

वार्षिक रिपोर्ट
ANNUAL REPORT
2011-12



25 years of glorious achievements



एसजेवीएन लिमिटेड
SJVN Limited

(A Joint Venture of Govt. of India & Govt. of H.P.)



BOARD OF DIRECTORS



Raghunath Prasad Singh
Chairman & Managing Director



Kamesh Narain Misra
Director (Civil)



Amarjit Singh Binda
Director (Finance)



Nand Lal Sharma
Director (Personnel)



G. Sai Prasad
Non-Executive Director, GOI



Deepak Sanan
Non-Executive Director, GOHP



Bharti Prasad (M)
Independent Director



Ravi Dhirga
Independent Director



Kansajit Singh Gill
Independent Director



S.M. Leelha
Independent Director



Asha Swarup (M)
Independent Director



Aron Mahajan
Independent Director



D.V. Dharmik
Independent Director



The Board of Directors - Brief Profiles

Mr. Raghunath Prasad Singh, 57 years, is on our Board as Chairman and Managing Director with effect from 31st January 2012. Earlier he was Director (Electrical) in SJVN and also held additional charge of CMD. Mr. Singh, is a graduate in electrical engineering from Regional Engineering College, Warangal. Prior to joining SJVN, he was the Executive Director in North Eastern Electric Power Corporation Limited. He has been associated with corporate planning, monitoring, design engineering etc. of transmission lines and hydro projects for more than 26 years. Mr. Singh has distinction in achieving machine availability of around 97% of Ranganandi Hydro Electric Plant (405 MW) consecutively for two years i.e. 2004-05 & 2005-06. For this remarkable achievement, the project earned Bronze Shield for 2004-05 from Ministry of Power under National Meritorious Performance Award. Mr. Singh was also awarded Gold Medal in Recognition of the Meritorious services rendered in the state of Arunachal Pradesh. He is representing the Country in the Working Group of 29 of International Electro-technical Commission- Technical Committee No. 4 which deals with particle erosion. Under his dynamic leadership, SJVN's Natipahajakri Hydro Power Station has bagged the Gold Shield for 2010-11 from the Ministry of Power, Government of India under National Award for meritorious performance. Exploring new frontiers under his initiative, SJVN has diversified in the field of renewable energy sources by initiating to set up a Wind Energy Farm and is also exploring to take up Solar Power and Thermal Power Generation.

Mr. Ramesh Narain Misra, 54 years, is on our Board as the Director (Civil) since 21st May 2010. Mr. Misra is a postgraduate in Civil Engineering as well as Business Administration. He has about 33 years of experience in power sector. Prior to joining the company, he was Executive Director in NHPC Limited. He has wide experience in planning, project appraisal, environmental issues related to hydro power projects, project monitoring, contract management, management and execution of large hydro power projects including commercial aspects and policy issues related to power sector. As the Director (Civil), he is in-charge of Project under Investigation and Construction, Civil Design, DRB & Civil Contracts, Geology and Environment wings of the company.

Mr. Amarjit Singh Bindra, 52 years, is on our Board as Director (Finance) since 09th December 2010. Mr. Bindra is an Honours Graduate in Commerce and a Member of the Institute of Chartered Accountants of India. He has about 29 years of experience in NHPC, THDC and DMRC. Prior to joining the Company, he was General Manager (Finance) in Delhi Metro Railway Corporation Limited. Mr. Bindra has wide experience in Financial planning, appraisal, getting clearances, budgetary monitoring, contract management including commercial aspects and policy issues.

Mr. Nand Lal Sharma, 48 years, is on our Board as Director (Personnel) with effect from 22nd March 2011. Prior to the Board level appointment, Shri Sharma was working on deputation with the Company as the Executive Director (Human Resources) since July 2008. Shri Sharma holds a masters degree in Agriculture from HP Agriculture University, Palampur in Himachal Pradesh and Masters in Business Administration (MBA) from the University of Ljubljana, Slovenia. Prior to joining our Company, he was holding the position of Special Secretary (General Administration Department and Health) and Director Ayurveda with GoHP. As Director (Personnel), Shri Sharma is in-charge of Human Resources functions including Personnel & Administration, Rehabilitation & Resettlement, Legal, Procurement, Corporate Communications etc.

Mr. G. Sai Prasad, 45 years, Joint Secretary, Ministry of Power, has been appointed as Nominee Director of Government of India on our Board w.e.f. 16th December, 2011. Sh. Prasad, is a graduate from the Indian Institute of Technology, Delhi and a Postgraduate Degree Holder in International Development Policy from Duke University, USA. Sri Prasad began his career in 1991 as Assistant Collector in Warangal and later worked on many important administrative positions Andhra Pradesh including Sub-collector of Paderu, Project Director of ITDA, Municipal Commissioner, Guntur, Joint Collector, Kadapa, District Collector and Magistrate at Kurnool and Chittoor. Prior to his posting in Ministry of Power, he was also CMD of Central Power Distribution Company of AP Limited and CMD of Eastern Power Distribution Company of AP Limited.

Mr. Deepak Sanan, 55 years, Pt. Secretary (MPP & Power), Govt. of H.P., has been appointed as Nominee Director of Govt. of H.P. on our Board w.e.f. April 4, 2010. Mr. Deepak Sanan is an Indian Administrative Services officer and is a post graduate in International Politics from Jawaharlal Nehru University, New Delhi. He has served on various Central and State Government administrative positions in various Departments/ Ministries including Public Finance, Rural Development & Panchayati Raj, Water & Sanitation, Public Health etc. and handled a number of assignments as a consultant with the World Bank including the position of India Country Team Leader.

Ms. Bharti Prasad, 62 years, is an Independent Director on our Board since March 29, 2010. She holds a M.Phil. degree from Punjab University, Chandigarh. An Indian Audit & Accounts service officer, she retired as Deputy Comptroller & Auditor General. Ms. Prasad has 38 years of experience and has held various key positions in Government of India ranging from Accountant General, Uttar Pradesh, Joint Secretary, Ministry of Finance, Principal Accountant General, West Bengal, Kolkata. She is Member of Advisory Group on Evaluation of Audit, International Civil Aviation Organisation, Montreal and International Public Sector Accounting Standard Board.

Mr. Ravi Dhingra, 63 years, is an Independent Director on our Board since March 29, 2010. He holds a Master's degree in Arts from Delhi University and a professional qualification in the management of public sector enterprises from the university of Manchester in the UK. A retired Indian Administrative Services officer, Mr. Dhingra has over 39 years of experience and has held various positions including Secretary to the GOI, Ministry of Home Affairs, Chief Secretary to the GoHP, Principal Secretary Finance to the GoHP and Chairman of the HPSEB.

Mr. Kamaljit Singh Gill, 65 years, is an independent Director on our Board since September 14, 2011. A graduate in Electrical Engineering from Punjab University, Mr. Kamaljit Singh Gill possesses over 39 years of extensive professional experience in the power sector. He has an experience of 36 years with Punjab State Electricity Board in various capacities beginning from Assistant Engineer to the level of Engineer in Chief.

Mr. S.M. Lodha, aged 60 years, is an Independent Director on our Board since September 14, 2011. A Honors Graduate in Commerce, Law and Post Graduate in Business management. He has over 38 years of cross industry experience in large Corporates and has been associated as Chief Executive Officer, advisor and board member of reputed companies. His experience spans in Corporate finance, business performance, operations governance, mergers & acquisitions etc. He is also actively associated in professional bodies like CEO Club, India China Business Forum, Indo Italian Chamber of Commerce, FICCI etc.

Mrs. Asha Swarup, 62 years, is an Independent Director on our Board since September 14, 2011. She is a post graduate from Delhi University. An officer of Indian Administrative Service, she has served on various Central and State Govt. administrative positions including, Secretary Ministry of Information and Broadcasting, Special Secy./Additional Secy. and Financial Adviser in the Ministries of Commerce and Textiles, Joint Secretary in Ministries of Human Resource Development and Rural Development, Govt. of India and as Chief Secretary, Principal Secy. in Departments of Finance, Health, Power, Home and Chairperson of HP Power Corporation, HP State Electricity Board and HP Transmission Corporation in the State of Himachal Pradesh.

Mr. Arun Mahajan, 60 years, is an Independent Director on our Board since September 14, 2011. A Gold Medalist in Civil Engineering Graduation from Punjab Engineering college Chandigarh, Shri Mahajan has 39 years of experience in planning, design, procurement, construction of buildings & hill roads. He has been actively associated in financial management of the PMGSY programme for the State of HP, Road maintenance management system, use of Plastic waste in renewal of road surfaces. His last posting was Engineer-in-Chief in PWD of HP Government.

Mr. D.V. Dharmik, 63 years, is an Independent Director on our Board since December 14, 2011. Sh. Dharmik, is a Law and Science graduate from Nagpur University. He joined Indian Revenue Service in 1971 and served on many significant positions and retired from the highest post of IRS i.e. Chief Commissioner of Income Tax. He has been well trained in Premier National and International Institutes of Public Administration, Management and Tax Administration. He also possesses wide range of experience in Corporate Tax Planning & Company Law Matters in Large Corporate Groups & PSUs and is presently Legal Advisor on Company Law, Taxation and Civil Matters in Bombay High Court.

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Company Secretary

: Soumendra Das

Statutory Auditors

: Hingorani M & Co.
Chartered Accountants
New Delhi

Bankers

: State Bank of India
Union Bank of India
IDBI Bank
Oriental Bank of Commerce
AXIS Bank
Punjab National Bank

Registered Office

: Himfed Building
New Shimla
SHIMLA - 171009.
Himachal Pradesh

**NOTICE**

NOTICE is hereby given that the 24th Annual General Meeting of the Members of SJVN Limited will be held on **03rd September 2012, Monday, at 1600 HRS. at Hotel Peterhoff, Chaura Maidan, Shimla - 171004**, Himachal Pradesh to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2012 and Statement of Profit and Loss for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
2. To declare Final Dividend for the financial year 2011-12.
3. To appoint a Director in place of Shri Ravi Dhingra, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri Kamaljit Singh Gill, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri S.M. Lodha, who retires by rotation and being eligible, offers himself for re-appointment.
6. To approve the enhanced remuneration of the Auditors for the financial year 2011-12 and onwards.

SPECIAL BUSINESS:

7. Alteration of Articles of Association to incorporate Provision for Buy Back of Shares

To consider and if thought fit pass the following as special resolution:-

"RESOLVED THAT the Article of Association of the company be and are hereby altered by inserting the following as article 8J in the Articles of Association of the company:-

8J. BUY-BACK OF SHARES

Notwithstanding anything contained in these Articles, in accordance with the applicable provisions of Companies Act 1956 and SEBI (Buyback of Securities) Regulations 1998 as may be amended from time to time, the Company may Buy back its own shares as it may think necessary, subject to such limits, upon such terms & conditions, and subject to such approvals as may be prescribed/ required in terms of the provisions of the Law"

"RESOLVED FURTHER THAT Sh. Soumendra Das, Company Secretary of the company be and is hereby authorized to do all such acts, deeds and things as may be required or deemed expedient to implement this resolution, including but not limiting to the Statutory Filings with Registrar of Companies"

By order of Board of Directors

(Soumendra Das)
Company Secretary

Regd. Office:

Himfed Building, New Shimla - 171009

Date: 23rd July 2012

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e. latest by 04:00 PM on, the 1st September 2012. Blank proxy form is enclosed.
2. As required by Clause 49 of the Listing Agreement(s), the relevant details of Sh. Ravi Dhingra, Sh. K.S. Gill and Sh. S.M. Lodha Directors, retiring by rotation and seeking re-appointment under items no. 3, 4 & 5 of the Notice respectively in accordance with applicable provisions of the Articles of Association of the Company are annexed. The tenure of the above Directors is 3 years from the date of their appointment by Government of India or until further orders from the Ministry of Power, whichever event occurs earlier.
3. None of the Directors of the Company are anywhere related with each other.
4. Members are requested to:
 - (i) Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - (ii) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - (iii) Deliver duly completed and signed Attendance Slip and hand them over at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending Annual General Meeting.
 - (iv) Quote their Folia/Client ID & DP ID Nos. in all correspondence.
 - (v) Note that due to strict security reasons, mobile phones, eatables and other belongings are not allowed inside the Auditorium.
 - (vi) Note that no gifts/coupons will be distributed at the Annual General Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 28th August 2012 (Tuesday) to 3rd September 2012 (Monday) (both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid on or after 8th September 2012.
7. The Board had recommended a Final Dividend @ **₹0.94** per share at its 212th meeting held on 28th May 2012. The dividend, if declared, at the Annual General Meeting will be paid to those Members, whose names appear on the Register of Members of the Company at the closure of business hours of 27th August 2012 (Monday).
8. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatever on the said amount. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.
9. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the company to make remittance by means of ECS. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those

- holding shares in physical form may obtain and send the ECS mandate form to Link Intime India Private Limited, A-40, Naraina Industrial Area, Phase-II, New Delhi-110028 (the Registrar & Transfer Agent of the company), if not done earlier.
10. The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Link Intime India Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants.
 11. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Transfer Agent along with relevant Share Certificates.
 12. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday), between 11.00 AM to 5.00 PM up to one day prior to the date of AGM.
 13. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form (Form 2B in duplicate) of the Companies (Central Government's) General Rules and Forms, 1956. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
 14. Annual Listing fee for the year 2012-13 has been paid to the Stock Exchanges wherein shares of the Company are listed.
 15. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and bank account to the Company's Registrar at the address given in Note No.9 above.
 16. Members are requested to notify immediately any change of address:
 - ii) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - iii) to the Company at its Registered Office or its Registrar & Transfer Agent, Link Intime India Private Limited in respect of their physical shares, if any, quoting their folio number.
 17. **Members desirous of getting any information on any item of business of this meeting are requested to address their queries to the Company Secretary at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.**
 18. Members can also access the Annual Report on Company's website www.sjvn.nic.in

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT 1956

ITEM NO. 7

ALTERATION OF ARTICLES OF ASSOCIATION TO INCORPORATE PROVISION FOR BUY BACK OF SHARES

SJVN Limited being a Central Public Sector Undertaking (CPSU), by virtue of majority Shareholding by Government of India (65%), is required to comply with various Guidelines Issued from time to time by Government of India through Department of Public Enterprises, Ministry of Heavy Industries & Public Enterprises.

In this regard, Department of Public Enterprises, Govt vide its OM No. F.No. DPE/14(24)/2011-Fin dated 26th March 2012 has issued following guidelines regarding buy-back of shares for compliance by all listed CPSEs:-

i) If a CPSE decides to Buy-Back its own shares from the shareholders using surplus cash, Department of Disinvestment (DDI) on behalf of major shareholders may tender/offer equity on behalf of Government of India.

ii) CPSE will amend their Articles of Association to provide for Buyback of Shares, if such provisions does not exist in their Articles. Presently, the Articles of Association of the Company do not contain any provisions for buyback of shares. Therefore, in order to comply with the aforesaid guidelines of the Government of India, it is proposed to amend the Articles of Association of the Company by inserting suitable provision for Buy-Back of shares as proposed.

As per the provisions of the Companies Act 1956 Articles of Association of a Company can be modified only through a special resolution of the Shareholder of the Company in General Meeting.

The Board of Directors have duly recommended the above amendment in the Articles of Association of SJVN Limited in its 212th Meeting held on 28th May 2012.

A copy of the existing Articles together with the proposed alteration is available for inspection at the registered office of the company during the business hours on any working day and is also available on Company's website www.sjvn.nic.in

None of the directors are concerned or interested in the proposed resolution.

BRIEF RESUME OF THE DIRECTORS SEEKING RE- ELECTION

Directors seeking re-election at the 24th Annual General Meeting.

Name	Shri Ravi Dhingra	Shri Kamaljit Singh Gill	Shri S.M. Latha
Date of Birth	08th March 1949	23rd November 1945	28th July 1951
Date of Appointment	29th March 2010	14th September 2011	14th September 2011
Qualification	He holds a master's degree in arts from Delhi University and a professional qualification in the management of public sector enterprises from the University of Manchester, UK.	A graduate in Electrical Engineering from Punjab University	Honors Graduate in Commerce, Law and Post Graduate in Business Management
Expertise in Specific Functional Area	He is a retired Indian Administrative Services officer, having 37 years of experience and has held various positions including Secretary to the GOI, Ministry of Home Affairs, Chief Secretary to the GOI, Principal Secretary Finance to the GOI and Chairman of the HPSCB.	He has over 37 years of extensive professional experience in the power sector. He has an experience of 36 years with Punjab State Electricity Board in various capacities beginning from Assistant Engineer to the level of Engineer in Chief.	He has over 38 years of class industry experience in large Corporates and has been associated as Chief Executive Officer, advisor, and board member of reputed companies. His experience spans in Corporate Finance, business performance, operations governance, mergers & acquisitions etc. He is also actively associated in professional bodies like CII Club, Indo China Business Forum, Indo Italian Chamber of Commerce, FICCI etc.
Directorship held in other Companies	NIL	NIL	Presently he holds Directorship in the following Companies: 1. Essar Information Technology Limited 2. Eastern Coal Fields Limited 3. Indus Gears Limited 4. Essar securities limited 5. Crystal Palace Properties Private Limited 6. India Trade Pioneers Organisation
Membership/ Chairmanship of Committees across all the public companies (as per clause 49 C of the listing agreement)	NIL	NIL	1. Member of Audit Committee in Eastern Coal Fields Ltd.
Number of Shares Held	NIL	NIL	NIL

**Dear Members,**

Your Directors are pleased to present the Twenty-Fourth Annual Report of the Company for the year ended March 31, 2012 along with the Audited Statement of Accounts, Report of Auditors and Comments of the Comptroller and Auditor General of India.

The following financial highlights for the year ending 31st March 2012 briefly recapitulates the performance of your company.

1. FINANCIAL HIGHLIGHTS

(₹ In crore)

PARTICULARS	2011-12	2010-11
REVENUE		
Revenue from Operations	1927.50	1829.74
Other income	209.29	149.42
Total Revenue	2136.79	1979.16
EXPENSES		
Employees' Benefits Expense	111.15	84.72
Finance Costs	83.65	132.82
Depreciation and Amortization Expenses	446.00	450.56
Other Expenses	137.37	154.87
Total Expenses	778.17	822.97
Profit before exceptional items and Tax	1358.62	1156.19
Exceptional Items	12.73	-
Profit Before Tax	1345.89	1156.19
Tax Expenses:		
- Current Tax	329.28	294.09
- Deferred Tax	(52.07)	(50.03)
Profit for the Year	1068.68	912.13
Appropriations		
Proposed Final Dividend	388.84	330.93
Tax on Final Dividend	63.08	53.69
Total Dividend including Tax	451.92	384.62

2. GENERATION

During the year ending 31st March 2012, 7610.26 MUs of power was generated as compared to the previous year's generation of 7140.205 MUs. The design energy for the NJHPS is 6612 MUs as approved by CEA. Normative Plant Availability Factor (NPAF) was 82% as approved by CERC and actual Plant availability factor was 104.262% against 98.318% in previous year. Annual machine maintenance time has been brought down to 6.74 days against 8.43 days of previous year. By efficient planning, operation and maintenance, company earned an incentive of ₹295.87 crore against ₹216.02 crore of previous year.

3. DIVIDEND

The Company earned a net profit after tax of ₹1068.68 crore during the year as compared to ₹912.13 crore in the previous year. Your Directors have recommended a dividend of ₹388.84 crore as against dividend of ₹330.93 crore for the previous year. The dividend shall be paid after your approval. The declared dividend per equity share comes to ₹0.94 as against ₹0.80 during the previous year.

4. PROJECTS UNDER EXECUTION**4.1 RAMPUR HYDRO ELECTRIC PROJECT (412 MW)**

The construction of Rampur HEP is in full swing since we last reported. Out of total HRT of 15,177m, 15,027m of heading i.e. 99%, 11,921m of benching i.e. 79%, 8,365 m of Lining i.e. 55% have been completed. The boring of HRT from Kashali D/s and Goshai U/s faces is in progress with a balance of length 85m. Excavation of Surge Shaft upto depth 162.5m and its lining have been completed. Fabrication of Penstock has been completed. Penstock erection is 94% and 13% complete for its underground and surface portions respectively.

The civil works of BVH, GIS and Pot Head Yard are progressing well; erection activities of EM works are in progress; the spiral case erection of the 4th unit is nearing completion and that of the remaining 2 units will commence soon. As of March 2012, the cumulative expenditure on Rampur HEP was ₹1878.71 crore.

5. PROJECTS UNDER SURVEY AND INVESTIGATION**5.1 ARUN-III PROJECT (900 MW)**

The project is a run-off the river scheme located on Arun River in Sankhuwasabha District of Nepal. The Survey and Investigation works

were completed in January 2011 and the final DPR was submitted to CEA in March 2011.

The DPR's for both the Generation Project and Transmission Project have been submitted to CEA and are in an advanced stage of discussions for clearance. Various parallel activities like Environmental Clearance, Forest Clearance/Licenses/Statutory requirements in Nepal are in progress.

Surveys, Geological Investigation and Soil investigation for both Hydro Electric Project and Transmission Line Route have been completed.

5.2 LUHRI PROJECT (775 MW)

The DPR submitted to CEA on 22.03.2011, is under examination of TEC of the CEA. Topographical and Geographical surveys and Rock Mechanic Test for quarry sites have been completed. The total Drilling work of 7893m including 2360m for Dam site, 765m for HRT and 2765m for Power House has been completed. Similarly, Drifting work of 953m including 100m for Dam site and 528m for Power House site has been completed.

The proposals for forest and environment clearances have been submitted to MoEF, Government of India for their examination and accord of clearances.

5.3 DHAULASIDH PROJECT (66 MW)

Since our last report, the Stage-I clearance for the diversion of forest land has been accorded by MoEF on 06th March 2012. The proposal for environment clearance is under examination in MoEF, Govt. of India. The acquisition of private land and Govt. land is in process. Bidding document for the award of the Major Civil Works has been issued to pre-qualified bidders on 30th April 2012. Major Civil Works will be awarded after receiving the necessary Forest and Environment clearances.

5.4 UTTARAKHAND PROJECTS

Devsari HEP is Run of River (RoR) scheme with installed capacity of 252 MW. The project will generate 913.43 MU of energy in a 90% dependable year. The execution period of project is 5 years. DPR of the project has been examined by appraising authorities and CEA's concurrence is expected shortly. The project has also been recommended for accord of environment clearance by the Environment Appraisal Committee (EAC) of MoEF in its meeting held in December 2011. Proposal for diversion of forest land has been recommended by the State Government for approval by the MOEF. Notification under Section-IX of LA-Act has been issued for acquisition of private land. Other activities required for start of construction of the project like mining and explosive clearance etc., are in advance stage of their approval. The tendering processes for development of infrastructure works as well as for pre-qualification of bidders for major civil works have been initiated.

Naitwar Mori HEP (60 MW) - The DPR of the Project has been approved for 60MW by Govt. of Uttarakhand. The estimated cost of Project is ₹449.78 crore at February 2009 price level. Major geological investigation work for the project like Control Survey, Topographical Survey, Drilling works, Rock Mechanics test, UCS test, Plate Load test, Hydro-fracture test etc. have since been completed. The project has been recommended by the EAC of MoEF for Environment Clearance in its meeting held in December 2012. The forest proposal is under process at State Government level. The Works will be awarded after appropriate for forest and environment clearances are received. The completion period for the project is 48 months.

Jakhol Sankri HEP (51 MW) - The revised EIA/ EMP report is in final stage of preparation by the Consultant (WAPCOS). Drilling work at the Barrage and Power House sites have been completed. Drift work of 78.00m at Power House site and 178.3m at Barrage site have also been completed. The revised DPR has been submitted to the Government of Uttarakhand for TEC. and process of land acquisition of Private and Forest Lands has been initiated.

5.5 ARUNACHAL PRADESH HYDRO PROJECTS

The Government of Arunachal Pradesh in January 2012 assigned to SJVN the task of carrying out survey and investigation and prepare the

Pre-Feasibility Reports (PFR) for three projects namely Ranganadi Stage-II, Kameng-I, Doimukh Projects and Si Basin in the month of Jan. 2012.

SJVN has completed the preparation of Pre-Feasibility Reports (PFRs) for 60 MW Ranganadi Stage-II, 378 MW Kameng-I and 80 MW Doimukh Projects in a record time of six months and submitted the PFRs to the Government of Arunachal Pradesh.

6. PROJECTS UNDER CONSULTANCY

6.1 PROJECTS IN BHUTAN

KHOLANGCHU H.E. PROJECT (600MW) & WANGCHU H.E. PROJECT (572MW)

Ministry of Power, Government of India entrusted the work of preparation of DPR of Kholangchu Hydroelectric Project and Wangchu Hydroelectric Project to your company.

Your company completed the required survey and investigation works of both these projects and prepared the DPR of Kholangchu Project for an installed capacity of 600 MW and that of Wangchu Project for an installed capacity of 570MW within deadlines set therefor. Both DPRs have been submitted to CEA for their techno economic appraisal.

These projects are being proposed for their implementation by a joint venture company comprising your company and Druk Green Power of Bhutan. The Joint Venture agreement is under discussion between the prospective joint venture partners.

7. PROJECTS UNDER JOINT VENTURE

7.1 TIPAIMUKH H.E. PROJECT (1500 MW), MANIPUR

A Joint Venture Agreement was signed among all stakeholders (i.e. NHPC, SJVN and GoM) on 28th April 2010 for implementation of Tipaimukh H.E. Project (1500 MW) in Manipur. Thereafter, the Promoters Agreement was signed among all stakeholders on 22nd October 2011. The draft Memorandum of Association and Article of Association are under discussion amongst the JV partners.

7.2 400KV D/C INDO-NEPAL CROSS-BORDER TRANSMISSION COMPANY LTD.

Your company has signed the Shareholder's Agreement (SHA) to execute 400KV D/C Transmission Line from Muzaffarpur- Nepal Connection Point for transfer of power between Nepal and India as a JV partner in Cross Border Transmission Company Ltd. along with other JV partners namely PGCL, Nepal Electricity Authority and IL&FS on 9th July, 2012 at Kathmandu.

8. ALTERNATIVE ENERGY

After achieving success in hydra power development, your Company now intends to diversify into various alternative energy projects, namely Wind Power and Solar Energy. SJVN is venturing into the wind energy field with targeted initial capacity addition of 50 MW by June 2013 to promote and develop renewable sources of energy in the country. Tenders for establishing first Wind Power Plant of 50MW have already been invited and are under finalization.

9. CURRENT PERFORMANCE 2012-13

For the quarter ending 30th June 2012, the power generated was 2091.515 MUs (previous year: 2650.527 MUs). The total income recorded was ₹504.10 crore as against ₹553.57 crore for the corresponding quarter of the previous year.

10. ENVIRONMENT

Your company launched a comprehensive environment management plan of ₹35.85 crore and ₹45.52 crore in NJHPS and RHEP respectively. A sum of ₹28.49 crore and ₹41.33 crore have been spent so far in NJHPS & RHEP respectively.

True to its commitment for self regulation and environment protection, your company has established an Environment Laboratory on the standards laid down by Ministry of Environment & Forests, Govt. of India. The lab is first of its kind in the area and has the facility for conducting water and wastewater analysis, microbiological testing, ambient air quality monitoring, noise monitoring, oil and grease analysis, meteorological monitoring, soil/sludge/sediment and solid waste testing and metal analysis.

11. REHABILITATION AND RESETTLEMENT

The R&R plans of SJVN are in consonance with National R&R Policy, 2007. SJVN has implemented R&R plans in NJHPS and RHEP incurring an expenditure of ₹12.85 crore and ₹26.62 crore respectively. In NJHPS,

all the 480 affected families have been duly compensated under Land Acquisition Act. Besides, 112 landless PAFs have been provided land for land, 61 PAFs have been provided employment, 55 PAFs have been provided alternative package in lieu of employment ranging from ₹ 2 to 3 Lac, 25 houseless PAFs have been provided built-up houses, 44 PAFs have been provided cash assistance in lieu of constructed house, 75 displaced shopkeepers have been provided shop plots. Further, with a view to meet continual societal needs of local communities, an Annual Recurring Community Development Plan of ₹1.5 crore has been implemented in the project affected areas covering 12 project affected panchayats which include 22 villages.

In Rampur HEP, all 142 PAFs have been duly compensated under the Land Acquisition Act. Besides, 37 PAFs have been provided R&R benefits like resettlement grant ranging from ₹45,000/- to ₹65,000/-, constructed houses to 15 houseless PAFs, cash assistance of ₹9.98 Lac in lieu of constructed house to each 3 houseless PAFs, construction grant of ₹1.8 Lac for enlargement of houses to each 10 families whose houses were acquired and left with second house, financial support of ₹18,000/- to 51 vulnerable families. As per guidelines on "Local Area Development Committee" issued by GOHP, SJVN is to provide fund of ₹30.75 crore which is 1.5% of project cost to GOHP for carrying out various infrastructural development works in project affected areas of Rampur HEP. SJVN has so far spent ₹24.08 crore on Local Area Development Works.

12. CORPORATE SOCIAL RESPONSIBILITY

Your company has formulated and adopted its Corporate Social Responsibility- Community Development Policy in November, 2011 in consonance with the CSR guidelines issued by DPE, Ministry of Heavy Industries. The works under CSR Policy are being governed through a Trust registered as "SJVN Foundation" and with a Board of Trustees. SJVN spent ₹784 lac on various CSR works in the year 2011-12 which is 0.86% of previous year's PAT. The major activities carried out under the company's CSR plan during the year 2011-12 are extending financial support of ₹600 Lac. to the Atal Bihari Vajpayee Engineering College, Pragatinagar, District Shimla providing educational and infrastructural aid to 67 schools in project affected areas for ₹33.01 Lac, organising 13 health check-up camps for children in schools, extending free consultancy and medicines to local people through 175 visits of mobile health vans, financial support to National CSR Hub TISS, Mumbai, financial support to Bharat Olympic Shimla for promotion of sport and sponsorship of 25 local students for vocational training in ITIs of HP. During the current financial year, a mobile health van has been put in place in Luhri HEP for providing free medical services to the local people and such services are already in operation in NJHPS and RHEP.

In this year 2012-13 your company plans to spend about ₹16.00 crore on various CSR schemes and activities. The major CSR schemes and activities include "SJVN Silver Jubilee Merit Scholarship Scheme" under which 140 meritorious students of 12th standard from schools affiliated to HP and Uttarakhand Education Boards, CBSE and ICSE will be provided scholarship for pursuing next higher education, adoption of villages under Model Village Scheme in project area, women and child care programme, farm support for higher yield, installation of garbage disposal system in villages, creation of community assets etc. This year which marks the Silver Jubilee of SJVN's existence, the Foundation has launched "Scheme to Reward the Meritorious Students Studying in Schools Situated in Project Affected Areas of SJVN". Under the scheme, 150 students excelling in classes 5th, 8th, 10th and 12th in schools situated in NJHPS and RHEP area will be rewarded.

13. HUMAN RESOURCES

The total manpower (excluding deputationists) on the rolls of SJVN was 1184 as on 31st March 2012 as against 1203 as on 31st March 2011. The strength of HPSEB/HP Govt. employees on deputation on the above date was 638 as against 677 on 31st March 2011. As of 31st March 2012 the employees from SC, ST and OBC was 253, 70 and 134 respectively as against 258, 67 and 134 during the previous year.

Your company gives utmost importance for the enrichment of skills and towards this in-house and external training programmes are organized in all disciplines and all levels. As a result, during the financial year 2013 employees were trained for 2865 man days.



13.1 INDUSTRIAL RELATIONS

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

14. STATUTORY AND OTHER INFORMATIONS

The information required to be furnished as per the Companies Act 1956, Listing Agreements, Government Guidelines and Code of Corporate Governance of your Company, on the following matters is placed at Annexure "A"

- a) Management Discussion and Analysis
b) Report on Corporate Governance
c) Information on Conservation of Energy, technology Absorption and Foreign exchange earnings and out go and
d) Information as per Companies (Particulars of Employees) Rules 1975

15. DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors' confirm that in the preparation of the annual accounts for the year ended March 31, 2012:

- the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
that the directors had selected such accounting policies and applied them consistently except as disclosed in the Notes on Accounts and made judgment and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year;
that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities; and
that the directors had prepared the annual accounts on a going concern basis.

16. AUDITORS REPORT

M/s Hingorani M & Co., Chartered Accountants, New Delhi, were appointed by Comptroller & Auditor General as Statutory Auditors of the Company for the financial year 2011-12.

The Report of the Statutory Auditors to the Members on the Accounts for the year ended 31.03.2012 along with reply to Qualification is placed at Annexure "B". Comments of the C&AG of India on the Accounts for the year ended 31.03.2012 are placed at Annexure "C". Comments of C&AG being "NIL", the reply by the Management is not applicable.

16.1 COST AUDIT

Pursuant to the Central Government directions to audit Cost Accounting Records as maintained by the Company, your Company appointed Shri K.S. Berk, as Cost Auditor for the year 2011-12 with the approval of Ministry of Corporate Affairs. The Cost Audit Report for the year 2010-11 was filed with MCA on 14th September 2011.

17. BOARD OF DIRECTORS

The Directors Report for the year 2011 contained changes in the Board level positions on account of appointments and cessations up to July 2011. Subsequently, the following changes in the Board have occurred.

Pursuant to the orders of Ministry of Power, Shri R.P. Singh, Director (Electrical), was appointed as Whole time Chairman and Managing Director w.e.f. 31st January 2012

Pursuant to the orders of Ministry of Power, Shri G. Sai Prasad was appointed as Central Government Nominee Director in place of Shri Sudhir Kumar, with effect from 16th December 2011.

Shri K.S. Gill, Sh. S.M. Lodha, Smt. Asha Swarup, Shri Arun Mahajan and Shri D.V. Dharmik took up their appointment as Independent Directors on the Board of SJVN.

The Board welcomes the appointments and wishes to place on record

its highest appreciation for the valuable contributions made by the outgoing Directors during their association with SJVN.

18. IMPLEMENTATION OF OFFICIAL LANGUAGE

In order to ensure the implementation of the Official language policy of the Govt. of India, all possible efforts have been made by the company to achieve the targets as specified by the Department of Official Language. Company has received awards in recognition for these efforts.

To encourage executives and non-executives to do their entire work in Hindi a number of incentive schemes are under implementation. Under these schemes 328 executives and non-executives have received prizes amounting to ₹3,98,952/- approximately.

Under the new "Rajbhasha Samman" Scheme an employee doing best work in Hindi in different Projects including Corporate Office and under the "Rajbhasha Uttkrishtha Samman" an employee doing best work in Hindi at Corporate Level will be awarded ₹25,000 and ₹35,000 respectively. This year seven employees were awarded cash prizes under the scheme.

11 Hindi workshops/seminars were organized wherein 184 executives and non-executives were trained. Organising of Hindi quiz competitions on national/important occasions is a regular feature in which 506 executives and non-executives received cash prizes aggregating to ₹5,34,900/- Out of total expenditure on purchase of books, 92% of amount was spent in purchase of Hindi books.

Town Official language Implementation Committee, Shimla awarded the Company with the Third Prize for its efforts towards implementing the Official language policy.

19. AWARDS & ACHIEVEMENTS

The Ministry of Power instituted in the year 2004-05, a Comprehensive Award Scheme for recognizing meritorious performance in Power Sector. The NJHPS of your company was selected for the 'Gold Shield' under the Scheme, by the CEA in the category of 'Performance of Hydro Power Station' for the year 2010-11. The prestigious award was presented by Hon'ble Minister of Power, Shri Sushil Kumar Shinde, to Shri R.P. Singh, CMD, SJVN Limited at a function at Vigyan Bhavan, New Delhi on 22nd March, 2012.

20. ACKNOWLEDGMENT

The Board of Directors acknowledges with deep appreciation, the co-operation and guidance extended by various Ministries/Departments of the Government of India, particularly, Ministry of Power, Ministry of Finance, Ministry of External Affairs, MOEF, Central Electricity Authority, Central Water Commission, Geological Survey of India, the Government of Nepal, the Government of Bhutan, the Government of Himachal Pradesh, particularly, the Departments of Power, Finance and Forests, the Pollution Control Board, Government of Uttarakhand, the State Electricity Boards and the World Bank.

Your Directors also convey their gratitude to the shareholders, various international and Indian banks and financial institutions for the confidence reposed by them in the Company. The Board also acknowledges and appreciates the contribution made by Contractors, Vendors, Consultants and others for achieving the planned goals of the Company.

The Board also places on record its deep appreciation of valued cooperation extended by the Office of the Comptroller and Auditor General of India and the Auditors. Last but not least, the Board commends the hard work and dedicated efforts put in by the employees of the Corporation including the employees on deputation at all levels.

For and on behalf of Board of Directors

[Signature]

(R.P. Singh)

CHAIRMAN AND MANAGING DIRECTOR

Place: New Delhi
Date: 23rd July, 2012

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The National Electricity Policy stipulates power for all and annual per capita consumption of electricity to rise to 1000 units by 2012. This entails provision of adequate reliable power at affordable cost with access to all citizens. The All India installed power generation capacity as on 31.03.2012 was 1,99,877.03 MW which includes 38990 MW of hydro power, the rest from the thermal and renewable energy sources. To fulfill the objectives of the National Electricity Policy, a capacity addition of 50,804.97 MW was achieved against the revised target of 62,374 MW during the 11th Plan (2007-2012). As per National Electricity Plan (Volume-1) on Generation prepared by Central Electricity Authority in January 2012, 12th Plan envisages Capacity addition of 79,690 MW out of which the Hydro share is 9,204 MW.

As regards hydro potential, India has an estimated hydro potential of about 1,50,000 MW of which only about 38990 MW (as on 31.03.2012) has been commissioned so far. The bulk of the unharvested potential is located in the hill states of Himachal, Uttarakhand, Arunachal Pradesh and Sikkim.

The above hydro scenario signifies that there is an ample opportunity for consistent growth in the business of power sector in the times to come.

CAPABILITY

To be a leader in the Power sector, SJVN need to secure and execute projects not only in Hydro but also other renewable and non-renewable sources of energy. To establish the capabilities of SJVN's ability to reach to the heights, an exercise of SWOT Analysis was done internally.

Briefly, the strengths are experience gained in execution of 1500 MW Nathpa Jhakri HE Project, successful O&M, managing silt, in-house design, Project Management, remarkable financial strengths. The weakness is preference of State Governments to allot power projects to private players. The opportunities are plenty and abundant as already pointed out in Industry Overview. The threats are possible project delays on account unmanageable rock conditions, floods etc.

When the entire capability scenario put together, the strengths and opportunities outweighs the other elements and due to this factor, SJVN can move forward, which is already evidenced from the fact that till five years ago, the SJVN was limited to one project. Today SJVN has 9 projects in Himachal, Uttarakhand, Nepal and Bhutan of different capacities and in different stages of construction/survey and investigation, the details of which are already stated in the Directors Report.

FINANCIAL DISCUSSION AND ANALYSIS

A detailed financial discussion and analysis is furnished below on the Audited Financial Statements of the company for the fiscal 2012 vis-à-vis fiscal 2011. During the year notification of Revised Schedule VI under the Companies Act, 1956 have been made applicable. Accordingly, the financial statements for the year ended 31st March 2012 are prepared as per the Revised Schedule VI. Similarly the previous year figures have also been reclassified / regrouped / rearranged wherever necessary to conform to this year's classification. The adoption of Revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

A. RESULTS OF OPERATIONS

1. INCOME

	2011-12	2010-11
Units of Electricity Sold (Million Units)	6634.507	6228.040
INCOME	₹ in crore	
1. Sales	1909.79	1812.67
2. Consultancy works	17.71	17.07
3. Other income		
(a) Interest		
— On deposits	193.77	123.67
— On advances to employees & Contractors	1.89	1.14
— From Customers	0.55	2.57
Total interest	196.21	127.38
(b) Foreign currency fluctuation adjustment	4.39	6.03
(c) Other	8.69	15.01
Total income	2136.79	1979.16

The income of the Company comprises of income from sale of electricity, consultancy and interest earned on investment of surplus funds etc. The gross income for fiscal 2012 is ₹2136.79 crore as compared to ₹1979.16 crore in the previous year registering an increase of 7.96%. The growth in gross income was mainly due to increase in Generation, Plant Availability Factor (PAF) and interest on deposits with the Banks.

Tariff

The sale of electricity by the Company is governed by the tariff fixed by the Central Electricity Regulatory Commission (CERC) pursuant to the tariff policy issued by the Govt. of India. The Central Electricity Regulatory Commission (CERC) vide notification dated 19.01.2009 has notified the Tariff Regulations, 2009 containing inter-alia the terms & conditions for determination of tariff, applicable for a period of five years with effect from 01.04.2009. Tariff is determined with reference to Annual Fixed Charges (AFC) which comprises of Return on Equity (ROE), Depreciation, Interest on Loan, Interest on Working Capital and Operation & Maintenance Expenses. The AFC is recoverable under the heads Capacity Charges and Energy Charges in the ratio of 50% each. Capacity Charges is dependent on actual utilisation of machines for generation of power. Capacity is determined with reference to the Normative Annual Plant Availability Factor (NAPAF), which is fixed at 82% for our operational project i.e. Nathpa Jhakri Hydro Power Station (N.J.HPS). Energy Charges are determined on the basis of Annual Design Energy after taking into account free energy to home State. Company is also entitled to receive incentives for achieving Plant Availability Factor higher than NAPAF as well as for generating energy in excess of the Design Energy.

Sales

Company sells electricity to bulk customers comprising mainly of Electricity Utilities owned by State Governments. Sale of electricity is based on long term Power Purchase Agreements (PPA) entered with such Utilities. Pending determination of final tariff, Sales for the fiscal 2012 have been provisionally recognized on the basis of principles enumerated in the tariff regulations, on the capital cost allowed by CERC for determining tariff for the year 2008-09. Accordingly sales for the fiscal 2012 has been provisionally recognized at ₹1909.79 crore (including ₹1.79 crore Prior Period Sales) as compared to ₹1812.67 crore during the fiscal 2011 (explained in Note No. 2.21 of Financial Statements).

Sales includes an amount of ₹277.43 crore (previous year ₹187.37 crore) on account of incentive billing due to achievement of Plant Availability Factor (PAF) of 104.262% (previous year 98.318%) as against Normative Plant Availability Factor (NPAF) of 82% (previous year 82%) and Gross Annual Generation of 7610.26 million units (previous year 7140.205 MU) as against design energy of 6612 MU. The gross generation during the fiscal has increased by 6.58% over previous year. Sale includes Unscheduled Interchange (UI) Charges amounting to ₹18.44 crore (previous year ₹28.65 crore) for the deviation in generation with respect to schedule, payable for receivable at rates notified by CERC from time to time.

Sales also includes an amount of ₹75.01 crore (previous year ₹64.01 crore) on account of income tax demands/refunds pursuant to appellate/assessment orders relating to earlier years. However there is no impact on the profit after tax of the company as the same is provided as earlier year tax.

During the year, the Company has regulated the power of BRPL and BYPL and sold the power allocated to these Companies through PTC as per CERC (Regulations of Power Supply) Regulations, 2010. Accordingly, 51.160 MUs of power was sold through PTC amounting to ₹18.13 crore and is included in Energy Sales. An amount of ₹13.00 crore excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹0.94 crore on Sale through PTC.

Consultancy

Consultancy income of the company is ₹17.71 crore during current fiscal as against ₹17.07 crore during previous year which mainly comprises of income from consultancy for preparation of DPR for projects in Bhutan.

**Other Income**

Other income during the year was ₹209.29 crore (previous year ₹149.42 crore) which mainly comprises of interest income earned on short term deposits amounting to ₹193.77 crore (Previous year ₹123.67 crore). During the year interest income increased mainly due to increase in deposit rate etc.

2. Expenditure

Expenditure	(₹ In crore)	
	Fiscal 2012	Fiscal 2011
Employee Benefits Expense	111.15	84.72
Finance Costs	83.65	132.82
Depreciation	446.00	450.56
Other Expenses	137.37	154.87
Total Expenditure	778.17	822.97

The total expenditure of the Company has Decreased by 5.44 % to ₹778.17 crore in the fiscal 2012 from ₹822.97 crore in Fiscal 2011, mainly due to decrease in Finance Cost. The total expenditure of the Company as a percentage of total income has decreased to 36.42% as compared to 41.58 % in the previous Fiscal.

Employee Benefits Expense

The Employee Benefits Expense includes Salaries and Wages, Allowances, Incentives, Contribution to Provident Funds and Other Funds and Welfare Expenses. These Expenses accounted for 14.28% of total expenditure in Fiscal 2012 as compared to 10.29% in Fiscal 2011.

The Employee Benefits Expense during the year was ₹111.15 crore (previous Year ₹84.72 crore) which is ₹26.43 crore higher than the previous year. The increase is mainly due to provision made towards Defined Contribution Pension Scheme w.e.f. 01.01.2007 amounting to ₹11.96 crore, normal annual increment and increase in Dearness Allowance etc.

Finance Costs

The Finance Cost mainly consist of interest on Term Loans, Short Term Loans, Arbitration Awards, Foreign Currency Loans, Guarantee Fees etc. For accounting purposes, the borrowings are denominated in Rupees, including those in foreign currencies.

During the current fiscal, finance costs decreased by 37.02 % to ₹83.65 crore in comparison to ₹132.82 crore during previous year mainly due to repayment of loans and decrease in interest on Arbitration Awards.

Depreciation and Amortisation Expenses

As per the Accounting Policy of the Company, depreciation is charged on straight line method to the extent of 90 % of the cost of assets, following the rates notified by Central Electricity Regulatory Commission (CERC) for the purpose of fixation of Tariff except for some items for which depreciation is charged at the rates assessed by the company. Govt. of India, Ministry of Power vide resolution dated 6th January, 2006 has notified Tariff Policy in terms of section 3 of the Electricity Act, 2003. The said Tariff Policy inter-alia provides that rates of depreciation as notified by Central Electricity Regulatory Commission (CERC) would be applicable for the purpose of tariffs as well as accounting. CERC, while notifying regulation vide notification dated 19.01.2009, in exercise of power conferred under section 178 of the Electricity Act, 2003, has also notified the rates of depreciation as well methodology for computing such depreciation and Depreciation is to be provided up to 90 % of the cost of asset.

Since the rates of depreciation and methodology notified under Electricity Act, 2003 are inconsistent with the rates given in Schedule XIV of the Act and the former being Special Act, the former shall prevail over rates notified under Schedule XIV of the Companies Act by virtue of section 616 (c) of the Companies Act.

The depreciation cost has decreased by 1.01 % to ₹446.00 crore during the fiscal 2012 as compared to ₹450.56 crore during previous year.

Other Expenses

Other Expenses comprises primarily of Repair & Maintenance to Building and Plant & Machinery, Insurance, Catchment Area Treatment Expenses, Fees to Power System Operation Corporation for System Operation and Market Operation Charges, CSR Expenses and Rebate to Customers etc.

Other Expenses represents approx. 17.65 % of our total expenditure during fiscal 2012 in comparison to approx. 18.82 % during fiscal 2011. In absolute terms the expenses were ₹137.37 crore in fiscal 2012 as

compared to ₹154.87 crore during previous year. This is mainly due to IPO Expenses which were incurred during previous Fiscal at the time of Disinvestment of Company's Share through Initial Public Offer (IPO) and decrease in Rebate to Customers.

Exceptional Items

The Company had incurred expenses amounting to ₹12.73 crore on Khab Project which has been withdrawn by Govt. of Himachal Pradesh (GOHPI) from the Company. Since the time and quantum of recovery of the amount spent is uncertain, as a matter of prudence, provision has been made in the accounts as an exceptional item.

Profit Before Tax

Profit before tax increased by 16.41 % to ₹1345.89 crore during fiscal 2012 as against ₹1156.19 crore during previous fiscal due to the reasons explained above.

Provision for Taxation

The Company is availing tax holiday u/s 80 IA of the Income Tax Act, 1961 commencing from the FY.2004-05 and currently paying Minimum Alternate Tax (MAT). The Company provides for Current Tax, Deferred Tax and Wealth Tax as per the provisions of the Act. As per new tariff regulations applicable for the period 2009-14, tax is no more a pass through item. However, return on equity is grossed up with the applicable tax rate so as to recover income tax incidence. The provision for the current year including deferred tax was ₹277.21 crore as compared to ₹244.06 crore for the previous year. The increase is mainly due to increase in Profit before Tax and increase in rate of MAT from 18% to 18.5%.

B. Financial Position**1. Net Worth**

Net Worth of the Company at the end of fiscal 2012 increased to ₹782.28 crore from ₹7205.52 crore in the previous year registering an increase of 8.56% due to increase in retained earnings. Correspondingly, the book value of shares has increased to ₹18.91 per share during current fiscal from ₹17.42 per share during previous year.

2. Non-Current Liabilities

	(₹ In crore)	
	2012	2011
Long Term Borrowings	1501.34	1358.85
Other Long Term Liabilities	946.95	932.76
Long Term Provisions	43.59	32.28

Long Term Borrowings

Long Term Borrowings Loan as on March 31, 2012 were ₹1501.34 crore as against ₹1358.85 crore as on March 31, 2011. Out of these ₹293.37 crore is Secured (previous Year ₹546.90 crore) and ₹1207.97 crore is Unsecured (previous year ₹811.95 crore). Secured Loans is borrowed from Domestic Financial Institutions. Over the last fiscal, Long Term Borrowings have registered an increase of 10.49 % amounting to ₹142.49 crore.

- During the year company has repaid Loans of ₹257.37 crore (Secured ₹253.53 crore and Unsecured ₹3.84 crore) drawn for Nathpa Jhakri Hydro Power Station (NJHPS).
- Unsecured Loans include borrowing from World Bank (IBRD) and Foreign Banks. The Unsecured Loans have registered an increase of 48.77 % amounting to ₹396.02 crore during current fiscal. The increase is due to drawl of loans from World Bank for Rampur Hydro Electric Project.

Other Long Term Liabilities

Other Long Term Liabilities includes Deposits, Retention Money from Contractors and Others, Advance Against Depreciation and Deferred Foreign Currency Fluctuation Liability. Other Long Term Liabilities have registered an increase of ₹14.19 crore mainly due to increase in Deposits, Retention Money from Contractors and Others.

Long Term Provisions

Long Term Provisions is on account of Unfunded Employee Benefits provided on the basis of Actuarial Valuation and includes Leave Encashment, Post Retirement Medical and Other Retirement Benefits. Long Term provisions increased by ₹11.31.

3. Current Liabilities

(₹ In crore)

	As at March 31,	
	2012	2011
Short Term Borrowings	3.06	99.69
Trade Payables	20.69	26.84
Other Current Liabilities	527.63	595.11
Short Term Provisions	1251.19	877.81
Total	1802.57	1599.45

The Current Liabilities as on March 31, 2012 and 2011 were ₹1802.57 crore and ₹1599.45 crore respectively. The Current Liabilities have increased by 12.70% mainly due to increase in Short Term Provisions.

Short Term Borrowings

Company has raised Short Term Loans secured against pledge of FDRs from Banks during the Current Fiscal. An amount of ₹3.06 crore is outstanding as at March 31, 2012 (previous year ₹99.69 crore).

Trade Payables

Trade payables includes liabilities in respect of amount due on account of goods purchased or services received in normal course of business operations other than liability for Purchase / Construction of Fixed Assets. Trade Payables at the end of current Fiscal is ₹20.69 crore as compared to ₹26.84 crore during the previous Fiscal.

Other Current Liabilities

Other Current Liabilities mainly includes Current Maturities of Long Term Debts payable within Twelve Months, Liabilities for Employees Remuneration and Benefits, Liabilities for Purchase / Construction of Fixed Assets and Deposits, Retention Money from Contractors and Others. Other Current Liabilities has decreased by 11.34% to ₹527.63 crore as compared to ₹595.11 crore during the previous Fiscal mainly due to reduction in Current Maturities of Long Term Debts.

Short Term Provisions

Short Term Provisions includes Unfunded Employees Benefits payable within Twelve Months as per Actuarial Valuation, Dividend, Dividend Tax, Income Tax and Interest on Arbitration Awards etc. Short Term Provisions has increased by 42.54 % in Fiscal 2012 as compared to Fiscal 2011 mainly on account of increase in provision made towards Defined Contribution Pension Scheme w.e.f. 01.01.2007, Dividend, Dividend Tax and Income Tax etc.

4. Non-Current Assets

(₹ In crore)

	As at March 31,	
	2012	2011
Tangible Assets	6228.89	6619.55
Intangible Assets	0.93	1.04
Capital Works In Progress	2022.96	1239.66
Deferred Tax Assets (Nett)	121.77	69.70
Long Term Loans and Advances	179.94	183.92
Other Non-Current Assets	0.93	1.09
Total	8555.42	8114.96

Non-Current Assets as on March 31, 2012 has increased by 5.43% to ₹8555.42 crore as compared to ₹8114.96 crore as on March 31, 2011.

Tangible Assets

Tangible Assets consists of Net Block of Fixed Assets after Depreciation. Tangible Assets includes Land, Buildings, Roads and Bridges, Plant & Machinery, Generating Plant & Machinery, Electrical Works, Hydraulic Works (Dams, Tunnels etc.), Vehicles, Electrical / Office Equipments, Furniture / Fixtures, Data Processing Equipments etc. Net addition in Tangible Assets during the Current Fiscal is ₹56.34 crore. However, value of Tangible Assets at the end of Current Fiscal decreased by 5.90% to ₹6228.89 crore as compared to ₹6619.55 crore at the end of previous Fiscal due to Depreciation charged on Assets during the year.

Intangible Assets

Intangible Assets includes Software and Expenditure on Compensatory Afforestation. Intangible Assets at the end of Current Fiscal is ₹0.93 crore (previous year ₹1.04 crore).

Capital Works In Progress

Capital Work-in-Progress during Current Fiscal registered an increase of 63.19 % to ₹2022.96 crore as compared to ₹1239.66 crore during previous Fiscal mainly due to increase in Construction activities of Rampur Hydro Electric Project (RHEP).

Deferred Tax Assets (Net)

Deferred Tax Assets increased by ₹52.07 crore during the year mainly on account of timing difference in Book Depreciation and Tax Depreciation and has been credited to Statement of Profit and Loss for the year ended March 31, 2012.

Long Term Loans and Advances

Long Term Loans and Advances mainly consists of Capital Advances given to Contractors and Long Term Loans to Employees, Long Term Loans and Advances at the end of Current Year is ₹179.94 crore (previous year ₹183.92 crore).

Other Non-Current Assets

Other Non-Current Assets includes Capital Stores and Material at Site. Other Non-Current Assets at the end of Current year is ₹0.93 crore (Previous Year ₹1.09 crore).

5. Current Assets

(₹ In crore)

	As at March 31,	
	2012	2011
Inventories	28.47	22.88
Trade Receivables	579.51	95.35
Cash and Bank Balances	1888.76	2063.56
Short Term Loans and Advances	705.07	581.10
Other Current Assets	359.50	251.01
Total	3561.31	3013.90

Current Assets as on March 31, 2012 has increased by 18.16% to ₹3561.31 crore as compared to ₹3013.90 crore as on March 31, 2011.

Inventories

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

Trade Receivables

Trade Receivables mainly consists of receivables on account of Sale of Energy. Trade Receivables during the Current Fiscal has increased to ₹579.51 crore from ₹95.35 crore during the previous Fiscal mainly due to delay in receipt of amount due from various Beneficiaries such as BSES Rajdhani Power, BSES Yamuna Power, GoHP and Uttar Pradesh etc.

Cash and Bank Balances

Cash and Bank Balances include mainly balances in Term Deposits and Current Accounts. Decrease in Cash and Bank Balances is due to decrease in Cash Flow from Operating Activities to ₹1094.37 crore during current year (previous year ₹1397.61 crore) and increase in Investing Activities to ₹684.76 crore during the current year (previous year ₹549.73 crore) and Financing Activities to ₹584.41 crore (previous year ₹325.91 crore).

Short Term Loans and Advances

Short Term Loans and Advances mainly include Advance Income Tax and Short Term Advances given to Employees and Contractors. Short Term Loans and Advances increased by 21.33% to ₹705.07 crore as compared to ₹581.10 crore during previous year mainly due to increase in Advance tax Deposits.

Other Current Assets

Other Current Assets includes interest accrued but not due on deposits with Banks, Deferred Foreign Currency Fluctuation Assets and Unbilled Revenue. Unbilled Revenue is on account of difference due to recognition of Sales on the basis of principles enumerated in the Tariff Regulations 2009 applicable for the period 2009-14 as compared to provisional billing to beneficiaries as per the tariff applicable as on 31.03.2009 approved by the CERC. Other Current Assets increased by 43.22% to ₹359.50 crore during current fiscal as compared to ₹251.01 crore during the previous fiscal mainly due to increase in unbilled revenue and interest accrued on Deposits with Banks.

C. Internal Control Systems

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

In order to ensure that all checks and balances are in place and internal control systems are in order, regular internal audit is conducted by firms of Chartered Accountants in close coordination with Company's own Internal Audit Department. Significant Audit Observations and Action Taken Reports are placed before the Audit Committee headed by an Independent Director. The recommendations and directions of the Audit Committee are carried out and complied with.



REPORT ON CORPORATE GOVERNANCE

SJVN continuously strive to bring the best practices expected by all the stake holders in the conduct of business. The company was Listed on 20th May 2010 with NSE & BSE.

1. BOARD OF DIRECTORS

1.1 Size of the Board

SJVN Limited is a Government Company within the meaning of Section 617 of the Companies Act, 1956. The present share-holding is 65:25:10 between the Government of India, Government of Himachal Pradesh and the Public. As per Articles of Association, the power to appoint Directors vests in the President of India. The Strength of the Board shall not be less than 6 and not more than 15. These numbers include all whole-time, part-time Directors.

1.2 Composition & Tenure of the Board

As on 30th June 2012, the Board comprises of 13 members, consisting of 4 whole-time Directors including Chairman & Managing Director, 2 part-time official-directors representing Government of India and Government of Himachal Pradesh and 07 Independent Directors. As

per the Listing Agreement, 50% of the Board should consists of Independent Directors, which is duly complied with.

All the Functional Directors are appointed for a period of 5 years or till superannuation or till further instructions whichever event occurs earlier. The age limit of the Functional (whole-time) Directors including Chairman & Mg. Director is 60. Government Nominee Directors representing Government of India and Government of Himachal Pradesh retire from the Board on ceasing to be officials of the Ministry/Administrative Department. Independent Directors are appointed for a period of 3 years.

1.3 Board Meetings

The Board Meetings are held normally at New Delhi to facilitate participation by maximum number of Directors. Meetings are also held at Shimla. During the financial year 2011-12, 09 Board Meetings were held on 29th Apr 2011, 30th May 2011, 14th Jul 2011, 26th Aug 2011, 31st Oct 2011, 30th Nov 2011, 27th Dec 2011, 21st Jan 2012, and 20th Mar 2012. The maximum interval between any two meetings during this period was 66 days.

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

Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (23rd) held on 26.08.2011	No. of other Directorship held on 31.03.2012	No. of Committee memberships in other companies on 31.03.2011	
						As Chairman	As Member
A Functional Directors							
1	Shri R.P. Singh CMD	1	1	n/a	Nil	—	—
2	Shri R.P. Singh Director (Elec) & CMD	08	08	Yes	Nil	Held Additional Charge of CMD upto 31.01.2012 (FN)	
3	Shri R.N.Misra Director (Civil)	09	09	Yes	Nil	—	—
4	Shri A.S.Bindra Director (Finance)	09	09	Yes	Nil	—	—
5	Shri N.L.Sharma Director (Personnel)	09	09	Yes	Nil	—	—
B Part Time Official Directors							
6	Shri Sudhir Kumar JS (H), Ministry of Power	06	01	No	06	Ceased w.e.f. 16.12.2011	
7	Shri G Sai Prasad JS (H), Ministry of Power	03	02	n/a	05	0	0
8	Shri Deepak Sanan Pr. Secy (Power), GOHP	09	08	Yes	05	Nil	Nil
C Independent Directors							
9	Shri S.M. Lodha	06	05	n/a	06	Nil	01
10	Shri K.S. Sarma	01	01	n/a	03	Ceased w.e.f. 01.05.2011	
11	Shri K.S. Gill	06	04	n/a	Nil	Nil	Nil
12	Ms Bharti Prasad	09	09	Yes	01	Nil	01
13	Shri Ravi Dhingra	09	09	Yes	Nil	Nil	Nil
14	Smt. Asha Swarup	05	04	n/a	Nil	Nil	Nil
15	Shri Arun Mahajan	05	05	n/a	Nil	Nil	Nil
16	Shri D.V. Dharmik	03	03	n/a	2	Nil	Nil

2. Code of Corporate Governance

SJVN Limited developed a Code of Corporate Governance duly approved by the Board. The Code was formulated keeping in view the guidelines of the DPE, Secretarial Standards of the Institute of Company Secretaries of India.

The Code consists of:

- Matters to be placed before the Board,
- Various Committees, functions, responsibilities, and,
- matters to be stated in the Annual Report.

The Code is also placed on the website of the Company, namely, www.sjvn.nic.in for information of general public.

3. Audit Committee

As on 31st March 2012, the following Directors were the Members of the Audit Committee:

- Ms. Bharti Prasad, Independent Director, as Chairman
- Shri Ravi Dhingra, Independent Director, as Member
- Shri S.M.Lodha, Independent Director, as Member

4. Shri K.S.Gill, Independent Director, as Member
5. Shri D.V. Dharmik, Independent Director, as Member
6. Shri Deepak Sanan, Pr. Secretary (Power), GoHP as Member

During the financial year 2011-12, 7 (seven) Audit Committee Meetings were held on 29th Apr 2011, 30th May 2011, 13th Jul 2011, 13th Oct 2011, 30th Oct 2011, 29th Nov 2011 and 21st Jan 2012. The details of attendance in the Audit Committee are as under:

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri K.S. Sarma	1	1
2	Shri S.M. Lodha	3	2
3	Shri K.S. Gill	3	2
4	Ms Bharti Prasad	6	6
5	Shri Ravi Dingra	6	6
6	Shri Deepak Sanan	7	7

4. Remuneration Committee

As on 31st March 2012, the Remuneration Committee consists of:

- a) Shri Ravi Dingra, Independent Director, as Chairman
 - b) Shri K.S.Gill, Independent Director, as Member
 - c) Smt Asha Swarup, Independent Director, as Member
 - d) Shri Deepak Sanan, Pr. Secretary (Power), GoHP as Member
- SJVN being a Central Public Sector Undertaking, the appointment, tenure and remuneration of Directors are decided by the President of India. The scope of work for the Remuneration Committee is apart from the Performance Related Pay for Executives and Non-Unionized Supervisors as required under the DPE Guidelines, all the HR related issues are considered by the Committee and thereafter the Recommendations are placed before the Board for its approval.

5. Investors Grievance Committee

As on 31st March 2012, the Committee consists of the following Members

- a) Shri Ravi Dingra, Independent Director, as Chairman
- b) Shri S.M. Lodha, Independent Director, as Member
- c) Shri Arun Mahajan, Independent Director, as Member
- d) Shri R.N. Misra, Director (Civil), SJVN Ltd. as Member

During the Financial Year 2011-12, there were 4 (Four) Meetings held on 12th Apr 2011, 2nd Sep 2011, 26th Dec 2011, and 30th Jan 2012.

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Ms Bharti Prasad	2	2
2	Shri Ravi Dingra	4	4
3	Shri R.P. Singh	2	2
4	Shri S.M. Lodha	2	2
5	Shri Arun Mahajan	2	2
6	Shri R.N. Misra	2	2

5.1 Status of Investors Complaints

Status of investors' complaints for the financial year 2011-12 is as under:-

Particulars	Opening	Received during the year	Resolved during the year	Pending (31.03.2012)
Complaints	79	590	652	17

6. Committee for Allotment and Post-Allotment Activities

As on 31st March 2012, the Committee consists of Chairman & Mg. Director and one of the whole time Directors (presently Director (Civil) as member. The scope of work of the Committee is to address Share Allotment, issue of certificates, letter of allotment, transfer, transmission, rematerialisation, issue of duplicate certificates, consolidation, split and any other related functions.

7. Investment Policy Committee

As on 31st March 2012, the Committee consists of:

- a) Shri S.M. Lodha, Independent Director as Chairman
- b) Shri Arun Mahajan, Independent Director as Member
- c) Smt. Asha Swarup, Independent Director as Member
- d) Shri D.V. Dharmik, Independent Director as Member
- e) Shri Deepak Sanan, Pr. Secretary (Power), GOHP as Member
- f) Shri A.S. Bindra, Director (Finance), SJVN Ltd., as Member

The Committee addresses Treasury Operation Guidelines for investment of surplus funds, investment proposals in new projects including joint ventures etc., borrowings for long term capital requirements etc.

8. Corporate Social Responsibility, Sustainable Development and R&D Committee

As on 31st March 2012, the Committee consists of:-

- a) Shri Ravi Dingra, Independent Director as Chairman
- b) Smt. Asha Swarup, Independent Director as Member
- c) Ms Bharti Prasad, Independent Director as Member
- d) Shri Deepak Sanan, Pr. Secy. (Power), GoHP as Member
- e) Shri N.L. Sharma, Director (P), SJVN as Member

The Committee was constituted by the Board for formulation and implementation of SJVN's CSR Policy as per DPE & MCA Guidelines. With effect from FY 2012-13 the Committee has been assigned additional responsibilities of Sustainable Development and Research & Development as envisaged in Memorandum of Understanding 2012-13 with Ministry of Power.

9. Investment Committee

As on 31st March 2012, the committee consists of whole time Directors. The scope of work of the Committee is to invest surplus money as may be available with the Company from time to time as short-term investments as per DPE/Ministry of Finance guidelines and place the status of investments including short-term loans availed, if any, before the Board on quarterly basis.

10. Empowered Committee

As on 31st March 2012, the Committee consists of whole time Directors only. The scope of work of the Committee is to exercise the powers on specified items as approved by the Board of Directors in its 174th Meeting held on 15th September 2008.

11. Remuneration details of Directors

During the Financial year 2011-12, the remuneration details of functional directors are as under:

Sr. No.	Name of the Director	Salary	Benefits	Total (₹)
1	Shri R.P. Singh	33,56,172	4,20,369	37,76,541
2	Shri R.N. Mishra	32,58,681	1,63,522	34,22,203
3	Shri A.S. Bindra	25,73,767	47,847	26,21,614
4	Shri N.L. Sharma	28,45,728	2,97,224	31,42,952

1. Note: Performance Related Pay for the year 2011-12 is not paid and hence not included.

11.1 Sitting Fee

The Sitting Fee paid to Independent Directors during the financial year 2011-12 is as under:-

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total (₹)
1.	Shri K.S. Sarma	30,000	15,000	60,000	1,05,000
2.	Shri S.M. Lodha	75,000	30,000	90,000	1,95,000
3.	Shri K.S. Gill	60,000	30,000	60,000	1,50,000
4.	Ms. Bharti Prasad	1,35,000	90,000	90,000	3,15,000
5.	Shri Ravi Dingra	1,35,000	90,000	1,65,000	3,90,000
6.	Mrs Asha Swarup	60,000	Nil	45,000	1,05,000
7.	Shri Arun Mahajan	75,000	Nil	75,000	1,50,000
8.	Shri D.V. Dharmik	45,000	Nil	Nil	45,000



12. CODE OF CONDUCT

The Board of Directors has laid down Code of Conduct for Board Members and Senior Management above the level of Deputy General Manager. In this regard, the declaration given by the Chairman & Mg. Director is reproduced below:

All the Members of the Board and Senior Management personnel have affirmed compliance of the Code of Conduct for the financial year ended 31st March 2012.


(R.P. Singh)

Chairman & Managing Director

12.1 CODE OF INSIDER TRADING

In pursuance of the Securities Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, read with amendments to the Regulations 2008, the Board has laid down "Code of Conduct for Prevention of Insider Trading" with the objective of preventing purchase and sale of shares by the Insider on the basis of unpublished price sensitive information.

13. GENERAL BODY MEETINGS

13.1 Annual General Meeting

Date, time and location where the last three Annual General Meetings were held are as under:

- 21st Annual General Meeting was held on 10th September 2009 at 1730 hrs in Hotel Destination, Kandaghat, Himachal Pradesh.
- 22nd Annual General Meeting was held on 15th September 2010 at 1600 hrs in Hotel Peter-hoff, Shimla, Himachal Pradesh.
- 23rd Annual General Meeting was held on 26th August 2011 at 1600 hrs in Hotel Peter-hoff, Shimla, Himachal Pradesh.

13.2 Postal Ballot

There was no requirement for seeking approval of the Members by Postal Ballot and any decision for matters requiring approval of shareholders through postal ballot system will be obtained as prescribed in the Companies Act, 1956.

13.3 Disclosures

The Company, during the year, has not entered in to any transaction of material nature with the Directors of the Company that may have potential conflict with the interests of the Company.


14. CEO/CFO CERTIFICATION


As required by Clause 49 of the Listing Agreement(s), the Certificate duly signed by Shri R.P. Singh, Chairman & Mg. Director and Shri A.S. Bindra, Director (Finance) was placed before the Board of Directors at the Meeting held on 23rd July 2012 which is reproduced as under:-

We, R.P. Singh, Chairman & Mg. Director and A.S. Bindra, Director (Finance) to the best of our knowledge and belief, certify that:

- We have reviewed the Balance Sheet and Statement of Profit and Loss and Notes on accounts and the Cash flow statement for the year ended 31st March 2012 and to the best of our knowledge and belief:
 - These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- To the best of our knowledge and belief, no transactions entered in to by the company during the year, which are fraudulent, illegal or violative of the company's various code(s) of conduct;
- We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;

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


(A.S. Bindra)
Director (Finance)


(R.P. Singh)
Chairman & Managing Director

15. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings, Issue based correspondence and disclosures through website.

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

The financial results of the company for the year ending 31st March 2012 were published on 29th May 2012 in Business standard-Hindi, Business Standard, Business Line, Hindustan Times, Mail today, Rashtriya Sahara.

16. SHAREHOLDERS' INFORMATION

- AGM: Date, Time and Venue:**

Date: 03rd September 2012
Time: 1600 HRS
Venue: Hotel Peterhoff, Chaura Maidan, Shimla - 171004, Himachal Pradesh
- Financial Year:** 2011-12
- Dates of Book Closure:** 28th August 2012 to 03rd September 2012 (both days inclusive)
- Dividend Payment Date:** 8th September 2012 onwards
- Listing on Stock Exchanges:** 20th May 2010
- Stock Code & Market Price Data**

Month	National Stock Exchange (NSE)		Bombay Stock Exchange (BSE)	
	SJVN-EQ		533206	
	High	Low	High	Low
Apr 2011	22.50	20.70	22.80	20.75
May 2011	22.00	20.95	22.40	20.95
Jun 2011	21.65	20.50	21.60	20.90
Jul 2011	23.25	21.20	23.35	21.40
Aug 2011	22.80	21.00	23.50	21.00
Sep 2011	23.90	21.00	23.80	21.20
Oct 2011	23.40	20.15	23.25	20.40
Nov 2011	22.50	19.20	22.50	20.75
Dec 2011	23.50	18.60	21.20	18.65
Jan 2012	20.25	18.85	20.25	18.80
Feb 2012	20.65	19.00	20.65	18.95
Mar 2012	21.90	19.00	22.00	18.90

vii. Performance in comparison to broad based indices NSE NIFTY and BSE SENSEX during F.Y. ended 31st March 2012.



viii. Registrar and Share Transfer Agent Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West) Mumbai-400078, Telephone. +91 22 2596 0320, Fax No.: +91 22 2596 0329, Email ID: sjvn.ipo@linkintime.co.in, Website: www.linkintime.co.in.

ix. Share Transfer System

Entire share transfer activities under physical segment are being carried out by Link Intime India Pvt Ltd. and are approved by Sub-Committee of Board for Allotment and Post-Allotment activities.

x. Distribution of Shareholding as on 31st March 2012

As on 31st March 2012, the share holding of the Company was held by the Government of India, Government of Himachal Pradesh and the Public in the ratio of 65:25:10

xi. Dematerialization of Shares and liquidity as on 31st March 2012

The equity shares held by the President of India comprising 74.5% as on 13th April 2010 of the paid up capital were dematerialized with effect from 09th April 2010. In compliance with SEBI directions, the equity shares held by the Governor of Himachal Pradesh were also dematerialized w.e.f. September 2011. Thus, 100% of promoter / promoter group shareholdings in SJVN Limited now stand in dematerialized form. Secretarial Audit Report for reconciliation of the share capital of the company obtained from Practising Company Secretary quarterly for the financial year 2011-12 has been submitted to Stock Exchanges within the stipulated time.

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

xiii. Plant/ Project Office locations:

1. NathpaJhakri Hydro Power Station - Post Office Jhakri, District Shimla, Himachal Pradesh, Pincode - 172 201
2. Rampur Hydro Electric Project - Post Office Jhakri, Tehsil Rampur Bushahr, District Shimla, Himachal Pradesh, Pincode - 172 201
3. Luhri Hydro Electric Project - VPO Sunni, Tehsil Sunni, District Shimla, Himachal Pradesh, Pincode - 172 301
4. Devsari Hydro Electric Project -Tharali, District Chamoli, Uttarakhand, Pincode - 246 481
5. Nitwar-Mori and Jakhol Sankri Hydro Electric Projects - Mori, Uttarkashi, Uttarakhand, Pincode - 249 185
6. Dhaulasidh Hydro Electric Project - House No. 113, Ward No. 1, Krishna Nagar, Hamirpur - 177 001, District Hamirpur, Himachal Pradesh
7. Arun - III Hydro Power Project - Red Cross Building, Khandbari, District Sakhuwassabha, Nepal
8. Kholongchu & Wangchhu Hydro Electric Projects - Village Zangpozor, P.O. Duksum, District Trashiyangtse, Bhutan

xiv. Address for Correspondence:

Company Secretary, SJVN Limited, Himfed Building, New Shimla - 171 009, Himachal Pradesh, Tel: +91 177 2670362, Fax: +91 177 2670737. E-mail: cs.sjvn@sjvn.nic.in. Website: www.sjvn.nic.in.

Annexure-A (Ref : para 14 (c&d))

PARTICULARS REQUIRED UNDER THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES 1988

1. CONSERVATION OF ENERGY

- a) Installation of Lighting Voltage Controller
- b) Replacement of HPSV lamps with induction lamps
- c) Energy audit of Illumination & Generating Units & Auxiliaries
- d) Performance Evaluation of Generating Units & Auxiliaries

2. TECHNOLOGY ABSORPTION & POWER SAVING METHODS:

NJHPS has installed Automatic Voltage Controllers on L.T. System at Power House and Butterfly Valve Chamber. With these installations, the I.T. current had reduced from 300 Amp to 250 Amp and the energy saving to the tune of Rs. 1lac per month has been achieved in terms of monetary benefit.

Beside above, in order to save energy, the following steps have also been taken at NJHPS.

- i. All the incandescent lamps have been replaced with CFL lamps at non-residential buildings including guest houses.
- ii. All the Electro Magnetic Meters had also been replaced with Electronic meters.
- iii. Energy efficient LED lights have been provided at Project Memorial.
- iv. Load balancing has been carried out at all the Sub-stations to balance the load in all these phases equally.

v. Energy Audit and Demand Side Management Studies were conducted through National Productivity Council New Delhi and their suggestions are being implemented.

o) NJHPS is first hydro power station in the country which has replaced regular Cool Tar epoxy coating system with brushable ceramic for protection against silt erosion and cavitations, for its conical inlet pipe, MIV Rotor and Sprial casing. This has resulted in to reduced downtime of machines, extended life of components and increased smoothness of surfaces/hydraulic efficiency.

b) NJHPS has installed a system for fault identification and removal through online DC insulation. This system will help in early diagnosis of the fault in electrical system.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the year. The total foreign exchange outgo during the year was ₹52.09 crore on account of interest on foreign currency loans, payment to contractors and import of equipment etc.

PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217(2A) OF THE COMPANIES ACT 1956

The information under Section 217(2A) of the Companies Act, 1956, for the year ending 31st March, 2012 is nil.



AUDITORS' REPORT

To the Members of SJVN Limited

We have audited the attached financial statements of **SJVN Limited** (the company) which comprises Balance Sheet as at 31st March 2012, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and the significant accounting policies and other explanatory information. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

- 1) As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such examination of the books and records of the Company as we considered appropriate and the information and explanations given during the course of audit, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
- 2) As the Electricity Act, 2003 governs the Company, the provisions of the said Act read with rules there under have prevailed wherever the same have been inconsistent with the provisions of the Companies Act, 1956.
- 3) We report that:
 - a) We have 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 management so far as appears from our examination of those books.

- c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report comply with Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
- e) In terms of Department of Company Affairs GSR 829 (E) dated 21st October 2003, Government Companies are exempt from applicability of provisions of Section 274 (1) (g) of the Companies Act, 1956.
- f) Without qualifying our report, we draw attention to Note No. 2.21 in respect of accounting of sales on provisional basis, pending determination of tariff by the Central Electricity Regulatory Commission.
- g) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with significant accounting policies and the explanatory notes thereon, give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-
 - i) in the case of Balance Sheet, of the state of affairs of the Company as at 31st March, 2012;
 - ii) in the case of Statement of Profit and Loss, of the profit for the year ended on that date; and
 - iii) in the case of Cash Flow Statement, of the cash flows for the year ended on that date.

For Hingorani M. & Co.
Chartered Accountants
Firm Regn.No.: 06772N

(Pardeep Kumar)
Partner
M.No. 085630

Place : New Delhi
Date : 28.05.2012

Annexure Referred to in Paragraph 1 of our Report of even date on the Financial Statements of SJVN Limited for the Year ended 31st March, 2012

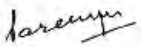
- | | |
|--|--|
| <ol style="list-style-type: none"> (i)(a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets. (b) As per the information and explanations given to us, fixed assets are physically verified by the management during the year, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. The discrepancies noticed on such verification were not material. (c) Since there is no disposal of a substantial part of fixed assets during the year, in our opinion, the going concern status of the company is not affected. (ii)(a) The inventory of the company consisting of stores and spare parts has been physically verified by the management at reasonable intervals. | <ol style="list-style-type: none"> (b) The procedures of physical verification of inventories followed by the management are generally reasonable and adequate in relation to the size of the company and the nature of its business. (c) The company is maintaining proper records of inventory. The discrepancies noticed on physical verification of inventories, wherever material, have been properly dealt with in the books of accounts. (iii)(a) According to the information and explanations given to us, the company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. (b) Not applicable in view of para (a) above. (c) Not applicable in view of para (a) above. |
|--|--|

- (d) Not applicable in view of para (a) above.
- (e) The company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (f) Not applicable in view of para (e) above.
- (g) Not applicable in view of para (e) above.
- (iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business with regard to the purchase of stores and spare parts, fixed assets and for the sale of the power & services. There is no major weakness in internal control systems.
- (v)(a) According to the information and explanations given to us, we are of the opinion that there are no contracts or arrangements that need to be entered into the register maintained under section 301 of the Companies Act, 1956.
- (b) Not applicable in view of para (a) above.
- (vi) The company has not accepted any deposits from the public in terms of section 58A and 58AA and other relevant provisions of the Companies Act, 1956.
- (vii) In our opinion, the company has an internal audit system, which is generally commensurate with the size and nature of its business. However, we are of the view that follow up of the reports, including compliance, needs to be improved.
- (viii) In our opinion and as informed to us, the company has maintained cost records as required under Section 209 (1) (d) of the Companies Act, 1956. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (ix)(a) The company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues applicable to it. We are informed that the provisions of Employees' State Insurance Act are not applicable to the company.
- (b) According to the information and explanations given to us, dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, cess and other material statutory dues that have not been deposited on account of any dispute are given below:

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

- (x) The company has neither accumulated losses as at the end of the financial year nor has incurred any cash losses during the financial year covered by our audit and also in the immediately preceding financial year.
- (xi) The company has not defaulted in repayment of dues to financial institution or banks. The company has not issued any debentures.
- (xii) The company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the company is not a chit fund or a nidhi/mutual benefit fund/society.
- (xiv) In our opinion and according to the information and explanations given to us, the company is not dealing in shares, securities and other investments.
- (xv) The company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) The terms loans were applied for the purpose which the loans were obtained.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- (xviii) The company has not made any allotment of shares during the year.
- (xix) The company has not issued any debentures during the year.
- (xx) As the company has not raised money by public issues during the year, this clause is not applicable.
- (xxi) As per the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Hingorani M. & Co.
Chartered Accountants
Firm Regn.No. 06772N


(Pardeep Kumar)
Partner
M.No. 085630

Place : New Delhi
Date : 28.05.2012

MANAGEMENT REPLY ON STATUTORY AUDITOR'S COMMENTS ON ANNUAL ACCOUNTS OF SJVN LIMITED FOR THE YEAR 2011-12

STATUTORY AUDITORS COMMENTS

In our opinion, the company has an internal audit system, which is generally commensurate with the size and nature of its business. However, we are of the view that follow up of the reports, including compliance, needs to be improved.

MANAGEMENT REPLY

The report of the Internal Auditors is sent to the concerned department for replies / compliance. Unsettled observations of the auditors are taken up at the HoP/ HoD level. Further the replies / Compliance are regularly monitored by the Internal Audit Department headed by AGM IIAI who is reporting to CMD. The same is being followed-up regularly by the Audit Committee also.



Annexure-C

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF SJVN LIMITED, NEW SHIMLA, FOR THE YEAR ENDED 31 MARCH 2012.

The preparation of financial statements of SJVN Limited, New Shimla, for the year ended 31 March 2012 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28 May 2012.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of SJVN Limited, New Shimla, for the year ended 31 March 2012. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

(Praveen Kumar Singh)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-III,
New Delhi

Place : New Delhi
Dated : 18 June 2012

ASHU GUPTA & CO.
COMPANY SECRETARIES

204 A, S.B.I. Building, 23,
Najafgarh Road Industrial Area,
Shivaji Marg, New Delhi-110015
Tel.: 011-65569127, 45700331

COMPLIANCE CERTIFICATE CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER CLAUSE 49 OF THE LISTING AGREEMENT

To the Members of SJVN Limited,

We have examined the compliance of conditions of corporate governance by SJVN Limited, for the year ended on 31st March, 2012 as stipulated in clause 49 of the listing agreement(s) of the said company with stock exchange(s) in India.

The compliance conditions of Corporate Governance are the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the Company ensuring the compliance of the conditions of Corporate Governance. 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 explanations given to us and the representations made by the management, we certify that the Company has complied with the mandatory conditions of corporate governance as stipulated in Clause 49 of the Listing Agreement.

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

for **ASHU GUPTA & CO.**
Company Secretaries

ASHU GUPTA
 Proprietor
 C.P. No. 6646

Place : New Delhi
Dated : 23rd July 2012

BALANCE SHEET AS AT 31st MARCH, 2012

(₹ Lakh)

	Note No.	As at 31st March, 2012	As at 31st March, 2011
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	413,663	413,663
Reserves and Surplus	2.2	368,565	306,889
		782,228	720,552
Non-current Liabilities			
Long Term Borrowings	2.3	150,134	135,885
Other Long Term Liabilities	2.4	94,695	93,276
Long Term Provisions	2.5	4,359	3,228
		249,188	232,389
Current Liabilities			
Short Term Borrowings	2.6	306	9,969
Trade Payables	2.7	2,069	2,684
Other Current Liabilities	2.8	52,763	59,511
Short Term Provisions	2.9	125,119	87,781
		180,257	159,945
Total		1,211,673	1,112,886
ASSETS			
Non-current Assets			
Fixed Assets			
Tangible Assets	2.10	622,889	661,955
Intangible Assets	2.10	93	104
Capital Works In Progress	2.11	202,296	123,966
		825,278	786,025
Non-current Investments	2.12	—	—
Deferred Tax Assets (Net)	2.13	12,177	6,970
Long Term Loans and Advances	2.14	17,994	18,392
Other Non-current Assets	2.15	93	109
		855,542	811,496
Current Assets			
Inventories	2.16	2,847	2,288
Trade Receivables	2.17	57,951	9,535
Cash and Bank Balances	2.18	188,876	206,356
Short Term Loans and Advances	2.19	70,507	58,110
Other Current Assets	2.20	35,950	25,101
		356,131	301,390
Total		1,211,673	1,112,886

Significant Accounting Policies


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

For and on behalf of the Board of Directors

This is the Balance Sheet referred to in our report of even date
For Hingorani M. & Co, Chartered Accountants

(Soumendhra Das)
 Company Secretary


(A.S. Bindra)
 Director (Finance)


(R.P. Singh)
 Chairman & Managing Director


(Pardeep Kumar)
 Partner
 M.No. 085630
Place: New Delhi
Date: May 28, 2012



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2012

(₹ Lakh)

	Note No.	Year ended 31st March, 2012	Year ended 31st March, 2011
REVENUE			
Revenue from Operations	2.21	192,750	182,974
Other Income	2.22	20,929	14,942
Total Revenue		213,679	197,916
EXPENSES			
Employee Benefits Expense	2.23	11,115	8,472
Finance Costs	2.24	8,365	13,282
Depreciation and Amortization Expense	2.25	44,600	45,056
Other Expenses	2.26	13,737	15,487
Total Expenses		77,817	82,297
Profit before exceptional and extraordinary items and tax		135,862	115,619
Exceptional Items	2.27	1,273	--
Profit before extraordinary items and tax		134,589	115,619
Extraordinary items		--	--
Profit Before Tax		134,589	115,619
Tax Expenses:			
- Current Tax	2.28	32,928	29,409
- Deferred Tax	2.13	(5,207)	(5,003)
		27,721	24,406
Profit for the Year		106,868	91,213
Earnings Per Equity Share (Par Value ₹10/- each) - Basic and Diluted (In ₹)	2.29	2.58	2.21

Significant Accounting Policies

1

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

For and on behalf of the Board of Directors


(Soumendhra Das)
Company Secretary


(A.S. Bindra)
Director(Finance)


(R.P. Singh)
Chairman & Managing Director

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

For Hingorani M. & Co,
Chartered Accountants


(Pardeep Kumar)
Partner
M.No. 085630

Place: New Delhi
Date : May 28, 2012

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2012

	Year ended 31st March, 2012	Year ended 31st March, 2011
(₹ Lakh)		
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	134,589	115,619
Adjustment for:		
Depreciation	44,600	45,053
Interest & Finance Charges	8,365	13,282
Unbilled Revenue	(8,839)	(8,252)
Profit on Sale of Fixed Assets	(71)	(1)
Loss on Disposal/ Write of Fixed Assets	4	206
Operating Profit before Working Capital Changes	<u>178,648</u>	<u>165,907</u>
Adjustment for:		
Trade Receivables	(48,416)	731
Inventories	(559)	3,499
Trade Payables and Other Liabilities (Current & Non-current)	(2,403)	(1,670)
Provisions (Long Term/Short Term)	3,860	(656)
Loans and Advances	13,552	(10,087)
Other Current Assets	(2,010)	(2,290)
	<u>(35,976)</u>	<u>(10,473)</u>
Cash generated from operations	142,672	155,434
Income Tax paid	<u>(33,235)</u>	<u>(15,673)</u>
Net Cash Flow from Operating Activities - A	109,437	139,761
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Expenditure on Fixed Assets & CWIP, Advance for Capital Works & Capital Stores/Spares etc.	<u>(68,476)</u>	<u>(54,973)</u>
Net cash used in Investing Activities - B	(68,476)	(54,973)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital including Security Premium	-	2,424
Repayment of Borrowings	(39,476)	(32,595)
Interest & Finance Charges Paid	(7,717)	(13,277)
Proceeds from Borrowings	27,208	39,799
Dividend	(33,087)	(24,820)
Tax on Dividend	(5,369)	(4,122)
Net Cash Flow from Financing Activities - C	(58,441)	(32,591)
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	(17,480)	52,197
Cash and cash equivalents (Opening balance)	206,356	154,159
Cash and cash equivalents (Closing balance)	188,876	206,356

Notes:

1. Cash and cash equivalents consist of cash and bank balances.
2. The Previous year's figures have been regrouped/re-arranged/re-casted wherever necessary.

For and on behalf of the Board of Directors

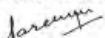

(Soumendran Das)
Company Secretary


(A.S. Bindra)
Director(Finance)


(R.P. Singh)
Chairman & Managing Director

This is the cash flow statement referred to in our report of even date.

For Hingarani M. & Co,
Chartered Accountants


(Pardeep Kumar)
Partner
M.No. 085630

Place: New Delhi
Date: May 28, 2012



Notes to the Financial Statements for the year ended 31st March, 2012

1. Significant Accounting Policies

1.1 System of Accounting

The financial statements are prepared according to the historical cost convention on accrual basis in line with the generally accepted accounting principles in India and the provisions of the Companies Act, 1956, including accounting standards notified thereunder.

1.2 Fixed Assets

- Fixed Assets are stated at historical cost less accumulated depreciation and any impairment in value. Where final settlement of bills with contractors is pending/under dispute, capitalization is done on estimated/provisional basis subject to necessary adjustment in the year of final settlement.
- Fixed Assets created on land not belonging to the Company are included under Fixed Assets.
- Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress / Fixed Assets.
- Payments made provisionally towards compensation and other expenses relating to land are treated as cost of land.
- Expenditure incurred for compensatory afforestation, soil conservation and re-forestation towards forest land is shown as "Intangible Assets-Expenditure on compensatory afforestation" and is amortized pro-rata through depreciation over the period of likely use.
- Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.
- Construction equipments declared surplus are shown at lower of book value and net realisable value.

1.3 Machinery Spares

- Machinery spares procured along with the Plant & Machinery or subsequently and whose use is expected to be irregular are capitalized and depreciated fully over the residual useful life of the related plant and machinery except as stated in para 1.3(b).
- Cost / WDV of Machinery Spares is fully charged to revenue in the year in which such spares are replaced except in cases where retrieved spares have useful life after repairs.
- Other spares forming part of inventory are expensed when consumed.

1.4 Capital Work-in-Progress

- In respect of supply-cum-erection contracts, the value of supplies received at site/construction store and accepted is treated as Capital Work-in-Progress.
- Administration and Other General Overhead expenses at the Corporate Office and Projects under Construction / Survey & Investigation attributable to construction of fixed assets are identified and allocated on systematic basis on major immovable assets other than land, infrastructure facilities and bought out items on commissioning of Projects. However, no allocation of such expenses pertaining to Corporate Office is made on projects taken on BOOT (Build, Own, Operate & Transfer) basis till the date of grant of generation license.
- Expenditure on Survey and Investigation of the Projects is carried as capital work in progress and capitalized as cost of Project on completion of construction of the Project or the same is expensed in the year in which it is decided to abandon such project.
- Expenditure against "Deposit Works" is accounted for on the basis

of statement of account received from the concerned agency and acceptance by the Company. However, provision is made wherever considered necessary.

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

1.5 Depreciation and Amortisation

- Depreciation is charged on straight-line method to the extent of 90% of the Cost of Asset following the rates notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff. In respect of assets, where rate has not been notified by regulations by the CERC, depreciation is provided on straight line method at the rates corresponding to the rates laid down under the Income Tax Act, 1961, except in case of computers & peripherals, and mobile phones which are depreciated @ 25% p.a.
- Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.
- Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.
- Assets costing ₹ 5,000/- or less are depreciated fully in the year of procurement.
- Expenditure on software is recognized as 'Intangible Asset' and amortized fully over four years.
- Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liability on account of exchange fluctuation, change in duties or similar factors, the revised unamortized balance of such assets is depreciated prospectively over the residual life. Depreciation on increase/decrease in the value of existing assets on account of settlement of disputes is charged retrospectively.
- Capital Expenditure referred to in Policy No. 1.2(c) is amortized over a period of four years starting from the year in which the first unit of the project comes into commercial operation and thereafter from the year in which the relevant asset becomes available for use. However, such expenditure for community development in case of projects under operation is charged off to revenue.
- Leasehold land is amortized pro-rata through depreciation over the period of lease.
- Expenditure on Catchment Area Treatment (CAT) Plan during construction is capitalized along with dam/civil works. Such expenditure during O&M stage is charged to revenue in the year of incurrence of such expenditure.

1.6 Investments

- Long Term Investments are valued at cost less provision for permanent diminution in value.
- Current Investments are valued at lower of cost and fair value.

1.7 Inventories

- Inventories are valued at the lower of cost arrived at on weighted average basis and net realizable value.
- Loose tools issued during the year are charged to consumption.
- Stores issued for operation and maintenance but lying unused at site are treated as part of inventory.
- The diminution in the value of obsolete, unserviceable and surplus stores & spares is ascertained on review and provided for.
- Scrap is accounted for as and when sold.

1.8 Foreign Currency Transactions

- a) Foreign currency transactions are initially recorded at the rates of exchange ruling at the date of transaction. Monetary items denominated in foreign currency are restated at the year end at exchange rates prevailing on the Balance Sheet date.
- b) Exchange differences, except to the extent considered as adjustment to borrowing cost as per AS-16 read with ASI-10, are recognized as income or expense in the period in which they arise in case of operating projects and to EDC in case of projects under construction. However, the differences relating to Fixed Assets/Capital Works-in-Progress arising out of transactions entered into prior to 01.04.2004 over & above those considered as borrowing cost are adjusted to the carrying cost of Fixed Assets/Capital Work-in-Progress.

1.9 Borrowing Costs

Borrowing costs attributable to fixed assets during construction / renovation and modernization are capitalized. Other borrowing costs are recognized as an expense in the period in which they are incurred.

1.10 Provision, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be outflow of resources. Contingent liabilities are not recognized, but are disclosed in the notes. Contingent assets are neither recognized, nor disclosed in the financial statements.

1.11 Income

- a) Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC). Recovery/ refund towards foreign currency variation in respect of foreign currency loans as per CERC notification is accounted for on year to year basis.
- b) The incentives / disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.
- c) Advance against depreciation, forming part of tariff upto 31.03.2009 to facilitate repayment of loans, is reduced from sales and considered as deferred revenue to be included in the sales in subsequent years.
- d) The surcharge on late payment/overdue sundry debtors for sale of energy is accounted for on receipt basis or when there is reasonable certainty of realisation.
- e) Interest recoverable on advances to contractors/suppliers and

other claims from contractors/suppliers under dispute are accounted for on receipt/acceptance.

- f) Income from consultancy services is accounted for on the basis of actual progress / technical assessment of work executed or costs reimbursable, in line with the terms of respective consultancy contracts.

1.12 Employee Benefits

Provision for gratuity, leave encashment and other post retirement benefits as defined in Accounting Standard (AS) - 15 is made on the basis of actuarial valuation at the end of financial year. Provident fund liability is accounted for on accrual basis.

1.13 Miscellaneous

- a) Insurance claims are accounted for in the year of receipt/ acceptance by the insurer / certainty of realisation.
- b) Prepaid and prior period expenses/income of items of ₹50,000/- and below are charged to natural heads of accounts in the year of payment/receipt.
- c) Liability for claims against the Company is recognized on acceptance by the Company / receipt of award by the Arbitrator and the balance claim, if disputed /contested by the contractor is shown as contingent liability. The claims prior to Arbitration award stage are disclosed as contingent liability.
- d) A specified percentage of Net Profit after Tax of previous year is set aside for incurring expenditure towards Corporate Social Responsibility (CSR). The unspent amount is carried forward.

1.14 Taxes on Income

- a) Taxes on income are determined on the basis of taxable income under the Income Tax Act, 1961.
- b) Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax asset can be realized.

1.15 Cash Flow Statement

Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) - 3 'Cash Flow Statements'.



2. Notes on Accounts

The amounts in Financial Statements are presented in Indian Rupees and all figures have been rounded off to the nearest rupees lakh except when otherwise stated.

The financial statements for the year ended 31st March 2011 were prepared as per then applicable Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the

Companies Act, 1956, the financial statements for the year ended 31st March 2012 are prepared as per the Revised Schedule VI. Accordingly, the previous year figures have also been reclassified/ regrouped/ rearranged wherever necessary to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.

2.1 SHARE CAPITAL

(₹ Lakh)

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED				
Equity Shares of par value ₹10/- each	7,000,000,000	700,000	7,000,000,000	700,000
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹10/- each fully paid up	4,136,626,500	413,663	4,136,626,500	413,663
Total		413,663		413,663

The Company has only one class of equity shares having a par value of ₹10/- per share. The holders of the equity shares are entitled to receive dividends as declared from time to time and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.

During the year ended 31st March 2012, the amount of per share dividend recognized as distribution to equity share holders was ₹ 0.94 (previous year ₹ 0.80)

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

Name of the Shareholder	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	%	No. of Shares	%
Government of India (GoI)	2666611700	64.46	2666611700	64.46
Government of Himachal Pradesh (GoHP)	1055014800	25.51	1055014800	25.51

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

(₹ Lakh)

	As at 31st March, 2012		As at 31st March, 2011	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	4,136,626,500	413,663	4,108,814,000	410,882
No. of shares issued during the year	—	—	27,812,500	2,781
Number of shares at the end	4,136,626,500	413,663	4,136,626,500	413,663

2.2 Reserves and Surplus

(₹ Lakh)

	As at 31st March, 2012		As at 31st March, 2011	
A Security Premium Account				
Opening Balance	1,313		—	
Add: Security Premium credited on share issue.	—		1,313	
Closing Balance	1,313		1,313	
B Surplus				
Opening Balance	305,576		252,825	
Add: Profit for the Year as per Statement of Profit and Loss	106,868		91,213	
Total Profit available for Appropriations	412,444		344,038	
Appropriations				
Dividend				
Final Proposed	38,884		33,093	
Tax on Dividend				
Final Proposed	6,308		5,369	
Total Appropriation	45,192		38,462	
Surplus -Closing Balance	367,252		305,576	
Total Reserves and Surplus (A + B)	368,565		306,889	

The Company has proposed final dividend for the year 2011-12 @ ₹ 0.94 per equity share of par value ₹ 10/- each (previous year ₹ 0.80 per equity share).

2.3 Long Term Borrowings

	As at 31st March, 2012	As at 31st March, 2011
(₹ Lakh)		
Term Loans		
From Other Parties:		
A Secured #		
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto April 2013, carrying interest@ 11.75% p.a. payable quarterly)	1,390	6,707
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from April 2013 to January 2014, carrying interest@ 11% p.a. payable quarterly)	8,884	8,884
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from January 2014 to October 2014, carrying interest@ 11% p.a. payable quarterly)	9,291	9,291
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto July 2013, carrying interest@ 10.75% p.a. payable quarterly)	1,600	1,715
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from October 2013 to January 2014, carrying interest@ 10% p.a. payable quarterly)	1,586	1,586
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from January 2014 to July 2014, carrying interest@ 10% p.a. payable quarterly)	1,414	1,414
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from July 2014 to October 2014, carrying interest@ 10% p.a. payable quarterly)	1,000	1,000
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto April 2012, carrying interest@ 11.95% p.a. payable quarterly)	-	2,658
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto October 2012, carrying interest@ 11.75% p.a. payable quarterly)	-	800
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto April 2012, carrying interest@ 10.75% p.a. payable quarterly)	-	1,000
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto October 2012, carrying interest@ 10.75% p.a. payable quarterly)	-	1,285
REC Limited (Repayable in quarterly instalments upto January 2013, carrying interest@ 10.75% p.a. payable quarterly)	2,856	8,567
Life Insurance Corporation of India (Repayable in quarterly instalments upto July 2013, carrying interest@ 9.00% p.a. payable quarterly)	1,316	6,578
(Repayable in quarterly instalments upto July 2013, carrying interest@ 9.31% p.a. payable annually)	-	-
Total (A)	29,337	54,690
#Secured by equitable mortgage/hypothecation of all present and future fixed assets and book debts of NJHPS as first charge ranking pari passu with charge already created subject to negative lien on the equipment financed under foreign currency loans from Nordic Investment Bank, Finland, shown below.		
B Unsecured:		
Foreign Currency Loans		
(Guaranteed by Govt of India)		
- World Bank (IBRD) (Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)	119,578	79,592
- Nordic Investment Bank, Finland (Repayable in Half Yearly instalments upto October 2014, carrying interest@ LIBOR+0.60% p.a.)	1,219	1,603
Total (B)	120,797	81,195
Total Long term borrowings (A + B)	150,134	135,885
There has been no defaults in repayment of any of the loans or interest thereon at the end of the year.		

2.4 Other Long Term Liabilities

	As at 31st March, 2012	As at 31st March, 2011
(₹ Lakh)		
Deposits, Retention Money from Contractors and Others	7,813	6,172
Less - Investments held as Security	234	43
	7,579	6,129
Income Received in Advance:		
- Advance Against Depreciation	84,935	84,935
Deferred Foreign Currency Fluctuation Liability	2,181	2,212
Total Other Long Term Liabilities	94,695	93,276



2.5 Long Term Provisions

Particulars	As at 01.04.2011	For the year			As at 31.03.2012
		Additions	Write Back	Utilization	
Unfunded Employee Benefits					
Leave Encashment	2,023	738	-	49	2,712
Post Retirement Medical	1,172	447	-	14	1,605
Other Retirement Benefits	33	10	-	1	42
Total	3,228	1,195	-	64	4,359
Previous Year	2,820	612	34	170	3,228

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.36.

2.6 Short Term Borrowings

	As at 31st March, 2012	As at 31st March, 2011
Secured Loans:		
Short Term Loans from Banks	306	9,969
Total	306	9,969
Bank wise details of Short Term Loans:		
Punjab National Bank (Secured against pledge of Term Deposit of ₹ 225 lakh; PY: ₹3285lakh)	200	3,039
Indian Overseas Bank (Secured against pledge of Term Deposit of ₹ 3100 lakh; PY:Nil)	106	-
Union Bank of India (Secured against pledge of Term Deposit of Nil; PY: ₹8377lakh)	-	6,930
Total	306	9,969

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

2.7 Trade Payables

	As at 31st March, 2012	As at 31st March, 2011
Small Scale Industrial Undertakings	7	--
Others	2,062	2,684
Total	2,069	2,684

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.47

2.8 Other Current Liabilities

	As at 31st March, 2012	As at 31st March, 2011
Current Maturities of Long Term debt		
Secured		
- Rupee Term Loans	25,354	25,354
Unsecured		
- Foreign Currency Loans (Guaranteed by GOI)	608	4,184
	25,962	29,538
Interest Accrued but not due on:		
- Short Term Loan	--	7
- Foreign Currency Loans : World Bank	336	139
: Others	10	24

2.8 Other Current Liabilities

	As at 31st March, 2012	As at 31st March, 2011
- Rupee Term Loans	1,454	2,127
Advance Against Consultancy	1,800	2,297
Unpaid Dividend	14	14
Others Payables:	6	---
-Liability for Employees' Remuneration and Benefits	1,879	7,778
Liability for Purchase/Construction of Fixed Assets:		
- Small Scale Industries	1	---
- Others	16,912	16,598
Deposits, Retention Money from Contractors and Others	4,694	2,908
Less : Investments held as Security	188	228
	4,506	2,680
Gratuity Payable to Trust	665	121
TDS and Other Taxes Payable	485	163
Others	533	322
Total	52,763	59,511

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.47

Details in respect of rate of interest and terms of repayment of secured and unsecured current maturities of long term debt indicated above are disclosed in Note 2.3.

2.9 Short Term Provisions

Particulars	As at 01.04.2011	For the year			As at 31.03.2012
		Additions	Write Back	Utilization	
(A) Unfunded Employee Benefits					
Leave Encashment	130	132	2	103	157
Post Retirement Medical	26	66	-	12	80
Other Retirement Benefits	85	2,353	35	51	2,352
Total (A)	241	2,551	37	166	2,589
(B) Others:					
Proposed Dividend	33,093	38,884	-	33,093	38,884
Tax on Proposed Dividend	5,369	6,308	-	5,369	6,308
Income Tax	40,334	26,928	-	-	67,262
Fringe Benefit Tax	128	-	-	-	128
Wealth Tax	1	1	-	1	1
Wage Revision	376	-	-	340	36
Performance Related Pay	3,125	1,915	73	2,281	2,686
Corporate Social Responsibility	430	280	-	430	280
Interest on Arbitration Awards	4,681	951	-	-	5,632
Others	3	1,310	-	-	1,313
Total (B)	87,540	76,577	73	41,514	1,22,530
Total (A) + (B)	87,781	79,128	110	41,680	1,25,119
Previous Year	79,841	66,706	546	58,220	87,781

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.36.

During the year, the Board of Directors (BOD) approved a Defined Contribution Pension Scheme for the employees. The same has been forwarded to Ministry of Power (MOP) for approval. Pending approval of the same, an amount of ₹ 2350 lakh (previous year - Nil) has been provided and included in Unfunded Employees' Benefits - Other Retirement Benefits.



2.10 Fixed Assets		Gross Block		Depreciation		Net Block				
Sl.No.	Particulars	As at 01.04.2011	Additions during year	Deductions/ Adjustments	As at 31.03.2012	Upto 01.04.2011	For the year	Upto 31.03.2012	As at 31.03.2012	As at 31.03.2011
Tangible Assets										
Leasehold Assets										
1	Land (including development expenses)	36	—	—	36	2	—	2	34	34
2	Land (including development expenses)	12,391	190	—	12,581	—	—	—	12,581	12,391
3	Roads*	75,564	835	—	76,400	15,277	2,711	17,988	58,412	60,287
4	Buildings*	6,553	157	1,266	5,294	876	199	1,007	4,237	5,477
5	Roads and Bridges	1,289	77	124	1,242	578	55	524	718	716
6	Plant and Machinery	190,369	5,193	160	195,402	51,336	10,563	61,879	133,523	139,033
7	Hydraulic Works/Dams, Tunnel, etc.]	578,135	694	105	578,724	139,209	31,006	170,194	408,530	438,926
8	Vehicles	283	65	—	348	146	21	167	181	137
9	Furniture, Fixture and Equipments	773	99	—	872	317	49	366	506	456
10	Electrical Works	2,287	19	36	2,270	531	120	643	1,627	1,756
11	Office Equipments	137	19	—	156	51	10	61	95	86
12	Other Equipments	947	156	10	1,093	341	64	401	692	606
13	Data processing Equipments	1,162	96	25	1,233	771	137	898	335	391
14	Capital Assets not owned by Company	8,948	—	291	8,707	7,289	—	7,289	1,418	3,659
	Total	878,674	7,601	1,967	884,308	216,719	44,935	261,419	622,889	661,955
Intangible Assets:										
1	Software	311	28	—	339	209	37	246	93	102
2	Expenditure on Compensatory Afforestation	500	—	—	500	498	2	500	—	2
	Total:	811	28	—	839	707	39	746	93	104
	Total Fixed Assets	879,485	7,629	1,967	885,147	217,426	44,974	262,165	622,982	662,059
	Previous Year :	865,490	14,580	585	879,485	172,052	45,536	217,426	662,059	693,438
Fixed Assets costing ₹5000 or less procured and depreciated fully during the year.										
Possession of freehold land measuring 0.08-26 hectares (Previous Year: 0-24-19 Hectare) is still to be handed over to the Company.										
*Title deeds/ title in respect of buildings costing ₹15 lakh (Previous year: ₹15 lakh) are yet to be executed / passed in favour of the company. Expenses on stamp duty etc. shall be accounted for on registration.										
*Buildings include ₹4 lakh (Previous Year: ₹4 lakh) being damaged assets for which provision has been made.										
Expert Advisory Committee (EAC) of the ICAI has given an opinion that Capital Expenditure on assets not owned by the Company are to be charged to statement of Profit and Loss as and when incurred. It has been represented that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practices. Pending receipt of communication from ICAI regarding the review of opinion, existing treatment has been continued as per the relevant accounting practice.										
2.11 Capital Works In Progress										
Sl.No.	Particulars	As at 01.04.2011	Additions during year	Transfers/Adjustments	Total WIP as at 31.03.2012	Capitalised During The Year	As at 31.03.2012			
1	Building	1,313	1,156	3	2,466	341	2,125			
2	Civil Works	71,880	35,648	(94)	106,622	110	106,512			
3	Roads, Bridges & Culverts	775	212	2	985	152	831			
4	Plant and Machinery	40	4	—	44	44	—			
5	Electrical Works	75	81	—	109	6	101			
6	Capital Asset with Contractors (Electro-Mechanical Packages)*	3,977	11,523	167	15,300	34	15,266			
7	Preliminary	7,348	590	—	7,771	7,749	—			
8	Capital Assets not owned by Company	52	—	—	52	—	52			
9	Expenditure during construction (Note 2.11.1)	38,557	29,833	(1,321)	69,711	—	69,711			
	Total	123,966	77,849	(1,192)	203,007	711	202,296			
	Previous Year	61,494	46,607	1,436	126,665	2,699	123,966			
* Capital Assets with contractors include Material/Assets in transit having value ₹1118 lakh (PV: ₹957 lakh).										

2.11.1 Expenditure During Construction

	Year ended 31st March, 2012	Year ended 31st March, 2011
(₹ Lakh)		
EXPENSES		
Employees' Remuneration and Benefits:		
Salaries,Wages, Allowances and Benefits*	9,734	7,216
Contribution to Provident and Other Funds	389	336
Leave Salary and Pension Contribution	335	276
Welfare Expenses	852	642
	11,310	8,470
Other Expenses		
Repair and Maintenance:		
Roads and Buildings	148	54
Plant & Machinery	52	11
Office Equipments & Furnitures	13	12
Vehicles	55	34
Others	87	86
	355	197
Rent	273	256
Rates & Taxes	1	22
Insurance	2	3
Security Expenses	243	230
Electricity Charges	87	65
Less:- Recovered from Employees & Contractors	5	--
	82	65
Research & Development Expenses	6	--
Travelling & Conveyance	361	315
Training and Recruitment Expenses	119	163
Legal Expenses	5	6
Professional and Consultancy Charges	221	106
Communication Expenses	90	84
Printing & Stationery	74	69
Less: Receipts from Sale of Tenders	4	3
	70	66
Payment to Auditors	10	8
Advertisement & Publicity	77	43
EDP Expenses	60	25
Entertainment Expenses	29	22
Expenses on Transit Camps	154	122
Books & Periodicals	3	7
Hiring of Vehicles	370	325
Donations	--	25
C.S.R. Expenses	--	2
Depreciation	354	456
Stores Written Off	2	1
Loss on Disposal/Write off of Fixed Assets:	2	2
Crop and Other Compensation	656	--
Exchange Rate Variation	13,084	(1,038)
Directors Sitting Fees	7	6
Local Area Development Expenses	1,672	1,192
Business Promotion Expenses	72	63
Rehabilitation Expenses	68	50
Fees and subscription	23	7
Environment & Ecology Expenses	54	62
Safety Expenses	2	1
Miscellaneous Expenses	79	69
	29,916	11,433



2.11.1 Expenditure During Construction

	(₹ Lakh)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
INTEREST AND FINANCE CHARGES		
On Loans from World Bank (IBRD)	1,261	1,111
Others	11	38
	<u>1,272</u>	<u>1,149</u>
Less: Allocated to CWIP	1,261	1,111
	<u>11</u>	<u>38</u>
	29,927	11,471
LESS: RECEIPTS AND RECOVERIES		
Interest from:		
Banks	3	205
Employees	34	17
Contractors	2	--
	<u>39</u>	<u>222</u>
Miscellaneous Income	55	123
	<u>94</u>	<u>345</u>
Total	29,833	11,126
Prior Period Adjustments	--	(6)
Net Expenditure (transferred to Sch.-2.11)	29,833	11,132

*Salaries, Wages, Allowances and Benefits include an amount of ₹1154 lakh (Previous year - nil) on account of Defined Contribution Pension Scheme for the employees as approved by the Board of Directors.

2.12 Non - current Investments

	(₹ Lakh)	
	As at 31st March, 2012	As at 31st March, 2011
Others - Unquoted (at Cost)		
60 Fully Paid up Ordinary shares of ₹ 50/- each in NJP Employees Consumer Co-Operative Store, Jhakri (₹ 3000/-)	--	--
Total	<u>--</u>	<u>--</u>

2.13 Deferred Tax Assets (Net)

	(₹ Lakh)		
	As at 01.04.2011	Additions/Adjustments during the year	As at 31.03.2012
Deferred Tax Assets			
Difference of Book Depreciation and Tax Depreciation	6,411	4,668	11,079
Provisions/Expenses disallowed for Tax purpose	559	539	1,098
Deferred Tax Assets	<u>6,970</u>	<u>5,207</u>	<u>12,177</u>

Net increase during the year in Deferred Tax Asset (Net) of ₹ 5207 lakh (previous year ₹ 5003 lakh) has been adjusted in the tax expenses in the statement of Profit and Loss.

2.14 Long Term Loans and Advances

	(₹ Lakh)	
	As at 31st March, 2012	As at 31st March, 2011
Capital Advances		
Secured by hypothecation of Equipment/Material	1,597	1,594
Unsecured - Considered Good		
-Covered by Bank Guarantees	9,226	12,739
-Others	4,034	2,208
	<u>13,260</u>	<u>14,947</u>
Total	14,857	16,541
Security Deposits - Unsecured Considered Good	33	33

2.14 Long Term Loans and Advances

	As at 31st March, 2012	As at 31st March, 2011
Loans and Advances to Related Parties #		
Unsecured, considered good		
- Loans and Advances	4	5
- Interest accrued	<u>1</u>	<u>—</u>
	5	5
Other Loans and Advances		
Loans to Employees		
- Secured	1,447	793
- Unsecured, considered good	<u>883</u>	<u>397</u>
	2,330	1,190
Advances to Employees, Unsecured Considered Good		
Others, Unsecured Considered Good	134	117
Prepaid Expenses	2	2
Interest Accrued on:		
Staff Advances :		
- Secured	374	316
- Unsecured, considered good	<u>259</u>	<u>188</u>
	633	504
Total	17,994	18,392
# Loans and advances to related parties are dues from Directors of the company only.		
Loans and Advances include dues from other officers (General Manager and above).	20	8

2.15 Other Non - current Assets

	As at 31st March, 2012	As at 31st March, 2011
Capital Stores (At Cost)		
(As certified by Management)		
Steel	53	54
Others	2	2
Material at Site	<u>38</u>	<u>53</u>
Total	93	109

2.16 Inventories

	As at 31st March, 2012	As at 31st March, 2011
Loose Tools	5	5
Store and Spares	<u>2,846</u>	<u>2,287</u>
	2,851	2,292
Less: Provision for Shortage of store and Obsolescence	<u>4</u>	<u>4</u>
Total	2,847	2,288

Stores and Spares includes Material in Transit ₹ 3 Lakh (Previous Year Nil).

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

2.17 Trade Receivables

	As at 31st March, 2012	As at 31st March, 2011
Unsecured considered good:		
- Outstanding for a period exceeding six months from due date of payment	911	105
- Others	<u>57,040</u>	<u>9,430</u>
Total	57,951	9,535

Trade receivables and Sales include an amount of ₹13511 lakh (Previous Year: ₹3750 lakh) towards bills raised after the end of the financial year.

Trade receivable due from Directors & other officers of the company : Nil (PY, - Nil)



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2.18 Cash and Bank Balances

	As at 31st March, 2012	As at 31st March, 2011
Cash and Cash Equivalents		
Balances with Banks		
- Current Deposits	731	6,358
- Term Deposits (having original maturity upto 3 months)	2,210	9,807
Cheque & Draft in hand	-	1
Cash on Hand (₹48,538/- PY: ₹ 30,000/-)	-	-
Other bank balances		
- Earmarked Balance (Unpaid Dividend)	6	-
- Margin Money for BG/ Letter of Credit and Pledged deposits	3,715	11,826
- Other Term Deposits (having original maturity of more than 3 months)	182,214	178,364
	<u>185,935</u>	<u>190,190</u>
Total	188,876	206,356

2.19 Short Term Loans and Advances

	As at 31st March, 2012	As at 31st March, 2011
Loans and Advances to Related Parties #		
- Unsecured, considered good	6	6
Loans to Employees		
- Secured, considered good	265	165
- Unsecured, considered good	156	81
	<u>421</u>	<u>246</u>
Advances to Contractor & Suppliers		
- Secured Considered good	-	-
- Unsecured Considered good	1,686	2,624
- Considered doubtful	10	10
	<u>1,696</u>	<u>2,634</u>
Less: Provision for doubtful advances	10	10
	<u>1,686</u>	<u>2,624</u>
Advances to Employees (unsecured, considered good)	464	403
Deposits - Un-secured considered good:		
- Government Departments	214	835
- Deposits for Works	486	2,929
- Others	15	15
	<u>715</u>	<u>3,779</u>
Less: Provision for expenses	378	762
	<u>337</u>	<u>3,017</u>
Others		
Unsecured considered good:		
- Prepaid Expenses	592	577
- Advance Tax Deposit and Tax deducted at Source	66,800	39,565
- Amount recoverable from Govt departments	174	11,643
	<u>67,566</u>	<u>51,785</u>
Considered doubtful	1,273	-
	<u>68,839</u>	<u>51,785</u>
Less: Provisions*	1,273	-
	<u>67,566</u>	<u>51,785</u>
Others - Unsecured considered doubtful-		
Advance to Ex-employees	9	7
Less Provision for doubtful advances	9	7
	<u>-</u>	<u>-</u>
Interest Accrued on:		
Staff Advances:		
-Secured, considered good	17	25
-Unsecured Considered Good	10	4
	<u>27</u>	<u>29</u>
Total	70,507	58,110

Loans and advances to related parties are dues from Directors of the company only.

Loans and Advances include dues from other officers (General Manager and above).

*Provision of ₹ 1273 lakh (Previous year - nil) is an account of expenditure incurred on Khab project withdrawn by GoHP from the company. Since the time and quantum of recovery of the amount is uncertain, as a matter of prudence, full provision has been made in accounts for the year as an exceptional item.

2.20 Other Current Assets

	As at 31st March, 2012	As at 31st March, 2011
Interest Accrued but not due On deposits with Banks	9,990	7,644
Deferred Foreign Currency Fluctuation Assets	205	517
Unbilled Revenue	25,754	16,915
Surplus Stores/Equipments	1,534	1,558
Less: Provision for Shortage/ Obsolescence	1,533	1,533
	1	25
Total	35,950	25,101

Unbilled Revenue is on account of difference due to recognition of Sales on the basis of principles enumerated in the Tariff Regulations 2009 applicable for the period 2009-14 as compared to provisional billing to beneficiaries as per the tariff applicable as on 31.03.2009 approved by the CERC.

2.21 Revenue from Operations

	Year ended 31st March, 2012	Year ended 31st March, 2011
Sales		
Energy Sales	182,095	171,538
Less:		
Regulated Power Adjustment- Margin	1,300	---
Regulated Power Adjustment- Expenses	94	---
	180,701	171,538
UI Charges	1,844	2,865
Exchange Rate Variation recoverable from beneficiaries	754	463
Tax recoverable from beneficiaries	7,501	6,401
Revenue from Sales	190,800	181,267
Prior Period Sales	179	---
Total Revenue from Sales	190,979	181,267
Other operating revenues:		
Consultancy Income	1,771	1,707
Total Revenue from Operations	192,750	182,974

The Central Electricity Regulatory Commission (CERC) vide notification dated 19.01.2009 has notified the Tariff Regulations, 2009 containing inter-alia the terms & conditions for determination of tariff, applicable for a period of five years with effect from 01.04.2009. Pending final determination of tariff by the CERC in respect of Nathpa Jhakri Hydro Power Station (NJHPS), the sales for the year have been provisionally recognized at ₹180701 lakh (Previous Year: ₹171538 lakh) on the basis of principles enumerated in the said regulations, on the capital cost allowed by CERC for determining tariff for the year 2008-09.

The Tariff Regulations, 2009 provide that pending determination of tariff by the CERC, the company has to provisionally bill the beneficiaries at the tariff applicable as on 31.03.2009 on capital cost of ₹799080 lakh, approved by the CERC. The amount provisionally billed for the year 2011-12 on this basis is ₹181960 lakh (including billing of tax recovery) (Previous Year: ₹163286 lakh).

The Revised Cost Estimate (RCE -IV) of NJHPS has been approved by the management at ₹859341 lakh.

During the year, the Company has regulated the power of BRPL and BYPL after these companies failed to pay outstanding dues and sold the power allocated to these Companies through PTC as per CERC (Regulations of Power Supply) Regulations, 2010. Accordingly 51.160 MUs of power was sold through PTC amounting to ₹1813 lakh and included in Energy Sales. An amount of ₹1300 lakh excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹94 lakh on Sale through PTC.

The regular assessment of the Company for the Assessment Year 2009-10 has been completed during the year and a demand of tax and interest amounting to ₹11703 lakh has been raised. The Company deposited an amount of ₹6000 lakh against the demand and obtained a stay order for the balance demand. The Company has also filed an appeal against the said assessment before the CIT (Appeals). The tax of ₹6000 lakh has been provided for in accounts as earlier year tax adjustment. As the above tax relates to tariff period 2004-09 and is recoverable from beneficiaries separately as a pass through item. Accordingly, an amount of ₹7501 lakh (grossed up with current year tax rate) has been treated as sales and passed on to the beneficiaries for the relevant year.



2.22 Other Income

	(₹ Lakh)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest From:-		
Banks	19,377	12,367
Employees	142	69
Contractors	47	45
Interest from Beneficiaries	18	190
	<u>19,584</u>	<u>12,671</u>
Interest on Income Tax Refund	371	783
Less: Refundable to Beneficiaries	371	783
	<u>-</u>	<u>-</u>
Surcharge on late payment from customers	37	67
Receipt Of Maintenance Of ICF	150	142
Sale of Scrap	4	7
Miscellaneous Income #	715	491
Foreign Currency Fluctuation Adjustment (Credit)	439	403
Total	<u>20,929</u>	<u>13,781</u>
Prior period income	-	1,161
Total Other Income	<u>20,929</u>	<u>14,942</u>
# Details of Miscellaneous Income :		
Hire Rental Charges from Contractor	42	49
Profit on Sale of Fixed Assets	71	1
Rent Recovery from Staff/ Others	114	30
Excess Provision Written Back	114	360
Liquidated Damages recovered	339	30
Other Misc Receipts	35	21
Total	<u>715</u>	<u>491</u>

2.23 Employee Benefits Expense

	(₹ Lakh)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Salaries,Wages, Allowances and Benefits*	9,616	7,193
Contribution to Provident and Other Funds	371	356
Leave Salary and Pension Contribution	308	279
Welfare Expenses	820	644
Total	<u>11,115</u>	<u>8,472</u>

*Salaries, Wages, Allowances and Benefits include an amount of ₹ 1196 lakh (Previous year - nil) on account of Defined Contribution Pension Scheme for the employees as approved by the Board of Directors.

Disclosure required by AS 15 in respect of provision made towards various employees benefits are made in Note 2.36.

2.24 Finance Costs

	(₹ Lakh)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Interest Expenses on:		
Foreign Currency Loans	190	408
Rupee Term Loans	6,917	9,516
Others	60	39
Arbitration Awards	951	3,002
	<u>8,118</u>	<u>12,965</u>
Other Borrowing Cost		
Finance Charges	53	135
Exchange differences regarded as adjustment to interest cost.	194	182
	<u>247</u>	<u>317</u>
Total	<u>8,365</u>	<u>13,282</u>

2.25 Depreciation and Amortization Expense

	(₹ Lakh)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Depreciation for the year	44,974	45,536
Less :		
Transfer to Expenditure During Construction (Note.2.11.1)	354	456
Depreciation Written back	20	24
Depreciation charged to Statement of Profit and Loss	44,600	45,056

2.26 Other Expenses

	(₹ Lakh)	
	Year ended 31st March, 2012	Year ended 31st March, 2011
Repair and Maintenance:		
Buildings	378	306
Roads	294	115
Plant & Machinery	118	132
Office Equipments & Furnitures	11	10
Civil Works	402	650
Electro Mechanical Works	1,568	2,000
Vehicles	58	64
Others	67	188
	<u>2,896</u>	<u>3,465</u>
Less: Claims Received from Insurance Companies	17	144
	2,879	3,321
Rent	250	234
Insurance	2,232	2,010
Security Expenses	993	822
Electricity Charges	996	876
Less:- Recovered from Employees & Contractors	43	47
	953	829
Research and Development	6	50
Travelling & Conveyance	268	239
Training and Recruitment Expenses	96	146
Less:- Cost of Application Forms Received	4	—
	92	146
Legal Expenses	19	26
Professional and Consultancy Charges	866	913
Communication Expenses	104	85
Printing & Stationery	61	69
Less: Receipts from Sale of Tenders	8	7
	53	62
Payment to Auditors	11	9
Advertisement & Publicity	95	81
EDP Expenses	55	26
Hiring of Vehicles	324	315
Entertainment Expenses	15	13
Expenses on Transit Camps	102	103
Books & Periodicals	6	6
IPO Expenses	—	831
Donations	—	25
C.S.R. Expenses	784	486
Stores Written Off	16	8
Loss on Disposal/Write off of Fixed Assets	4	206
Directors Sitting Fees	7	7
Business Promotion Expenses	102	79
Fees and subscription	344	613
Environment & Ecology Expenses	48	51
Safety Expenses	117	120
Miscellaneous Expenses	57	53



2.26 Other Expenses

	Year ended 31st March, 2012	Year ended 31st March, 2011
Exchange Rate Variation	145	179
Foreign Currency Fluctuation Adjustment (Debit)	720	416
Expenditure on Catchment Area Treatment	782	700
Wealth Tax	1	1
Rebate to Customers	1,323	2,378
Expenses on Regulated Power	94	—
Less: Regulated Power Adjustment - Sales	(94)	—
Prior Period Expenses	(36)	44
Total	13,737	15,487
Stores consumption included in repairs and Maintenance	726	1,275

2.27 Exceptional Items

	Year ended 31st March, 2012	Year ended 31st March, 2011
Expenses:		
Provision for expenses for withdrawn project	1,273	—
Total	1,273	—

Provision for expenses for withdrawn project is on account of expenditure incurred on Khab project withdrawn by GoHP from the company. Since the time and quantum of recovery of the amount is uncertain, as a matter of prudence, full provision has been made in the accounts for the year as an exceptional item.

2.28 Current Tax

	Year ended 31st March, 2012	Year ended 31st March, 2011
Provision for Tax for the Year	26,928	23,042
Adjustments relating to earlier years	6,000	6,367
Total	32,928	29,409

The regular assessment of the company for the assessment year 2009-10 has been completed during the year, and a demand of Tax and interest amounting to ₹11,703 lakh has been raised. The company has filed appeal against the said assessment before the CIT(A) and has paid ₹6,000 lakh against the demand amount. The amount paid has been provided in accounts as Adjustments relating to earlier years.

As the above tax demand relate to tariff period 2004-09, and is recoverable from beneficiaries separately as a pass through item, the amount paid (grossed up with current year tax rates) has been treated as sales for the year and passed on to the beneficiaries for the relevant year.

2.29 Earnings Per Share (EPS) - Basic and Diluted:

	Year ended 31.03.2012	Year ended 31.03.2011
Net Profit after Tax used as numerator (₹lakh)	106868	91213
Weighted Average number of equity shares used as denominator	4136626500	4136310687
Earnings Per Share (₹) (Basic & Diluted)	2.58	2.21
Face value per share (₹)	10	10

2.30 Contingent Liabilities:

a. Claims against the Company not acknowledged as debt:

Particulars	(₹ Lakh)	
	As at 31.03.2012	As at 31.03.2011
Capital Works *	33162	35731
Land Compensation	5254	5324
Disputed Income Tax Demand	5703	—
Disputed Service Tax Demand	1236	1236
Others	38	16
Total	45393	42307

*This includes ₹21967 lakh (Previous Year: ₹21043 lakh) representing the amount of basic claims by the contractors of NJHPS. As the amounts recommended by the Dispute Review Boards (DRBs)/Additional Dispute Review Boards (ADRBs) are much less than the amounts claimed by the contractors, the claims on account of further interest and escalation, if any, has not been considered.

- The above contingent liabilities do not include claims against pending cases in respect of service matters and others where the amount cannot be quantified.
- It is not practicable to work out the outflow and possibilities of any reimbursement.

2.31.1 Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹117319 lakh (Previous Year: ₹97563 lakh).

2.31.2 Other Commitments:

The amount of commitments on account of plant repair and supply of related spares and components (net of advances) and not provided for is ₹1,345 lakh (Previous year ₹1,456 Lakh).

- 2.32** As per the agreement between Govt. of Himachal Pradesh (GoHP) and the company, Luhri Hydroelectric Project shall be executed by an SPV with the shareholding of GoHP and the company. A proposal for execution of this project by the company itself is under consideration. Pending decision on this matter/formation of SPV, a total expenditure of ₹9337 lakh (Previous Year: ₹7653 lakh) has been incurred on survey and investigation of the project, which includes fixed assets ₹423 lakh (Previous Year: ₹387 lakh) and capital work in progress ₹8914 lakh (Previous Year: ₹7266 lakh).
- 2.33** Some of the balances shown under trade receivables, advances, deposits, trade payables, material in transit/material lying with third parties are subject to confirmation, reconciliation and consequential adjustment, if any.
- 2.34** In the opinion of the management, the value of all the assets other than Fixed Assets and Non-Current Investments, have a realizable value in the ordinary course of business, not less than the value at which these are stated in the Balance Sheet.
- 2.35** The effect of foreign exchange fluctuation during the year:

(₹ Lakh)

	Year ended 31.03.2012	Year ended 31.03.2011
(i) Amount charged to Statement of Profit and Loss excluding depreciation:		
- As FERV	145	179
- As Borrowing cost	194	182
(ii) Amount charged to Expenditure During Construction		
- As FERV	13084	(1038)
- As Borrowing cost	-	-
(iii) Amount adjusted by addition to carrying amount of fixed assets	197	-

2.36 Disclosure under the provisions of Accounting Standard (AS)-15 'Employee Benefits'

General description of various defined employee benefits are as under:

a) Defined Contribution plans:

(i) Employers contribution to Provident Fund:

The Company pays fixed contribution to Provident Fund at predetermined rates to a separate trust, which invests the fund in permitted securities. The contribution of ₹760 lakh (Previous year: ₹692 lakh) to the fund for the year is recognized as expense and is charged to the Statement of Profit and Loss and Expenditure During Construction (EDC). The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by Govt.

b) Defined benefit plans:

(i) **Gratuity:**

The Company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is funded by the company and is managed by a separate trust. The liability for the same is recognized on the basis of actuarial valuation.

(ii) **Leave encashment:**

The Company has a defined benefit leave encashment plan for its Employees. Under this plan they are entitled to encashment of earned leaves and medical leaves subject to certain limits and other conditions specified for the same. The liability towards leave encashment has been provided on the basis of actuarial valuation.

(iii) **Retired Employee Health Scheme:**

The Company has a Retired Employee Health Scheme, under

which retired employee and the spouse are provided medical facilities in the Company hospitals/empanelled hospitals. They can also avail treatment as Out-Patient subject to a ceiling fixed by the Company. The liability towards leave encashment has been provided on the basis of actuarial valuation.

(iv) **Baggage Allowance:**

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

1. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As at 31.03.2012	As at 31.03.2011
Mortality Table	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Discount Rate	8.50%	8.00%
Future Salary Increase	6.00%	5.50%

2. Change in Present Value of Obligations (PVO):

(₹ Lakh)

Particular		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance /Service Reward on Retirement
PVO at Beginning of Year	CY	1851	2164	1199	35
	PY	1576	1677	969	32
Interest Cost	CY	157	184	102	3
	PY	126	134	77	3
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	3
Current Service Cost	CY	209	335	109	4
	PY	183	307	97	-
Benefit paid	CY	(101)	(348)	(27)	(6)
	PY	(27)	(108)	(14)	(4)
Actuarial (Gain)/Loss	CY	449	534	302	7
	PY	(71)	154	70	1
PVO at end of year	CY	2565	2869	1685	45
	PY	1851	2164	1199	35

3. Amount Recognized in Balance Sheet:

(₹ Lakh)

Particular		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance /Service Reward on Retirement
PVO at end of year	CY	2565	2869	1685	45
	PY	1851	2164	1199	35
Fair Value of Plan Assets at the end of year	CY	1954	-	-	-
	PY	1669	-	-	-
Funded Status	CY	(611)	(2869)	(1685)	(45)
	PY	(182)	(2164)	(1199)	(35)
Excess of actual over estimated	CY	50	-	-	-
	PY	(40)	-	-	-
Unrecognized actuarial gain/loss	CY	-	-	-	-
	PY	-	-	-	-
Net (Liability)/Asset recognized in Balance Sheet	CY	(611)	(2869)	(1685)	(45)
	PY	(182)	(2164)	(1199)	(35)



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4. Amount recognized in the Statement of Profit and Loss / EDC Account:

Particular	(₹ Lakh)				
	Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance /Service Reward on Retirement	
Current Service Cost	CY	209	335	109	4
	PY	183	307	97	3
Interest Cost	CY	157	184	102	3
	PY	126	134	77	3
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Expected return on Plan Assets	CY	(152)	-	-	-
	PY	(110)	-	-	-
Net Actuarial (gain) /loss recognized for the year	CY	399	534	302	7
	PY	33	154	70	1
Expense recognized in Profit & Loss/EDC for the year	CY	613	1053	513	14
	PY	109	595	245	7

2.37 Segment reporting:

As the company is primarily engaged in only one segment viz. 'Generation and sale of hydroelectric power', there are no reportable segments as per Accounting Standard - 17.

2.38 Related Party Disclosure:

As required by Accounting Standard (AS) - 18 'Related party disclosures', details of transactions with related parties are:

a) Related Parties - Key Management Personnel:

Whole Time Directors:

Shri R.P. Singh	Chairman and Managing Director (CMD) and additional charge of Director (Electrical) from 31.01.2012 (A.N.)
Shri R.P. Singh	Director (Electrical) and additional charge of CMD upto 31.01.2012 (F.N.)
Shri R.N.Misra	Director (Civil)
Shri A.S.Bindra	Director (Finance)
Shri N.L.Sharma	Director (Personnel)

b) Remuneration to key management personnel is ₹276 lakh (Previous Year: ₹92 lakh), and amount of dues outstanding to the company as on 31.03.2012 is ₹11 lakh (Previous Year: ₹10 lakh).

2.39 Remuneration to Directors (excluding Group Insurance Premium)

	(₹ Lakh)	
	Year ended 31.03.2012	Year ended 31.03.2011
i) Salaries and allowances	257*	71
ii) Contribution to provident fund and family pension fund.	7	6
iii) Gratuity	3	2
iv) Other benefits	9	13
v) Directors' Sitting Fees	15	13

* Includes arrears to Ex-Directors ₹ 146 lakh.

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

2.40 The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guesthouses & transit camps. These leasing arrangements, which are not non-cancellable, are usually renewable by mutual consent on mutually agreeable terms. Employee Benefits Expense include ₹565 lakh (Previous Year: ₹210 lakh) towards lease payments, net of recoveries, in respect of

premises for residential use of employees. Lease payments in respect of premises for offices, guest house & transit camps are shown as Rent / Hiring charges under other expenses / Expenditure during Construction (EDC).

2.41 Impairment of Assets - Accounting Standard - 28

In the opinion of the management, there is no indication of any significant impairment of assets during the year.

2.42 Quantitative details in respect of energy generated & sold:

(As certified by the management)

Sr. No.	Particulars	Year ended 31.03.2012	Year ended 31.03.2011
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1500	1500
iii)	Actual Generation (Million Units)	7610.257	7140.205
iv)	Actual Sales (Million Units) (Net of auxiliary power & free power to Home State)	6634.507	6228.040

2.43 Other disclosures as per Schedule VI of the Companies Act 1956:

(₹ Lakh)			
(A) Expenditure in foreign currency	Year ended 31.03.2012	Year ended 31.03.2011	
i) Consultancy	-	60	
ii) Financing Charges (ECBs)	-	-	
iii) Interest on External Commercial Borrowings (ECBs)	190	408	
iv) Dividend Paid	-	-	
v) Other Miscellaneous Matters	10	4	
(B) Earnings in foreign currency	-	-	
(C) Value of import calculated on CIF basis			
i) Capital Goods	4807	699	
ii) Spare Parts	202	39	
(D) Value of components, stores and spare parts consumed			
i) Imported	53	316	
	(7.30%)	(24.80%)	
ii) Indigenous	673	959	
	(92.70%)	(75.20%)	

2.44 Payment to Auditors includes:

(₹ Lakh)			
Particulars	Year ended 31.03.2012	Year ended 31.03.2011	
As Auditors			
- Statutory Audit	6	8	
- Tax Audit	1	2	
- Limited Review	4	4	
For other services (Certificates etc.)	6	1	
Reimbursement of Expenses	4	2	
Total	21*	17*	

* Includes ₹4 lakh (Previous Year: ₹3 lakh) for earlier years.

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

(₹ Lakh)			
PARTICULARS	CURRENCY	As at 31.03.2012	As at 31.03.2011
Borrowings, including Interest	USD	121751	82021
Accrued but not due thereon	EURO	-	2185
	NOK	-	1336

2.46 As per the Guidelines on Corporate Social Responsibility (CSR) for Central Public Enterprises (CPEs), the company is required to spend a minimum of 0.50% of Profit After Tax (PAT) of Previous year. BOD approved an amount of ₹784 lakh (0.86% of PAT of previous year) to be spent during the year 2011-12 and the same has been booked to CSR expenditure during the year as per Accounting Policy 1.13(d).

2.47 Information in respect of micro and small enterprises as at 31st March 2012 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Amount
a) Amount remaining unpaid to any supplier: Principal amount Interest due thereon	8 -
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-
d) Amount of interest accrued and remaining unpaid	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23 of MSMED Act.	-

For and on behalf of the Board of Directors



(Soumendhra Das)
Company Secretary



(A.S. Bindra)
Director(Finance)



(R.P. Singh)
Chairman and
Managing Director

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.
For Hingorani M. & Co.
Chartered Accountants



(Pardeep Kumar)
Partner
M.No.085630

Place: New Delhi
Date : May 28, 2012



SJVN Limited
Registered and Corporate Office
Himfed Building, New Shimla – 171009

FORM OF PROXY

I/ We..... being Member/ Members of SJVN Limited hereby appoint
 Mr./Mrs./Miss..... of
 in the district of or failing him
 Mr./Mrs./Miss..... of..... in the district of as my/ our proxy
 to vote for me/ us on my/ our behalf at the **24th Annual General Meeting** of the Company to be held on **Monday, the 3rd September 2012** at
"Hotel Peterhoff, Chaura Maidan, Shimla – 171004" at **1600 HRS** and at any adjournment thereof.

Folio/ Client ID									
DP ID No.									
No. of Share held									

Please affix
 ₹ 1
 Revenue
 Stamp

 (Signature of Member)

Note: Proxies in order to be valid must be duly filled in, stamped, signed and deposited at the Registered Office of the Company not less than 48 hours before the time of commencement of the Meeting

SJVN Limited
Registered and Corporate Office
Himfed Building, New Shimla – 171009

ATTENDANCE SLIP

PLEASE COMPLETE THIS ATTENDANCE SLIP AND HAND IT OVER AT THE ENTERANCE OF THE MEETING HALL.

Name of Member/ Proxy.....
(Surname)
(First)
(Middle)

I hereby record my presence at **24th Annual General Meeting** of the Company to be held on **Monday, the 3rd September 2012** at **"Hotel Peterhoff, Chaura Maidan, Shimla – 171004"** at **1600HRS**

Folio/ Client ID									
DP ID No.									
No. of Share held									

 (Signature of Member)

Upcoming 412 MW Rampur Hydro Electric Project



APPEAL

Dear Shareholder,

Sub: Request to Save Environment - Go Green Initiative.

Ministry of Corporate Affairs (MCA) has issued a Circular No. 17/2011 dated 21.04.2011 regarding "Green Initiatives in the Corporate Governance", whereby MCA has allowed paperless compliances by Companies, by service of document through electronic mode.

As an enlightened corporate citizen, we propose to send all future shareholders' communications like Notices, Company's Annual Report etc. through electronic mode. This will ensure prompt receipt of communication and also help in avoiding loss in postal transits besides saving environment.

Shareholders, who wish to register their email ID can visit <http://www.linkintime.co.in/gogreen.asp> and register their email id. We appeal to all the shareholders to avail this facility and strengthen the Go Green movement and also enable us to serve you better.

Thanking you,

Soumendhra Das
Company Secretary

REMINDER

Sub: Payment of Dividend For The Year 2009-10 & 2010-11

Your company SJVN Limited declared the dividend for the year 2009-10 on 15th September 2010 and for the year 2010-11 on 26th August 2011. All those Shareholders who were on the register of members on the respective record dates (i.e. 2nd September 2010 and 19th August 2011) are entitled to receive the dividend.

Your company made multiple attempts to dispatch your dividend. In case you being a member on the above dates and have still not received the dividend for the said years, you are requested to intimate through post or email (cs.sjvn@sjvn.nic.in) or fax (0177-2670737) quoting your DP id and Client id, to enable us to take prompt action.

Thanking you

Soumendhra Das
Company Secretary

Dt. 23rd July 2012

LOCATION MAP



एसजेवीएन लिमिटेड SJVN Limited

(A Joint Venture of Govt. of India & Govt. of Himachal Pradesh)

A Mini Ratna & Schedule 'A' PSU

Regd. Off.: Himed Building, New Shimla, Shimla-171 009

Expediting Office: Icon Building, C-4, District Centre, Saket, New Delhi-110 017

Phone: 011-41659207, 41659205, Fax: 011-4169204

Visit us at: www.sjvn.nic.in

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