 1961	4.31	34.05			38.36
	(b) Value of perquisites u/s 17(2) Income-Tax Act, 1961	0.63	1.09			1.72
	(c) Profits in lieu of salary under section 17(3) Income-Tax Act, 1961	-	-			

2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit - others, specify...	-	-	-
5.	Others, please specify (lease, EPF M.C., EDCSS M.C., SSS M.C. & Medical Reimbursement)	1.84	11.74	13.58
	Total (A) [1+2+3+4+5]	6.78	46.88	53.66
	Ceiling as per the Act			

B. Remuneration to other directors:

S.No.	Particulars of Remuneration	Name of Directors				Total Amount
		
1.	Independent Directors	-				
	• Fee for attending board committee meetings • Commission • Others, please specify	-				Nil
	Total (1)	Nil				
2.	i) Other Non-Executive Directors including Non-official directors	CA. Satya Prakash Mangal				
	• Fee for attending board committee meetings • Commission • Others, please specify	Rs. 1,65,000/- (excluding service tax & GST) Nil Nil				Rs. 1.65 Lacs
	ii) Other Non-Executive Directors including Non-official directors	Nil				
	• Fee for attending board committee meetings • Commission • Others, please specify	Nil				
	Total (2) [i+ ii]	Rs 1,65,000 (excluding service tax & GST)				Rs. 1.65 Lacs
	Total (B) = (1 + 2)	Rs. 1,65,000 (excluding service tax & GST)				Rs. 1.65 Lacs
	Total Managerial Remuneration	Rs 1,65,000 (excluding service tax & GST)				
	Overall Ceiling as per the Act	-	-	-	-	

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

(Rs. in lacs)

S.No.	Particulars of Remuneration	CEO#	Key Managerial Personnel		
			Company Secretary	CFO	Total
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	33.16 3.09 -	35.52 0.29 -	68.68 3.38 -
2.	Stock Option	Nil	-	-	-
3.	Sweat Equity	Nil	-	-	-

S.No.	Particulars of Remuneration	CEO#	Key Managerial Personnel		
			Company Secretary	CFO	Total
4.	Commission - as % of profit - others, specify...	Nil	-	-	-
5.	Others, please specify (lease, EPF M.C., EDCSS M.C., SSS M.C. & Medical Reimbursement)	Nil	8.51	7.57	16.08
	Total [1+2+3+4+5]	Nil	44.76	43.38	88.14

Note: # covered under heading A. remuneration to Managing Director, Whole-Time Directors and/ or Manager.

VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES:

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

For and on behalf of the Board of Directors

Sd/-
 (Balraj Joshi)
 Chairman
 DIN: 07449990

Dated: 14.08.2018
 Place: Delhi

**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2018**

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
NHDC Limited
CIN: U31200MP2000GOI014337
NHDC Parisar, Near Hotel Lake View Ashoka,
Shyamla Hills, Bhopal-462013 (MP)

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in our opinion, subject to what is stated in the Financial Statement for 2017-18 and the Auditors report there on, the company has, during the period covering the financial year ended on **31st March 2018** (Audit Period) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by Company for the financial year ended on 31st March, 2018 according to the provisions of:

- i) The Companies Act, 2013 (the Act) and the rules made there under;
- ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under **(Not Applicable to the Company during the Audit Period)**;
- iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under **(Not Applicable to the Company during the Audit Period)**;
- iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 **(Not Applicable to the Company during the Audit Period)**;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 **(Not Applicable to the Company during the Audit Period)**;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)**;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not Applicable to the Company during the Audit Period)**;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not Applicable to the Company during the Audit Period)**;

- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not Applicable to the Company during the Audit Period)**;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company during the Audit Period)** and
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company during the Audit Period)**.

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

- I. Secretarial Standards with regard to Meeting of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India and made effective from 01st July 2015;
- II. The Listing Agreements entered into by the Company with the Stock Exchanges. (Not Applicable to the Company during the Audit Period);

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

We further report that as per the quarterly reports of the departmental heads and the Company Secretary taken on record by the Board of Directors and per the clarifications given to me, the company has complied with the all laws/ rules/ regulations as applicable to the company including the following:

- (a) The Indian Electricity Act, 2003 and rules made there under;
- (b) The Environment (Protection) Act, 1986 and rules made there under;
- (c) The Forest Conservation Act, 1980 and rules made there under;
- (d) The Right to Information Act, 2005 and rules made there under;
- (e) Applicable Regulations of Central Electricity Regulatory Commission (CERC).
- (f) The Industrial and Labour Laws consisting of:
 - i. The Contract Labour (Regulation and Abolition Act, 1970);
 - ii. The Minimum Wages Act, 1948;
 - iii. The Payment of Wages Act, 1936;
 - iv. The Maternity Benefit Act, 1961;
 - v. The Sexual Harassment of Women at work places (Prevention, Prohibition and Redressal) Act, 2013;
 - vi. The Employees Provident Fund and Miscellaneous Provision Act, 1952;
 - vii. The Payment of Gratuity Act, 1972.
- (g) All applicable Taxations laws and rules made there under.

I further report that:-

- NHDC Limited is a Joint Venture of NHPC Limited (Government of India Enterprise) and Government of Madhya Pradesh and all the directors are nominated by the joint venture partners and/or Ministry of Power, Government of India. The Board of Directors of the Company is duly constituted with Executive Directors, Non-executive Directors including Woman Director. The Ministry of Power has already been approached to make appointment of Independent Director(s). The changes in the composition of the Board of directors that took place during the period under review were carried out in compliance with the provisions of the Companies Act, 2013.
- Adequate notice was given to all the directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- All decisions at Board Meetings and Committee Meetings are carried out by majority as recorded in the minutes of the meetings of the Board of Directors and Committee of the Board, as the case may be while dissenting member's views can be recorded as part of the minutes, even though there was no such occasion during the period under review.

We further report that as per the requirement of the Companies Act, 2013 and other rules and regulations/guidelines, the Company has formulated and adopted various policies as under:

- Related Party Policy;
- Corporate Social Responsibility Policy;
- Vigil Mechanism Policy;
- Risk Management Policy; and
- Code of Business Conduct & Ethics for Board of Directors and Senior Management Personnel and have placed them on the website of the Company, wherever needed.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. Adequate in house system has been developed to obtain quarterly/ annual compliance certificates from all Heads of Projects and Heads of Departments at projects and corporate office level in this regard.

Place: Bhopal
Date: 25.06.2018

For M.M.Chawla and Associates
Company Secretaries

Sd/-
M.M.CHAWLA
Proprietor
FCS - 67
CP. No. 716

ANNUAL REPORT ON CSR ACTIVITIES FOR FY 2017-18

- 1. A brief outline of the company’s CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs.**

CSR Policy

The Company has formulated and implemented CSR Policy as per Companies Act, 2013. The policy aims to integrate the objectives of profit maximization and long term growth with sustainable development & ethical business practices, by conducting business in a socially responsible way addressing the concerns of key stakeholders. The policy lays down the criteria to be followed during selection and planning of a CSR activity and while choosing the area of implementation of CSR projects. The management structure for CSR implementation consists of a Board level CSR Committee, nodal officer for CSR, the project head and his team for planning, implementing and monitoring CSR activities. The roles and responsibilities of each tier of the management structure is defined in the policy. The policy lays down that activities which fall within the purview of Schedule VII of Companies Act, 2013 shall be taken up by the company and the resource allocation for CSR would be as per fund allocation norms specified under sub-section (5) of Section 135 of Companies Act, 2013.

The CSR works of the Company have been carried out as per approved CSR Policy which is in line with the Companies Act, 2013. Works such as Sponsoring of Swachhta Programme at Iconic place-Mahakaleshwar-Ujjain, running and maintenance of Industrial Training Institute, running & maintenance of water supply facilities and electricity for street lights at various resettlement sites of Indira Sagar and Omkareshwar Projects, Contribution to Swachh Bharat Abhiyan, Development of Park at Nagchun at District Khandwa, Construction of 8 Blocks and Auditorium for Vedic Vidhya Peetham at Chichot-Harda, Conducting employment oriented skill development training Programme by M/s CRISP-Bhopal, Construction of approach road for villagers of rehabilitation site, Providing waste composting machine with shed for Omkareshwar Temple, Plantation near to under construction Siddhwarkut ghat area to protect the banks of Narmada River from erosion of soil, Installation of 35 KW roof top solar power Plant at Mahakaleshwar temple-Ujjain, Construction of shed for mid-day meal and class room at Govt. School, Development of land / green belt, R & M of Tailoring Centre at ISPS & OSPS, development and repair maintenance of Ghats, providing treatment and distribution of medicines to local people at OPD of project hospitals, arranging medical camps, etc. are among the main CSR activities taken up during FY 2017-18.

2. The Composition of CSR Committee

As on 31st March, 2018 the composition of CSR Committee consists of following Board members:

1. Sh. R. P. Malviya, Director- Chairman of the Committee
2. Sh. A. G. Ansari, Managing Director, NHDC Ltd. - Member
3. C. A. Satya Prakash Mangal, Director- Member
4. Smt. Savitri Srivastav, Director – Member

3. Average net profit of the company for last three financial years

Average net profit of the company calculated in accordance with the provisions of section 198 of Companies Act, 2013 made during the three immediately preceding financial years (i.e. FY 2014-15, FY 2015-16 and FY 2016-17) comes to Rs. 1001.40 Crore.

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

Rs. 2002.8 Lakhs.

5. Details of the CSR spent during the financial year (i.e. FY 2017-18)

- | | |
|--|-------------------|
| (a) Total amount to be spent for the financial year; | Rs. 2106.76 Lakhs |
| (b) Amount unspent, if any; | Nil |

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

1	2	3	4	5	6	7	8
S.No.	CSR projects or activity identified	Sector in which the project is covered	Project or program (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise (Rs. in Lakh)	Amount spent on the projects or programs Sub heads (1) Direct expenditure on projects or programs (2)Overheads (Rs. in Lakh)	Cumulative Expenditure up to the reporting period (Rs. in Lakh)	Amount spent : Direct or through implementing agency
1	Adoption of 50 Ekal Vidyalaya for period of one year, run by Van Bandhu Parishad in Khandwa District, M.P.	Promoting education	Local area, Khandwa District of M.P.	10.00	7.50	7.50	Through NGO Van Bandhu Parishad (FTS)
2	Construction of 8 Blocks and Auditorium for Vedic Vidhya Peetham at Chichot, Harda, M.P.	Promoting education	Local area, Harda District of M.P.	617.00	138.75	138.75	Through NGO Swami Tilak Vedic Vidya Samiti
3	Establishment of permanent facility for providing clean and cool drinking water	Making available safe drinking water	Local area, Bhopal District of M.P.	1.00	0.91	0.91	Direct
4	Contribution to Swachh Bharat Kosh	Health care and sanitation	-	153.00	153.00	153.00	Direct , Gol
5	Conducting employment oriented skill development training Programme by M/s CRISP, Bhopal	Promoting skill development	Local area, Khandwa District of M.P.	199.8228	12.85	12.85	Direct
6	Sponsorship of medical camp	Health care and sanitation	Local area, Bhopal District of M.P.	0.44	0.44	0.44	Through NGO Rajyoga education and research foundation
7	Development of Park at Nagchun at District Khandwa.	Ensuring environmental Sustainability	Local area, Khandwa District of M.P.	342.00	214.66	214.66	Direct
8	Construction of Boundary wall & stage at Govt High School, Ramnagar, Khandwa	Promoting education	Local area, Khandwa District of M.P.	5.00	3.78	3.78	Direct
9	Sponsorship of one no. mobile Medicare Units (MMU) for R&R site through Help Age India.	Health care	Local area, Khandwa District of M.P.	45.15	19.28	19.28	Through NGO Help Age India
10	Maintenance Work in Rehabilitation Site - Running maintenance of Water Supply and maintenance of City park/ Khedapati park/ Tagore Park and payment of Electricity Bill at Rehabilitation Site	Healthcare sanitation, Rural Development	Local area, Khandwa District of M.P.	230.00	218.22	218.22	Direct

11	Renovation work in ITI hostel at Narmda Nagar including electrical works.	Education & skill development	Local area Narmada Nagar, Khandwa District of M.P.	71.850	64.96	64.96	Direct
12	Construction of Boundary wall in ITI Building at Narmada Nagar.	Education & skill development	Local area Narmada Nagar, Khandwa District of M.P.	42.210	22.90	22.90	Direct
13	Water storage tank with platform in Govt. schools in village near Project Area and construction of Tin shed & drinking water arrangement in Sewa Sahkari Samiti Maryadit, Punasa	Healthcare making available safe drinking water	Local area Narmada Nagar, Khandwa District of M.P.	10.967	10.13	10.13	Direct
14	Drinking water arrangement in janpad panchayat office Punasa, ITI Narmada Nagar and in Sewa Sahkari Samiti Maryadit Punasa. .	Healthcare making available safe drinking water	Local area Narmada Nagar, Khandwa District of M.P.	3.000	2.89	2.89	Direct
15	Running & Maintenance of Industrial Training Institute (ITI) including electricity bill of hostel and water supply at Narmada Nagar.	Education & skill development	Local area Narmada Nagar, Khandwa District of M.P.	130.000	144.48	144.48	Through NVDA GoMP
16	Free distribution of Medicines/ Calipers to Handicapped persons during Annual Medical Camp at local area Sanawad	Healthcare	Local area Khandwa & Khargone District of M.P.	2.00	1.45	1.45	Through NGO Manav Sewa Samiti
17	R&M of tailoring centre for rendering training for empowerment of women of Local/PAF at Narmada Nagar and Punasa.	Education & skill development	Local area Narmada Nagar, Khandwa District of M.P.	6.00	5.83	5.83	Through NGO
18	Swachh Vidhyala Abhiyan, Physical verification of toilet	Healthcare	Local area, Sehore, Harda District of M.P.	-	1.19	1.19	Direct
19	Construction of boys & girls hostel at ITI Bhagwanpura, Mundi.	Promoting education and skill development	Local area, Khandwa District of M.P.	5.00	0.07	0.07	Direct
20	Free Distribution of medicines to PAF and locals visiting OPD of project Hospital of ISPS.	Healthcare	Local area Narmada Nagar, Khandwa District of M.P.	12.00	2.08	2.08	Direct

21	Renovation of pond for villagers at rehabilitation site Nayapura of Omkareshwar Power Station.	Conservation of natural resources, Rural Development	Local area, Omkareshwar, Khandwa District of M.P.	30.00	21.49	21.49	Direct
22	Construction of approach road (rigid pavement) for villagers of rehabilitation site Nayapura of Omkareshwar Project	Rural Development	Local area, Omkareshwar, Khandwa District of M.P.	24.97	10.04	10.04	Direct
23	Providing waste composting machine with shed for Omkareshwar Temple	Ensuring environmental Sustainability	Local area, Omkareshwar, Khandwa District of M.P.	20.00	13.60	13.60	Direct
24	Arrangement of safe drinking water at designated places at Omkareshwar for pilgrims/tourist.	Making available safe drinking water	Local area, Omkareshwar, Khandwa District of M.P.	14.89	6.03	6.03	Direct
25	Construction of community hall, library with drinking water, toilet facility, Dispensary, waiting room, common drains and misc. items (Furniture, Utensils etc.) complete at village under Sulgaon panchayat adjacent to Omkareshwar	Promoting health care, setting of public library, Rural development	Local area, Omkareshwar, Khandwa District of M.P.	45.00	27.83	27.83	Direct
26	Providing clean drinking water facilities through hand pump at nearby village around OSPS	Making available safe drinking water	Local area, Omkareshwar, Khandwa District of M.P.	9.62	1.27	1.27	Direct
27	Repair and civil maintenance of Government school of Siddharkut near OSP.	Promoting Education	Local area, Omkareshwar, Khandwa District of M.P.	20.00	9.84	9.84	Direct
28	Construction of Bio Gas Plant, providing complete roti maker machine, water purifier cum cooler for Girls Orphanage and Hostel (PARAM Shaktipeeth) at Kothi near Omkareshwar.	Eradicating hunger poverty, Promoting education, setting up of homes and hostels for orphans	Local area, Omkareshwar, Khandwa District of M.P.	15.00	8.09	8.09	Direct
29	Awareness campaign (Board, Display, Kiosk, workshop etc. for cleanliness of Narmada river and various Ghats of Omkareshwar.	Ensuring environmental sustainability, conservation of natural resources	Local area, Omkareshwar, Khandwa District of M.P.	5.00	4.83	4.83	Direct

30	Construction of toilets/urinals and arrangement of drinking water at nearby villages of Omkareshwar Power Station.	Preventive health care and sanitation	Local area, Omkareshwar, Khandwa District of M.P.	45.00	39.93	39.93	Direct
31	Arrangement of clean drinking water for pilgrims/ tourists at Omkareshwar Jyotirling temple campus.	Making available safe drinking water	Local area, Omkareshwar, Khandwa District of M.P.	7.50	3.86	3.86	Direct
32	Establishment of silai centre at Godharpura colony to providing training to poor girls at Omkareshwar.	Education & skill development	Local area, Omkareshwar, Khandwa District of M.P.	3.00	1.36	1.36	Direct
33	Plantation near to under construction Siddhwarkut ghat area to protect the banks of Narmada River from erosion of soil.	Ensuring environmental Sustainability, conservation of natural resources	Local area, Omkareshwar, Khandwa District of M.P.	5.00	4.07	4.07	Direct
34	Installation of 35 KW roof top Solar power Plant at Mahakaleshwar temple, Ujjain.	Ensuring environmental sustainability	Local area, Ujjain District of M.P.	32.67	19.47	19.47	Direct
35	Construction of training center (Room), providing mass food cooking machine and water purifier cum cooler at mook badhir Jyotirmay Sewa Samiti, Barwaha.	Promoting education	Local area, Khargone & Khandwa District of M.P.	35.00	14.62	14.62	Direct
36	Development of land / green belt at nearby area of Omkareshwar for pilgrims/tourists.	Ensuring environmental Sustainability, Protection of flora and fauna	Local area, Omkareshwar, Khandwa District of M.P.	15.00	1.69	1.69	Direct
37	Development & repair of Ghats at Siddhwarkut and Omkareshwar.	Rural Development	Local area, Khandwa District of M.P.	28.75	0.48	0.48	Direct
38	Sponsoring of Swachhta Programme at Iconic place-Mahakaleshwar-Ujjain	Preventive healthcare and sanitation, Protection of national heritage	Local area, Ujjain District of M.P.	792.00	792.00	792.00	Through Shri Mahakal Mandir trust Ujjain
39	Swachh Vidhyala Abhiyan, Physical verification of toilet	Healthcare sanitation	Indore,Ujjain, Burhanpur District of M.P.	--	0.56	0.56	Direct
40	Administrative expenditure			--	100.32	100.32	
Total FY 2017-2018				3034.84	2106.76	2106.76	

6. Reasons for unspent amount of Rs. 23.29 Crore accumulated from balance of previous financial years as CSR reserves.

Total expenditure incurred on CSR activities during F.Y. 2017-18 is 21.07 Crore against the prescribed expenditure amount of Rs. 20.03 Crore for the F. Y. 2017-18. An amount of Rs.1.04 Crore was utilized out of the unspent amount of previous F.Y.2016-17 and accumulated CSR reserves totaling to Rs. 23.29 Crore, which shall be utilized on forthcoming CSR activities during financial year 2018-19 in accordance with the Schedule VII of the Companies Act, 2013.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

Certified that all the CSR works of NHDC Ltd. are being implemented and monitored in compliance of CSR objectives and Policy of the Company.

Sd/-
(Chief Executive Officer or
Managing Director or Director)

Sd/-
(Chairman CSR Committee)

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

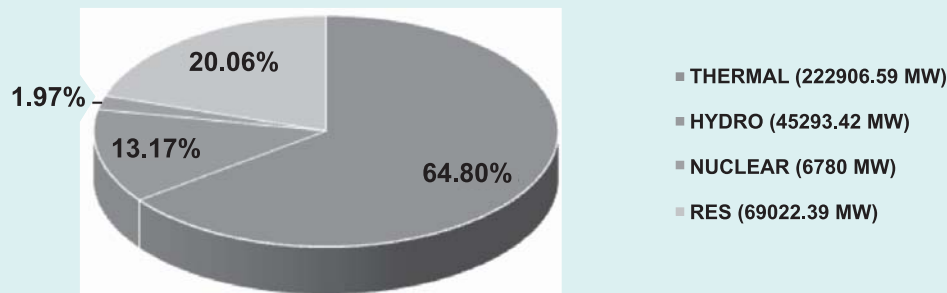
INDUSTRY STRUCTURE AND DEVELOPMENT

Growth of Power sector is key to the economic development of the country as it facilitates development across various sectors of the economy, such as manufacturing, agriculture, commercial enterprises and railways. Since Independence the Power Sector in India has grown considerably. In our country, a conducive environment has been created to promote private sector participation and competition in the sector by providing a level playing field. This has led to significant investment in generation, transmission and distribution areas. Over the years the installed capacity of Power Plants (Utilities) has increased to about 3,44,002 MW as on 31.3.2018 from a meagre 1713 MW in 1950. Similarly, the electricity generation increased from about 5.1 Billion units in 1950 to 1201.54 BU (including imports) in the year 2017-18. The per capita consumption of electricity in the country has also increased from 15 kWh in 1950 to about 1150 kWh in the year 2017-18.

The All India peak demand (MW) as well as energy (MU) shortage have registered steady decline. The peak shortage and energy shortage were 1.1% and 0.8% respectively during the year 2017- 18.

Out of the 344002.39 MW of installed capacity of power, Thermal power accounted for 222906.59 MW (64.80%), Hydro 45293.42 MW (13.17%), Nuclear 6780 MW (1.97%) and Renewable Energy Sources 69022.39 MW (20.06%). The Government/Public Sector has taken a major role in development of power sector and has contributed 54.80% of total installed capacity. The participation of private sector is 45.20% which is increasing since the liberalization of economy in 1991.

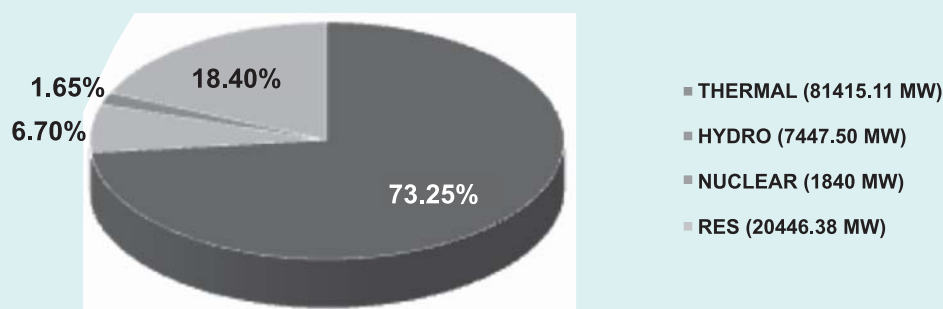
ALL INDIA INSTALLED CAPACITY OF POWER STATIONS



(Source-CEA's All India Installed Capacity Report of March 2018-revised)

The installed capacity in Western region including allocated shares in Joint & Central Sector as on 31st March, 2018 was 111148.99 MW. This consists of Thermal 81415.11 MW (73.25%), Hydro 7447.50 MW (6.70%), Nuclear 1840 MW (1.65%) and Renewable energy Sources 20446.38 MW (18.40 %). The current deficit in energy demand in Western region is nil whereas the peak demand deficit is 0.2%.

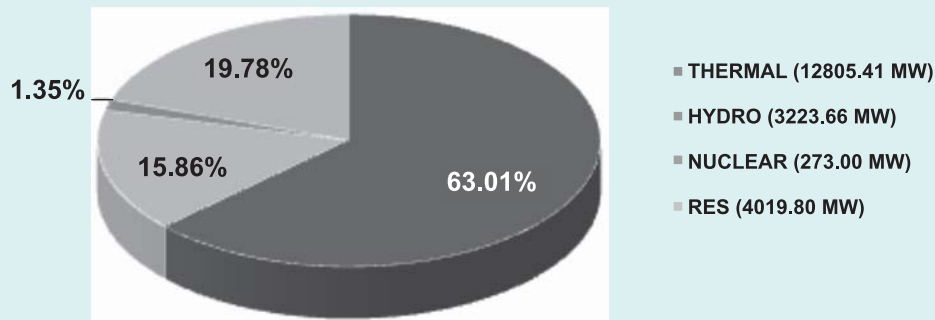
INSTALLED CAPACITY OF WESTERN REGION'S POWER STATIONS



(Source-CEA's All India Installed Capacity Report of March 2018-revised)

The total installed capacity including power allocated to Madhya Pradesh as on 31st March 2018 was 20321.87 MW from State / Central / Private sector. Out of this, thermal power accounted for 12805.41 MW (63.01 %), hydro 3223.66 MW (15.86%), nuclear 273.00 MW (1.35%) and Renewable Energy Sources 4019.80 MW (19.78%). The current deficit in energy demand in MP is nil whereas the peak demand deficit is 0.3%.

INSTALLED CAPACITY OF MP's POWER STATIONS



(Source-CEA's All India Installed Capacity Report of March 2018-revised)

Hydro Electric power has been the most reliable source of renewable energy for past 100 years. NHDC Ltd. (Joint Venture of NHPC Ltd. & GoMP) was setup in August' 2000 and was initially entrusted on ownership basis the two mega hydro power projects in Narmada basin namely Indira Sagar (1000 MW) & Omkareshwar (520 MW) and both the power projects have been completed in time. NHDC is committed to play a major role in development of power projects with a intent to facilitate achievements of Govt. objectives and contribute for nations growth in a sustainable manner. Presently, it is the largest hydro power producer in the State of M.P. and also a vital constituent of Western region. Indira Sagar Power Station (ISPS) and Omkareshwar Power Station (OSPS) is capable for Black start in condition of Grid Collapse/ failure. The initiatives taken in past by your company for development of Thermal Power Projects in State of Madhya Pradesh are on hold for want of Coal Linkage. Further, the company is endeavoring for development of Non-Conventional energy sources in state of MP especially in solar power, in this regard, the company has already installed 20 KW, 55 KW and 20 KW capacity Solar PV plants at ISP, OSP and Corporate Office respectively for captive purpose.

CAPABILITY:

NHDC is strong & efficient organization with the proven track record in completing the hydro power projects ahead of schedule with limited resources. SWOT analysis has been done to examine the capability of our company to reach better heights. The Strengths, Threats/ Weaknesses and Opportunities are:-

STRENGTHS:

- **Experience and Management & Engineering Expertise**
Proven track record in timely implementing Mega hydro-electric projects. Expertise in Project Management and development of hydro projects from concept to commissioning including its Operation and Maintenance.
- **Strong Work Force**
Strong team of competent, committed, efficient and experienced professionals who are capable of accomplishing all types and sizes of hydro-electric projects. Also, capable of handling complex issues relating to Environment and R&R for implementation of Project.
- **Strong Financials**
A debt free company and having strong financial position which makes it competent enough to execute capital intensive large power projects. Also, it is the Largest Hydro Power Producer in the state of M.P.
- **Long term Sale Agreement**
Long Term Power Purchase Agreement with its single Beneficiary, also State Govt is extending Full Cooperation to Organisation especially on the issue of Rehabilitation & Resettlement and land acquisition.

THREATS/WEAKNESSES:

- **Stringent norms for hydel project and high tariff**
Stringent Govt. Norms and tedious procedures for obtaining Environmental and Forest clearance resulting in long gestation period for Hydro-electric Power Projects. Further, increase in cost of land after introduction of latest land acquisition act are making the hydro project more cost intensive and thus prone to higher tariff.
- **Potential in MP and Technical difficulties**
Lack of potential for viable major hydro power projects in Madhya Pradesh. Further development of Hydro Electric Project involves lot of geological and technical surprises and at times natural calamities which results in time and cost over run.
- **Other constraints**
Intense competition from Private Developers in Power Sector. Also, Hydro power projects in India are facing opposition from certain vested groups, NGOs etc. Further, scarcity of contractors who are able to perform in this sector increases dependency on few contractors.

OPPORTUNITIES:

- **Global scenario**
India is endowed with significant hydro potential and ranks fifth in the world in terms of exploitable hydro – potential on global scenario, further, presently only about 30% of hydro potential of country has been developed.
- **Grid Requirement**
Hydro Electric power is need of hour owing to deteriorating hydro-thermal mix of country. Further, Hydro Power is also required for grid balance/ stability owing large scale development of Solar Power.
- **Diversification Activities**
Govt. of India is promoting the National Solar Mission. NHDC is exploring opportunities for venturing in Solar Power development as the state of Madhya Pradesh is endowed with high solar radiation with around 300 days of clear sun and offers good sites with potential for Solar Power Development.

POWER GENERATION:

Narmada Basin had observed worse monsoon (24% deficit from normal rainfall) during the year 2017, also the Dam of Indira sagar (mother reservoir) could be filled only upto 254.17M as against FRL of 262.13M (i.e. Dam could be filled to 39% of full capacity), consequently, the Generation from NHDC Power Stations has reduced drastically, NHDC achieved total annual generation 1325.26MU (881.67 MU from Indira Sagar Power Station and 443.58 MU from Omkareshwar Power Station). Since inception the cumulative generation of Energy upto 31st March 2018 by the Company is 46008.82 MU. The Plant Availability Factor (PAF) achieved by ISPS and OSPS was 87.81% and 96.08% respectively.

OUTLOOK:

The prosperity of nation in future depends on the way how successfully and efficiently we tackle the power challenges today. The future outlook of the Company is on the Sustainable Development focused on generation of Green, Renewable power to protect the environment & safeguard the future, Energy Efficiency to reduce demand and Innovation to promote the emergence of efficient, environmentally friendly technologies.

The Company would endeavour to leverage its core competencies in development of Hydro Resources in country. The Company further intends to harness other sources of energy like Solar and Wind power as well as thermal power.

RISKS & CONCERNS

NHDC recognizes that it is exposed to a number of uncertainties, which is inherent for the power sector that it operates in. The volatility of the power sector affects the financial and non-financial results of the business. NHDC has developed Risk Management Policy to increase confidence in the achievement of organization's objectives and to remain a competitive and sustainable organization and enhance its operational effectiveness.

The main objective of Risk Management Policy is to ensure sustainable business growth with stability and to promote a pro-active approach in identifying, evaluating, reporting and managing risks associated with the business.

The Risk Management Policy is placed on website of the company i.e. www.nhdcindia.com.

INTERNAL CONTROL SYSTEM AND ITS ADEQUACY

In order to ensure regulatory and statutory compliance as well as to provide highest level of corporate governance, your Company has robust internal control systems and processes in place for smooth and efficient conduct of business and complies with relevant laws and regulations. A comprehensive Delegation of Powers exists for smooth decision making which is being further reviewed to align it with changing business environment and speedier decision making. Elaborated guidelines for preparation of accounts are followed consistently for uniform compliance. In order to ensure that all checks and balances are in place and all internal control systems are in order, regular and exhaustive internal audits are conducted by an in-house Internal Audit department in close co-ordination with various departments as auditee. A well-defined internal control framework is in place clearly identifying key control areas. Besides the Audit Committee keeps a close watch on compliance with Internal Control Systems. The Audit Committee members meet regularly, review the quarterly reports submitted by the Internal Auditors and give necessary directions as and where required.

HUMAN RESOURCE DEVELOPMENT:

People are the strength of the Company and conscious efforts have been made to provide the right environment for their continuous development in line with organizational goals, priorities and individual aspirations of employees. HR initiatives undertaken to improve employee performance level include KPA based appraisal system for all Executives and training for multi-skilling and re-deployment. The Company's unique work culture is based on trust & openness. An effective and empowering system has been established through well laid out delegation of power, decentralization and transparency. The organization looks at each and every employee as an achiever who can make the difference. Periodical job rotation and inter location transfers are undertaken to facilitate development and broaden outlook. The Human Resources function follows integrated approach to actualize the HR goals. The new recruits are attached with Senior Executive under a systematic and formal training to integrate them into the culture of the company. A Library with large collection of books has been established at Project/Offices. Executives are encouraged to take professional bodies membership for knowledge enhancement.

As on 31.3.2018, there were 547 employees on the rolls of the company. A systematic training plan has been formulated for employees of NHDC to ensuring post deployment training and development. This has been designed to groom employee for assuming position of higher responsibility. The Company has been organizing annual inter and intra project/office sports competition to inculcate team building. The company also continues to focus on building leadership capability and strategic orientation through a series of training programme and workshops. Demonstrating its high concern for people, the company has developed employee welfare, health and social security system leading to high level of commitment. The Employee attrition rate (0.84%) has been quite low in the industry. The company has developed Modern Township with best quality of life, containing amenities like, educational, medical and recreational facility for employees and their family members. The company has also empanelled hospitals at various locations to meet health needs of the employees. The company has the best record in the industry for accident free man hours. The Company emphasizes aligning capability and competency of the people with current and emerging job responsibility and business challenges.

INDUSTRIAL RELATIONS:

The industrial Relations during the year continued to be harmonious. The company takes proactive measures and follows open door policy to redress the grievances of the employees. There was no loss of any man-days during the year keeping in view of cordial atmosphere.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company is conducting business in a socially responsible way 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 its activities. CSR initiatives of your company aim at addressing the social, economic and environmental concerns of its stakeholders including those directly impacted by its operations and activities.

Your Company has well-defined CSR Policy in line with the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 and the guidelines on Corporate Social Responsibility issued by Department of Public Enterprises, Government of India. A separate report on CSR activities undertaken by your Company during the financial year 2017-18 is given at Annexure to the Board's Report.

ENVIRONMENT PROTECTION & CONSERVATION:

NHDC Ltd fully acknowledges it's corporate environmental responsibilities towards the society, environmental protection & conservation of natural resources and as such same has commanded due attention during implementation of its activities well beyond the statutory obligations. NHDC Ltd.'s hydroelectric projects i.e. Indira Sagar Project (1,000 MW) and Omkareshwar Project (520 MW) have adopted Environment Management System (ISO 14001: 2004) as an integral part of their project activities. This has helped in resource conservation and waste minimization.

Hydroelectric projects are the most environment friendly means of generating electricity at large scale. However, during execution of hydroelectric projects there are certain environmental fallouts and in order to suitably remediate this adequate environmental safeguards are in place, worth mentioning among them are compensatory afforestation, creation of National Park & Sanctuaries, relocation/ restoration of monuments of archaeological significance, catchment area treatment, seismic monitoring, etc. The Corporation is committed to strive for policies, implementation modules and monitoring formats in its business activities which are environment friendly and provides ample benefits to society at large leading to Sustainable Development and inclusive growth.

While placing utmost regard to environment friendly means of power generation, NHDC is striving to foray into Solar Power sector to harness the cleanest and most abundant source of energy.

RENEWABLE ENERGY DEVELOPMENT

Your Company is trying its best to explore possibilities of Solar Power Projects in the state of Madhya Pradesh like floating Solar Photo Voltaic project. Other opportunities in renewable energy sector are also being explored.

BUSINESS DEVELOPMENT

Your Company is exploring new business development opportunities like development of Floating Solar Photo Voltaic Projects in collaboration with Solar Energy Corporation of India at Indira Sagar Reservoir and Omkareshwar Reservoir. NHDC is also expecting to get opportunity to work in Ken Betwa Inter River Linking Project.

FOREIGN EXCHANGE CONSERVATION

Your company is making efforts to encourage the participation of local (Indian) firms in the bidding process by incorporating clauses in bid document to give all benefits to MSE's firms in order to propagate "Make in India" policy of Government of India and mostly all the tenders floated by your company on nationalized basis only.

DUES FROM BENEFICIARY

In addition to the regular dues recoverable from MPPMCL (Beneficiary), the Corporation had entered in to a bipartite agreement in previous years with MPPMCL to liquidate outstanding dues arising out of arrear bills, recoverable in Equated Monthly Installments (EMI). Total outstanding due from beneficiary as on 31.03.2018 stands at Rs. 37301 Lacs (including securitized debt of Rs. 27416 Lacs) with details as under:

(Amount in ₹ Lacs)

S.No.	Agreement Date	Rate of Interest Per Annum	Particulars	Amount due at the time of Agreement	Balances outstanding as on 31 st March, 2018
A. Securitized Dues					
1	20/04/15	10.05%	Dues towards reimbursements of Energy Development Cess (EDC) and Electricity Duty (ED), since recovered in full by end of Dec'17.	24149	0
2	13/01/17	9.20%	Arrear billing against tariff order of ISP and OSP for the tariff period 2009-14 & 2014-19, Deferred Tax materialized and other arrear billing(Monthly EMI amount ` 1435Lacs)	44987	27416
B. Current Dues against sale of power					
Total					9885
Total					37301
Classified as per books:					
Non-Current					12212
Current					25089
Total					37301

It is a matter of record and appreciation that MPPMCL is found most regular in making payment of energy bills and other dues during the year under review.

FINANCIAL PERFORMANCE:

RESULTS OF OPERATIONS

The 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.

During FY 2017-18, the Revenue from Operations was Rs. 78491 Lacs and Profit for the year from continuing operations was Rs. 55318 Lacs, as against the previous year figures of Rs. 130693 Lacs and Rs. 93128 Lacs respectively.

A detailed financial discussion and analysis of the audited financial results of the Corporation for the FY 2017-18 vis-à-vis FY 2016-17 is made as under for easy reference of the stake-holders/readers:-

1.0 Income

	FY 2017-18	FY 2016-17
Energy Sold(in million units)	1278.62	4669.96
Income	(₹ in Lacs)	
Revenue from Operations	78491	130693
Other Income	27177	29270
Total Income	105668	159963

The income of the Company comprises of income from Sale of Energy, Income from Finance Lease and Other Income such as interest earned on investment of surplus funds, interest on securitized trade receivable, interest on employee advances and amortization of grants. This year company's total income decreased by 33.94% i.e. Rs. 105668 Lacs as against Rs. 159963 Lacs in previous year. The detailed analysis of respective heads of income are as given below:-

1.1 Revenue from Operations

(Amount in ₹ Lacs)

Particulars	FY 2017-18	FY 2016-17	Variation
Revenue from Operations	78491	130693	(52202)

1.1.1 Tariff

The tariff for individual power stations of NHDC is being determined by the Central Electricity Regulatory Commission (CERC) as per applicable tariff regulations. Current year i.e. FY 2017-18 is the fourth year of the 5 year tariff period i.e. 2014-19. As per the Tariff Regulations, 2014, as notified vide CERC's Notification No. L-1/144/2013/CERC dated February 21, 2014, the generation tariff is admissible to the utility in the form of Annual Fixed Charges (AFC), which is derived on cost plus basis for the period 2014-19, subject to prudent check by CERC. Accordingly, the AFC allowed under Regulations 2014 has been worked out/approved under five different components namely (i) Return on Equity (ROE) grossed-up with applicable MAT/ Income Tax Rate, (ii) Depreciation, (iii) Interest on Loan, (iv) Interest on Working Capital and (v) Operation and Maintenance Expenses, which are at par with previous tariff regulations.

The 50% of AFC so worked out and allowed by CERC for respective power station is recoverable from beneficiary in the form of Capacity Charges. The 100% Capacity Charges is recoverable from the beneficiary at Normative Annual Plant Availability Factor (NAPAF). The NAPAF is plant specific and it is 85% for Indira Sagar Power Station and 90% for Omkareshwar Project. The Capacity Charges is thus calculated by applying the ratio of Actual Plant Availability Factor during the Year (APAFY) to NAPAF including incentive for higher APAFY or vice-versa.

The balance 50% of AFC is recoverable in the form of Energy Charges based on Energy Charge Rate (ECR) worked out on the basis of Design Energy, again power plant specific. Further, the Energy Charges @ Rs. 0.90 / KWH is recoverable additionally towards the energy supplied over & above the Saleable Design Energy i.e. Design energy less normative auxiliary consumption.

1.1.2 Sale of Energy

The sole beneficiary of NHDC's Power Stations is the State of Madhya Pradesh for which long term Tripartite Power Purchase Agreements have been signed amongst NHDC as 'Generator', MP Power Management Co. Ltd. (formerly known as MP Tradeco) as 'Beneficiary' and GoMP as 'Guarantor' in the event of default in payment by the beneficiary.

Power Purchase Agreements entered into by NHDC with single beneficiary has the substance of an embedded lease arrangement as per Appendix C of Ind-As-17 Leases "Determining whether an Arrangement Contains a Lease". Accordingly the revenue from both the Power Station of Company has been divided into 2 parts in the Profit & Loss Account, i.e. towards Lease Rental and balance towards Sale of Power. Further a portion of the Lease Rental is recognized as "Income from Finance Lease" and booked under "Operating Income", while the balance amount of Lease Rental is deducted from the value of "Lease Receivable" created in the Balance Sheet, representing value of Property Plant & Equipment (PPE) (net of grants in aid / subvention) of Power Stations.

The revenue from operations for FY 2017-18 includes Prior Year Sale for 4666 Lacs, (PY Rs. 2162 Lacs) on account of notification of water utilization Account for FY 2015-16 by Narmada Control Authority (NCA), pending similar notifications for FY 2016-17 and FY 2017-18.

Tariff Regulations notified by CERC vide notification dated 21.02.2014, inter alia, provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, an amount of Rs. 2789 Lacs (Previous Year Rs. 3935 Lacs) has been provided in the books during the year as Tariff Adjustment, on conservative basis.

1.1.3 Adjusted Sale of Energy

The Revenue from Operations also includes earlier year sales to the extent not being accounted for in respective year of accounting, deviation charges, Energy Development Cess, Electricity Duty and Deferred Tax Recoverable materialized and Tariff Adjustment.

Accordingly, the adjusted Revenue from Operations i.e. net of above components, for the current year vis-à-vis previous year are worked out as under for comparison purpose:-

Particulars	FY 2017-18	FY 2016-17
Revenue from Operations	78491	130693
Less:		
(a) Interest allowed by CERC	-	8186
(b) Earlier year sales	4666	9203
(c) Deviation Settlement Mechanism (DSM)	733	1480
(d) Energy Development Cess	1986	7106
(e) Electricity Duty	21	70
(f) DTL Materialized	-	4535
(g) Rebate to Customer	(1431)	(1212)
(h) Provision for Tariff Adjustment	(2789)	(3935)
Total (a) to (h)	3186	25433
Adjusted Revenue from Operation	75305	105260
Increase/(Decrease) in adjusted sales over previous year (%)	(-) 28.46%	

The decrease in adjusted Revenue from Operations, in current year as compared to previous year is due to low water inflow in catchment area/ deficit rainfall and resultant under recovery of Annual Fixed Charges. The schedule energy supplied during FY 2017-18 is 1278.62 MU (PY 4669.96 MU) and Energy Sold over and above Saleable Design Energy in 2016-17 was Rs. 20801Lacs, as against no such sale of energy in the current year under review.

1.2 Other Income

(Amount in ₹ Lacs)

Particulars	FY 2017-18	FY 2016-17	Variation
Other Income	27177	29270	(2093)

The Other Income mainly consists of income from investment of surplus cash, interest income from deferred Trade Receivable, interest on employee advances, amortization of grants and other miscellaneous income. During FY 2017-18, other income amounting to Rs. 27177 Lacs, which is 7.15% lower as compared to Rs. 29270 Lacs during previous FY 2016-17. The decrease in other income is mainly attributable to write back of provisions made in earlier year now accounted for as other income, on account of favorable settlement of PAF dispute in case of OSP and decrease in interest income on deferred trade receivables, compensated partly by increase in interest income earned on Bank Deposits.

2.0 Expenditure: A Comparative Position

(Amount in ₹ Lacs)

Particulars	FY 2017-18	FY 2016-17
Generation and Other Expenses	13566	16859
Employees' Benefits Expenses	12274	10323
Finance Cost	32	20
Depreciation & Amortization Expenses	7321	7335
Total	33193	34537

The total expenditure during FY 2017-18 is Rs. 33193 Lacs, which witnessed a decrease of 3.89% as compared to total expenditure of Rs. 34537 Lacs during FY 2016-17. Further, the percentage of total expenditure with respect to revenue from operations during the FY 2017-18 stood at 42.29% as against 26.43% during previous FY 2016-17, due to lower sale of energy, as explained earlier.

Expenditure – wise reasons for variations are analysed as under:-

2.1 Generation, Administration and Other Expenses

(Amount in ₹ Lacs)

PARTICULARS	FY 2017-18	FY 2016-17	Variation
Generation and Other Expenses	13566	16859	(3293)

The decrease is mainly attributable to reduced Energy Development Cess (EDC) by Rs. 5120 Lacs due to lower Generation in year under review and no similar provision for expenditure this year as against provision of Rs. 282 Lacs made last year for lapsed expenses on aborted Rewa Thermal power project set-off partly by increase in consumption of spares by Rs. 331 Lacs, increase in Repair & Maintenance expenses by Rs. 572 Lacs, increase in CSR expenditure by Rs. 731Lacs (during current year expenditure incurred on CSR is Rs. 2107 Lacs (PY Rs. 1376 Lacs), increase in interest payable to beneficiary for Rs. 158 Lacs in line with provisions of tariff regulations due to short fall in project CAPEX and increase in other expenses due to GST impact.

2.2 Employee Benefit Expenses

(Amount in ₹ Lacs)

PARTICULARS	FY 2017-18	FY 2016-17	Variation
Employee Benefit Expenses	12274	10323	1951

The increase in Employees Benefits Expenses is on account of provision for Wage Revision as per 3rd PRC recommendation, increase in Actuarial Valuation, increase in provision for Performance Related Pay (PRP) and general increase in salary and other benefits.

2.3 Finance Cost

(Amount in ₹ Lacs)

PARTICULARS	FY 2017-18	FY 2016-17	Variation
Finance Cost	32	20	12

The main reason for increase in finance cost by Rs. 12 Lacs is attributable to unwinding of financial liabilities measured on the basis of fair value at amortized cost and incremental interest on short term loan for meeting urgent working capital requirement.

2.4 Depreciation & Amortization Expenses

(Amount in ₹ Lacs)

PARTICULARS	FY 2017-18	FY 2016-17	Variation
Depreciation & Amortization Expenses	7321	7335	(14)

As Actual.

2.5 Tax Expenses

(Amount in ₹ Lacs)

PARTICULARS	FY 2017-18	FY 2016-17	Variation
Tax Expenses	18792	32908	(14116)

Decrease in tax expenses is mainly on account of decrease in current year income on account of lower generation. Tax expenses includes minimum alternate tax payable on 1/5th of opening Ind-AS adjustment on first time adoption of Ind-AS.

3.0 CASH FLOW

(Amount in ₹ Lacs)

Particulars	FY 2017-18	FY 2016-17
Net Cash flow from Operating Activities	86676	118522
Net Cashflow from Investing Activities	61366	(92884)
Net Cash flow from Financing Activities	(148068)	(46885)
Net Increase/(Decrease) in Cash/ Cash Equivalents	(26)	(21247)

4.0 Analysis of Balance Sheet Items –

4.1 Assets

(Amount in ₹ Lacs)

PARTICULARS	As at 31 st March		Increase/ (Decrease)	Major Cause for Increase/Decrease
	2018	2017		
Non-Current Assets				
Tangible Assets (Net Block)	18076	19875	(1799)	Depreciation charged.
Intangible Assets (Net Block)	99530	105005	(5475)	Effect of amortization.
Capital work in progress	14389	12534	1855	Due to ongoing capital works.
Non-Current Financial Assets- Trade Receivables	12212	27582	(15370)	Recovery of dues against Securitization Agreement.
Non-Current Financial Assets- Loans	2053	2090	(37)	Increase recovery of advances to employees.
Non-Current Financial Assets- Others	392973	432280	(39307)	Decrease in Fixed Deposits having maturity for more than 12 months and reduction in Lease receivable.
Non-Current Tax Assets (Net)	5062	4161	901	Increase on account of re-classification of tax paid in advance as Non Current from Current of AY2017-18 and decrease on account of refund from Income Tax Department.
Other Non-Current Assets	2035	1785	250	On account of Capital Advances and current non-current classification of Deferred Cost on Employee Advances.
Regulatory Deferral Account Debit Balances	2245	610	1635	Created for provisions against 3 rd PRC & increased Gratuity limit.
Current Assets				
Inventories	891	917	(26)	At actuals
Trade Receivables	25089	36345	(11256)	Due to full & final settlement of securitization agreement dated 20/04/2015 on account of realizations.
Cash & Cash Equivalents	206	232	(26)	At Actuals.
Bank Balances other than Cash & Cash Equivalents	182063	190183	(8120)	As per actual availability of funds net off utilizations.
Current Financial Assets - Loans	454	440	14	Due to change in Current / Non-Current classification of employee advances.
Current Financial Assets - Others	25547	38531	(12984)	Due to realization of Claims recoverable and current non-current classification of Lease Rent Recovery.
Current Tax Assets (Net)	--	2236	(2236)	Due to classification of Current taxes of FY 2016-17 as Non Current Tax Assets.
Other Current Assets	1725	6054	(4329)	On account Deferred Tax Materialization accounted for during previous year (on actual basis). Due to no materialization of deferred tax recoverable during this year under review.

4.2 Liabilities & Provisions

(Amount in ₹ Lacs)

PARTICULARS	As at 31 st March		Increase/ (Decrease)	Major Cause for Increase/Decrease.
	2018	2017		
Non-Current Liabilities				
Deferred Tax Liabilities (Net)	24734	24734	--	No change
Non-Current Financial Liabilities – Others	140	20	120	Due to increase in security deposit/retention money of ongoing capital works.
Other Non-Current Liabilities	121838	129549	(7711)	Due to amortization of Grants classified as deferred income and current non-current classification of Advance against Depreciation (AAD).
Non-Current Provisions	1519	1865	(346)	On account of employees benefits based on actuarial valuation and leave encashment made during current year.
Current Liabilities				
Financial Liabilities - Trade Payables	1136	1000	136	Increased liability against work done/supplies at year end.
Other Financial Liabilities	5739	2909	2830	Increased liability against capital work done/ supplies at year end and due to encashment of bank guarantee.
Other Current Liabilities	8455	8446	9	Increased Due to current non-current classification of Advance against Depreciation (AAD) set off by reduction in liability for Electricity Duty / Cess.
Current Provisions	24803	24126	677	On account of provision for wage revision and tariff adjustment due to short fall in project CAPEX including interest payable to beneficiary.
Current Tax Liabilities (Net)	711	--	711	On account of Current Tax Provision net of Advance Tax.

For and on behalf of the Board of Directors

Sd/-
(Balraj Joshi)
Chairman
DIN: 07449990

Dated: 14.08.2018

Place: Delhi

REPORT ON CORPORATE GOVERNANCE

1. THE COMPANY’S PHILOSOPHY ON CORPORATE GOVERNANCE:

NHDC has established framework of Corporate Governance which emphasizes on commitment towards ethical and efficient conduct of the affairs of the Company. The Company is committed to follow sound corporate practices that are based on conscience, openness, fairness, professionalism and accountability. It has been our endeavor to build confidence among various stakeholders thus paving the way for long term success. The Company believes that Corporate Governance magnify its management practices. At NHDC, the Corporate Governance system is participatory, transparent, responsive, consensus-oriented and equitable. The Company makes all endeavor to follow the guidelines on Corporate Governance issued by DPE, GOI to the extent possible.

2. BOARD OF DIRECTORS:

NHDC LTD is a Joint Venture of NHPC Ltd. (Govt. of India Enterprise) and Govt. of Madhya Pradesh (GoMP) with equity participation of 51% and 49% respectively. As per existing Articles of Association of the Company, the Chairman as well as Managing Director will be appointed by NHPC and Whole Time Director(s) will be appointed by NHPC in consultation with GoMP. Further the power to appoint other director’s also vest with Joint Venture Partners only. i.e. NHPC Ltd. and Govt. of Madhya Pradesh. The strength of the Board shall not be less than 5 and not more than 11. These numbers include all Whole Time and Part Time Director’s.

The articles of the Company provide that the nominees of NHPC Ltd. and Govt. of Madhya Pradesh shall hold office of the Directors in the Company at the pleasure of NHPC Ltd. and Govt. of Madhya Pradesh respectively. The Managing Director and Whole Time Directors will hold office for a period of five years or till they reach the age of superannuation, whichever is earlier.

2.1 COMPOSITION & TENURE OF THE BOARD:

As on 31st March, 2018, the Board comprises of eight members, consisting of Chairman, one Whole Time Director, three other Part Time Director(s) including Woman Director appointed by NHPC and three Part Time Director(s) appointed by Govt. of Madhya Pradesh. The required number of Independent Directors on the Board of the company (unlisted CPSEs) is yet to be appointed, based on the criteria of appointment of Independent Director(s) on the Board of CPSEs subject to its applicability on J.V.s Companies. The composition of the Board and its committees will accordingly be formalized as per the requirement.

2.2 BOARD MEETINGS:

The Board meetings are normally held at New Delhi to facilitate large participation of Directors. However, endeavor are being made to have the meetings at its Registered Office at Bhopal.

During the Financial Year 2017-18, there were Five meetings of the Board of Director held on 17th May, 2017, 24th July, 2017, 22nd September, 2017, 17th November, 2017 and 22nd December, 2017.

Details of number of Board Meetings, attendance of the Directors, attendance at last AGM, Directorship and membership/Chairmanship of Audit Committee are as under:

Name of the Director	Meetings held during respective tenure of Directors	No. of Board meetings attended	Attendance at last AGM held on 29/07/2017	No. of other Directorship held on 31/03/2018	No. of Committee memberships in other Companies on 31/03/2018
Non-Executive Directors					
Sh. K. M. Singh*	2	2	Yes	2	Nil
Sh. Ratish Kumar**	1	1	N.A	3	Nil
Sh. S. K. Panwar***	1	1	N.A	1	Nil
Sh. J. N. Shivhare****	1	1	Yes	1	Nil
Sh. R. P. Malviya*****	3	3	N.A	1	Nil

Name of the Director	Meetings held during respective tenure of Directors	No. of Board meetings attended	Attendance at last AGM held on 29/07/2017	No. of other Directorship held on 31/03/2018	No. of Committee memberships in other Companies on 31/03/2018
Sh. Balraj Joshi*****	2	2	N.A	2	Nil
Sh. Narendra Singh Tomer*****	0	0	N.A	-	-
Sh. Rajneesh Vaish	5	2	Yes	2	Nil
Sh. Vijay Kumar	5	4	Yes	Nil	Nil
Smt. Savitri Srivastav	5	5	Yes	Nil	Nil
Executive Directors					
Sh. Dhiman Parija*****	1	1	N.A	Nil	Nil
Sh. A. G. Ansari*****	4	4	Yes	Nil	Nil
Non-Official Part time Director					
CA. Satya Prakash Mangal	5	3	No	2	1

- *Consequent to superannuation, Sh. K.M Singh ceased to be Chairman w.e.f. 31st July, 2017.
- **Sh. Ratish Kumar was appointed as Chairman on the Board of NHDC w.e.f. 11th August, 2017 and ceased as such w.e.f. 26th September, 2017.
- ***Consequent to superannuation, Sh. S. K. Panwar ceased to be Director w.e.f. 30th June, 2017.
- ****Sh. J. N. Shivhare was appointed as Director on the Board of NHDC w.e.f. 24th July, 2017 and ceased as such w.e.f. 08th September, 2017.
- *****Sh. R. P. Malviya, Member (F), NVDA was appointed as Director on the Board of NHDC w.e.f. 22nd September, 2017.
- *****Sh. Balraj Joshi, CMD, NHPC was appointed as Chairman on the Board of NHDC w.e.f. 27th September, 2017.
- *****Sh. Narendra Singh Tomer was appointed as Director on the Board of NHDC w.e.f. 08th February, 2018.
- *****Sh. Dhiman Parija ceased to be Managing Director of the Company w.e.f. 02nd June, 2017.
- *****Sh. A. G. Ansari was appointed as Chief Executive Director/Managing Director on the Board of NHDC w.e.f. 24th July, 2017.

The Directors of the Company do not have any inter-se relationship amongst themselves.

2.3 TRAINING OF BOARD OF DIRECTORS:

The Company has a training policy for its Board Members which aims at building leadership quality, providing a platform to share the knowledge, skills and experience. The company deliver a set of documents and booklets to the Directors as and when required. This includes important data about performance of the Company, Memorandum & Articles of Association, Corporate Governance guidelines etc which help them to familiarize with Company procedures, practice and risk profile.

2.4 FRAUD PREVENTION AND RISK MANAGEMENT POLICY:

The Company has separate policy for fraud prevention and risk management. The risk management system is integrated and aligned with the corporate and operational objectives. Risk management is undertaken as a part of normal business practice and not as a separate task at set times.

3. COMPOSITION OF BOARD LEVEL COMMITTEES & ITS MEETINGS:

The Company comprises of Audit Committee, CSR Committee and Nomination and Remuneration Committee.

3.1 AUDIT COMMITTEE:

As on 31st March, 2018, the Audit Committee comprises the following members:

S. No.	Name	Designation	Category
01	CA. Satya Prakash Mangal	Chairman	Part Time Director
02	Shri Vijay Kumar	Member	Part Time Director
03	Shri R. P. Malviya	Member	Part Time Director
04	Smt. Savitri Srivastav	Member	Part Time Director

During the financial year 2017-18, Audit committee met five times on 09th May, 2017, 17th May, 2017, 28th June, 2017, 22nd September, 2017 and 22nd December, 2017. The details of attendance of committee members in the Audit Committee meetings are as under:-

S. No.	Name	No. of meetings held during tenure	No. of meetings attended
1	CA Satya Prakash Mangal	5	5
2	Sh. Vijay Kumar	5	5
3	Sh. S. K. Panwar*	3	3
4	Sh. J. N. Shivhare**	Nil	Nil
5	Smt. Savitri Srivastav***	2	2
6	Sh. R. P. Malviya****	1	1

*Sh. S. K. Panwar continued as member of Audit Committee till June, 2017.

**Sh. J. N. Shivhare joined as member of Audit Committee of NHDC w.e.f. 24th July, 2017 and ceased to be Director w.e.f. 08th September, 2017.

***Smt. Savitri Srivastav joined as member of Audit Committee of NHDC w.e.f. 18th September, 2017.

****Sh. Sh. R.P Malviya joined as member of Audit Committee of NHDC w.e.f. 22nd September, 2017.

Sh.A.G. Ansari, CED/M.D will attend the meeting as "Special Invitee".

The scope of audit committee is in accordance with Sec. 177 of the Companies Act, 2013 and corporate governance guidelines-2010 as applicable to CPSEs. Based on the composition of the Board of NHDC, audit committee has been constituted comprising out of existing directors on the Board. However, the composition of committee will be formalized on appointment of Independent Director(s) on the Board of the Company based on its applicability to J.V. Companies.

3.2 CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

As on 31st March, 2018, the "Corporate Social Responsibility (CSR) Committee" comprises the following members:

S. No.	Name	Designation	Category
01	Shri R. P. Malviya	Chairman	Part Time Director
02	Shri A. G. Ansari	Member	M.D.
03	CA Satya Prakash Mangal	Member	Part Time Director
04	Smt. Savitri Srivastav	Member	Part Time Director

During the financial year 2017-18, CSR Committee met Three times on 11th October, 2017, 22nd January, 2018 and 27th March, 2018. The details of attendance of committee members in the CSR Committee meetings are as under:

S. No.	Name	No. of meetings held during tenure	No. of meetings attended
01	Shri R. P. Malviya	3	3
02	Shri A. G. Ansari	3	3
03	CA Satya Prakash Mangal	3	3
04	Smt. Savitri Srivastav	3	2

- Sh R.P. Malviya appointed as Chairman of CSR Committee w.e.f. 22nd September, 2017 in place of Sh. Vijay Kumar.

- The CSR work is being carried out as per approved CSR Policy of the Company and as per Companies Act, 2013. Based on the composition of the Board of NHDC, CSR committee has been constituted comprising out of existing directors on the Board. However, the composition of committee will be formalized on appointment of Independent Director(s) on the Board of the Company based on its applicability to J.V. Companies.

3.3 NOMINATION AND REMUNERATION COMMITTEE:

As on 31st March, 2018, the “Nomination and Remuneration Committee” comprises the following members:

S. No.	Name	Designation	Category
01	Shri R. P. Malviya*	Chairman	Part Time Director
02	Shri Vijay Kumar	Member	Part Time Director
03	Smt. Savitri Srivastav**	Member	Part Time Director

- *Sh R.P. Malviya appointed as Chairman of Nomination and Remuneration Committee w.e.f. 22nd September, 2017 in place of Sh. Rajneesh Vaish.
- **Smt. Savitri Srivastav joined as member of Nomination and Remuneration Committee of NHDC w.e.f. 22nd September, 2017.
- Sh. A.G. Ansari, CED/M.D will attend the meeting as “Special Invitee”.

The scope of work for the “Nomination and Remuneration Committee” is as per DPE guidelines and /or as per Companies Act, 2013. Based on the composition of the Board of NHDC, Nomination and Remuneration committee has been constituted comprising out of existing directors on the Board. However, the composition of committee will be formalized on appointment of Independent Director(s) on the Board of the Company based on its applicability to J.V. Companies.

4. REMUNERATION OF DIRECTORS:

During the Financial Year 2017-18, the remuneration details of Executive Directors and sitting fees paid to Non-official part time director(s) are as under:

4.1 Executive Directors:

(₹ In Lacs)

Name of the Director	Salary	Perquisites	Total
Sh. Dhiman Parija* M.D.	6.15	0.63	6.78
Sh. A. G. Ansari* M.D.	45.79	1.09	46.88

*The above figures do not include provisions for leave encashment, Baggage Allowance and Memento, since the same are provided on actuarial valuation basis for the Corporation as a whole.

- Sh. Dhiman Parija ceased to be MD of the Company w.e.f. 02nd June, 2017.

4.2 Non-Official Part time Director(s):

(In ₹)

Name of the Director	Sitting Fees*
CA. Satya Prakash Mangal	1,65,000.00

*(Excluding service tax & GST).

5. GENERAL MEETINGS:

i) ANNUAL GENERAL MEETING (AGM)

Date, time and location of the last three Annual General Meetings are given as under:

Financial Year	Date	Time	Location	Special Resolution, (If Any)
2016-17	29.07.2017	12:30 P.M	NHDC Parisar, Shyamla Hills, Bhopal.	NIL
2015-16	15.09.2016	12:00 noon	NHDC Parisar, Shyamla Hills, Bhopal.	NIL
2014-15	25.08.2015	12:00 noon	NHDC Parisar, Shyamla Hills, Bhopal.	NIL

6. DISCLOSURES:

- There was no transaction of material nature with the directors of the Company having potential conflict with the interest of the Company at large.
- The details of the Related Party Disclosure are included in notes forming part of the accounts as per Indian Accounting Standard (IND AS) 24 issued by the Institute of Chartered Accountants of India (ICAI).
- The Statutory compliance report is being placed before the Board regularly. Further, no penalty, stricture is imposed on the Company by any statutory authority on any matter related to any guidelines issued by the Govt. during the last three years.
- A policy to prevent frauds has already been adopted by NHDC for reporting of frauds or suspected frauds involving employees of the Company as well as representative of Vendors, Suppliers, Contractors, Consultants, Service Providers or any other party doing any type of business with NHDC. The mechanism for prevention of fraud is also included in the policy.
- All applicable Indian Accounting Standards (IND AS) are being followed for preparation of the financial statements as prescribed by the Institute of Chartered Accountants of India (ICAI). However, wherever, there is non compliance that has been indicated in the notes to accounts which are forming part of financial statements.
- There is no items of expenditure debited in books of accounts, which are not for the purpose of the business.
- No expenses incurred by the company which are personal in nature and incurred for the Board of Directors and top management.
- No Presidential Directives were issued to the company during the F.Y. 2017-18 and preceding three financial year.
- Details of other expenses (administrative and office expenses) as a percentage of total expenses vis-à-vis financial expenses and reasons for increase:

Details	2017-18	2016-17	Remarks
Administrative expenses as a percentage of total expenses.	17	15	Variation is mainly on account of Increase in rent and hire charges, increase in Security Expenses due to revision in allowances of CISF, Increase in consultancy charges due to enhanced GRA Expenses allocated by NVDA and GST impact.
Administrative expenses as a percentage of financial expenses.	17272	25860	Subject variation is due to marginal increase in finance cost during the year.

7. MEANS OF COMMUNICATION:

The entire paid up capital of the Company is being held by NHPC Ltd. (Govt. of India Enterprise) and Govt. of Madhya Pradesh. The Company communicates with its Shareholders through its annual report, general meetings and disclosure through website.

8. CODE OF CONDUCT:

The Board of Directors has laid down the Code of Business Conduct and Ethics for the Board members and Senior Management of the Company. The copy of the Code is displayed on the website of the Company www.nhdcindia.com. All Board members and key officials of the company have affirmed compliance with the code. A declaration to this effect is annexed to this Report.

9. COMPLIANCE CERTIFICATE:

Certificate from M/s M. M. Chawla & Associates, Company Secretary in Whole-time Practice confirming compliance with the conditions of Corporate Governance as stipulated under Corporate Governance Guidelines for CPSEs-2010, form part of the Annual Report.

For and behalf of the Board of Directors

Dated: 14.08.2018
Place: Delhi

Sd/-
(Balraj Joshi)
Chairman
DIN: 07449990

DECLARATION BY MANAGING DIRECTOR REGARDING COMPLIANCE WITH THE CODE OF CONDUCT BY BOARD MEMBERS AND SENIOR MANAGEMENT DURING THE F.Y. 2017-18

I, A.G. Ansari, Managing Director, NHDC Limited, do hereby declare that all the Members of the Board of Directors attended the meeting(s) and the Senior Management Team of the Company have affirmed their compliance of the Code of Business Conduct and Ethics of the Company during 2017-18.

Date: 16.05.2018

**Sd/-
(A.G. Ansari)
Managing Director
DIN: 07884841**

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members,
NHDC Limited,
CIN: U31200MP2000GOI014337
NHDC Parisar, Shyamla Hills,
Bhopal (M.P)

We have examined the compliance of the conditions of Corporate Governance by NHDC Limited, (hereinafter referred as 'the Company') **for the year ended on 31st March, 2018** as stipulated in 'Guidelines on Corporate Governance-2010 dt. 14th May, 2010 by the Department of Public Enterprises, Ministry of Heavy Industries and Public Enterprises, Government of India and annexure mentioned there under (hereinafter referred as 'guidelines').

The compliance of conditions of corporate governance is the responsibility of the Management. Our examination was limited to verification of procedures on test basis and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of corporate governance as stipulated in above mentioned guidelines. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we hereby certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Guidelines.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the Management has conducted the affairs of the Company.

**For M. M. Chawla & Associates
Company Secretaries**

**Place: Bhopal
Date: 13.06.2018**

**Sd/-
CS M. M. Chawla
Proprietor
FCS – 67, C.P. No. 716**

INFORMATION ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING AND OUT GO

Sr. No.	Information Sought	Reply
i.	The steps taken or impact on conservation of energy;	<p><u>Indira Sagar Power Station (ISPS)</u></p> <ol style="list-style-type: none"> 1) Existing 215 nos. 70/150 Watt MH/SV light fittings were replaced with 40 watt LED fittings. Due to replacement of MH/SV light fittings with LED fittings, energy consumption reduced by 1935 units (KWh) per month. 2) Existing 75 nos. 150 Watt MH/SV light fittings of Dam Top were replaced by 72 watt integral LED fittings. Due to replacement of MH/SV fittings with LED fittings, energy consumption reduced by 1755 units (KWh) per month. 3) Existing 50 nos. 400 Watt high mast fittings were replaced by 160 watt LED fittings. Due to replacement of high mast fitting with LED fittings, energy consumption were reduced by 3600 units (KWh) per month. 4) Existing 235 nos. 72 (2*36) Watt CFL recessed fittings installed at Power House were replaced with 160 nos. 36 watt LED fittings. Due to replacement of CFL recessed fittings with LED fittings energy consumption reduced by approximately 2800 units (KWh) per month. <p><u>Omkareshwar Power Station (OSPS)</u></p> <ol style="list-style-type: none"> 1) The conventional 36 Watt CFL lamps installed at Dam and Power House Galleries have been replaced with 120 Nos. 18 Watt LED lamps. 2) The conventional 400W HPSV lamps installed at Power House Highbay have been replaced with 20 Nos. 150 Watt LED lamps. <p><u>Corporate Office, Bhopal</u></p> <ol style="list-style-type: none"> 1) CFLs installed in the office building, are being replaced with LED bulbs in phased manner. During FY 2017-18, Total 958 Watts CFLs have been replaced with 470 Watts LEDs. 2) An amount of Rs. 1,01,463/- (approx.) saved during the F.Y. 2017-18 as APFC system for power factor improvement already installed at NHDC Parisar. 3) Split ACs have been installed in the office complex, are being switched ON/OFF depending upon the requirements. Directions have been displayed to switch off the equipment after use at different locations. Periodic cleaning of lamps and fixtures is done for enhancing illumination. 4) Outdoor lights are being operated with the help of timer switch to reduce manual operation so that lights can be switched on and off timely.

<p>ii.</p>	<p>The steps taken by the company for utilizing alternate sources of energy;</p>	<p><u>Indira Sagar Power Station (ISPS)</u></p> <ol style="list-style-type: none"> 1) GoMP vide gazette notification dated 14th Nov. 2017, has implemented net metering policy for promoting renewable source of energy. Accordingly the proposal for installation of 600 KWp grid connected PV based solar energy plant on net metering basis is under process. 2) The existing off-grid two nos. 10 KW solar power systems are being converted into grid connected solar power system to maximise the benefits. <p><u>Omkareshwar Power Station (OSPS)</u></p> <p>Solar Plant of 40 kw already installed.</p> <p><u>Corporate Office, Bhopal</u></p> <p>For reduction of consumption of conventional energy, 20 KW Solar PV Power Plant installed at the roof top of new office building, by which, the total Power have been generated 119064 Units upto 31st Mar' 2018, in which 28054 units have been generated during the F.Y. 2017-18. The possibility of enhancement in the capacity of the Solar plant is under investigation.</p> <p><u>New Proposal for Installation of Floating Solar PV Power Plant</u></p> <p>Ministry of New and Renewal Energy has formed a Joint Working Group (JWG) of SECI, NHPC & NHDC to identify the locations and installation of Floating Solar PV Projects.</p> <p>The above JWG has identified the locations in the reservoirs of ISPS & OSPS and accordingly recommended to install 100 MW FSPV Power Plants at both sites in phase -I. In this context, preparation of Detailed Project Report of 100 MW FSPV at OSPS Reservoir are under progress.</p>
<p>iii.</p>	<p>The capital investment on energy conservation equipment;</p>	<p><u>Indira Sagar Power Station (ISPS)</u></p> <ol style="list-style-type: none"> 1) For purchase of 160 Watt integral LED fittings for Rs. 3.77 lakhs. 2) For purchase of 40 Watt and 72 Watt LED fittings for Rs.5.44 lakhs. 3) For purchase of 36 Watt LED fittings for Rs. 4.01 lakhs. <p><u>Omkareshwar Power Station (OSPS)</u></p> <ol style="list-style-type: none"> 1) Case for replacement of conventional 400 W HPSV, 250 W HPSV and 150 W HPSV with energy efficient LED lamps of wattage 150 W, 60 W and 45 W respectively is under process. <p>Similarly, case for replacement of conventional 36 W FTL, 36 W CFL, 18 W CFL with energy efficient LED lamps of wattage 16 W, 18 W and 9 W respectively is under process.</p>

		<p>Corporate Office Bhopal</p> <p>The power consumption is reduced in consequence to above measures mentioned at (i) and by measures at (ii), the most of energy, generated by existing 20 KW Solar Power Plant is being consumed in office, thus the energy consumed through conventional source have been reduced.</p>
--	--	---

TECHNOLOGY ABSORPTION

Sr. No.	Information Sought	Reply
i.	Efforts made towards technology absorption.	Omkareshwar Power Station (OSPS) Case for upgradation of existing static type Overcurrent and Breaker failure relay of GT bays and Bus Coupler bay by self diagnostic and reliable Numerical relays at 220 kV Switchyard is under process
ii.	Benefits derived like product improvement, cost reduction, product development or import substitution.	NIL
iii.	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)- <ul style="list-style-type: none"> • The details of technology imported; • The year of imported; • Whether the technology been fully absorbed; • If not fully absorbed, areas where absorption has not taken place and the reasons thereof; 	NIL
iv.	The expenditure incurred on Research and Development	NIL

FOREIGN EXCHANGE EARNINGS AND OUTGO

Sr. No.	Information Sought	Reply (₹ In lacs)
i.	Activities relating to exports; initiatives taken to increase export; development of new export markets for products and services; and export plans:	Nil
ii.	Total foreign exchange earning.	Nil
	Total foreign exchange outgo	4

For and on behalf of the Board of Directors

Dated: 14.08.2018

Place: Delhi

Sd/-
(Balraj Joshi)
Chairman
DIN: 07449990

ANNEXURE “E”

INDEPENDENT AUDITOR’S REPORT

To
 The Members of NHDC Limited

Auditor’s Comment	Management’s Reply
<p>REPORT ON THE IND AS FINANCIAL STATEMENTS</p> <p>We have audited the accompanying Ind AS financial statements of NHDC 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.</p> <p>MANAGEMENT’S RESPONSIBILITY FOR THE IND AS FINANCIAL STATEMENTS</p> <p>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 or Loss (financial performance including other comprehensive income), Cash Flows and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.</p> <p>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.</p> <p>AUDITOR’S RESPONSIBILITY</p> <p>Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.</p> <p>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.</p>	

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/loss (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

EMPHASIS OF MATTERS

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

a) Note no. 34, point no.1, to the financial statement, which describes the uncertainty related to the outcome of the claim/ arbitration proceedings and lawsuit filed by/ against the Company on/ by contractors and others. In some of the cases the arbitration award has been decided against the Company/ lost in lower Courts and the Company is pursuing the matter in higher courts. Management does not envisage any possible outflow in respect of decisions against the company other than those already provided for in the books of account.

a) This disclosure in the ibid para has been made in compliance of provisions of Indian Accounting Standard, Ind AS –37 (Provisions, Contingent Liabilities and Contingent Assets).

b) Note no. 34 Point no. 11(b), to the financial statements about the various balances which are subject to reconciliation/ confirmation and respective consequential adjustments.

c) Note no. 2.2 (iv), Rs. 12855.82 Lakhs, pertain to modification and reconstruction of energy dissipation arrangement (EDA) of main spillway of Indira Sagar Dam. Scheduled completion of the same work was 20.06.2016, but after giving two time extension, which was expired on 04.01.2018, the work has not been completed till date. This is related to safety of ISP Dam (Mother Reservoir) and requires to be closely monitored.

Our opinion is not modified in respect of these matters.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "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.
- e) Being a Government Company, pursuant to the Notification No. GSR 463(E) dated 5th June 2015 issued by Ministry of Corporate Affairs, Government of India, provisions of sub-section (2) of Section 164 of the Act, are not applicable to the company.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure C".

b) Disclosure through note is a statement of fact.

c) Due to certain change in design and onerous conditions prevailing at site, the work has got delayed. However, the EDA modification works are progressing well and the same is likely to be completed by 21.06.2018 i.e. before onset of monsoon.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 34 Other Explanatory Notes to Accounts;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts – Refer Note 17 & 22 to the financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;

For S.K. LULLA & CO.
Chartered Accountants
Firm's Registration No. 002336C

Sd/-
(CA SHIV KUMAR SHARMA)
Partner
Membership No. 421955

Place : New Delhi
Date : 08.05.2018

ANNEXURE – A to the Auditors' Report

[Referred to in our Report of even date on the Accounts of NHDC LTD. as at and for the year ended 31st March 2018]

- (i) (a) The company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The fixed assets have been physically verified by the management in accordance with annual program of fixed assets and stock verification, which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. Discrepancies have been appropriately dealt with in the books of account.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company except land right to use.
- (ii) The management has conducted physical verification of inventories at all its locations at reasonable intervals during the year. The procedures of physical verification of inventory followed by management are in our opinion, reasonable and adequate in relation to the size of the company and the nature of its business. The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) The company has not granted any loan, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- (v) The company has not accepted deposits from the public during the year, with reference to sec 73 to 76 of the Companies Act 2013.
- (vi) We have broadly reviewed the books of account maintained by the company pursuant to rules made by the Central Government for the maintenance of cost records under section 148 of the Companies Act 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of the same.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, income-tax, sales tax, value added tax, duty of customs, service tax, cess, GST and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, income tax, sales tax, value added tax, duty of customs, service tax, cess, GST and other material statutory dues were in arrears as at 31st March 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, and as per the records of the company, there are no material dues which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax, sales tax, service tax, duty of customs or excise, electricity duty, value added tax and cess, GST which have not been deposited on account of dispute are given below:

MPVAT AND ENTRY TAX

Name of the Statute	Nature of dues	Amount (Rs.in Lacs)	Year to which it pertains	Forum at which case is pending
M.P. Entry Tax Act	Entry Tax on addition to Fixed Asset due to exchange rate variation and other additions.	4.67	2008-09	MPCT APPELLATE BOARD (Rs. 2.10 Lacs deposited under protest)

INCOME TAX ACT 1961

AY	Section Code	Demand No.	Identification	Date on which demand is raised	Outstanding Demand	Uploaded by
2006-07	143(1)	2010200651055778985C		25/09/07	302,30,307	Assessing Officer
2006-07	154	2010200651055779630C		22/01/08	2,90,060	Assessing Officer
2007-08	154WB	2010200710011460216C		06/11/12	6,290	Assessing Officer

However as per management and documents produced to us, it is noted that company has disagreed with demand and filed the reply for the rectification and removal of demand through website of tax department as well as manually of IT department. Moreover refund of Income Tax has also been received in recent years, hence contingent liabilities in respect of above demand is not created, which is reasonable.

TDS DEMAND

Financial Year	Amount in Rs.	
	Liability has shown efilling incometax.gov.in	Actual Liability Shown as per Traces
2015-16	3,932	Nil
2016-17	31,588	Nil
Prior Years	70,31,436	1,37,100
Total	70,66,956	1,37,100

Company has Created Contingent liability in respect of above demands.

- (viii) The Company has settled all the loans or borrowings from the financial institution, banks and government or debenture holders and has nil borrowings as at the end of the year. The company has not issued any debentures.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) Based on our audit procedures, and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of

the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards (Ind-AS - 24 "Related Party Disclosure").
- (xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

FOR S.K.LULLA & CO.
(Chartered Accountants)
Firm Registration No. 002336C

Sd/-
CA SHIV KUMAR SHARMA
Partner
Membership No. 421955

Place: New Delhi
Date: 08.05.2018

Annexure- B to the Auditors' Report

[Referred to in our Report of even date on the Accounts of NHDC LTD. as at and for the year ended 31st March 2018]

Report on Directions under section 143(5) of Companies Act 2013 applicable from the Financial Year 2017-18

S.No.	Directions	Our Report	Action taken thereon	Impact on Accounts & Financial Statements of the Company
1	Whether the company has clear title / lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	Yes	No action required.	No impact.
2	Whether there are any cases of waiver / write off of debts/loans/interest etc., if yes, the reasons there for and the amount involved.	No such Cases Found	No action required.	No impact.
3	Whether proper records are maintained for inventories lying with third parties & assets received as gift/grant(s) from Government or other authorities.	No such Cases Found	No action required.	No impact.

For S K LULLA & CO.
(Chartered Accountant)
Firm Registration No. 002336C

CA SHIV KUMAR SHARMA
Partner
Membership No. 421955

Place: New Delhi
Date: 08.05.2018

Annexure - C to the Auditors' Report

[Referred to in our Report of even date on the Accounts of NHDC LTD. as at and for the year ended 31st March 2017]

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

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

Management’s Responsibility for Internal Financial Controls

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

Auditors’ Responsibility

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

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

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

Meaning of Internal Financial Controls over Financial Reporting

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

unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

FOR S.K.LULLA & CO.CO.
(Chartered Accountants)
Firm Registration No. 002336C

CA SHIV KUMAR SHARMA
Partner
Membership No. 421955

Place: New Delhi
Date: 08.05.2018

NHDC LIMITED
(A Joint Venture of NHPC Ltd. and Govt. of M.P.)
BALANCE SHEET AS AT 31st MARCH, 2018

(Amount in ₹ Lacs)

PARTICULARS	Note No.	As at 31 st March, 2018	As at 31 st March, 2017
ASSETS			
(1) NON-CURRENT ASSETS			
a) Property Plant & Equipment	2.1	18,076	19,875
b) Capital Work In Progress	2.2	14,389	12,534
c) Investment Property	2.3	-	-
d) Other Intangible Assets	2.4	99,530	105,005
e) Financial Assets			
i) Investments	3.1	-	-
ii) Trade Receivables	3.2	12,212	27,582
iii) Loans	3.3	2,053	2,090
iv) Others	3.4	392,973	432,280
f) Non Current Tax Assets (Net)	4.1	5,062	4,161
g) Other Non Current Assets	4.2	2,035	1,785
TOTAL NON CURRENT ASSETS		546,330	605,312
(2) CURRENT ASSETS			
a) Inventories	5	891	917
b) Financial Assets			
i) Investments	6	-	-
ii) Trade Receivables	7	25,089	36,345
iii) Cash & Cash Equivalents	8	206	232
iv) Bank balances	9	182,063	190,183
v) Loans	10	454	440
vi) Others	11	25,547	38,531
c) Current Tax Assets (Net)	12	-	2,236
d) Other Current Assets	13	1,725	6,054
TOTAL CURRENT ASSETS		235,975	274,938
(3) Regulatory Deferral Account Debit Balances	14	2,245	610
TOTAL ASSETS AND REGULATORY DEFERRAL ACCOUNT DEBIT		784,550	880,860
EQUITY AND LIABILITIES			
(1) EQUITY			
(a) Equity Share Capital	15.1	196,258	196,258
(b) Other Equity	15.2	399,217	491,953
TOTAL EQUITY		595,475	688,211
(2) LIABILITIES			
NON-CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	16.1	-	-
ii) Trade Payables	16.2	140	20
ii) Other financial liabilities	17	1,519	1,865
b) Provisions	18	24,734	24,734
c) Deferred Tax Liabilities (Net)	19	121,838	129,549
d) Other non-current Liabilities			
TOTAL NON CURRENT LIABILITIES		148,231	156,168
(3) CURRENT LIABILITIES			
a) Financial Liabilities			
i) Borrowings	20.1	-	-
ii) Trade Payables	20.2		
Total outstanding dues of micro enterprises and small		268	204
Total outstanding dues of Creditors other than micro enterprises		868	796
iii) Other financial liabilities	20.3	5,739	2,909
b) Other Current Liabilities	21	8,455	8,446
c) Provisions	22	24,803	24,126
d) Current Tax Liabilities (Net)	23	711	-
TOTAL CURRENT LIABILITIES		40,844	36,481
TOTAL EQUITY & LIABILITIES		784,550	880,860
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			
As per our report of even date attached			
For S K LULLA & CO. Chartered Accountants (Firm Regn.No.002336C) (CA. Shiv Kumar Sharma) Partner M.No. 421955		A.G. ANSARI Managing Director DIN: 07884841 V. K. TRIPATHI Co. Secretary	BALRAJ JOSHI Chairman DIN: 07449990 B. L. SABOO General Manager (Finance) & Chief Financial Officer
Place: New Delhi Date: 08/05/2018			

NHDC LIMITED
(A Joint Venture of NHPC Ltd. and Govt. of M.P.)
STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31st MARCH, 2018

(Amount in ₹ Lacs)

	Note No.	For the Year ended 31 st March, 2018	For the Year ended 31 st March, 2017
INCOME			
i) Revenue from Continuing Operations	24	78,491	130,693
ii) Other Income	25	27,177	29,270
TOTAL INCOME		105,668	159,963
EXPENSES			
i) Generation and Other Expenses	26	13,566	16,859
ii) Employee Benefits Expense	27	12,274	10,323
iii) Finance Cost	28	32	20
iv) Depreciation & Amortization Expense	29	7,321	7,335
TOTAL EXPENSES		33,193	34,537
Profit before Exceptional Items, Rate Regulated Activities and Tax		72,475	125,426
Exceptional items		-	-
PROFIT BEFORE TAX		72,475	125,426
Tax Expenses	30		
i) Current Tax		18,792	29,933
ii) Adjustments for Income Tax		-	9
iii) Deferred Tax		-	2,966
Total Tax Expenses		18,792	32,908
PROFIT FOR THE YEAR BEFORE NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES		53,683	92,518
Movement in Regulatory Deferral Account Balances (Net of Tax)	31	1,635	610
PROFIT FOR THE YEAR AFTER NET MOVEMENTS IN REGULATORY DEFERRAL ACCOUNT BALANCES.		55,318	93,128
Profit for the year from continuing operations (A)		55,318	93,128
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		48	(209)
Less: Income Tax on remeasurement of the defined benefit plans		17	(72)
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities on -Movement in Regulatory Deferral Account Balances-Remeasurement of defined benefit plans		(17)	72
Less: Impact of Tax on Regulatory Deferral Accounts		-	-
Sub total (a)		48	(209)
(b) Investment in Equity Instruments		-	-
Less: Income Tax on Equity Instruments		-	-
Sub total (b)		-	-
Total (i)=(a)+(b)		48	(209)
(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)		48	(209)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR (A+B)		55,366	92,919
Earning per share before movements in Regulatory Deferral Account Balances (Equity shares, face value of ₹ 1000/- each)			
Basic & Diluted (Amount in ₹ Lacs)		273.54	471.41
Earning per share after movements in Regulatory Deferral Account Balances (Equity shares, face value of ₹ 1000/- each)			
Basic & Diluted (Amount in ₹ Lacs)		281.87	474.52
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			
As per our report of even date attached			
For S K LULLA & CO. Chartered Accountants (Firm Regn.No.002336C) (CA. Shiv Kumar Sharma) Partner M.No. 421955		A.G. ANSARI Managing Director DIN: 07884841 V. K. TRIPATHI Co. Secretary	BALRAJ JOSHI Chairman DIN: 07449990 B. L. SABOO General Manager (Finance) & Chief Financial Officer
Place: New Delhi Date: 08/05/2018			

NHDC LIMITED

(A Joint Venture of NHPC Ltd. and Govt. of M.P)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH 2018

(Amount in ₹ Lacs)

PARTICULARS	For the Year ended		For the Year ended	
	31 st March, 2018		31 st March, 2017	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit before tax for the year including movements in Regulatory Deferral Account Balance		74,110		126,036
Less: Movement in Regulatory Deferral Account Balances		1,635		610
Profit before Tax		72,475		125,426
ADD :				
Depreciation	7,321		7,335	
Finance Cost (Net of EDC)	32		20	
Provisions (Net loss)	650		762	
Expenditure towards Regulatory Deferral Account Balances (net of finance and depreciation)	1,635		610	
Tariff Adjustment (loss)	2,789		3,935	
FERV Sale	-		-	
Loss on sale of assets/Claims written off	3		12	
		<u>12,430</u>		<u>12,674</u>
		84,905		138,100
LESS :				
Advance against Depreciation written back	-		-	
Provisions (Net gain)	151		2,191	
Net Gain/Loss on sale of Investments	-		-	
Profit on Sale of Assets \ Realization of Loss	-		-	
Dividend Income	-		-	
Interest Income	19,395		19,357	
Exchange rate variation	-		-	
Other Adjustments	7,222		7,225	
		<u>26,768</u>		<u>28,773</u>
Cash flow from Operating Activities before Operating Assets & Liabilities adjustments		58,137		109,327
Changes in Operating Assets and Liabilities:				
Inventories	14		(36)	
Trade Receivables	26,625		(22,368)	
Other Assets, Loans and Advances	18,902		61,730	
Other Liabilities & Provisions	(257)		1,992	
		<u>45,284</u>		<u>41,318</u>
Cash flow from operating activities before taxes		103,421		150,645
Less : Taxes		16,745		32,123
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		86,676		118,522
B. CASH FLOW FROM INVESTING ACTIVITIES				
Net expenditure on Property, Plant and Equipment, Other Intangible Assets & Expenditure on construction projects (including expenditure during construction forming part of Capital Work in Progress for the year)		(1,906)		(7,689)
Creation of Regulatory Deferral Account Balances		(1,635)		(610)
Realization/ (Payments) for Investments / Bonds		-		-
Realization/ (Investment) in Bank Deposits		46,418		(102,153)
Dividend Income		-		-
Interest Income		18,489		17,568
NET CASH FLOW FROM INVESTING ACTIVITIES (B)		61,366		(92,884)

C. CASH FLOW FROM FINANCING ACTIVITIES			
Buyback of Equity Shares (including Premium Payment)		-	
Dividend and Dividend Tax Paid		(148,104)	(48,187)
Borrowings		-	
Funds received from GOMP towards SSP, Irrigation component & R&R Subvention		47	1,308
Repayment of Borrowings		-	-
Interest & Finance Charges		(11)	(6)
NET CASH FLOW FROM FINANCING ACTIVITIES (C)		(148,068)	(46,885)
D. NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A+B+C)		(26)	(21,247)
Cash & Cash Equivalents at the beginning of the year		232	21,479
Cash & Cash Equivalents at the close of the year		206	232

EXPLANATORY NOTES TO CASH FLOW STATEMENT

Bank Balance other than Cash & Cash Equivalents and Bank Deposits include an amount of ₹ 1112 Lacs (As on 31.03.2017 ₹ 1036 Lacs) under lien with banks as per orders of Hon'ble Court of Law which is not available for use as on 31.03.2018.

For S K LULLA & CO.

Chartered Accountants
(Firm Regn.No.002336C)

(CA. Shiv Kumar Shama)
Partner
M.No. 421955

For and on behalf of Board of Directors

A G ANSARI
Managing Director
DIN: 07884841

BALRAJ JOSHI
Chairman
DIN: 07449990

Place: New Delhi

Date: 08/05/2018

V. K. TRIPATHI
Co. Secretary

B. L. SABOO
General Manager (Finance) & Chief
Financial Officer

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

(Amount: in ₹ Lacs)

Attributable to equity holders	Reserve & Surplus					Other Comprehensive Income			Total	
	Share Application Money Pending Allotment	Capital Redemption Reserve	Securities Premium	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve	Surplus/ Retained Earnings	Equity Instruments through OCI		Debt Instruments through OCI
Balance as at 1st April, 2017	-	-	-	2,431	1,698	26,688	461,136	-	-	491,953
Profit for the year	-	-	-	-	-	-	55,318	-	-	55,318
Other Comprehensive Income	-	-	-	-	-	-	48	-	-	48
Total Comprehensive Income	-	-	-	-	-	-	55,366	-	-	55,366
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	-	-	-	-	-	-	-123,053	-	-	-123,053
Tax on Dividend	-	-	-	-	-	-	-25,051	-	-	-25,051
Transfer to CSR Fund	-	-	-	-102	-	-	104	-	-	2
Transfer to Research & Development Fund	-	-	-	-	-	-	-	-	-	-
Trfr to General Reserve	-	-	-	-	-	-	-	-	-	-
Total as on 31st March 2018	-	-	-	2,329	1,698	26,688	368,502	-	-	399,217

As per our report of even date attached

For and on behalf of Board of Directors

For S K LULLA & CO.
Chartered Accountants
(Firm Regn.No.002336C)

(CA. Shiv Kumar Sharma)
Partner
M.No. 421955

A.G. ANSARI
Managing Director
DIN: 07884841

BALRAJ JOSHI
Chairman
DIN: 07449990

V. K. TRIPATHI
Co. Secretary

B. L. SABOO
General Manager (Finance)
&
Chief Financial Officer

Place: New Delhi
Date: 08/05/2018

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

Attributable to equity holders	Reserve & Surplus						Other Comprehensive			Total
	Share Application Money Pending Allotment	Capital Redemption Reserve	Securities Premium	Corporate Social Responsibility Fund	Research & Development Fund	General Reserve	Suplus/ Retained Earnings	Equity Instruments through OCI	Debt Instruments through OCI	
Balance as at 1st April, 2016	-	-	-	1,726	1,383	26,688	417,425	-	-	447,222
Change in Accounting Policy	-	-	-	-	-	-	-	-	-	-
Prior Period errors (Net)	-	-	-	-	-	-	-	-	-	-
Restated Balance at the Beginning of the Reporting Period (A)	-	-	-	1,726	1,383	26,688	417,425	-	-	447,222
Profit for the year	-	-	-	-	-	-	93,128	-	-	93,128
Other Comprehensive Income	-	-	-	-	-	-	-209	-	-	-209
Total Comprehensive Income	-	-	-	-	-	-	92,919	-	-	92,919
Transfer to Retained Earning	-	-	-	-	-	-	-	-	-	-
Amount written back from Bond Redemption Reserve	-	-	-	-	-	-	-	-	-	-
Amount written back from Corporate Social Responsibility Fund	-	-	-	-	-	-	-	-	-	-
Tax on Dividend - Write back	-	-	-	-	-	-	-	-	-	-
Amount utilised from Self Insurance Fund	-	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-	-
Transfer from Retained Earning	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-40,037	-	-	-40,037
Tax on Dividend	-	-	-	-	-	-	-8,151	-	-	-8,151
Transfer to Bond Redemption Reserve	-	-	-	-	-	-	-	-	-	-
Transfer to Self Insurance Fund	-	-	-	-	-	-	-	-	-	-
Transfer to CSR Fund	-	-	-	705	-	-	-705	-	-	-
Transfer to Research & Development Fund	-	-	-	-	315	-	-315	-	-	-
Trfr to General Reserve	-	-	-	-	-	-	-	-	-	-
Total as on 31.03.2017	-	-	-	2,431	1,698	26,688	461,136	-	-	491,953

(Amount in ₹ Lacs)

As per our report of even date attached

For and on behalf of Board of Directors

For S K LULLA & CO.
Chartered Accountants
(Firm Regn.No.002336C)

A.G. ANSARI
Managing Director
DIN: 07884841

BALRAJ JOSHI
Chairman
DIN: 074449990

CA. Shiv Kumar Sharma
Partner
M.No. 421955

B. L. SABOO
General Manager
(Finance) &
Chief Financial Officer

Place: New Delhi
Date: 08/05/2018

NOTE NO. 1: COMPANY INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES

(i) Reporting entity

NHPC Limited (the “Company”) is a Company domiciled in India and limited by shares. The shares of the Company are publicly traded on the National Stock Exchange of India and BSE Limited. The address of the Company’s registered office is NHDC LIMITED, NHDC Parisar, Shyamla Hills, Bhopal, Madhya Pradesh - 462013. The Company is primarily involved in the generation and sale of bulk power to various Power Utilities. Other business includes providing consultancy, project management & supervision.

(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 crores (upto two decimals) for the Company.

(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.

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.

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.

i) Investment in Subsidiaries and Joint Ventures

Investment has been carried at costs and as per assessment by the Company, there is no indication of impairment on such investments. Any changes in assumption may have a material impact on the measurement of the recoverable amount.

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 operating in the manner intended by the management, 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.

- 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 relating 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 nature incurred after completion of the project, is charged to the Statement of Profit and Loss.

3.0 Investment Property

Upto March 31, 2015, Investment Property 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

INDASs” to regard those amounts as deemed cost at the date of the transition to INDAS (i.e. as on April 1, 2015).

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

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

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

4.0 Intangible Assets and Intangible Assets under Development

- a) Upto March 31, 2015, Intangible assets were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted by INDAS 101, “First time adoption of INDASs” to regard those amounts as deemed cost at the date of the transition to INDAS (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.

5.0 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) Exchange differences relating to fixed assets/capital work-in-progress arising out of transaction entered into prior to April 1, 2004 are adjusted to the carrying cost of respective fixed asset/capital work-in-progress.
- c) Exchange differences arising from translation of foreign currency borrowings entered into prior to March 31, 2016 recoverable from or payable to beneficiaries in subsequent periods as per CERC Tariff regulations are recognised as “Deferred Foreign Currency Fluctuation Recoverable/ Payable Account” and adjusted from the year in which the same is recovered/ paid.
- d) Exchange differences arising from settlement/ translation of monetary items denominated in foreign currency entered into on or after 01.04.2016 to the extent recoverable from or payable to the beneficiaries in subsequent periods as per CERC Tariff Regulations are recognized as ‘Regulatory Deferral Account Balances’ during construction period and adjusted from the year in which the same become recoverable from or payable to the beneficiaries.
- e) 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.

6.0 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.

7.0 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.

8.0 Investments in subsidiaries and joint ventures

Investments in equity shares of subsidiaries and joint ventures are carried at cost.

9.0 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 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

Debt instruments at amortised cost

A 'debt 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.

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

A 'debt 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.

Debt 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.

Equity investments:

All equity investments in entities other than subsidiaries and joint ventures are measured at fair value. Equity instruments which are held for trading, if any, are classified at Fair Value Through Profit or Loss (FVTPL). For all other equity instruments, the Company classifies the same as at FVTOCI. The Company makes such election on an instrument by- instrument basis. The classification is made on initial recognition and is irrevocable.

All fair value changes on an equity instrument classified at FVTOCI, are recognized in the OCI. There is no subsequent reclassification of fair value gains and losses to the Statement of Profit and Loss. However, the Company may transfer the cumulative gain or loss within equity. Dividends from such investments are recognised in the Statement of Profit and Loss as other income when the company's right to receive payments is established.

Equity instruments included within the FVTPL category, if any, are measured at fair value with all changes recognized in the Statement of Profit and Loss.

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.

10.0 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.

11.0 Dividends

Dividends and interim dividends payable to the Company's shareholders are recognised as change in equity in the period in which they are approved by the Company's shareholders and the Board of Directors respectively.

12.0 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.

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.

13.0 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.

c) 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.

14.0 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.

15.0 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 aperiodic 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.
- c) Recovery towards deferred tax items recognized till March 31, 2009 are accounted for when the same materialises.
- d) 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.
- e) Adjustments arising out of finalisation of Regional Energy Account (REA), though not material, are effected in the year of respective finalisation.
- f) Advance Against Depreciation (AAD) considered as deferred income up to 31st March 2009 is included in sales on straight line basis over the balance useful life after 31st March of the year closing after a period of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- g) Revenue on Project Management / Construction Contracts/ Consultancy assignments is recognized on percentage of completion method. The percentage of completion is determined as proportion of

“cost incurred up to reporting date” to “estimated cost to complete the concerned Project Management / Construction Contracts and Consultancy assignment”.

- h) Dividend income is recognized when right to receive the same is established.
- i) 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.
- j) 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.

16.0 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 separate trusts and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the 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. Contributions to a defined contribution plan that is due more than 12 months after the end of the period in which the employees render the service are discounted to their present value.

Employees Defined Contribution Superannuation Scheme (EDCSS) for providing pension benefits and contribution to Social Security Scheme are accounted as defined contribution plan.

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, Retired Employees Health Scheme (REHS), Provident Fund Scheme, Allowance on Retirement/Death and Memento on Superannuation to employees are in the nature of defined benefit plans.

The liability or asset recognised in the Balance Sheet in respect of Gratuity, Retired Employees Health Scheme 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.

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.

Remeasurement 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.

17.0 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.

18.0 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. 18.0(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. 18.0(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 upto 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.

19.0 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.

20.0 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).
- 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.
- ii) 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.
- iii) 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.
- iv) 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.
- v) 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.
- vi) 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.

21.0 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.

22.0 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. Other operations viz., Contracts, Project Management and Consultancy works do not form a reportable segment as per the Ind AS -108 - 'Operating Segments'.
- c) The Company is having a single geographical segment as all its Power Stations are located within the Country.

23.0 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 amounts including Advance Against Depreciation (AAD) recognised in accordance with CERC Tariff regulations 2004-09 up to 31st March 2009 and considered as deferred income. 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.

24.0 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.

25.0 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.

- 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.

26.0 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'.

27.0 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.**

28.0 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.
- b) Liabilities for Goods in transit/Capital works executed but not certified are not provided for, pending inspection and acceptance by the Company.

IV) Recent Accounting Pronouncements

The Ministry of Corporate Affairs (MCA) notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 (the 'Rules') on 28th March, 2018. The rules shall be effective from reporting periods beginning on or after 1st April, 2018 and cannot be early adopted.

A) Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

The appendix clarifies how to determine the date of transaction for the exchange rate to be used on initial recognition of a related asset, expense or income where an entity pays or receives consideration in advance for foreign currency-denominated contracts.

The appendix can be applied either retrospectively for each period presented applying Ind AS 8 or prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied or from the beginning of a prior reporting period presented as comparative.

The Company has assessed the effects of applying the appendix to its foreign currency transactions for which consideration is received in advance.

The Company has evaluated the effect of this on the financial statements and found there is no such transaction.

The Company intends to adopt the amendments prospectively to items in scope of the appendix that are initially recognised on or after the beginning of the reporting period in which the appendix is first applied (i.e. from 1st April, 2018).

B) Ind AS 115- Revenue from Contract with Customers:

Ind AS 115, Revenue from contracts with customers deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. Revenue is recognised when a customer obtains control of a promised good or service and thus has the ability to direct the use and obtain the benefits from the good or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The standard replaces Ind AS 18 Revenue and Ind AS 11 Construction contracts and related appendices.

The new standard is mandatory for financial years commencing on or after 1st April, 2018 and early application is not permitted. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

The Company will adopt the standard on 1st April, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The Company is in the process of assessing the detailed impact of Ind AS 115.

C) Amendments to Ind AS 40 Investment property - Transfers of investment property

The amendments clarify that transfers to, or from, investment property can only be made if there has been a change in use that is supported by evidence. A change in use occurs when the property meets, or ceases to meet, the definition of investment property. A change in intention alone is not sufficient to support a transfer. The amendment provides two transition options. Entities can choose to apply the amendment either retrospectively without the use of hindsight or prospectively to changes in use that occur on or after the date of initial application.

The Company has assessed the effects of the amendment on classification of existing property at 1st April, 2018 and concluded that no reclassifications are required.

The Company has decided to apply the amendment prospectively to changes in use that occur after the date of initial application (i.e. 1st April, 2018).

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 31st March, 2017	
		IUT	Others	IUT	Others	IUT	Others	For the Year	Adjustments	As at 01-Apr-2017	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
i)	Land – Freehold	-	-	-	-	-	-	-	-	-	-	-	-
ii)	Land – Leasehold	-	-	-	-	-	-	-	-	-	-	-	-
iii)	Roads and Bridges	-	-	-	-	-	-	-	-	-	-	-	-
iv)	Buildings	-	-	-	-	-	-	-	-	-	-	-	-
v)	Railway sidings	-	-	-	-	-	-	-	-	-	-	-	-
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	23,474	-	-	-	-	-	23,474	-	3,599	1,799	5,398	19,875
vii)	Generating Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-
viii)	Plant and machinery Sub station	-	-	-	-	-	-	-	-	-	-	-	-
ix)	Plant and machinery Transmission lines	-	-	-	-	-	-	-	-	-	-	-	-
x)	Plant and machinery Others	-	-	-	-	-	-	-	-	-	-	-	-
xi)	Construction Equipment	-	-	-	-	-	-	-	-	-	-	-	-
xii)	Water Supply System/Drainage and Sewerage	-	-	-	-	-	-	-	-	-	-	-	-
xiii)	Electrical installations	-	-	-	-	-	-	-	-	-	-	-	-
xiv)	Vehicles	-	-	-	-	-	-	-	-	-	-	-	-
xv)	Aircraft/ Boats	-	-	-	-	-	-	-	-	-	-	-	-
xvi)	Furniture and fixture	-	-	-	-	-	-	-	-	-	-	-	-
xvii)	Computers	-	-	-	-	-	-	-	-	-	-	-	-
xviii)	Communication Equipment	-	-	-	-	-	-	-	-	-	-	-	-
xix)	Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-
xx)	Research and Development	-	-	-	-	-	-	-	-	-	-	-	-
xxi)	Other assets	-	-	-	-	-	-	-	-	-	-	-	-
xxii)	Tangible Assets of minor value >750 and < Rs.5000	-	-	-	-	-	-	-	-	-	-	-	-
	Total	23,474	-	-	-	-	-	23,474	-	3,599	1,799	5,398	19,875
	Previous year	23,473	-	6	-	-	-	23,474	4	1,800	1,800	3,599	21,673

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.

NOTE NO. 2.3 Investment Property

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

NOTE NO. 2.4 Other Intangible Assets

Sl. No.	PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK			
		As at 01-Apr-2017		Additions		Deductions		Other Adjustments		As at 31st March, 2018		As at 31st March, 2017	
		IUT	Others	IUT	Others	IUT	Others	For the Year	Adjustments	As at 01-Apr-2017	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
i)	Land- Right to Use	-	-	-	47	-	-	-	-	-	-	-	-
ii)	Computer Software	116,028	-	-	-	-	-	-	-	11,023	5,522	16,545	105,005
	Total	116,028	-	-	47	-	-	-	-	11,023	5,522	16,545	105,005
	Previous year	114,725	-	1,303	-	-	-	-	-	5,488	5,555	11,023	109,237

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.

Note no. 2.2 Capital Work In Progress as on 31.03.2018

(Amount in ₹ Lacs)

Particulars	As at 01 Apr, 2017	Addition	Adjustment	Capitalised	As at 31st March, 2018
i) Roads and Bridges	-	-	-	-	-
ii) Buildings	102	195	-	272	25
iii) Railway sidings	-	-	-	-	-
iv) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	12392	1401	-	868	12925
v) Generating Plant and Machinery	-	334	-	227	107
vi) Plant and Machinery - Sub station	-	1325	-	-	1325
vii) Plant and Machinery - Transmission lines	-	-	-	-	-
viii) Plant and Machinery - Others	1	-	-	-	1
ix) Construction Equipment	-	-	-	-	-
x) Water Supply System/Drainage and Sewerage	6	1	-	6	1
xi) Other assets awaiting installation	30	5	-	30	5
xii) CWIP - Assets Under 5 KM Scheme Of the GOI	-	-	-	-	-
xiii) Survey, investigation, consultancy and supervision charges	285	-	(3)	-	282
xiv) Expenditure on compensatory Afforestation	-	-	-	-	-
xv) Expenditure attributable to construction *	-	-	-	-	-
Less: Provided for	282	-	-	-	282
* For addition during the period refer Note No. 32	12534	3261	(3)	1403	14389
Sub total (a)	12534	3261	(3)	1403	14389
Construction Stores	-	-	-	-	-
Less : Provisions for construction stores	-	-	-	-	-
Sub total (b)	-	-	-	-	-
TOTAL	12534	3261	(3)	1403	14389
Previous year	6438	6464	(282)	86	12534

Please check the figures manually and make correction if required.

(Hide the Explanatory Notes which are not applicable)

Explanatory Note: -

1. CWIP of ₹ 14389 Lacs (As on 31.03.2017 ₹ 12532 Lacs) created on Land unclassified / right to use are included under relevant head.
2. Provision of ₹ NIL (As on 31.03.2017 ₹ 282 Lacs) towards expenditure incurred on Survey, Investigation, Consultancy & Supervision Charges in respect of REVA Thermal Power Plant has been created during the year in absence of coal linkage.
3. Figures in parenthesis represent deductions.

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

(Amount in ₹ Lacs)

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	-	-	-	-	-	-	-	-	-	-	-	-	
ii)	Land – Leasehold	-	-	-	-	-	-	-	-	-	-	-	-	
iii)	Roads and Bridges	-	-	-	-	-	-	-	-	-	-	-	-	
iv)	Buildings	-	-	-	-	-	-	-	-	-	-	-	-	
v)	Railway sidings	-	-	-	-	-	-	-	-	-	-	-	-	
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	37,538	-	-	-	-	37,538	17,663	1,799	-	19,462	18,076	19,875	
vii)	Generating Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	-	
viii)	Plant and machinery Sub station	-	-	-	-	-	-	-	-	-	-	-	-	
ix)	Plant and machinery Transmission lines	-	-	-	-	-	-	-	-	-	-	-	-	
x)	Plant and machinery Others	-	-	-	-	-	-	-	-	-	-	-	-	
xi)	Construction Equipment	-	-	-	-	-	-	-	-	-	-	-	-	
xii)	Water Supply System/Drainage and Sewerage	-	-	-	-	-	-	-	-	-	-	-	-	
xiii)	Electrical installations	-	-	-	-	-	-	-	-	-	-	-	-	
xiv)	Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	
xv)	Aircraft/ Boats	-	-	-	-	-	-	-	-	-	-	-	-	
xvi)	Furniture and fixture	-	-	-	-	-	-	-	-	-	-	-	-	
xvii)	Computers	-	-	-	-	-	-	-	-	-	-	-	-	
xviii)	Communication Equipment	-	-	-	-	-	-	-	-	-	-	-	-	
xix)	Office Equipments	-	-	-	-	-	-	-	-	-	-	-	-	
xx)	Research and Development	-	-	-	-	-	-	-	-	-	-	-	-	
xxi)	Other assets	-	-	-	-	-	-	-	-	-	-	-	-	
xxii)	Tangible Assets of minor value >750 and < Rs.5000	-	-	-	-	-	-	-	-	-	-	-	-	
	Total	37,538	-	-	-	-	37,538	17,663	1,799	-	19,462	18,076	19,875	
	Previous year	37,539	-	5	6	-	37,538	15,866	1,799	(2)	17,663	19,875	21,673	

Annexure I to note no. 2.3 Investment Property

(Amount in ₹ Lacs)

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, 2017
			IUT	Others	IUT	Others							
i)	Land Freehold	-	-	-	-	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-	-	-	-	-	-
	Previous year	-	-	-	-	-	-	-	-	-	-	-	-

Annexure I to note no. 2.4 Other Intangible Assets

(Amount in ₹ Lacs)

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, 2017
			IUT	Others	IUT	Others							
i)	Land- Right to Use	148385	0	47	0	0	148432	43380	5522	0	48902	99530	105005
ii)	Computer Software	0	0	0	0	0	0	0	0	0	0	0	0
	Total	148385	0	47	0	0	148432	43380	5522	0	48902	99530	105005
	Previous year	147082	0	1303	0	0	148385	37845	5535	0	43380	105005	109237

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	As at 31st March, 2017	As at 01-Apr-2016	For the Period	Adjustments	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others							
i)	Land – Freehold	-	-	-	-	-	-	-	-	-	-
ii)	Land – Leasehold	-	-	-	-	-	-	-	-	-	-
iii)	Roads and Bridges	-	-	-	-	-	-	-	-	-	-
iv)	Buildings	-	-	-	-	-	-	-	-	-	-
v)	Railway sidings	-	-	-	-	-	-	-	-	-	-
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	23,469	-	5	23,474	1,800	1,799	-	3,599	19,875	21,669
vii)	Generating Plant and machinery	-	-	-	-	-	-	-	-	-	-
viii)	Plant and machinery Sub station	-	-	-	-	-	-	-	-	-	-
ix)	Plant and machinery Transmission lines	-	-	-	-	-	-	-	-	-	-
x)	Plant and machinery Others	-	-	-	-	-	-	-	-	-	-
xi)	Construction Equipment	-	-	-	-	-	-	-	-	-	-
xii)	Water Supply System/Drainage and Sewerage	-	-	-	-	-	-	-	-	-	-
xiii)	Electrical installations	-	-	-	-	-	-	-	-	-	-
xiv)	Vehicles	-	-	-	-	-	-	-	-	-	-
xv)	Aircraft/ Boats	-	-	-	-	-	-	-	-	-	-
xvi)	Furniture and fixture	-	-	-	-	-	-	-	-	-	-
xvii)	Computers	-	-	-	-	-	-	-	-	-	-
xviii)	Communication Equipment	-	-	-	-	-	-	-	-	-	-
xx)	Office Equipments	-	-	-	-	-	-	-	-	-	-
xxi)	Research and Development Equipment	4	-	-	4	-	-	-	-	-	4
xxii)	Other assets	-	-	-	-	-	-	-	-	-	-
xxiii)	Tangible Assets of minor value >750 and < Rs.5000	-	-	-	-	-	-	-	-	-	-
	Total	23,473	5	4	23,474	1,800	1,799	-	3,599	19,875	21,673
	Previous year	23,429	-	44	23,473	-	1,800	-	1,800	21,673	23,429

NOTE NO. 2.3 Investment Property

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

NOTE NO. 2.4 Other Intangible Assets

Sl. No.	PARTICULARS	GROSS BLOCK				AMORTISATION				NET BLOCK	
		As at 01-Apr-2016	Additions		Deductions	As at 31st March, 2017	As at 01-Apr-2016	For the Period	Adjustments	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others							
i)	Land- Right to Use	114,725	-	1,303	116,028	5,488	5,535	-	11,023	109,237	109,237
ii)	Computer Software	-	-	-	-	-	-	-	-	-	-
	Total	114,725	1,303	-	116,028	5,488	5,535	-	11,023	109,237	109,237
	Previous year	113,241	1,484	-	114,725	-	5,488	-	5,488	109,237	113,241

Note No. 2.2 Capital Work In Progress as on 31.03.2017

(Amount in ₹ Lacs)

Particulars	As at 01-Apr-2016	Addition	Adjustment	Capitalised	As at 31st March, 2017
i) Roads and Bridges	-	-	-	-	-
ii) Buildings	53	120	-	71	102
iii) Railway sidings	-	-	-	-	-
iv) Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	6,073	6,329	-	10	12,392
v) Generating Plant and Machinery	-	-	-	-	-
vi) Plant and Machinery - Sub station	-	-	-	-	-
vii) Plant and Machinery - Transmission lines	-	-	-	-	-
viii) Plant and Machinery - Others	1	-	-	-	1
ix) Construction Equipment	-	-	-	-	-
x) Water Supply System/Drainage and Sewerage	-	6	-	-	6
xi) Other assets awaiting installation	24	6	-	-	30
xii) CWIP - Assets Under 5 KM Scheme Of the GOI	-	-	-	-	-
xiii) Survey, investigation, consultancy and supervision charges	287	3	-	5	285
xiv) Expenditure on compensatory Afforestation	-	-	-	-	-
xv) Expenditure attributable to construction *	-	-	282	-	282
Less: Provided for	-	-	(282)	-	-
* For addition during the period refer Note No. 32	6,438	6,464	(282)	86	12,534
Construction Stores (for valuation refer Accounting Policy no.10)					
Less : Provisions for construction stores	-	-	-	-	-
TOTAL	6,438	6,464	(282)	86	12,534
Previous year	524	6,470	(9)	547	6,438

Please check the figures manually and make correction if required.
(Hide the Explanatory Notes which are not applicable)

Explanatory Note :-

1. CWIP of ₹ 12532 Lacs (As on 31.03.2016 ₹ 6144 Lacs) created on Land unclassified / right to use are included under relevant head.
2. Provision of ₹ 282 Lacs towards expenditure incurred on Survey, Investigation, Consultancy & Supervision Charges in respect of REVA Thermal Power Plant has been created during the year in absence of coal linkage.
3. Figures in parenthesis represent deductions.

Annexure I to 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	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others							
i)	Land – Freehold	-	-	-	-	-	-	-	-	-	-	-	
ii)	Land – Leasehold	-	-	-	-	-	-	-	-	-	-	-	
iii)	Roads and Bridges	-	-	-	-	-	-	-	-	-	-	-	
iv)	Buildings	-	-	-	-	-	-	-	-	-	-	-	
v)	Railway sidings	-	-	-	-	-	-	-	-	-	-	-	
vi)	Hydraulic Works(Dams, Water Conductor system, Hydro mechanical gates, tunnels)	37,533	-	5	-	-	37,538	15,864	1,799	17,663	19,875	21,669	
vii)	Generating Plant and machinery	-	-	-	-	-	-	-	-	-	-	-	
viii)	Plant and machinery Sub station	-	-	-	-	-	-	-	-	-	-	-	
ix)	Plant and machinery Transmission lines	-	-	-	-	-	-	-	-	-	-	-	
x)	Plant and machinery Others	-	-	-	-	-	-	-	-	-	-	-	
xi)	Construction Equipment	-	-	-	-	-	-	-	-	-	-	-	
xii)	Water Supply System/Drainage and Sewerage	-	-	-	-	-	-	-	-	-	-	-	
xiii)	Electrical installations	-	-	-	-	-	-	-	-	-	-	-	
xiv)	Vehicles	-	-	-	-	-	-	-	-	-	-	-	
xv)	Aircraft/ Boats	-	-	-	-	-	-	-	-	-	-	-	
xvi)	Furniture and fixture	-	-	-	-	-	-	-	-	-	-	-	
xvii)	Computers	-	-	-	-	-	-	-	-	-	-	-	
xviii)	Communication Equipment	-	-	-	-	-	-	-	-	-	-	-	
xix)	Office Equipments	-	-	-	-	-	-	-	-	-	-	-	
xx)	Research and Development Equipment	6	-	6	-	-	2	-	-	(2)	-	4	
xxi)	Other assets	-	-	-	-	-	-	-	-	-	-	-	
xxii)	Tangible Assets of minor value >750 and < Rs 5000	-	-	-	-	-	-	-	-	-	-	-	
	Total	37,539	5	44	6	37,538	15,866	1,799	17,663	(2)	19,875	21,673	
	Previous year	37,495	-	-	-	37,539	14,066	1,800	-	-	21,673	23,429	

Annexure I to note no. 2.3 Investment Property

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	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others							
i)	Land Freehold	-	-	-	-	-	-	-	-	-	-	-	
	Total	-	-	-	-	-	-	-	-	-	-	-	
	Previous year	-	-	-	-	-	-	-	-	-	-	-	

Annexure I to note no. 2.4 Other Intangible Assets

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	As at 31st March, 2017	As at 31st March, 2017	As at 31st March, 2016
			IUT	Others	IUT	Others							
i)	Land– Right to Use	147,082	-	1,303	-	-	148,385	37,845	5,535	43,380	105,005	109,237	
ii)	Computer Software	147,082	1,303	-	-	-	148,385	37,845	5,535	43,380	105,005	109,237	
	Total	145,598	1,484	-	-	147,082	32,358	5,487	-	37,845	109,237	113,240	
	Previous year	-	-	-	-	-	-	-	-	-	-	-	

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

(Amount in ₹ Lacs)

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

NOTE NO. 3.2 NON-CURRENT - FINANCIAL ASSETS - TRADE RECEIVABLE

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Receivable from Beneficiary - Unsecured (Considered Good)	12,212	27,582
Total	12,212	27,582
Explanatory Note:		
Above represents dues agreed for deferment receivable in equated monthly instalments along-with applicable interest, as per agreement.		

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

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
a) Employees (at amortised Cost)		
- Secured (considered good)	2,017	2,047
- Unsecured (considered good)	36	43
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful Employees loans *1	-	-
Sub-total	2,053	2,090
b) Contractor / Supplier / Others		
- Secured (considered good)	-	-
- Unsecured (considered good)	-	-
- Against bank guarantee	-	-
- Others	-	-
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful advances to Contractor/ Supplier/ Others *2	-	-
Sub-total	-	-
c) State Government in settlement of dues from customer		
- Secured (considered good)	-	-
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful Loan to State Government *3	-	-
Sub-total	-	-
d) Government of Arunachal Pradesh		
- Secured (considered good)	-	-
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
Sub-total	-	-
e) Deposits		
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
Less : Provision for Doubtful Deposits *4	-	-
Sub-total	-	-
TOTAL	2,053	2,090

Provisions for doubtful Employees loans *1		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
Provisions for doubtful Loan to State Government *3		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
Provision for Doubtful Deposits *4		
Opening Balance	-	
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
Explanatory Note: -		
i) Loan (Employees) includes due from directors or other officers of the company at the end of the period	9	11
ii) Advance due by firms or private companies in which any Director of the Company is a Director or member	-	-
iii) Loans are non-derivative financial assets which generate a fixed or variable interest income for the company. The Carrying value may be affected by the changes in the credit risk of the counterparties.	-	-

NOTE NO. 3.4 NON-CURRENT - FINANCIAL ASSETS - OTHERS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A. Bank Deposits with more than 12 Months Maturity	3,480	41,342
B. Lease Rent Receivable	389,361	390,370
C. Interest Receivable on Lease	-	-
D. Interest accrued on:		
- Bank Deposits with more than 12 Months Maturity	132	568
- Others	-	-
TOTAL	392,973	432,280

Explanatory Note:

Consequent upon application of converged Ind AS 17 Leases, the cost of Property, Plant & Equipments and Other Intangible Assets of Company (except represented by Grants) stands converted into Lease Rent Receivable. The value of Lease Rent Receivable at B above represents the present value of principal outstanding.

NOTE NO. 4.1 NON CURRENT TAX ASSETS (NET)

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Advance Income Tax & Tax Deducted at Source	52,076	21,243
Less: Provision for Taxation	47,014	17,082
Total	5,062	4,161

NOTE NO. 4.2 OTHER NON-CURRENT ASSETS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A. CAPITAL ADVANCES		
Secured (considered good)	-	-
Unsecured (considered good)		
- Against bank guarantee	-	50
- Others	475	294
Less : Provision for expenditure awaiting utilisation certificate	-	10
Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful advances *1	-	-
Sub-total	475	334
B. ADVANCES OTHER THAN CAPITAL ADVANCES		
i) DEPOSITS		
- Unsecured (considered good)	204	223
Less : Provision against demand raised by Govt.Depts.	-	-
- Unsecured (considered doubtful)	-	-
Less : Provision for Doubtful Deposits *2	-	-
	204	223
ii) Other advances		
- Unsecured (considered good)	-	-
- Unsecured (considered doubtful)	-	-
	-	-
C. Others		
i) Deferred Foreign Currency Fluctuation Assets/Expenditure		
Deferred Foreign Currency Fluctuation Assets	-	-
Deferred Expenditure on Foreign Currency Fluctuation	-	-
	-	-
ii) Deferred Cost on Employee loans given		
Secured - Considered Good	1,343	1,211
Employee loans - Unsecured	13	17
	1,356	1,228
TOTAL	2,035	1,785
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	-	50
Addition during the year		
Used during the year		50
Reversed during the year		
Closing balance	-	-

NOTE NO. 5 INVENTORIES

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
(Valuation as per Significant Accounting Policy Note No.1(iii)(10))		
Stores and spares	342	341
Stores in transit/ pending inspection	29	74
Loose tools	-	-
Scrap inventory	32	18
Material at site	499	484
Material issued to contractors/ fabricators	-	-
Less: Provision for Obsolescence & Diminution in Value *	11	-
TOTAL	891	917
* Provision for Obsolescence & Diminution in Value		
Opening Balance	-	-
Addition during the year	11	-
Used during the year	-	-
Reversed during the year #	-	-
Closing balance	11	-
Explanatory Note:		
During the year, inventories written down to net realisable value (NRV) and recognised as an expense in profit or loss.	11	-
# Excess provision made earlier has been reversed during the year which led to the reversal of Write down of value of inventories.	-	-

NOTE NO. 6 FINANCIAL ASSETS - CURRENT - INVESTMENTS

(Amount in ₹ Lacs)

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

NOTE NO. 7 FINANCIAL ASSETS - CURRENT - TRADE RECEIVABLES

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
- Unsecured - Considered Good	25,089	36,345
- Unsecured - Considered Doubtful	-	-
Less: Provision for doubtful debts *	-	-
TOTAL	25,089	36,345
* Provision for doubtful debts		
Opening Balance	-	2,154
Addition during the year	-	-
Used during the year	-	-
Reversed during the year	-	2,154
Closing balance	-	-
Explanatory Note: -		
i) Trade Receivables Unsecured - considered good includes dues agreed for deferment receivable in equated monthly instalments along-with applicable interest, as per agreement.	15,204	26,220
ii) 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.	-	-
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

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A Balances with banks		
• With scheduled banks		
i) - In Current Account	60	142
ii) - In deposits account (Deposits with original maturity of less than three months)	146	88
• With other banks - In current account		
B Cheques, drafts on hand	-	-
C Cash on hand Cash on hand	-	2
TOTAL	206	232
Explanatory Note: - Cash on hand -(Includes stamps on hand)	-	-

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

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March,	As at 31st
A Balances with Banks	182,063	190,183
B Deposit account-Unpaid Dividend / Interest	-	-
TOTAL	182,063	190,183
Explanatory Note: - 1) Cash and Bank Balances include an amount of ₹ 1112 Lacs (As on 31.03.2017 ₹ 1036 Lacs) under lien with banks as per orders of Hon'ble Court of Law, which is not available for use as on 31.03.2018.		

NOTE NO. 10 FINANCIAL ASSETS - CURRENT - LOANS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
OTHER LOANS		
Employees (including accrued interest)		
- Secured (considered good)	302	291
- Unsecured (considered good)	152	149
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful Employee loans & advances *	-	-
	454	440
Loan to State Government in settlement of dues from customer		
- Unsecured (considered good)	-	-
	-	-
TOTAL	454	440
* Provisions for doubtful Employee loans & advances		
Opening Balance	-	-
Addition during the year		
Used during the year		
Reversed during the year		
Closing balance	-	-
Explanatory Note: - Loan & Advances due from directors or other officers of the company at the end of the period	9	6
Advance due by firms or private companies in which any Director of the Company is a Director or member	-	-

NOTE NO. 11 FINANCIAL ASSETS - CURRENT - OTHERS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Others		
a) Claims recoverable	2,923	10,512
Less: Provisions for Doubtful Claims *	23	23
Sub-total	2,900	10,489
b) Interest Income accrued on Bank Deposits	8,064	6,949
c) Receivable from Subsidiaries / JV's	-	-
d) Interest recoverable from beneficiary	201	172
e) Lease Rent Receivable (Finance Lease)-Current	14,382	20,921
f) Interest Receivable on Finance Lease	-	-
g) Interest Accrued on Bonds	-	-
h) Receivable on account of Unbilled Revenue	-	-
i) Interest accrued on Loan to State Government in settlement of dues from customers	-	-
j) Advance to Contractor against arbitration award	-	-
TOTAL	25,547	38,531
* Provisions for Doubtful Claims		
Opening Balance	23	25
Addition during the year		
Used during the year		1
Reversed during the year		1
Closing balance	23	23
Explanatory Note:-		
<p>Claims recoverable (at a) includes a sum of ₹ 2643 Lacs (As on 31.03.2017 ₹ 10366 Lacs) due from Govt. of Madhya Pradesh as per details in Other Explanatory Notes to Accounts (Note no. 34 at Serial no. 5). Further it includes a sum of ₹ 8 Lacs (As on 31.03.2017 ₹ 8 Lacs) towards TDS recoverable and duplicate payments recoverable from oustees of ₹ 12 Lacs (As on 31.03.2017 ₹ 12 Lacs) already provided for.</p>		

NOTE NO. 12 CURRENT TAX ASSETS (NET)

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Current Tax Assets		
Current Tax (Refer Note No-23)	-	2,236
Total	-	2,236

NOTE NO. 13 OTHER CURRENT ASSETS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Advances other than Capital Advances		
a) Deposits		
- Unsecured (considered good)	490	458
Less : Provision against demand raised by Govt.Depts.	-	-
- Unsecured (considered doubtful)	-	-
Less : Provision for Doubtful Deposits *1	-	-
Sub-total	490	458
b) Advance to contractor / supplier / others		
- Secured (considered good)	-	-
- Unsecured (considered good)		
- Against bank guarantee	-	-
- Others	162	97
Less : Provisions for expenditure awaiting utilization certificate	-	-
- Unsecured (considered doubtful)	-	-
Less : Provisions for doubtful advances *2	-	-
Sub-total	162	97
c) Other advances - Employees		
- Unsecured (considered good)	2	4
- Unsecured (considered doubtful)		
Sub-total	2	4
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	-	1
Less: Provision for losses pending investigation/awaiting write off / sanction	-	1
Sub-total	-	-
c) Work In Progress		
Construction work in progress(on behalf of client)	-	-
Consultancy work in progress(on behalf of client)	-	-
d) Prepaid Expenditure	970	666
e) Deferred Employee Costs		
Secured - Considered Good	97	274
Unsecured	1	13
f) Deferred Foreign Currency Fluctuation		
Deferred Foreign Currency Fluctuation Assets	-	-
Deferred Expenditure on Foreign Currency Fluctuation	-	-
g) Surplus / Obsolete Assets	3	7
h) Input GST	-	-
i) Others	-	4,535
TOTAL	1,725	6,054
*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/Others)		
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	-	-
*5 Provision for losses pending investigation/awaiting write off / sanction		
Opening Balance	1	12
Addition during the year	-	-
Used during the year	1	-
Reversed during the year	-	11
Closing balance	-	1
Explanatory Note:-		
1 Loans and Advances due from Directors or other officers at the end of the year/ period		
2 Advance due by Firms or Private Companies in which any Director of the Company is a Director or member.		
3 Others at i) includes materialisation of deferred tax (Refer Note no. 24)	-	4,535
4 Surplus Assets / Obsolete Assets held for disposal are shown at lower of book value and net realizable value.	3	7

NOTE NO. 14 REGULATORY DEFERRAL ACCOUNT DEBIT BALANCES

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
i) Wage Revision as per 3rd PRC		
Opening Balance	610	-
Addition during the year	1,635	610
Adjustment during the year		
Reversed during the year		
Closing balance	2,245	610
Closing Balance (A)=(i)	2,245	610
Deferred Tax Assets on Regulatory Deferral Account Balances	515	139
Less:-Deferred Tax Adjustments against deferred tax assets	515	139
Total (B)	-	-
Regulatory Deferral Account Balances net of Deferred Tax.(A-B)	2,245	610

* For details refer para 19 of Note No.-34-Other Explanatory Notes to Accounts

NOTE : 15.1 EQUITY SHARE CAPITAL

(Amount in ₹ Lacs)

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. 1000/-)	30,000,000	300,000	30,000,000	300,000
b) No. of Equity shares issued, subscribed and fully paid (Par value per share Rs. 1000/-)	19,625,800	196,258	19,625,800	196,258
c) Changes in Equity Share Capital				
Opening number of shares outstanding	19,625,800	196,258	19,625,800	196,258
Add: No. of shares/Share Capital issued/ subscribed during the year	-	-	-	-
Less: Reduction in no. of shares/Share Capital on account of buy back of shares.	-	-	-	-
Closing number of shares outstanding	19,625,800	196,258	19,625,800	196,258
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: 10024200 No. of Shares.				
f) Shares in the company held by each shareholder holding more than 5 percent specifying the number of shares held : -				
	As at 31st March, 2018		As at 31st March, 2017	
	Nos	In (%)	Nos	In (%)
- NHPC	10,024,200	51.08%	10,024,200	51.08%
- Govt. of Madhya Pradesh	9,601,600	48.92%	9,601,600	48.92%
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).				
i) Terms of any securities convertible into equity shares issued along with the earliest date of conversion in descending order starting from the farthest such date:- NIL				
j) Calls unpaid (showing aggregate value of calls unpaid by directors and officers) : NIL				
k) Forfeited shares (amount originally paid up) :NIL				

NOTE NO. 15.2 OTHER EQUITY

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
i) Capital Reserve	-	-
ii) Capital Redemption Reserve	-	-
iii) Securities Premium Account	-	-
iv) Bond Redemption Reserve		
As per last Balance Sheet	-	-
Add: Transfer from Surplus/Retained Earnings	-	-
Less: Write back during the year	-	-
As at Balance Sheet date	-	-
v) Self Insurance Fund		
As per last Balance Sheet	-	-
Add: Transfer from Surplus/Retained Earnings	-	-
Add: Transfer to General Reserve	-	-
Less: Utilisation during the year	-	-
As at Balance Sheet date	-	-

vi) Corporate Social Responsibility Fund		
As per last Balance Sheet	2,431	1,726
Add: Transfer from Surplus	-	705
Less: Write back during the year	104	-
Adjustments	2	-
As at Balance Sheet date	2,329	2,431
vii) Research & Development Fund		
As per last Balance Sheet	1,698	1,383
Add: Transfer from Surplus/Retained Earnings	-	315
Less: Write back during the year	-	-
As at Balance Sheet date	1,698	1,698
viii) General Reserve		
As per last Balance Sheet	26,688	26,688
Add: Transfer from Surplus/Retained Earnings		
Less: Write back during the year		
Add: Transfer from Self Insurance Fund		-
Less: Transfer to Capital Redemption Reserve		
As at Balance Sheet date	26,688	26,688
ix) Retained Earnings/ Surplus		
As per last Balance Sheet	461,136	417,425
Add:- Prior Period errors (Net)	-	-
Add: Profit during the year	55,318	93,128
Add: Transferred from OCI	48	(209)
Add: Amount written back from Bond Redemption Reserve	-	-
Add: Amount written back from Corporate Social Responsibility Fund	104	-
Add: Tax on Dividend - Write back	-	-
Less: Dividend and CDT	148,104	48,188
Less: Transfer to Bond Redemption Reserve	-	-
Less: Transfer to Self Insurance Fund	-	-
Less: Transfer to Corporate Social Responsibility Fund	-	705
Less: Transfer to Research & Development Fund	-	315
Less: Transfer to General Reserve	-	-
Less: Transfer to Corporate Office		
Add: Transfer from Power Stations and Projects		
As at Balance Sheet date	368,502	461,136
x) FVTOCI-Equity Instruments		
As per last Balance Sheet	-	-
Add:-Change in Fair value of FVTOCI	-	-
Less:-Deferred Tax		
As at Balance Sheet date	-	-
xi) FVTOCI-Debt Instruments		
As per last Balance Sheet	-	-
Add:-Change in Fair value of FVTOCI	-	-
Less:-Deferred Tax on change in Fair Value	-	-
Less:-Reclassification to P&L	-	-
As at Balance Sheet date	-	-
TOTAL	399,217	491,953
Nature and Purpose of Reserves		
1 Corporate Social Responsibility Fund	:	for expenditure in respect of CSR as per guidelines in this regard.
2 Research & Development Fund	:	for expenditure in respect of R&D exp. as per guidelines in this regard.

NOTE NO. 16.1 FINANCIAL LIABILITIES - NON CURRENT - BORROWINGS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Bonds		
- Secured	-	-
- Unsecured	-	-
Term Loans		
□ From Banks		
- Secured	-	-
- Unsecured	-	-
□ From Other Parties		
- Secured	-	-
- Unsecured-From Government (Subordinate Debts)	-	-
- Unsecured-From Others	-	-
TOTAL	-	-

NOTE NO. 16.2 FINANCIAL LIABILITIES - NON CURRENT - OTHERS

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Deposits/ retention money	140	20
TOTAL	140	20
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	161	19
More than 3 Year & Less than 5 Years	1	6
More than 5 Years	-	-
TOTAL	162	25

NOTE NO. 17 PROVISIONS - NON CURRENT

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
PROVISION FOR EMPLOYEE BENEFITS (provided for on basis of actuarial valuation)		
i) As per last Balance Sheet	1865	1635
Additions during the year	15	609
Amount used during the year	361	379
Amount reversed during the year	-	-
Closing Balance	1,519	1,865
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 For Livelihood Assistance		
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	1,519	1,865

* Information about Provisions are given in para 18 of Note 34-Other explanatory Notes to Accounts.

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

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Deferred Tax Liability		
a) Property, Plant and Equipments, Investment Property and Intangible Assets.	69,790	65,028
b) Financial Assets at FVTOCI	(61)	(78)
c) Other Items	10	3
Less: Recoverable for tariff period upto 2009	39,467	39,466
Less: Deferred Tax Adjustment against Deferred Tax Liabilities	4,939	(31)
Net Deferred Tax Liability	25,333	25,518
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	484	715
c) Other Items	115	69
Net Deferred Tax Assets	599	784
TOTAL	24,734	24,734
Explanatory Note: -		
1) Deferred tax liability/(assets) has been created in compliance to the Ind AS 12 on "Income Taxes" notified under The Companies Act, 2013.		
2) Movement in Deferred Tax Liability/Assets are shown in Annexure to Note No-18		

Annexure to Note-18

Movement in Deferred Tax Liability

(Amount in ₹ Lacs)

Particulars	Property, Plant and Equipments, Investment Property and Intangible Assets.	Financial Assets at FVTOCI	Other Items	Recoverable for tariff period upto 2009	Deferred Tax Adjustment against Deferred Tax Liabilities	Total
1	2	3	4	5	6	7 (2+3+4-5-6)
At 1 April 2017	65,028	(78)	3	39,467	(32)	25,518
Charged/(Credited)						-
-to Profit or loss	4,762		7	-	4,954	(185)
-to OCI		17			17	-
At 31 March 2018	69,790	(61)	10	39,467	4,939	25,333

Movement in Deferred Tax Assets

Particulars	Provision for doubtful debts, inventory and others	Provision for employee	Other Items	Total
At 1 April 2017	-	715	69	784
Charged/(Credited)				-
-to Profit or loss		(231)	46	(185)
-to OCI				-
At 31 March 2018	-	484	115	599

NOTE NO. 19 OTHER NON CURRENT LIABILITIES

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income received in advance (Advance Against Depreciation)	11,553	12,004
Deferred Foreign Currency Fluctuation Liabilities	-	-
Deferred Income from Foreign Currency Fluctuation Account	-	-
Grants in aid-from Government-Deferred Income	110,285	117,545
TOTAL	121,838	129,549
GRANTS IN AID-FROM GOVERNMENT-DEFERRED INCOME		
As at the beginning of the year	124,880	130,907
Add: Received during the year	47	1,308
Less: Released to Statement of Profit and Loss	7,321	7,335
Balance as at the year end	117,606	124,880
Grants in Aid-from Government-Deferred Income (Current)	7,321	7,335
Grants in Aid-from Government-Deferred Income (Non-Current)	110,285	117,545

NOTE NO. 20.1 BORROWINGS - CURRENT

(Amount in ₹ Lacs)

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

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Total outstanding dues of micro enterprise and small enterprise(s)	268	204
Total outstanding dues of medium scale enterprise(s)	3	9
Total outstanding dues of Creditors other than micro enterprises and small enterprises	865	787
TOTAL	1,136	1,000
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

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Current maturities of long term debt		
- Bonds	-	-
- Term Loan -Banks-Secured	-	-
- Term Loan -Banks-Unsecured	-	-
- Other Parties-Secured	-	-
- Other Parties-Unsecured	-	-
Bond application money	-	-
Liability against capital works/supplies	3,811	1,283
Liability against capital works/supplies-MSME	15	64
Interest accrued but not due on borrowings	-	-
Interest accrued and due on borrowings	-	-
Deposits/ retention money	849	651
Due to Holding Co.	424	389
Liability for share application money -to the extent refundable	-	-
Unpaid dividend	-	-
Unpaid interest	-	-
Other Payables-Payable to Employees	34	35
Other Payables-Payable to Others	606	487
TOTAL	5,739	2,909
* Details in respect of redemption, rate of interest, terms of repayment and particulars of security are disclosed in Appendix to Note no. 16.1		

NOTE NO. 21 OTHER CURRENT LIABILITIES

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
Income received in advance (Advance against depreciation)	451	-
Deferred Income from Foreign Currency Fluctuation Account	-	-
Deferred Foreign Currency Fluctuation Liabilities	-	-
Unspent amount of deposit/agency basis works	-	-
Statutory dues payables	666	1,111
Advances against the deposit works	17	-
Amount Spent on Deposit Works	-	-
Advances against cost of Project Mgt./ Consultancy Work	-	-
Amount Spent in respect of Project Mgt./ Consultancy Works	-	-
Provision Toward Amt Recoverable in r/o Project Mgt / Consultancy Works	-	-
Other liabilities-Advance from Customers & Others.	-	-
Grants in aid-from Government-Deferred Income	7,321	7,335
TOTAL	8,455	8,446

NOTE NO. 22 PROVISIONS - CURRENT

(Amount in ₹ Lacs)

PARTICULARS	As at 31st March, 2018	As at 31st March, 2017
A) PROVISION FOR EMPLOYEE BENEFITS		
i) Provided for on basis of Actuarial Valuation		
As per last Balance Sheet	79	56
Additions during the year	936	101
Amount used during the year	960	78
Amount reversed during the year	-	-
Closing Balance	55	79

ii Provision for Wage Revision		
As per last Balance Sheet	120	144
Additions during the year	8	86
Amount used during the year		110
Amount reversed during the year	33	
Closing Balance	95	120
Less: Advance paid	45	37
Closing Balance (Net of advance)	50	83
iii Provision for Performance Related Pay/Incentive		
As per last Balance Sheet	1,259	736
Additions during the year	1,513	1,470
Amount used during the year	909	933
Amount reversed during the year	35	14
Closing Balance	1,828	1,259
Less: Advance paid	3	3
Closing Balance (Net of advance)	1,825	1,256
iv Provision for Superannuation / Pension Fund		
As per last Balance Sheet	-	
Additions during the year	-	
Amount used during the year	-	
Amount reversed during the year	-	
Closing Balance	-	-
v) Provision For Wage Revision 3rd PRC		
As per last Balance Sheet	439	
Additions during the year	1,899	439
Amount used during the year		
Amount reversed during the year		
Closing Balance	2,338	439
B) OTHERS		
i) Provision For Tariff Adjustment		
As per last Balance Sheet	4,415	70
Additions during the year	3,428	4,415
Amount used during the year	-	70
Amount reversed during the year	-	
Closing Balance	7,843	4,415
ii Provision For Committed Capital Expenditure		
As per last Balance Sheet	8,586	10,178
Additions during the year	1,253	-
Amount used during the year	5,731	1,592
Amount reversed during the year	-	-
Unwinding of discount	-	-
Closing Balance	4,108	8,586
iii Provision for Restoration expenses of Insured Assets		
As per last Balance Sheet	-	5
Additions during the year	-	-
Amount used during the year	-	5
Amount reversed during the year	-	-
Closing Balance	-	-
iv Provision For Livelihood Assistance		
As per last Balance Sheet	-	-
Additions during the year	-	-
Amount used during the year	-	-
Amount reversed during the year	-	-
Unwinding of discount	-	-
Closing Balance after Fair Value Adjustment	-	-

v Provision - CSR, SD and RD		
As per last Balance Sheet	7	-
Additions during the year		7
Amount used during the year	7	-
Amount reversed during the year		-
Closing Balance after Fair Value Adjustment	-	7
vi Provision for exp in r/o arbitration award/ court cases		
As per last Balance Sheet	2,544	2,005
Additions during the year	113	645
Amount used during the year	323	75
Amount reversed during the year	478	31
Closing Balance	1,856	2,544
vi Provision - Others		
As per last Balance Sheet	6,717	6,734
Additions during the year	386	156
Amount used during the year	255	173
Amount reversed during the year	120	
Closing Balance	6,728	6,717
TOTAL	24,803	24,126

Explanatory Note: -

- The Board of holding company has resolved to implement the directions of the Ministry of Power (MoP) vide its letter no. 11/17/2009-NHPC/Vol. III dated 27th December 2013 conveying the approval of Competent Authority about pay scales in respect of below Board level Executives that the pay scales shall be fixed w.e.f. 01.01.2007 after correcting the aberrations in pay scales fixed w.e.f. 01.01.1997 and the deviant pay scales fixed w.e.f. 01.01.1997 shall not be regularized. The MoP has confirmed vide letter no. 11/17/2009-NHPC-Vol. III dated 25th Feb., 2016 that the recovery of personal pay adjustment w.e.f. 01.02.2014 is in conformity with the said directive of the Competent Authority. Accordingly, advance against personal pay adjustment of Rs.96 Lacs paid upto 31.01.2014 has been set-off against the Provision for wage revision. However, pending final decision in the matter, the balance amount of Rs.45 Lacs is continued in advance. Thus, 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.45 Lacs (including provision for the current period Rs. 8 Lacs) with corresponding amount shown as "Advance paid".
- Information about Provisions are given in para 18 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	29,933	(2,804)
Additions during the year	18,791	29,933
Amount adjusted during the year	(29,933)	(2,804)
Amount used during the year	-	-
Amount reversed during the year	-	-
Closing Balance	18,791	29,933
Less: Current Advance Tax	18,080	32,169
Net Current Tax Liabilities (Net)	711	(2,236)
Less: Current tax Assets (Move to Note No-12)	-	2,236
TOTAL	711	-

NOTE NO. 24 REVENUE FROM CONTINUING OPERATIONS

(Amount in ₹ Lacs)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
I Operating Revenue		
A SALES		
SALE OF POWER	25,825	67,634
ADVANCE AGAINST DEPRECIATION -Written back during the year	-	-
Less :		
Sales adjustment on a/c of Foreign Exchange Rate Variation	-	-
Tariff Adjustments	2,789	3,935
Regulated Power Adjustment	-	-
Income from generation of electricity – precommissioning (Transferred to Expenditure Attributable to Construction)	-	-
Rebate to customers	1,431	1,212
Sub - Total (A)	21,605	62,487
B Income from Finance Lease	56,886	60,020
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)	78,491	122,507
E OTHER OPERATING REVENUE		
Interest from Beneficiary States (Revision of Tariff)	-	8,186
Sub-Total-II	-	8,186
TOTAL (I+II)	78,491	130,693
Explanatory Note: -		
1)Current year Sale of Power includes earlier year sales arising out of tariff due to revision of design energy as per notification of NCA water utilization account. (Previous year Sale of Power includes earlier year sales arising out of finalization of tariff)	4,666	9,203
2) Tariff regulation notified by CERC vide notification dated 21.02.2014 inter-alia provides that capital cost considered for fixation of tariff for current tariff period shall be subject to truing up at the end of the tariff period, which may result in increase or decrease in tariff. Accordingly, stated amount has been provided in the books during the year.	2,789	3,935
3) Power Purchase Agreements entered into by NHDC with single beneficiary has the substance of an embedded lease arrangement as per Appendix C of Ind-As-17 Leases “Determining whether an Arrangement Contains a Lease”		
4) The revenue from these power stations has been divided into 2 parts in the Profit & Loss Account, i.e. towards Lease Rental and balance towards Sale of Power. Further a portion of the Lease Rental is recognized as “Income from Finance Lease” and booked under “Operating Income”, while the balance amount of Lease Rental is deducted from the value of “Lease Receivable” created in the Balance Sheet.		
5) In terms of regulation No. 49 of tariff regulation issued vide Central Electricity Regulatory Commission (CERC) notification No. L-1/144/2013-CERC dated 21st February, 2014, deferred tax liabilities for the period upto 31st March 2009 whenever it materializes is recoverable directly from the beneficiaries and are accounted for on yearly basis. Accordingly, stated amount has been included in sale of power in relevant period.	-	4,535

6) During this year, the company has paid/provided towards Electricity Duty and Energy Development Cess. The Electricity Duty & Energy Development Cess is recoverable from beneficiary and accordingly billed to the beneficiary and included in Sale of Power as below:		
- Electricity Duty	21	70
- Energy Development Cess	1,986	7,106

NOTE NO. 25 OTHER INCOME

(Amount in ₹ Lacs)

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 from Financial Assets carried at Amortized Cost		
-Deposit Account	15,735	14,566
-Interest from Beneficiary -Trade receivables on deferred credit (securitized)	3,394	4,516
- Employee's Loans and Advances (Net of Rebate)	256	236
- Interest from advance to contractors	10	25
- Others	-	-
B) Dividend Income		
- Dividend from subsidiaries	-	-
- Dividend -Others	-	-
C) 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 #	151	2,191
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	7,321	7,335
Income on account of generation based incentive (GBI)	-	-
Exchange rate variation	-	-
Others	310	401
Sub-total	27,177	29,270
Add/(Less): C.O./Regional Office/PID Expenses	-	-
Sub-total	27,177	29,270
Less: Income transferred to Expenditure Attributable to Construction	-	-
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	27,177	29,270
Explanatory Note: -		
1 Detail of Liability/Provisions not required written back #		
a) Bad and doubtful debts (*1 under Note 7)	-	2,154
b) Provision for doubtful claims (*1 under Note No.11)	-	1
c) Provision for losses pending investigation/awaiting write off / sanction (*5 under Note No. 13)	-	11
d) Provision for wage revision (Sl.no-A(ii) of Note No-22)	33	-
e) Provision for PRP / Incentive /Productivity Linked Incentive (Sl.no-A(iii) of Note No-22)	35	14
f) Others	83	11
TOTAL	151	2,191

NOTE NO. 26 GENERATION AND OTHER EXPENSES

(Amount in ₹ Lacs)

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	479	148
B. Direct Expenditure on Contract, Project Management and Consultancy Works	-	-
C. REPAIRS & MAINTENANCE		
- Building	379	305
- Machinery	101	96
- Others	2,307	1,814
D. OTHER EXPENSES		
Rent & Hire Charges	493	402
Rates and taxes	2,031	7,197
Insurance	1,330	1,406
Security expenses	1,482	1,345
Electricity Charges	922	886
Travelling and Conveyance	158	151
Expenses on vehicles	18	19
Telephone, telex and Postage	61	65
Advertisement and publicity	73	47
Entertainment and hospitality expenses	15	19
Printing and stationery	71	56
Consultancy charges - Indigenous	246	146
Consultancy charges - Foreign	-	-
Audit expenses (Refer explanatory note-2 below)	15	14
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
Expenditure on land not belonging to company	-	-
Loss on Assets	4	12
Losses out of insurance claims (upto excess clause)	-	-
Losses out of insurance claims (beyond excess clause)	-	-
Books & Periodicals	3	3
Donation	-	-
CSR/ Sustainable Development	2,107	1,376
Community Development Expenses	10	10
Directors' expenses	2	1
Research and development expenses	-	-
Interest on Arbitration/ Court Cases	3	2
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	48	28
Petition Fee /Registration Fee /Other Fee – To CERC/RLDC/RPC	67	67
Operational/Running Expenses of Kendriya Vidyalay	199	215
Operational/Running Expenses of Other Schools	-	-
Operational/Running Expenses of Guest House/Transit Hostel	69	54
Operating Expenses of DG Set-Other than Residential	16	31
Other general expenses	208	182
Sub-total	12,917	16,097
Add/(Less): C.O./Regional Office/PID Expenses	-	-
Sub-total	12,917	16,097
Less: Amount transferred to Expenditure Attributable to Construction	-	-
Less: Recoverable from Deposit Works	-	-
Less: Transfer of Generation & other expenses - IPO/Buyback	-	-
	12,917	16,097

E. PROVISIONS			
Bad and doubtful debts provided		-	-
Expected Credit Loss Allowance-Trade Receivables		-	-
Bad and doubtful advances / deposits provided		-	-
Bad and doubtful claims provided		-	-
Doubtful Interest Provided for		-	-
Diminution in value of stores and spares		11	-
Shortage in store & spares provided		-	-
Provision against diminution in the value of investment		-	-
Project expenses provided for		-	282
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		638	480
Provision for interest against court/arbitration award		-	-
Others		-	-
	Sub-total	649	762
Add/(Less): C.O./Regional Office/PID Expenses		-	-
	Sub-total	649	762
Less: Amount transferred to Expenditure Attributable to Construction		-	-
Less: Recoverable from Deposit Works		-	-
		649	762
	Total carried forward to Statement of Profit & Loss	13,566	16,859

Explanatory Note: -

		(Amount in ₹ Lacs)	
		For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
1	Pending revision of Tariff order by CERC in respect of truing up application yet to be filed by the company for the period 2014-19, under CERC notification dated 21.02.2014, stated amount has been provided in the books during the year/period towards Interest to Beneficiary States, which may have to be paid in case of reduction in tariff as a result of said revision order.	638	480
		(Amount in ₹ Lacs)	
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	8	7
	Tax Audit Fees	2	2
	In other Capacity		
	Taxation Matters	-	-
	Company Law Matters	-	-
	Management Services	-	-
	Other Matters/services	3	4
	Reimbursement of expenses	1	1
	ii) Cost Auditors		
	Audit Fees	1	-
	Reimbursement of expenses	-	-
	Total Audit Expenses	15	14

NOTE NO. 27 EMPLOYEE BENEFITS EXPENSE

(Amount in ₹ Lacs)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Salaries, wages, allowances	10,246	8,210
Gratuity, Contribution to provident fund & pension scheme (incl. administration fees)	1,383	1,501
Staff welfare expenses	645	612
Leave Salary & Pension Contribution	-	-
Sub-total	12,274	10,323
Add/(Less): C.O./Regional Office Expenses	-	-
Sub-total	12,274	10,323
Less: Employee Cost transferred to Expenditure Attributable to Construction	-	-
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	12,274	10,323

Explanatory Note: -		
	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Gratuity, Contribution to provident fund & pension scheme include contributions:		
i) towards Employees Provident Fund	429	409
ii) towards Employees Defined Contribution Superannuation Scheme	703	533

NOTE NO. 28 FINANCE COST

(Amount in ₹ Lacs)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
A Interest on Financial Liabilities at Amortized Cost :		
Bonds	-	-
Term loan	11	7
Foreign loan	-	-
Government of India loan	-	-
Unwinding of discount-GOI Loan	-	-
Sub-total	11	7
B Other Borrowing Cost		
Loss on Hedging Transactions	-	-
Bond issue/ service expenses	-	-
Commitment fee	-	-
Guarantee fee on foreign loan	-	-
Other finance charges	-	-
Unwinding of discount-Provision & Financial Liabilities	21	13
Sub-total	21	13
C Applicable net gain/ loss on Foreign currency transactions and		
Exchange differences regarded as adjustment to interest cost	-	-
Less: Interest adjustment on account of Foreign Exchange Rate Variation	-	-
Sub-total	-	-
Total (A + B + C)	32	20
Add/(Less): C.O./Regional Office/PID Expenses	-	-
TOTAL	32	20
Less: Finance Cost transferred to Expenditure Attributable to Construction	-	-
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	32	20

NOTE NO. 29 DEPRECIATION AND AMORTIZATION EXPENSES

(Amount in ₹ Lacs)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Depreciation & Amortisation Expenses	7,321	7,335
Depreciation adjustment on account of Foreign Exchange Rate Variation	-	-
Add/(Less): C.O./Regional Office / PID Expenses	-	-
Sub-total	7,321	7,335
Less: Depreciation & Amortisation Expenses transferred to Expenditure Attributable to Construction	-	-
Less: Recoverable from Deposit Works	-	-
Total carried forward to Statement of Profit & Loss	7,321	7,335

NOTE NO. 30 TAX EXPENSES

(Amount in ₹ Lacs)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
Current Tax		
Income Tax Provision	18,792	29,933
Adjustment Relating To Earlier periods	-	9
Total Current Tax Expenses (A)	18,792	29,942
Deferred Tax-		
Decrease (increase) in deferred tax assets		
- Relating to origination and reversal of temporary differences	177	(248)
- Relating to change in tax rate	8	-
- Adjustments in respect of deferred tax of prior periods	-	-
Increase (decrease) in deferred tax liabilities		
- Relating to origination and reversal of temporary differences	4,136	85
- Relating to change in tax rate	632	-
- Adjustments in respect of deferred tax of prior periods	-	-
Total deferred tax expenses (benefits)	4,953	(163)
Less: Recoverable for tariff period upto 2009	-	(2,966)
Less: Deferred Tax Adjustment Against Deferred Tax Liabilities	4,953	(163)
Net Deferred Tax (B)	-	2,966
Total carried forward to Statement of Profit & Loss (A+B)	18,792	32,908

Explanatory Notes:-

Explanatory Notes:-		
i) Reconciliation of tax expense and the accounting profit multiplied by India's domestic rate.	For the Year ended 31 st March, 2018	For the Year ended 31 st March, 2017
Accounting profit/loss before income tax	74,110	126,036
Applicable tax rate	34.608%	34.608%
Computed tax expense	25,648	43,618
Tax effects of amounts which are not deductible (Taxable) in calculating taxable income.		
CSR/ Sustainable Development/ Community Development Expenses	733	480
Reversal of Deferred Tax Assets	(99)	266
Exempt and Tax Free Income		
Recoverable portion of Deferred Tax	-	2,965
Tax Incentives	(18,890)	(39,918)
Adjustment for current tax of previous periods	-	9
MAT Credit Available/(utilization)	11,971	22,338
Other Items	(571)	3,150
Income tax expense reported in Statement of P/L	18,792	32,908

NOTE NO. 31 Movement in Regulatory Deferral Account Balances

(Amount in ₹ Lacs)

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	1,635	610
TOTAL (A)	1,635	610
Impact of Tax on Regulatory Deferral Accounts		
Deferred Tax Expense (Benefit) on Movement in Regulatory Deferral Account Balances	376	139
Less:-Deferred Tax Adjustment against deferred tax assets.	376	139
TOTAL (B)	-	-
Total carried forward to Statement of Profit & Loss (A-B)	1,635	610

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

(Amount in ₹ Lacs)

PARTICULARS	For the Year ended 31st March, 2018	For the Year ended 31st March, 2017
A. EMPLOYEE BENEFITS EXPENSE		
Salaries, wages, allowances	-	-
Gratuity and contribution to provident fund	-	-
Staff welfare expenses	-	-
Leave Salary & Pension Contribution	-	-
Sub-total	-	-
B. REPAIRS & MAINTENANCE		
Building	-	-
Machinery	-	-
Others	-	-
Sub-total	-	-
C. ADMINISTRATION & OTHER EXPENSES		
Rent	-	-
Rates and taxes	-	-
Insurance	-	-
Security expenses	-	-
Electricity Charges	-	-
Travelling and Conveyance	-	-
Expenses on vehicles	-	-
Telephone, telex and Postage	-	-
Advertisement and publicity	-	-
Entertainment and hospitality expenses	-	-
Printing and stationery	-	-
Design and Consultancy charges:		
- Indigenous	-	-
- Foreign	-	-
Expenses on compensatory afforestation/ catchment area treatment/ environmental expenses	-	-
Expenditure on land not belonging to company	-	-
Assets/ Claims written off	-	-
Land Acquisition and Rehabilitation Expenditure	-	-
Losses on sale of assets	-	-
Other general expenses	-	-
Exchange rate variation (Debit)	-	-
Sub-total	-	-

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	-	-
Transfer of expenses to EAC-committed capital expenses-adjustment for time	-	-
Sub-total	-	-
E. PROVISIONS		
Sub-total	-	-
F. DEPRECIATION AND AMORTISATION EXPENSES		
Sub-total	-	-
G. C.O./Regional Office Expenses:		
Other Income	-	-
Generation, Administration and Other Expenses	-	-
Employee Benefits Expense	-	-
Depreciation & Amortisation Expenses	-	-
Finance Cost	-	-
Provisions	-	-
Sub-total	-	-
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	-	-
Hire charges/ outturn on plant and machinery	-	-
Miscellaneous receipts	-	-
Transfer of fair value gain to EAC- security deposit / retention money	-	-
Transfer of fair value gain to EAC - on provisions for committed capital expenditure	-	-
Sub-total	-	-
TOTAL (A+B+C+D+E+F+G-H)	-	-

(b) Financial Assets/Liabilities measured at amortised cost for which Fair Value are disclosed (Amount in ₹ Lacs)

Particulars	Note No.	As at 31st March, 2018			As at 31st March, 2017		
		Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Financial assets							
(i) Trade Receivables	3.2		12212			27582	
(i) Loans	3.3						
a) Employees			2053			2111	
b) Loans (including Interest Accrued)			-			-	
c) Others			-			-	
(ii) Others	3.4						
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)		3612			42076		
Total Financial Assets		3612	14265	-	42076	29693	-
Financial Liabilities							
(i) Long-term borrowings including current maturities and accrued interest	16.1 & 20.3						
(ii) Other Long Term Financial Liabilities	16.2			146			23
Total Financial Liabilities				146	-		23

(c) Fair value of Financial Assets and liabilities measured at Amortised Cos: (Amount in ₹ Lacs)

Particulars	Note No.	As at 31st March, 2018		As at 31st March, 2017	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial assets					
(i) Trade Receivables	3.3	12,212	12,212	27,582	27,582
(ii) Loans	3.3				
a) Employees		2,053	2,053	2,090	2,111
b) Loans (including Interest Accrued)		-	-	-	-
c) Others		-	-	-	-
(iii) Others	3.4				
-Bank Deposits with more than 12 Months Maturity (Including Interest accrued)		3,612	3,612	41,910	42,076
Total Financial Assets		17,877	17,877	71,582	71,769
Financial Liabilities					
(i) Long-term borrowings including Current maturities and accrued interest	16.1	-	-	-	-
(ii) Other Long Term Financial Liabilities	16.2				
		140	146	20	23
Total Financial Liabilities		140	146	20	23

Note:-

- The Carrying amounts of current financial assets (current investments, Trade and other receivables, Cash and cash equivalents, Short-term loans and advances) and current financial liabilities (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.
- 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: 1) Quoted market prices or dealer quotes for investment in equity and bonds. 2) Fair value of cash and deposits, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. 3) Long-term fixed-rate and variable-rate receivables / borrowings are evaluated by the Company based on parameters such as interest rates, credit risk and other risk characteristics. Fair value of variable interest rate borrowings is not materially different from carrying values. For fixed interest rate borrowing fair value is determined by using the discounted cash flow (DCF) method using discount rate that reflects the issuer's borrowings rate. Risk of non-performance for the company is considered to be insignificant in valuation. 4) The fair value of the remaining financial instruments is determined using discounted cash flow analysis."

-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) The discount rate used to fair value financial instruments classified at Level -3 is based on the Weighted Average Rate of holding company's outstanding borrowings.

(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.

(A) Credit Risk

The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

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 customer 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 probability of 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. 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	31.03.2018	31.03.2017
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)		
Non-current investments	-	-
Loans -Non Current	2,053	2,090
Other Non Current Financial Assets	3,612	41,910
Current Investments	-	-
Cash and cash equivalents	206	232
Bank balances	182,063	190,183
Loans -Current	454	440
Total (A)	188,388	234,855
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)		
Trade Receivables	37,301	63,927
Lease Receivables	403,743	411,291
Total (B)	441,044	475,218
TOTAL (A+B)	629,432	710,073

(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.	-	9,885	-	-	27,416	37,301
Gross Carrying amount as on 31.3.2017.	-	9,973	1	176	53,777	63,927

(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	-	-	-	-

(B) Liquidity Risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due.

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	-	-
fixed rate	-	-
Total	-	-

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 ₹ Lacs)

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	5,906	5,744	161	1	-
Trade Payables	20.2	1,136	1,136	-	-	-
Total Financial Liabilities		7,042	6,880	161	1	-

As at 31st March 2017

(Amount in ₹ Lacs)

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	2,939	2,914	19	6	-
Trade Payables	20.2	1,000	1,000	-	-	-
Total Financial Liabilities		3,939	3,914	19	6	-

(C) 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)		-		-
Floating Rate Borrowings (FC)		-		-
Fixed Rate Borrowings (INR)		-		-
Fixed Rate Borrowings (FC)		-		-
Total		-		-

Interest Rate Sensitivity Analysis

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings .

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

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.

(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	
	% change	Impact on other components of equity	% change	Impact on other components of equity
Investment in Equity shares of :				

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

(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 :

Particulars	(Amount in ₹ Lacs)	
	As at 31st March 2018	As at 31st March, 2017
Financial Liabilities:		
Foreign Currency Loans		
Other Financial Liabilities	76	105
Net Exposure to foreign currency (liabilities)	76	105

(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.

(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		
(Amount in ₹ Lacs)		
Particulars	As at March 31, 2018	As at March 31, 2017
(a) Total Debt	-	-
(b) Total Capital	595,475	688,211
Gearing Ratio (a/b)	0.00	0.00

Note: For the purpose of the Company's capital management, capital includes issued capital and reserves. Net debt includes interest bearing loans and borrowings.

(b) Loan Covenants:

As on 31/03/2018 Company is a debt-free Company.

(c) Dividends:

(Amount in ₹ Lacs)

	As at March 31, 2018	As at March 31, 2017
(i) Equity Shares		
Final dividend for the year ended 31st March 2017 of INR 390/- per fully paid share approved in July,2017 paid in July,2017 (INR 204/- per fully paid share for year ended 31st March 2016)	76,541	40,037
Corporate Dividend Tax on Final Dividend	15,582	8,151
Interim dividend for the year ended 31st March 2018 of INR 237/- (31st March 2017- INR 'NIL') per fully paid share.	46,512	-
Corporate Dividend Tax on Interim Dividend	9,469	-
(ii) Dividend not recognised at the end of the reporting period		
In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of INR (31 st March 2017-INR 390/-) per fully paid up Shares . The proposed dividend is subject to the approval of shareholders in the ensuing AGM.		76,541
Corporate Dividend Tax on Proposed Dividend		15,582

As per our report of even date attached

For and on behalf of Board of Directors

For S K LULLA & CO.
 Chartered Accountants
 (Firm Regn.No.002336C)

A.G. ANSARI
 Managing Director
 DIN: 07884841

BALRAJ JOSHI
 Chairman
 DIN: 07449990

(CA. Shiv Kumar Sharma)
 Partner
 M.No. 421955

V. K. TRIPATHI
 Co. Secretary

B. L. SABOO
 General Manager (Finance) &
 Chief Financial Officer

Place: New Delhi
 Date: 08/05/2018

Note No. 34: Other Explanatory Notes to Accounts

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 ₹ 21391 Lacs (previous year ₹ 20159 Lacs) against the Company on account of rate & quantity deviation, cost relating to extension of time and idling charges due to stoppage of work/delays in handing over the site etc. These claims are being contested by the company as being not admissible in terms of provisions of the respective contracts or are lying at arbitration tribunal/other forums/under examination with the Company. It includes ₹19508 Lacs (previous year ₹ 18011Lacs) towards arbitration awards including updated interest thereon, against the Company, which have been challenged/decided to be challenged in the Court of Law.

The Management has assessed the above claims and recognized a provision of ₹ 131 Lacs(previous year ₹ 61 Lacs) based on probability of outflow of resources embodying economic benefits and estimated ₹ 21260 Lacs (previous year ₹ 20098 Lacs)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 oustees have filed claims for higher compensation amounting to ₹ 30219 Lacs (previous year ₹ 30963 Lacs) before various authorities/courts. Pending settlement, the Company has assessed and provided an amount of ₹ 1856 Lacs (previous year ₹ 2544 Lacs) based on probability of outflow of resources embodying economic benefits and estimated ₹ 28363 Lacs (previous year ₹ 28418 Lacs) 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 ₹ 75Lacs (previous year ₹ 5Lacs). 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 ₹ 75 Lacs(previous year ₹ 5Lacs) 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 ₹ 6844 Lacs (previous year ₹ 6863 Lacs).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 ₹ 6844 Lacs (Previous year ₹ 6863 Lacs)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.

The above is summarized as at 31.03.2018 as below:

(Amount in ₹ Lacs)

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	21391	131	21260	20098	1162	443
2.	Land Compensation cases	30219	1856	28363	28419	(56)	3736
3.	Disputed tax matters	75	-	75	5	70	-
4.	Others	6844	-	6844	6863	(19)	116
	Total	58529	1987	56542	55385	1157	4295

- (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) An amount of ₹ 158 Lacs (previous year ₹ 117 Lacs) 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.
- (g) Category of agency wise details of contingent liability as at 31.03.2018 are as under:

(Amount in ₹ Lacs)

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	70	-	70	-	70	-
2	State Govt. departments or Local Bodies	6805	-	6805	6768	37	16
3	CPSEs	-	-	-	-	-	-
4	Others	51654	1987	49667	48617	1050	4279
	TOTAL	58529	1987	56542	55385	1157	4295

2. Contingent Assets: Contingent assets in respect of the company are on account of the claims against other entities/contractors. The Management has assessed these claims and estimates that inflow of economic benefits of ₹ 1578 Lacs (previous year ₹ 1338 Lacs) are probable.

Contingent Assets are summarized below:

(Amount in ₹ Lacs)

Sl. No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	PSU Banks	1575	1335
2.	Contractors	3	3
	Total	1578	1338

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

(Amount in ₹ Lacs)

Sl.No.	Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)	(iv)
1.	i) Property Plant and Equipment (including CWIP)	2757	4998
	ii) Railway Diversion work	-	3461
2.	Intangible Assets	2118	2131
	Total	4875	10590

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 totaling to ₹ 186 Lacs (previous year ₹ 61Lacs) are included in Capital Work-in-Progress/Property Plant & Equipment.
5. Government of Madhya Pradesh (GoMP), being a joint venture partner, contributed on various accounts through Narmada Valley Development Authority (NVDA) as per CCEA approval, details given below: - (Refer Note No. 19 of Balance Sheet).

Indira Sagar Project: -

(Amount in ₹ Lacs)

(A) Amount received in Cash or in kind	Cumulative upto 31.03.2017	During 2017-18	F.Y.	Cumulative upto 31.03.2018
i. Expenditure incurred by NVDA	134713	910		135623
ii. Cash Received	66971	-		66971
iii. Amount transferred from OSP A/c	856	-		856
Total of (A)	202540	910		203450
(B) Due/Adjusted on account of				
i. Equity Capital	66000	-		66000
ii. Irrigation Component	40597	(41)		40556
iii. SSP Component	51875	(52)		51823
iv. Sub-vention towards excess R&R Expenses	41177	91		41268

v. Electricity charges & water supply maintenance charges	504	-	504
vi. Advance against Irrigation/Equity of OSP	3308	-	3308
Total of (B)	203461	(2)	203459
(C) Amount recoverable from NVDA i.e. (B-A)	921	(912)	9

Omkareshwar Project: -

(Amount in ₹ Lacs)

(D) Amount received in Cash or in kind	Cumulative up to 31.03.2017	During F.Y. 2017-18	Cumulative upto 31.03.2018
i. Expenditure incurred by NVDA	10926	1685	12611
ii. Cash Received	59466	5175	64641
iii. Amount transferred from ISP A/C	3308	-	3308
Total of (D)	73700	6860	80560
(E) Due/Adjusted on account of			
i. Equity Capital	30016	-	30016
ii. Irrigation Component	23931	2	23933
iii. Sub-vention towards excess R&R Expenses	7592	14	7606
iv. Amount Transferred to ISP A/C	856	-	856
v. Additional Special R&R Package	20750	33	20783
Total of (E)	83145	49	83194
(F) Amount recoverable from NVDA i.e. (E-D)	9445	(6811)	2634
(G) Total Amount recoverable i.e (C+F)	10366	(7723)	2643

Movement of Grant in Reserve during Financial Year 2017-18 is as under:-

(Amount in ₹ Lacs)

Sl. No.	Particulars	01.04.2017	Additions	Deductions	Adjustments	31.03.2018
1.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in ISPS as a Grant-in-Aid	25350	(41)	1549	-	23760

2.	Proportionate Sub-vention towards Sardar Sarovar project transferred from NVDA Account for ISPS.	32396	(52)	1980	-	30364
3.	Contribution by Govt of Madhya Pradesh towards R&R of ISPS.	29263	91	1594	-	27760
4.	Proportionate contribution by Govt. of Madhya Pradesh towards Irrigation Component in	14964	2	1074	-	13892
5.	Contribution by Govt of Madhya Pradesh towards R&R of OSPS.	22907	47	1124	-	21830
	Total	124880	47	7321	-	117606

6. During the year, the following accounting policies have been Added/ changed/ modified/ deleted:

(I) Accounting Policies:

(Amount in ₹ Lacs)

Policy No.	Description	Impact on Statement of Profit & Loss
1. (c)	Policy Modified: - Property, Plant & Equipment (PPE) Reworded for better disclosures.	No Impact
1.(f)	Policy Modified: - Property, Plant & Equipment (PPE) Reworded for better disclosures.	No Impact
10.	Policy Modified:-Inventories Reworded for better disclosures.	No Impact
13. (c)	New Policy Added: - Government Grants	No Impact
18. (b)	Policy Modified: Depreciation and amortisation Reworded for better disclosures.	No Impact
18. (c) i	Policy Modified: Depreciation and amortisation Reworded for better disclosures.	No Impact
18. (d) i	Policy Modified: Depreciation and amortisation Reworded for better disclosures.	No Impact
18. (d) ii	Policy New Added : Depreciation and amortisation	For impact refer below point No. 6 (ii)
21.	Policy Modified: - Compensation from third parties	No Impact
24.	New Policy Added : Material prior period errors	No Impact
25.	New Policy Added : Earnings per share	No Impact
26,27 & 28	Last year's Policies No. 24,25 & 26 renumbered due to addition in accounting policies no. 24& 25.	No Impact

- (ii) 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 Rupee 1 based on management assessment. Accordingly, depreciation charge on mobile phones/ cellular phones during FY2017-18 is higher by ₹1 Lacs Further, depreciation charge for mobile phones/ cellular phones existing as on 31st March 2018 shall be higher by ₹NIL during the next two financial years.
- (iii) Refer Note No. 1 for details of Significant Accounting Policies.

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

(Amount in ₹ Lacs)

		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)	NIL	NIL
(ii)	Amount charged to Statement of Profit & Loss excluding depreciation (as Borrowing Cost)	NIL	NIL
(iii)	Amount charged to Capital work-in-progress (as FERV)	NIL	NIL
(iv)	Amount adjusted by addition to the carrying amount of property, plant & equipment	10	(8)

8. Operating Segment:

- a) Electricity generation (including income from embedded Finance leases) is the principal business activity of the Company. Other revenue viz., interest income does not form part of a reportable segment as per the Ind AS – 108 on ‘Operating Segment’.
- b) The Company has a single geographical segment as all its Power Stations are located within the Country.
- c) NHDC has single beneficiary /Customer, MP Power Management Co. Ltd. The revenue from operations for 2017-18 was ₹ 78491 Lacs (Previous Year- ₹ 130693 Lacs):.
- d) The Company is domiciled in India. Revenue from External Customers is Nil (Previous Year Nil).

9. Related Party Disclosures are given below:

The Company is a subsidiary of Central Public Sector Undertaking (CPSU) controlled by Central Government by holding majority of shares. 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
NHPC LTD	India	Power Generation	51.08%	51.08%

(b) Key Management Personnel:

S.No	Name	Position Held	Period
1	*Sh. Balraj Joshi	Chairman	Since 27.09.2017
2	**Sh. A. G. Ansari	Managing Director(KMP)	Since 24.07.2017
3	Sh. Rajneesh Vaish	Director	Continue
4	CA. Satya Prakash Mangal	Director	Continue
5	Sh. Vijay Kumar	Director	Continue
6	***Sh. R. P. Malviya	Director	Since 22.09.2017
7	Smt. Savitri Srivastav	Director	Continue
8	****Sh. Narendra Singh Tomar	Director	Since 08.02.2018
9	*****Sh Ratish Kumar	Chairman	Upto 26.09.2017
10	*****Sh. J. N. Shivhare	Director	Upto 08.09.2017
11	***** Sh. K. M. Singh	Chairman	Upto 31.07.2017
12	***** Sh. Dhiman Parija	Managing Director(KMP)	Upto 02.06.2017
13	***** Sh. S. K. Panwar	Director	Upto 30.06.2017
14	Sh. B.L. Saboo	G. M (Finance) and CFO (KMP)	Continue
15	Sh. Vinay Tripathi	Company Secretary (KMP)	Continue

- *Sh. Balraj Joshi was appointed as Chairman on the Board of NHDC w.e.f. 27.09.2017.
- **Sh. A. G. Ansari was appointed as Managing Director on the Board of NHDC w.e.f. 24.07.2017.
- *** Sh. R. P. Malviya was appointed as Director on the Board of NHDC w.e.f. 22.09.2017.
- **** Sh. Narendra Singh Tomar was appointed as Director on the Board of NHDC w.e.f. 08.02.2018.
- *****Sh. Ratish Kumar was appointed as Chairman on the Board of NHDC w.e.f. 11.08.2017 and hold office upto 26.09.2017.
- *****Sh. J. N. Shivhare was appointed as Director on the Board of NHDC w.e.f. 24.07.2017 and hold upto 08.09.2017.
- *****Consequent to superannuation, Sh. K. M. Singh ceased to be Chairman w.e.f. 31.07.2017.
- *****Sh. Dhiman Parija ceased to be Managing Director w.e.f. 02.06.2017.
- *****Consequent to superannuation, Sh. S. K. Panwar ceased to be Director w.e.f. 30.06.2017.

(c) Name and nature of relationship with Government:

S.No	Name of the Related parties	Nature of Relationship with NHPC
1	Government of India	Shareholder in Holding Company having control over company
2.	NHPC Limited	Holding Company
3	Govt. of Madhya Pradesh	Shareholder (48.92%) in Company having control over company
4	Central/State controlled PSU	Entities controlled by the same Government (Central Government/State Govt.) that has control over NHDC

(d) Key Management Personnel (KMP) compensation:

(Amount in ₹ Lacs)

Particulars	For the year ended 31.03.2018	For the year ended 31.03.2017
i) Short Term Employee Benefits	125	118
ii) Post-Employment Benefits	17	32
iii) Other Long Term Benefits	29	48
iv) Sitting Fees and other reimbursements to non-executive/independent directors	2	1
Total	173	199

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

(Amount in ₹ Lacs)

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 (NHDC)- (Central Govt./State Government)		
Services Received by the Company	1479	1398
Services Provided by the Company	2007	7177
Sale of goods/Inventory made by the company	-	-
ii) Transaction with Entities controlled by the same Government that has control over company (NHDC)(Central & State PSU)		
Purchase of property/Other assets	-	-
Purchase of goods/Inventory	37	25
Insurance Premium paid by the Company	1318	1399
Claim Received from New India Insurance Co.	-	2170
Interest Received during the year (Interest received on Securitised Debt from MPPMCL)	3394	4516
Interest Paid /Payables during the year	638	480
Revenue from Operations	78491	130693
Dividend paid during the year (GOMP)	60202	19587
Others-NVDA	7723	18229
Services Received by the Company	24	-
Services Provided by the Company	-	-
Sale of goods/Inventory made by the company	-	-
iii) Transaction with Holding Co.		

Services Received by the Company	14	-
Deputation of Employees by the company	-	-
Deputation of Employees to the company	-	-
Loan received by the Company	-	-
Equity contribution received by the Company	-	-
Dividend Paid by the company	62852	20449
iv) Transaction with KMP & Entities Controlled by KMP		
Services Provided by the Company	-	-
Services Received by the Company	-	1
Loan to KMP	6	5
vi) Transaction with Trust created for Post-employment Benefit plans of NHDC		
Contribution to Trusts	1648	2363
Refund from Trusts (Payments)	-	-

(f) Outstanding Balances with Related Parties:

(Amount in ₹ Lacs)

Particulars	As at 31.03.2018	As at 31.03.2017
(i)	(ii)	(iii)
i) Balances with Government that has control over company (NHDC)- (Central Govt./State Govt.)		
Payables by the Company	191	128
Receivables by the Company	39	16
Loan from Government	-	-
Balances out of commitments made by the company	-	-
ii) Balances with Entities controlled by the same Government that has control over company (NHDC)		
Payables by the Company	26	27
Receivables by the Company	41127	75133
Claim Receivable from insurance Company	-	-
Balances out of commitments made by the company	-	-

iii) Balances with Holding Co.		
Payables by the Company	424	389
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	17	19
Payables by the Company	-	-
v) Balances with Trust created for Post- employment Benefit plans of NHDC		-
Receivable by Company	165	-
Payable by the Company	410	637

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.

10. Disclosures Regarding Employee Benefit Obligations:

(A) Defined Contribution Plans-

- (i) **Social Security Scheme:** The Company has a Social Security Scheme in lieu of compassionate appointment. The Company also makes a matching contribution per month per employee and such contribution is to be made for 8 years to build up corpus from the date the scheme is in operation i.e. 01.04.2009, which has been extended for another 2.5 years. Funds so accumulated are managed by a separate Trust namely NHDC Employees Social Security Scheme Trust. The scheme has been created to take care of and helping bereaved families in event of death or permanent total disability of its employee. In case of resignation or retirement of an employee, amount equivalent to his own contribution and applicable interest as credited to his account till such date is refunded. The expense recognised during the period towards social security scheme is ₹ 25 Lacs (FY 2016-17 ₹ 25 Lacs) .
- (ii) **Employees Defined Contribution Superannuation Scheme (EDCSS):** The Company has an employee defined contribution superannuation scheme for providing pension benefits to employees. As per the scheme, each employee contributes @ 5% of Basic Pay & Dearness Allowance. The company contributes to the extent of balance available after deducting employers' contribution to Provident Fund, contribution to Gratuity trust and REHS, from the amount worked out @ 30% of the Basic Pay & DA. The Scheme is managed by Life Insurance Corporation of India. The expenses recognised during the period towards Employees Defined Contribution Superannuation Scheme (EDCSS) is ₹ 526 Lacs (FY 2016-17 ₹ 377 Lacs)

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

(a) Description of Plans:

- (i) **Provident Fund:** The Company pays fixed contribution to Provident Fund at predetermined rates to a separate Trust, which invests the funds in permitted securities. The contribution to the fund for the year

is recognised as expense and is charged to the Statement of Profit & Loss/Expenditure Attributable to Construction. The obligation of the Company is to make fixed contribution and to ensure a minimum rate of return to the members as specified by Government of India (GoI).

- (ii) **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 ₹ 20 lacs on superannuation, resignation, termination, disablement or on death. The plan is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.
- (iii) **Retired Employees Health Scheme (REHS):** The Company has a Retired Employee Health Scheme, under which retired employee and spouse of retiree, spouse and eligible dependent children of deceased employees are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. The liability for the same is recognised on the basis of actuarial valuation. The Scheme is being managed by a separate Trust created for the purpose and obligation of the company is to make contribution to the Trust based on actuarial valuation.
- (iv) **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.
- (v) **Memento to employees on attaining the age of superannuation:** The Company has a policy of providing Memento valuing ₹ 0.05 Lacs to employee on superannuation. The liability for the same is recognised on the basis of actuarial valuation
- (b) **Disclosure of Balance Sheet amounts and sensitivity analysis of Plans:**
- (l) **Provident Fund :** Movements in the net defined benefit obligation during the years 2016-17 and 2017-18 are as follows:

(Amount in ₹ Lacs)

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	5409	5413	(4)
Current Service Cost	306		306
Past Service Cost			
Interest Expenses/ (Income)	433	433	-
Total	739	433	306
Re-measurements			
Return on Plan Asset, excluding amount included in interest expenses /(Income)	-	62	(62)
(Gain)/loss from change in financial assumptions	1	-	1
Experience (gains)/Losses	59		59
Total	60	62	(2)
Contributions:-			
-Employers	-	306	(306)
-Plan participants	422	422	-
Benefit payments	(115)	(115)	-
Closing Balance as at 31.03.2017	6,515	6,521	(6)

(Amount in ₹ Lacs)

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	6,515	6,521	(6)
Audited Opening Balance as at 01.04.2017	6515	6512	3
Current Service Cost	314		314
Past Service Cost			
Interest Expenses/ (Income)	489	489	0
Total	803	489	314
Remeasurements			
(Return on Plan Asset, excluding amount included in interest expenses/(Income))	-	111	(111)
(Gain)/loss from change in financial assumptions	(1)	-	(1)
Experience (gains)/Losses	93	-	93
Total	92	111	(19)
Contributions:-			
-Employers	0	314	(314)
-Plan participants	430	430	0
Benefit payments	(93)	(93)	0
Closing Balance as at 31.03.2018	7747	7763	(16)

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

(Amount in ₹ Lacs)

Particulars	31st March 2018	31st March 2017
Present Value of funded obligations	7,747	6515
Fair value of Plan Assets	7,763	6512
Deficit/(Surplus) of funded plans	(16)	3
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	(16)	3

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

Particulars	Change in Assumptions			Increase in Assumption			Decrease in Assumptions	
	31st March 2018	31st March 2017		31st March 2018	31st March 2017		31st March 2018	31st March 2017
Discount Rate	0.5%	0.5%	Decrease by	0.01%	0.01%	Increase by	0.01%	0.01%

As per the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Company has no right to the benefits either in the form of refund from the plan or lower future contribution to the plan towards the net surplus of ₹ 16 Lacs determined through actuarial valuation. Accordingly, Company has not recognised the surplus as an asset, and the actuarial gains in Other Comprehensive Income, as these pertain to the Provident Fund Trust and not to the company

- (ii) **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 ₹ Lacs)

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	1207	1172	35
Current Service Cost	150		150
Past Service Cost	171		171
Interest Expenses/ (Income)	97	94	3
Total Amount recognised in Profit or Loss	418	94	324
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	13	(13)
(Gain)/loss from change in demographic assumptions	(1)	-	(1)
(Gain)/loss from change in financial assumptions	110	-	110
Experience (gains)/Losses	39	-	39
Total Amount recognised in Other Comprehensive Income	148	13	135
Contributions:-			
-Employers	-	78	(78)
-Plan participants			
Benefit payments	(27)	-	(27)
Closing Balance as at 31.03.2017	1746	1357	389

(Amount in ₹ Lacs)

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	1746	1357	389
Current Service Cost	155		155
Past Service Cost			
Interest Expenses/ (Income)	131	102	29
Total Amount recognised in Profit or Loss	286	102	184
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)		49	(49)
(Gain)/loss from change in demographic assumptions	2		2

(Gain)/loss from change in financial assumptions	27		27
Experience (gains)/Losses	(83)		(83)
Total Amount recognised in Other Comprehensive Income	(54)	49	(103)
Contributions:-			
-Employers		605	(605)
-Plan participants			
Benefit payments	(30)		(30)
Closing Balance as at 31.03.2018	1948	2113	(165)

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

(Amount in ₹ Lacs)

Particulars	31st March 2018	31st March 2017
Present Value of funded obligations	1,948	1,746
Fair value of Plan Assets	2,113	1,357
Deficit/(Surplus) of funded plans	(165)	389
Unfunded Plans		
Deficit/(Surplus) before asset ceiling	(165)	389

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	6.52%	6.33%	Increase by	6.01%	6.90%
Salary growth rate	0.50%	0.50%	Increase by	3.66%	6.96%	Decrease by	3.78%	6.45%

(iii) **Retired Employees Health Scheme (REHS):** 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 ₹ Lacs)

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	381	-	381
Current Service Cost	44		44
Past Service Cost	30	17	13

Interest Expenses/ (Income)	74	17	57
Total Amount recognised in Profit or Loss			
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	59	-	59
Experience (gains)/Losses	10	0	10
Total Amount recognised in Other Comprehensive Income	69	-	69
Contributions:-			
-Employers	-	427	(427)
-Plan participants			
Benefit payments	(1)		(1)
Closing Balance as at 31.03.2017	523	444	79

(Amount in ₹ Lacs)

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	523	444	79
Current Service Cost	49		49
Past Service Cost			
Interest Expenses/ (Income)	39	33	6
Total Amount recognised in Profit or Loss	88	33	55
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)		11	(11)
(Gain)/loss from change in demographic assumptions	1		1
(Gain)/loss from change in financial assumptions	40		40
Experience (gains)/Losses	21		21
Total Amount recognised in Other Comprehensive Income	62	11	51
Contributions:-			
-Employers		142	(142)
-Plan participants			
Benefit payments	(3)		(3)
Closing Balance as at 31.03.2018	670	630	40

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

(Amount in ₹ Lacs)

Particulars	31st March 2018	31st March 2017
Present Value of funded obligations	670	523
Fair value of Plan Assets	630	444
Deficit/(Surplus) of funded plans	40	79
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	40	79

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

	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	0.5%	0.5%	Decrease by	10.81%	11.90%	Increase by	10.70%	13.37%

- (iv) **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 ₹ Lacs)

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	49	-	49
Current Service Cost	5	-	5
Past Service Cost	4	-	4
Interest Expenses/ (Income)	-	-	-
Total Amount recognised in Profit or Loss	9	-	9
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	4	-	4
Experience (gains)/Losses	1	-	1
Total Amount recognised in Other Comprehensive Income	5	-	5
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(1)	-	(1)
Closing Balance as at 31.03.2017	62	-	62

(Amount in ₹ Lacs)

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	62	-	62
Current Service Cost	6	-	6
Past Service Cost		-	
Interest Expenses/ (Income)	5	-	5
Total Amount recognised in Profit or Loss	11	-	11
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	3	-	3
Experience (gains)/Losses	2	-	2
Total Amount recognised in Other Comprehensive Income	5	-	5
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	(1)	-	(1)
Closing Balance as at 31.03.2018	77	-	77

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

(Amount in ₹ Lacs)

Particulars	31st March 2018	31st March 2017
Present Value of funded obligations	77	62
Fair value of Plan Assets	-	-
Deficit/(Surplus) of funded plans	77	62
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	77	62

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

	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	0.5%	0.5%	Decrease by	5.97%	7.22%	Increase by	5.90%	7.92%

- (v) **Memento to employees on attaining the age of superannuation:** 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 ₹ Lacs)

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	2	-	2
Current Service Cost	-	-	-
Past Service Cost	-	-	-
Interest Expenses/ (Income)	-	-	-
Total Amount recognised in Profit or Loss	-	-	-
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)			
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/Losses	-	-	-
Total Amount recognised in Other Comprehensive Income	-	-	-
Contributions:-	-	-	-
-Employers	-	-	-
-Plan participants	-	-	-
Benefit payments	-	-	-
Closing Balance as at 31.03.2017	2	-	2

(Amount in ₹ Lacs)

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	2	-	2

Current Service Cost	-	-	-
Past Service Cost	-	-	-
Interest Expenses/ (Income)	-	-	-
Total Amount recognised in Profit or Loss	-	-	-
Remeasurements			
Return on Plan Asset, excluding amount included in interest expenses/(Income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/Losses		-	
Total Amount recognised in Other Comprehensive Income	-		-
Contributions:-			
-Employers			
-Plan participants			
Benefit payments	-	-	-
Closing Balance as at 31.03.2018	2	-	2

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

(Amount in ₹ Lacs)

Particulars	31st March 2018	31st March 2017
Present Value of funded obligations	2	2
Fair value of Plan Assets	-	-
Deficit/(Surplus) of funded plans	2	2
Unfunded Plans	-	-
Deficit/(Surplus) before asset ceiling	2	2

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	
	31.03.2018	31.03.2017		31.03.2018	31.03.2017		31.03.2018	31.03.2017
Discount Rate	0.50%	0.50%	Decrease by	6.97%	6.11%	Increase by	6.50%	6.65%

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

Particulars	31st March 2018	31st March 2017
Discount Rate	7.70%	7.50%
Salary growth rate	6.50%	6.00%

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

(i) **Provident Fund:**

(Amount in ₹ Lacs)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	4125	-	4125	55.60%
Corporate Bonds	3073	-	3073	41.41%
Investment Funds				
Mutual Funds	222	-	222	2.99%
LIC				
Total	7420		7420	100.00%

(Amount in ₹ Lacs)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	3480	-	3480	55.76%
Corporate Bonds	2622	-	2622	42.02%
Investment Funds				
Mutual Funds	138	-	138	2.22%
LIC				
Total	6240		6240	100.00%

(II) **EDCSS:-**

(Amount in ₹ Lacs)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC	-	3624	3624	99.98%
Flexi Fixed Deposit	-	1	1	0.02%
Total	-	3625	3625	100.00%

(Amount in ₹ Lacs)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC	-	2931	2931	99.98%
Flexi Fixed Deposit	-	1	1	0.02%
Total	-	2932	2932	100.00%

(ii) Gratuity:-

(Amount in ₹ Lacs)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme *	-	2113	2113	100.00%
Total	-	2113	2113	100.00%

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
Investment Funds				
LIC Scheme	-	1357	1357	100.00%
Total	-	1357	1357	100.00%

(IV) Retired Employees Health Scheme (REHS):

(Amount in ₹ Lacs)

Particulars	31st March 2018			
	Quoted	Unquoted	Total	In %
Debt Instruments	-	-	-	-
Government Bonds	-	-	-	-
Corporate Bonds				
Investment Funds				
Fixed Deposit	-	571	571	100.00%
	-	571	571	100.00%
Total	-	-	-	-

(Amount in ₹ Lacs)

Particulars	31st March 2017			
	Quoted	Unquoted	Total	In %
Debt Instruments				
Government Bonds	-	-	-	-
Corporate Bonds	-	-	-	-
Investment Funds				
Fixed Deposit	-	427	427	100.00%
Cash & Cash Equivalent				
Total	-	427	427	100.00%

(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: Funding levels are monitored on an annual basis and the current contribution rate is 30% of basic salary & dearness allowance. The Company considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period and that regular contributions, which are based on service costs, will not increase significantly.

The expected maturity analysis of Provident Fund (NHDC Ltd. Employees Provident Fund)

(Amount in ₹ Lacs)

Particulars	Between 0-1 years	Between 1-5 years	Between 5-10 years	Over 10 years	Total
31.03.2018	154	856	921	5816	7747
31.03.2017	79	228	490	5718	6515

The expected maturity analysis of Gratuity (NHDC Ltd. Employees Group Gratuity Assurance Fund), Post employment Medical Benefits (NHDC Ltd. Retired Employees Health Scheme Trust), Allowances on Retirement/Death and Memento.

(Amount in ₹ Lacs)

Particulars	Less than a year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
31.03.2018					
Gratuity	54	119	139	1636	1948
Post-employment Medical Benefits (REHS)	5	6	41	618	670
Allowances on Retirement/Death	-	1	2	74	77
Memento to employees on attaining the age of superannuation	-	-	-	2	2
TOTAL	59	126	182	2330	2697
31.03.2017					
Gratuity	46	20	137	1543	1746
Post-employment Medical Benefits (REHS)	4	5	44	470	523
Allowances on Retirement/Death	-	-	2	60	62
Memento to employees on attaining the age of superannuation	-	-	-	2	2
TOTAL	50	25	183	2075	2333

- (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.
- 11.(a) Balances shown under material issued to contractors, claims recoverable including insurance claims, advances for Capital expenditure, Trade receivables, Advances to Contractors, Trade Payables, and Deposits/Earnest money from contractors are subject to reconciliation/ confirmation and respective consequential adjustments.
- (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 Rs. 5 Lacs or above in respect of each party as at 31st December of every year. Status of confirmation of balances as at December 31, 2017 as well as amount outstanding as on 31.03.2018 is as under:

(Amount in ₹ Lacs)

Particulars	Outstanding amount as on 31.12.2017	Amount confirmed	Outstanding amount as on 31.03.2018
Trade receivable	36,760	36,760	37,301
Deposits, Advances to contractors/suppliers/service providers/ others including for capital expenditure and material issued to contractors	1,763	55	1,331
Trade/Other payables	2,154	376	3,111
Security Deposit/Retention Money payable	708	296	964

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

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

(Amount in ₹ Lacs)

	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 (foreign training)	- 4	- -
c)*	Value of spare parts and Components consumed in operating units. i) Imported ii) Indigenous	- 479	- 148
d)*	Earnings in foreign currency i) Interest ii) Other Misc. Matters	- -	- -

* Accrual basis.

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

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

(Amount in ₹ Lacs)

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	15	13
2	Education & Skill Development	432	177
3	Women Empowerment /Senior Citizen	1	1
4	Environment	12	9
5	Art & Culture	-	-
6	Ex-Armed Forces	-	-
7	Sports	-	-
8	National Welfare Fund	-	-
9	Technology & Research	-	-
10	Rural Development	599	423
11	Capacity Building	101	66
12	SwachhVidyalayaAbhiyan	2	-
13	Swachh Bharat Abhiyan	945	687
	Total amount	2107	1376

(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:-

(Amount in ₹ Lacs)

		Paid (a)	Yet to be paid (b)	Total (a+b)
(i)	Construction/Acquisition of any asset	396	38	434
(ii)	On purpose other than (i) above	1626	47	1673
	Total	2022	85	2107

(b) As stated above, a sum of ₹ 85 Lacs out of total expenditure of ₹ 2107 Lacs 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 ₹ 2003 Lacs /- for FY 2017-18. The Board of Directors had allocated total budget of ₹ 2003 Lacs for FY 2017-18 (2% of average net profit of preceding three financial years in terms of section 135 read with section 198 of Companies Act, 2013). Accordingly the expenditure of ₹104 Lacs over and above current year allocation has been funded out of CSR Reserve.

14. 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 ₹ Lacs)

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	271	213
	-Interest	-	-
	b) Others:		
	-Principal	15	64
	-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.	-	-

15. Disclosures regarding leases as per IND AS -17 “Leases”:

A) Operating Lease - Company as Lessee

- 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 amounting to Rs 277 Lacs (31st March 2017 Rs 248 Lacs) included under Salaries, wages, allowances in Note 27.
- The Company has taken premises for offices, guest houses & transit camps on operating leases which are not non-cancellable, are usually renewable on mutually agreeable terms. Lease payments in respect of premises for offices, guest houses & transit camps amounting to Rs 28 Lacs (31st March 2017 Rs 25 Lacs) are shown under Rent & Hire Charges in Note 26.
- The Company has taken vehicle son operating leases for a period generally 1 to 2 years and such leases are not non-cancellable. Lease payments in respect of hiring of vehicles amounting to Rs 343 Lacs (31st March 2017 Rs 285 Lacs) are shown under Rent & Hire Charges in Note 26.

B) Finance Lease - Company as Lessor

The Company has entered into arrangement with a single beneficiary, M P Power Management Company for sale of the entire power generated by two power stations, namely Indira Sagar and Omkareshwar Power stations for 35 years, which is equal to the expected life of these Power Stations. Under the

agreements, the customer is obliged to purchase the output at prices determined by the Central Electricity Regulatory Commission (CERC). The Company has classified these Power Stations as embedded finance lease as per Appendix-C to Ind AS 17- Leases. Pursuant to the above classification, Property Plant & Equipment (i.e. fixed assets) of both the Power stations excluding portion of Govt. grants have been de-recognized from the Balance Sheet. Other Financial Assets (Current and Non-Current) include lease receivables representing the present value of future lease rentals receivable on the embedded finance lease arrangements entered into by the company.

C) Details of gross investment in lease and present value of minimum lease payments receivables at the end of financial year are as under:

(a) Gross investment in the Lease :

(Amount in ₹ Lacs)

Particulars	31-Mar-18	31-Mar-17
Within one year	69893	78314
After one year but not more than five years	242888	251712
More than five years	1062458	1105472
Total	13,75,239	1435498

(b) Present value of minimum lease payments receivable:

(Amount in ₹ Lacs)

Particulars	31-Mar-18	31-Mar-17
Within one year	14382	20921
After one year but not more than five years	36513	42018
More than five years	352848	348351
Total	403743	411290

(c) Reconciliation between the gross investment in the lease and the present value of minimum lease payments receivable is as follows

(Amount in ₹ Lacs)

Particulars	31-Mar-18	31-Mar-17
Gross investment in Lease	1375239	1435498
Adjustments:	-	-
Less: Un-earned Finance Income	913398	966236
Less: Unguaranteed residual value	58098	57972
Present value of Minimum Lease Payment (MLP)	403743	411290

(d) Present Value of minimum lease payments includes addition to PPE during the year, classified as lease, of Rs. 1263 Lacs (PY Rs. 2316 Lacs). Further, during the year, Rs. 8811 Lacs (PY Rs. 20768 Lacs) has been realized towards principal lease repayment.

16. 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.

17. 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	273.54	471.41
Earnings per Share after Regulatory Income (₹) – Basic & Diluted	281.87	474.52
Face value per share (₹)	1000	1000

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 (₹ in Lacs)	53,683	92,518
Net Profit after Tax and Regulatory Income used as numerator (₹ in Lacs)	55,318	93,128

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 (Nos.)	1,96,25,800	1,96,25,800

18. 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.

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 as per company's rules in this regard which are based on the guidelines of the Department of Public Enterprises, Government of India.

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

Short term provision for wage revision of the employees of the company has been recognised in the respective accounts for the period 1.01.2017 to 31.03.2017 and 01.04.2017 to 31.03.2018 as per notification of the Department of Public Enterprises, Government of India.

(iii) **Other Provisions:**

a) **Provision For Tariff Adjustment:**

Provision for tariff adjustment is made on estimated basis against probable refund to beneficiaries on reassessment of tariff billed, pending approval of Tariff/truing up for the period 2014-19 by Central Electricity Regulatory Commission(CERC).

b) **Provision for Committed Capital Expenditure:**

Provision has been recognised at discounted value for Capital Expenditure to be incurred towards environment, compensatory afforestation, local area development, etc. which was a pre-condition for granting approval for construction of the project and expenditure towards which had not been

completed till commissioning of the project. Such provisions are adjusted against the incurrence of actual expenditure as per demand raised by the concerned State Government Authorities.

c) Provisions for expenditure in respect of Arbitration Award/Court cases:

This includes provisions created on the basis of management assessment as to probable outflow in respect of contractors claims against which arbitration award/Court decision have been received and which have been further challenged in a Court of Law. Utilization/outflow of the provision is to be made on the outcome of the case.

d) Provisions- Others: This includes provisions towards:-

- (i) Contractor claims, Land compensation cases, disputed tax demands and other cases created on the basis of management assessment as to probable outflow. Utilization/outflow of the provision is to be made on the outcome of the case
- (ii) Wage revision of Central Government Employees whose services are utilised by the company.

19. Disclosures relating to creation of Regulatory Deferral Account balances as per Ind AS 114:

The Company is principally engaged in the construction & operation of hydroelectric power projects. The price (tariff) to be charged by the company for electricity sold to its customers is determined by Central Electricity Regulatory Commission (CERC) under applicable CERC (terms & conditions of tariff) Regulations. The said price (tariff) is based on allowable costs like interest costs, depreciation, operation & maintenance including a stipulated return. This form of rate regulation is known as cost-of-service regulations. The basic objective of such regulations is to give the entity the opportunity to recover its costs of providing the goods or services plus a fair return.

For the purpose, the Company is required to make an application to CERC based on capital expenditure incurred duly certified by the Auditors or already admitted by CERC or projected to be incurred upto the date of commercial operation and additional capital expenditure duly certified by the Auditor or projected to be incurred during tariff year. The tariff determined by CERC is recovered from the customers (beneficiaries) on whom the same is binding.

The above rate regulation does result into creation of right (asset) or an obligation (liability) as envisaged in the accounting framework which is not the case in other industries. Guidance Note on Accounting for Rate Regulated Activities (previous GAAP) issued by the ICAI is applicable to entities that provide goods or services whose prices are subject to cost-of-service regulations and the tariff determined by the regulator is binding on the customers (beneficiaries). As per guidance note, a regulatory asset is recognised when it is probable (a reasonable assurance) that the future economic benefits associated with it will flow to the entity as a result of the actual or expected actions of the regulator under applicable regulatory framework and the amount can be measured reliably.

As explained above, all operating activities of the Company are subject to cost-of-service regulations as it meets the criteria set out in the guidance note and is hence applicable to the Company.

The guidance note also provides that in some cases, a regulator 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 expense in the statement of profit and loss in accordance with Accounting Standards.

With effect from 01.04.2016, such rate regulated items are to be accounted for as per Ind AS 114 'Regulatory Deferral Accounts.' Ind AS 114 allows an entity to continue to apply previous GAAP accounting policies for the recognition, measurement, impairment and derecognition of regulatory deferral account balances. For this purpose, Guidance Note of the ICAI on 'Accounting for Rate Regulated Activities' shall be considered to be the previous GAAP.

Regulatory Deferral Account Balances in respect of expenditure recognised due to recommendations of 3rd PRC for Pay Revision of CPSUs:

Pay Revision of employees of CPSUs is due from 1st January, 2017. According to the recommendations of the committee constituted for the purpose by the Government of India, in addition to enhancing Basic Pay, DA and allowances w.e.f. 01.01.2017, the ceiling limit of Gratuity has been proposed for enhancement from the existing ₹ 10 Lacs to ₹ 20 Lacs w.e.f. 01.01.2017.

Impact of proposed revision of pay for Financial Year 2017-18 includes expense recognised in the Statement of Profit & Loss towards provision for enhancement in pay and allowances for the period 01.04.2017 to 31.03.2018 and expense recognised in Profit & Loss/ Other Comprehensive Income (OCI) on actuarial valuation due to enhancement of ceiling limit of Gratuity in respect of both Power Stations including expenditure of Corporate Office allocated to such units.

CERC Tariff Regulations 2014-19 read with the Statement of Reasons CERC (Terms and Conditions of Tariff) Regulations, 2014 provides that the impact of actual increase in employee cost on account of wage revision of operational Power Stations is recoverable from the beneficiaries in future through tariff. Further, during the tariff period 2004-09, CERC had allowed recovery of the actual increase in employee cost on account of wage revision (w.e.f. 01.01.2007) upto 50% of the salary and wages (Basic + DA) of the employees of the petitioner company as on 31.12.2006 from the beneficiaries in twelve equal monthly installments.

Keeping in view the provisions of Ind AS 114- "Regulatory Deferral Accounts" as regards recognition and CERC Tariff Regulations 2014-19 as regards recoverability, additional expenditure on employee benefits due to pay revision, to the extent charged to the Statement of Profit & Loss or to Other Comprehensive Income and further recoverable from the beneficiaries in subsequent periods as per Tariff Regulations and earlier approval of the CERC, are being recognized as 'Regulatory Deferral Account balances'. These balances are to be adjusted from the year in which they become recoverable from the beneficiaries as per approval of the CERC.

The Regulatory Deferral Account Balance (assets) recognized in the books to be recovered from the beneficiaries in future periods are as follows:

Regulatory Deferral Account Balances relating to items recognised in the Statement of Profit & Loss:

(Amount in ₹ Lacs)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2017	610
B	Addition during the year (+)	1635
C	Amount collected during the year (-)	-
D	Regulatory income recognized in the Statement of Profit & Loss (B+C)	1635
E	Closing balance as on 31.03.2018 (A+D)	2245

Regulatory Deferral Account Balances relating to items recognised in Other Comprehensive Income:

(Amount in ₹ Lacs)

Sl. No.	Particulars	Regulatory Deferral Account Balances
A	Opening balance as on 01.04.2017	-
B	Addition during the year (+)	
C	Amount collected during the year (-)	-
D	Regulatory income recognized in Other Comprehensive Income (B+C)	
E	Closing balance as on 31.03.2018 (A+D)	

Certain risks and uncertainties might affect the future recovery of the Regulatory Deferral account balances being created in respect of additional expenditure due to revision of pay of employees. These are:

- a) **Demand Risk:** Recovery/payment of the regulatory deferral debit/credit balance shall be by way of billing to the beneficiaries. Accordingly, the same is affected by the normal risks and uncertainties impacting sale of electricity in India.
 - b) **Regulatory Risk:** Tariff Regulations 2014-19 allows recovery of additional employee cost on account of pay revision through tariff. Any changes in tariff regulations beyond the current period regarding allowability of such costs in tariff may adversely affect the creation and recovery of these regulatory deferral balances.
20. Opening balances/corresponding figures for previous year/period have been re-grouped/re-arranged wherever necessary.

For and on the behalf of Board of Directors

For S.K.Lulla & CO.
Chartered Accountants
(Firm Registration No.002336C)

A.G. ANSARI
Managing Director
DIN 07884841

BALRAJ JOSHI
Chairman
DIN: 07449990

CA SHIV KUMAR SHARMA
Partner
M. No. 421955

V.K. TRIPATHI
Co. Secretary

B.L. SABOO
G.M. (Finance) &
Chief Financial Officer

Place: New Delhi
Date: 08/05/2018

ANNEXURE “F”

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF NHDC LIMITED FOR THE YEAR ENDED 31 MARCH 2018.

The preparation of financial statements of NHDC Limited for the year ended 31 March 2018 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the company. The statutory auditor appointed by the Comptroller and Auditor General of India under section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 08 May 2018.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143(6)(a) of the Act of the financial statements of NHDC Limited for the year ended 31 March 2018. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditor and company personnel and a selective examination of some of the accounting records. On the basis of my auditing nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditor’s report.

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

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

**Place: New Delhi
Dated: 27 June, 2018**



माननीय मुख्यमंत्री, मध्य प्रदेश, श्री शिवराज सिंह चौहान को वित्त वर्ष 2017-18 हेतु रुपये 227.55 करोड़ का लाभांश चेक भेंट करते हुए प्रबंध निदेशक एवं मुख्य कार्यपालक निदेशक, एनएचडीसी, मो. ए.जी. अंसारी।

Hon'ble Chief Minister, Madhya Pradesh, Shri Shivraj Singh Chouhan being presented Dividend Cheque of Rs. 227.55 Crore for FY 2017-18 by Md. A.G. Ansari, Managing Director & Chief Executive Director, NHDC.



अध्यक्ष व प्रबंध निदेशक, एनएचपीसी, श्री बलराज जोशी को वित्त वर्ष 2017-18 हेतु रुपये 237.57 करोड़ का लाभांश चेक भेंट करते हुए प्रबंध निदेशक एवं मुख्य कार्यपालक निदेशक, एनएचडीसी, मो. ए.जी. अंसारी।

Chairman & Managing Director, NHPC, Shri Balraj Joshi being presented Dividend Cheque of Rs. 237.57 Crore for FY 2017-18 by Md. A.G. Ansari, Managing Director & Chief Executive Director, NHDC.



एनएचडीसी लिमिटेड

(एनएचपीसी लिमिटेड एवं मध्य प्रदेश शासन का संयुक्त उद्यम)

NHDC Limited

(A Joint Venture of NHPC Limited & Government of Madhya Pradesh)

निगम मुख्यालय : एनएचडीसी परिसर, श्यामला हिल्स,
भोपाल, मध्य प्रदेश - 462013

www.nhdcindia.com

CIN : U31200MP2000GOI014337

Published By: NHDC Ltd., Bhopal
No. NHDC/CC/133/November 2018