



SJVN
वार्षिक रिपोर्ट
ANNUAL REPORT
2012-2013



SJVN... stepping towards
*"Inclusive and sustainable Growth
with speed through Diversification"*



एसजेवीएन लिमिटेड
SJVN Limited
(A joint Venture of Govt of India & Govt. of H.P.)

BOARD OF DIRECTORS



Raghunath Prasad Singh
Chairman & Managing Director

Functional Directors



Ramesh Narain Misra
Director (Civil)



Amarjit Singh Bindra
Director (Finance)



Nand Lal Sharma
Director (Personnel)



Rakesh Kumar Bansal
Director (Electrical)

Govt. Nominees



G. Sai Prasad
Nominee Director, GOI



S.K.B.S. Negi
Nominee Director, GOHP



Kamaljit Singh Gill
Independent Director



S.M. Lodha
Independent Director

Independent Directors



Asha Swarup (Mrs)
Independent Director



Arun Mahajan
Independent Director



D.V. Dharmik
Independent Director

THE BOARD OF DIRECTORS - BRIEF PROFILES

Mr. Raghunath Prasad Singh, 58 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 27 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, SJVNs Nathpa Jhakri 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, 55 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 34 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 and Civil Contracts, Geology and Environment wings of the company.

Mr. Amarjit Singh Bindra, 53 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 30 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, 49 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 incharge of Human Resources functions including Personnel And Administration, Rehabilitation & Resettlement, Legal, Procurement, Corporate Communications etc.

Mr. Rakesh Kumar Bansal, 53 years has been appointed as Director (Electrical) with effect from 31st Oct, 2012. Sh. Bansal, is a graduate from the National Institute of Technology, Allahabad in Mechanical Engineering Degree and a Postgraduate Degree Holder in Marketing, Production and Development Studies from Indian Institute of Management, Kolkata. Earlier Shri Bansal had been holding the charge of Executive Director of the country's largest 1500 MW Nathpa Jhakri Hydro Power Station owned and operated by SJVN Limited, since Oct. 2011. Sh. Bansal was also posted in Quality Assurances and Inspection Department, Corporate Planning & Monitoring Deptt. and Commercial & System Operation Deptt in SJVN Corporate Office at Shimla. He has also served in Uttarakhand Power Corporation for 7 months as Executive Director and involved in Commercial set up in Uttarakhand Power Corporation. Before joining SJVN, he has rendered his 13 years services in various posts in BHEL Haridwar.

Mr. G. Sai Prasad, 46 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. Presently, he is also heading NHPC as its Chairman and Managing Director.

Mr. S.K.B.S. Negi : 57 years, has been an Non-Executive director on our Board since January 24, 2013 as the Nominee of Government of Himachal Pradesh. Mr. Negi is a 1985 batch Indian Administrative Services Officer. He holds a Masters Degree in Business Administration in addition to a LLB Degree. He has more than 27 years of experience and has served on various key State Government administrative positions in various Departments including Transport, Administration, Social Welfare, Revenue etc. He has served as Principal Secretary, Rural Development and Panchayati Raj to Govt. of Himachal Pradesh and also as Deputy Commissioner of Bilaspur, Kangra, and Shimla Districts. In addition, he has been on Boards of various State Corporations and Co-operatives including term as Director (Finance & Administration) in HPSEB Ltd. for 2 years.

Mr. Kamaljit Singh Gill, 66 years, is an independent Director on our Board since September 14, 2011. A graduate in Electrical Engineering from Punjab University, Mr. Gill possesses over 40 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 61 years is an independent director on our Board since September 14, 2011. Mr. Lodha holds a Honors Graduate in Commerce, Law and Post Graduate in Business management. He has over 39 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, 63 years, is an Independent Director on our Board since 14th September, 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, 61 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 40 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, 64 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 25th Annual General Meeting of the Members of SJVN Limited will be held on 12th September 2013, Thursday, at 1500 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, 2013 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 2012-13.
3. To appoint a Director in place of Smt. Asha Swarup, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri Arun Mahajan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri D.V. Dharmik, who retires by rotation and being eligible, offers himself for re-appointment.

By order of Board of Directors



(Soumendra Das)
Company Secretary

Regd. Office :-
Himfed Building
New Shimla – 171009

Date: 30th July, 2013

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 (03:00 PM) on, the 10th September 2013. Blank proxy form is enclosed.
2. As required by Clause 49 of the Listing Agreement(s), the relevant details of Smt. Asha Swarup, Sh. Arun Mahajan and Sh. D.V. Dharmik – 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 Folio/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 6th September 2013 (Friday) to 12th September 2013 (Thursday) (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 17th September 2013.
7. The Board had recommended a Final Dividend @ ` 0.96p per share at its 221st meeting held on 29th May 2013. 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 5th September 2013 (Thursday).
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, 44-Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, 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 2013-14 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:
 - (i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - (ii) to the Company at its Registered Office or its Registrar & Transfer Agent, Link In time 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.

BRIEF RESUME OF THE DIRECTORS SEEKING RE- ELECTION

Directors seeking re-election at the 25th Annual General Meeting.

Name	Smt. Asha Swarup	Shri Arun Mahajan	Shri D.V. Dharmik
Date of Birth	03rd July 1950	14th February 1952	12th September 1948
Date of Appointment	14th September 2011	14th September 2011	14th December 2011
Qualification	Post Graduate Degree in arts from Delhi University.	Graduate in Civil Engineering from Panjab Engineering College Chandigarh (Gold Medalist).	Law and Science graduate from Nagpur University.
Expertise in Specific Functional Area	An officer of Indian Administrative Service, she has served on various key 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.	Has over 40 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.	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.
Directorship held in other Companies	NIL	NIL	NIL
Membership/ Chairmanship of Committees across all the public companies (as per clause 49 C of the listing agreement)	NIL	NIL	NIL
Number of Shares Held	NIL	NIL	NIL

CHAIRMAN'S LETTER TO SHAREHOLDERS



Dear Shareholders,

As SJVN completes 25 years of its remarkable and challenging journey in Power Sector, it is my privilege to review our exciting journey of growth and also to give you a glimpse of the stellar future of our company that lies ahead beyond 25 years.

As you know that, our Company was incorporated with the sole object of executing the largest and one of the most challenging Hydroelectric Project in the history of the country i.e. Nathpa Jhakri Hydro Electric Project (NJHEP). Despite various trials and tribulations, our Company successfully managed to create a "Marvel of modern engineering" or as Pandit Jawaharlal Nehru once said "Temple of Modern India" in form of NJHEP.

The Project has been running successfully over the past 9 years constantly achieving new milestones and setting new benchmarks of excellence. Your company has managed to achieve and sustain excellent physical and financial performance since commissioning of the NJHPS. In the process the company gained invaluable experience & expertise to conceptualize, develop, operate and maintain Hydro Power schemes of complex dimensions. We believe that it is not the machines but the team of men behind them who have enabled us to raise the bar for others in the industry. We count our team of motivated people as the biggest asset of our company and we plan to utilize this asset to the best benefit of the company and all its stakeholders.

The Annual Audited Accounts along with the Report of the Auditors and Directors for the year 2012-13 are presented for your appraisal.

HIGHLIGHTS OF THE YEAR 2012-13

Your company's flagship project, the 1500MW Nathpa Jhakri Power Station (NJHPS) continued to achieve new milestones during F.Y. 2012-13. The Plant Generated 6777.77 MUs of energy and exceeded design energy of 6612 MUs at a record Normative Plant Availability Factor of 105.15%. The power station also established a record by generating 1186 million units of electricity in a single month during July, 2012. Similarly, the highest single day generation (till that time) of 39.015 MUs was achieved on 27th July 2012.

As regards the Financial performance, due to lesser discharge of water during the year under review, lesser energy was generated which

resulted in decrease in Revenue to `1682.10 crore as compared to `1927.50 crore for the corresponding period of the previous year. However, despite decrease in revenue by 12.73%, Profit After Tax decreased only by 1.53% to `1052.34 crore as against `1068.68 crore during the previous year.

Your Board has recommended a dividend of `0.96 per share (`397.12 crore) as against the dividend of `0.94 per share (`388.84 crore) for the previous year despite a marginal decrease in Profit. The dividend yield on the Company's shares is one of the best amongst all peer group Power Sector Companies.

HIGHLIGHTS OF THE YEAR 2013-14

The NJHPS established another milestone of crossing 60,000 million units of power generation on 14th June 2013. On 21st May 2013, the NJHPS has achieved highest ever daily record generation of 39.079 MUs.

During the financial year 2013-14, SJVN targets to generate 6930 million units of power (under Excellent parameters) with an expected revenue realization of `1783 crore from NJHPS as well as its upcoming 47.6MW Khirvire Wind Power Project (55 MU), in Maharashtra.

The Gross Energy Generation till 31st July 2013 was 3478.314 MUs as against 3278.063 MUs for the corresponding period of previous year.

SJVN is scheduled to commission the Khirvire Wind Power Project of 47.6MW capacity in Maharashtra. This happens to be our first foray into tapping non-conventional energy sources. By the year end SJVN would also be commissioning its second hydroelectric project, the 412MW Rampur HEP in Himachal Pradesh.

FUTURE PLANS & STRATEGIES

Without resting on the past laurels, your company is now all poised for taking a quantum leap into new vistas of growth and evolution in the next 20 years. Growth, Expansion and Diversification will be the key words that will define the course of Company's business in the coming years. Your Management is devising aggressive Business Development strategies in this direction. We shall be striving hard to make SJVN a globally admired company with portfolio of 30,000 MW capacity, having presence in all sectors of energy including renewables by 2030.



Presently, the Company is primarily engaged in Hydro Power Generation which is a clean and green energy source. However, Hydro Power has its own set of risks and disadvantages - Prolonged gestation periods, High cost of construction, Environmental issues, Geological Risks, Political Risks, Rehabilitation & Resettlement costs, Infrastructural development costs, Government Policies etc.

Diversification is the tried and tested remedy to contain the risks of exposure to a single sector. Diversification into Conventional & Non-conventional Energy will help the company to rapidly expand and diversify its existing Project Portfolio thereby mitigating the risks associated with exposure to a single sector.

On conventional energy front, Thermal Power remains the biggest source of Power in India and accounts for over 65% of India's generated electricity. Thermal Power has advantages of a low gestation period, lower costs and proven technology. The existing power deficit and the rising demand, coupled with the Government's commitment to provide access to Electricity for all, necessitate a large scale capacity addition programme. As per the National Electricity Plan 2012 during the 12th plan 67,746 MW of capacity addition is planned from Thermal Sector which represents a huge window of opportunity to Power Companies. Accordingly, approval of shareholders was sought in November 2012 to enable the Company to enter into Thermal Sector.

I am extremely delighted to inform our shareholders that the Company has made a roaring debut into the Thermal Sector by securing 1320MW Buxar Bijlee Project in Bihar. We have also been allotted Coal block in the 2102 MT Deocha-Pachami Coal Block located in West Bengal for the Project.

On the non-conventional energy front, we consider Wind and Solar Energy as highly promising avenues for the future, not only nationally but also globally. The Company was early to recognize and seize this opportunity. Our maiden Wind Energy Project is scheduled to be commissioned in FY 2013-14 itself. Similarly, the company has already initiated the process for setting up its first Solar Project in Gujrat. The Company will continue to invest its men and resources to explore and expand into the domain of non-conventional energy.

The Status of on going Projects has been amply covered in the Directors' Report 2013 and hence, I would only like to mention that the other projects, namely, Luhri (588 MW); Dhaulasidh (66 MW) (both projects in Himachal Pradesh); Devsari (252 MW), Naitwar Mori (60 MW), Jakhol Sankri (51 MW) (all the three projects in Uttarakhand); Arun-III (900 MW) in Nepal and Kolangchu (600MW) and Wangchu (570MW) projects in Bhutan; all of these are in different stages of execution.

In addition, Pre-feasibility reports of 60MW Ranganadi Stage II Project, 378 MW Kameng-1 Project and 80 MW Doimukh projects in Arunachal Pradesh have been prepared and SJVN in all probability, we would be executing these projects in the coming years.

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT

SJVN perceives welfare and development of its host community more as a responsibility rather than an obligation. Our substantial social

investment is based on our strong belief that our success as a business is tied directly with the socio-economic vitality and health of the communities around our business units. We value the partnerships we build with the communities around our units. For us, CSR is "Corporate Social Relationship".

The Company's CSR initiatives have received high recognition and admiration from all quarters and are quoted as an example for other companies to follow. For its exemplary efforts the company received the "Most Caring Company Award" from the World CSR Congress in February 2013 and "Vishvakarma Award" from CIDC in March 2013.

CORPORATE GOVERNANCE

As a listed company, your company has been complying with the requirements of Corporate Governance under the listing agreement and also Guidelines issued by Department of Public Enterprises, Government of India in this regard. The Company has also obtained a certificate from Practicing Company Secretary regarding compliance with Corporate Governance requirements under the listing agreement.

Your company has achieved "Excellent" rating for compliance with DPE Guidelines on Corporate Governance during F.Y. 2012-13 under Corporate Governance grading system prescribed by DPE for the second year in a row.

ACKNOWLEDGMENT

I take this opportunity to express my sincere gratitude for the immense support and co-operation received from the Government of India, State Governments of Himachal Pradesh, Uttarakhand, Bihar, Arunachal Pradesh, Maharashtra and Gujarat, the Governments of Nepal and Bhutan, other Governmental and Non-Governmental agencies, Statutory, Cost and Internal Auditors, our Customers, Business associates who have supported the Company, various Financial Institutions & Bankers, Regulatory authorities for their continued support and above all the Shareholders, Investors and Partners in the growth of the Company for their continued confidence and trust in the Management.

I also convey my thanks and appreciation to my esteemed colleagues on the Board for their valuable support and guidance, to my team of dedicated and hardworking employees which enabled us to achieve all milestones with distinction; and one and all for reposing trust in me and granting me opportunity to steer this wonderful organization.

Thanking you,

Yours sincerely,

(R.P. Singh)

Chairman & Mg. Director

Place: New Delhi

Date : 31st July, 2013

DIRECTORS' REPORT 2013

Dear Members,

Your Directors are pleased to present the Twenty Fifth Annual Report of the Company for the year ended March 31, 2013 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 2013 briefly encapsulates the performance of your company.

1. FINANCIAL HIGHLIGHTS

(` In crore)

PARTICULARS	2012-13	2011-12
REVENUE		
Revenue from Operations	1682.10	1927.50
Other Income	234.52	209.29
Total Revenue	1916.62	2136.79
EXPENSES		
Employees' Benefits Expense	109.54	111.15
Finance Costs	54.06	83.65
Depreciation and Amortization Expenses	446.67	446.00
Other Expenses	121.77	137.37
Total Expenses	732.04	778.17
Profit before exceptional items and Tax	1184.58	1358.62
Exceptional Items	-	12.73
Profit Before Tax	1184.58	1345.89
Tax Expenses:		
- Current Tax	180.29	329.28
- Deferred Tax	(48.05)	(52.07)
Profit for the Year	1052.34	1068.68
Appropriations		
Proposed Final Dividend	397.12	388.84
Tax on Final Dividend	67.49	63.08
Total Dividend Including Tax	464.61	451.92

2. GENERATION

Gross generation during the year was 6777.777 MUs achieved as against 7610.257 MUs during the previous year. The Normative Plant Availability Factor (NPAFA) during the year also peaked at 105.15% against the normative average of 82%, and 104.262% in previous year. The design energy for the NJHPS is 6612 MUs as approved by CEA. The MOU target assigned by the Ministry of Power, Govt. of India for the Very Good Rating was 6800 MUs.

3. DIVIDEND

The Company earned a net profit after tax of ` 1052.34 crore during the year as compared to ` 1068.68 crore in the previous year. Your Directors have recommended a dividend of ` 397.12 crore as against dividend of ` 388.84 crore for the previous year. The dividend shall be paid after your approval. The declared dividend per equity share comes to ` 0.96 as against ` 0.94 during the previous year.

4. PROJECTS UNDER EXECUTION

4.1 RAMPUR HYDRO ELECTRIC PROJECT (412 MW)

The Rampur project with a generation potential of 412 MW is located on River Satluj, a major tributary of Indus basin, in Shimla and Kullu district of Himachal Pradesh in North India. The project is designed as a cascade tandem operating plant to NathpaJhakri plant. The Design Energy approved for Rampur HEP is 1770 million units of electricity per year.

The construction of Rampur HEP is nearing completion. Despite a few geological surprises encountered during construction, the HRT of 15177m has been fully excavated whereas its Overt Lining completion is 13809m (90%) and Inverts Lining completion is 7713m (51%). Surge shaft Lining already stands completed since 31st August 2012. The erection of underground Pen Stock of 648m length is complete and out of 576m, surface Pen Stock Erection is 414m complete i.e. 71%.

Structures of Butterfly Valve House, Power House and GIS Building are complete and erection of various Electro-Mechanical components viz. Generator Transformers, Pot Head Yard components, MIV's, Bus-duct, cabling etc. is in progress. Out of six units, 4 Nos. units have already been boxed up and the remaining 2 nos. alongwith auxiliaries are in progress.

5. PROJECTS UNDER SURVEY AND INVESTIGATION

5.1 ARUN-III PROJECT (900 MW) WITH ASSOCIATED TRANSMISSION LINE

The project is a run-of-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.

Surveys, Geological Investigation and Soil investigation of the Project and associated Transmission Line Route have been completed. Further, Detailed Project Reports (DPRs) for both Generation Project and Transmission Line have been submitted to CEA and are in advanced stage of clearance.

Various parallel activities like Environmental Clearance, Forest Clearance / Licenses / Statutory requirements in Nepal are in progress.

A wholly owned subsidiary company of SJVN namely "SJVN Arun-3 Power Development Company Pvt. Ltd." has been incorporated in Nepal on 25th April 2013 for implementation of the Project.

Project Development Agreement (PDA) is in advanced stage of negotiation with Investment Board, Govt. of Nepal and is expected to be signed shortly. Project infrastructure activities will begin with the signing of PDA, followed by commencement of actual construction.

5.2 LUHRI PROJECT (588 MW)

The Luhri Project with a generation potential of 588 MW is located on River Satluj, a major tributary of Indus basin, in Shimla/Kullu/Mandi district of Himachal Pradesh in North India. The project is designed as a standalone run of the river project. The Luhri project has the potential to generate 2244 million units in a 90% dependable year. The estimated cost of the project at January, 2013 price level is ` 7137.02 crores.

DPR for the Project was submitted to CEA on 22nd March 2011. In the meantime Environmental Appraisal Committee has recommended increased amount of ecological flow. As such the Project capacity has been revised to 588 MW with a Power House of 24 MW in the toe of dam. The revised DPR for 588 MW capacity has been submitted to CEA on 14th March 2013 and is under examination in CEA. 1st stage Forest clearance has been accorded to the Project. Environmental Appraisal Committee has recommended the Project for accord of Environmental Clearance. Formal Environmental clearance from MOEF is awaited.

5.3 DHAULASIDH PROJECT (66 MW)

The Dhaulasidh Project with a generation potential of 66 MW is located on River Beas, part of the Indus basin, in Hamirpur district of Himachal Pradesh in North India. The project is designed as a run of the river project with a small live storage that would be utilized for peaking power during the lean season. The Dhaulasidh project design holds potential of generating 247.25 million units of electric energy in a 90% dependable year. The estimated cost of the project at June, 2012 price levels is ` 774.19 crores including IDC. Construction period of the project is 54 months.

Techno-economic clearance has been accorded by Directorate of Energy, GOHP for 66 MW. Investment proposal has been submitted to MoP, Govt. of India for approval. Environment clearance has been accorded by MOEF but the matter was referred back to rectify the discrepancies in the clearance. Stage-II of Forest clearance shall be processed after obtaining revised environment clearance.

The case for fixation of rate for acquisition of private land in Distt. Hamirpur under consideration of GoHP. As regards acquisition of private land in Distt. Kangra, notification under section 6&7 has been issued by GoHP and the process of demarcation u/s 8 and "claim notice service" u/s 9 of LA Act 1894 is going on in these villages.

5.4 UTTARAKHAND PROJECTS

Devasari HEP (252 MW) - A standalone Run-of-River (RoR) scheme with a generation potential of 252 MW is located on River Pinder, in Chamoli district of Uttarakhand state in North India. The Devasari project has the potential to generate 936.90 million units of electricity each year and the estimated cost of the project at June, 2012 price levels is ` 1790.09 crore. The execution period of project is 5 years.

The TEC of the Devasari HEP for 252 MW was accorded by CEA during August, 2012. The Environment Appraisal Committee of MOEF had recommended the Environmental Clearance for the Project in December, 2011 and formal letter from MOEF, Govt. of India is awaited. Forest clearance of the Project is yet to be accorded by Govt. of India. The process for acquisition of private land is complete. Mining and Explosive clearance of the Project are in advance stage of approval. The process of pre-qualification of bidders for major civil works has been completed and the tendering process for infrastructure works is in progress.

Naitwar Mori HEP (60 MW) – The Naitwar Mori Project with a generation potential of 60 MW is located on River Tons, a major tributary of River Yamuna in Uttarkashi district of Uttarakhand state in North India. The project is designed as a standalone run of the river project and has the potential to generate 265.5 million units of electricity each year. The estimated cost of the project at September 2012 price levels is ₹ 664.6 Crore and estimated construction period is 4 years.

The DPR of the project has been approved for 60 MW by Govt. of Uttarakhand. EAC has recommended the Project for Environment Clearance in its meeting held on 27.12.2011. Regarding forest land diversion, State Advisory Group (SAG) in its meeting held on 15.03.2013 has recommended the case for forest clearance. The CAT Plan of the project has been approved by GoUK on 10.12.2012. For acquisition of private land, the cost of private land has been paid by SJVN to GoUK and payment to some of the land owners has also been made by LAO.

Jakhol Sankri HEP (51 MW) –The Jakhol Sankri Project with a generation potential of 51 MW is located on River Supin, a tributary of River Tons in Uttarkashi district of Uttarakhand state in North India. The project is designed as a standalone run-of- river project and has the potential to generate 216.26 million units of electricity each year. The estimated cost of the project at March 2012 price levels is ₹ 411.85 Crore and the estimated construction period is 4 years.

Drilling of 1115m has been done. Drift of 78m at Power House Site and 183.40m at Barrage site have also been completed. DPR has been submitted to Uttarakhand Govt. on 29.12.2011 for TEC and is being examined by Urja Cell of Govt. of Uttarakhand. State Board for life in its meeting held on 16.03.2013 has recommended the project for clearance by NBWL.

5.5 ARUNACHAL PRADESH HYDRO PROJECTS

Doimukh Hydro Electric Project (80 MW) - SJVN has carried out Survey & Investigation work for preparation of Pre-Feasibility Report 80 MW Doimukh HEP in the state of Arunachal Pradesh and submitted to CEA, Government of India. Govt. of Arunachal Pradesh has accorded its in principle approval for allotment of 80 MW Doimukh HE Project to SJVN for execution on BOOT basis, for which Memorandum of Agreement shall be signed shortly.

In addition, SJVN has identified two Hydro-Electric Power Projects in Sei basin namely 70 MW Lebri Laigi HEP & 30 MW Rumte HEP and has submitted their PFRs to Govt. of Arunachal Pradesh during Feb, 2013.

6. CONSULTANCY

6.1 PROJECTS IN BHUTAN

Kholongchu H.E. Project (600MW) - Kholongchu HEP with the installed capacity of 600 MW on the river Kholongchu in Bhutan will annually generate 2568.88 MU of energy.

The DPR was submitted to CEA for vetting in March 2011, which has been approved in principle by CEA on 05.11.2012. Royal Govt. of Bhutan (RGoB) approved DPR on 23.05.2013.

As regards Forest Clearance, Joint public meeting was held on 25th October 2012 with affected communities / villagers and their consent has been obtained. Chief Forest Officer, Trashigang issued NOC on 13.11.2012 and forest Deptt. is in process of issuing Forest Clearance.

It is expected that this project will be implemented by a joint venture company comprising of SJVN and DGPC, Bhutan.

Wangchu H.E. Project (570 MW) - Wangchu HEP with the revised installed capacity of 570 MW as a run of river scheme on the river Wangchu in Bhutan will annually generate 1968.55 MU of energy.

DPR was submitted to CEA/MOE (RGoB) on dated 30.12.2011 and the same is under examination in CEA. The EIA/ EMP report has been submitted to RGoB on 29.06.2012. Public consultation Meeting was conducted on 31.10.2012. Application for Forest Clearance has been submitted to Chief Forest Officer, Gedu on 17.01.2013.

It is expected that this project will be implemented by a Joint Venture company comprising of SJVN and DGPC, Bhutan.

7. PROJECTS UNDER JOINT VENTURE

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

SJVN's Equity portion in the project has been taken over by NEEPCO.

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

SJVN has been awarded work for Consultancy services to provide liaison and co-ordination services for an amount of ₹ 110 lacs from M/s CPTC.

Equity of ₹ 492 lacs has been injected in Cross Border Power Transmission Company Limited (CPTC). Bids have been invited for execution of Power Transmission line during March, 2013 and are under evaluation. Loan arrangement (20:80) has been tied-up from PFC.

8. FURTHER DIVERSIFICATION

SJVN Limited envisions to develop itself into a "Fully Diversified Transnational Power Sector Company" in all types of conventional and non-conventional forms of energy and in this direction has ventured into Thermal, Solar and Wind Generation and Transmission Businesses. Following projects have been added to our portfolio during the previous year:-

8.1 THERMAL PROJECTS

Buxar Thermal Project (1320 MW)

The Shareholders of the Company approved the alteration of Object Clause of the Memorandum of Association by removal of the word "except thermal" from Clause 1(a) of the Main Objects clause through postal ballot dated 28th November 2012 thus removing the restriction on the Company to enter into thermal power generation.

In accordance with the mandate from the Shareholders the CMD signed a MOU with Bihar Government on 17th January 2013 for setting up Green Field 1320 MW (2 x 660 MW) Super critical Technology Thermal Power Project at Chausa village in Buxar district. As per the MOU, the project is to be acquired by acquisition of SPV Company – Buxar Bijlee Company Private Limited (BBCPL) and accordingly, the SPV Company was taken over by SJVN on 04th July, 2013.

Power Purchase Agreement (PPA) has already been signed with Bihar State Power Holding Company Limited (BSPHCL) which is holding company of BBCPL, for 85% share of power generation on bus bar rate.

Vide Ministry of Coal communication dated 3rd July 2013, SJVN has been allocated 486 MT of Coal reserves in the 2102 MT Deocha-Pachami Coal Block located in West Bengal for the Buxar Thermal Project. In addition the possibility of sourcing of coal through import is also being explored. Cabinet approval for diversion of 11.27 acres of Govt. land has been obtained from Govt. of Bihar. Land acquisition for 1070 acres of Private land is under process.

8.2 WIND PROJECTS

Khirvire Wind Power Project in Maharashtra (47.6 MW)

SJVN has ventured into wind energy power generation, and is setting up a 47.6 MW (56 No. X 850 KVA) Khirvire Wind Power Project at Khirvire & Kombhalne villages in Ahmednagar district of Maharashtra. The project will have an Annual Energy Generation of 85.85 MU at a present Feed in Tarrif of ₹ 5.81 per KWh.

Letter of Award (LoA) for the Khirvire Wind Power Project was issued to M/s Gamesha Wind Turbines Pvt. Limited, Chennai on 19.10.2012. The Contract Agreement for the project has been signed on 14.12.2012.

The project will also have a 132KV Transmission Line from Akole Grid Sub-station to Wind Farm Pooling station. The Grid/Infrastructure approval in respect of power evacuation from Maharashtra State Electricity Transmission Corporation Limited (MSETCL) has been obtained and approval of drawings and estimates for construction of

Transmission line network, for evacuation of power for the KWPP is being obtained from MSETCL.

The erection activities of Wind energy generation (WEG) is at its peak and project will be commissioned during the year 2013 and will annually generate around 85 MU.

8.3 SOLAR PROJECTS

SJVN is also venturing into Solar Energy and intends to establish a 5 MW Solar Photovoltaic Plant in Gujarat. The land allocation for the project at Charanka Solar Park in Gujarat has been done.

The 5 MW solar power project is expected to annually generate around 8 MU and the project will be registered under Renewable Energy Certificate (REC) mode.

9. CURRENT PERFORMANCE 2013-14

For the quarter ending 30th June 2013, the power generated was 2329.757 MUs (previous year: 2091.515 MUs). The total Income from sale of power recorded was ` 537.68 crore as against ` 504.10 crore for the corresponding quarter of the previous year.

10. ENVIRONMENT

Your company has adopted an Environment Policy in 2006, in response to its commitment and concern for sustainable development. In support to this policy, all projects are being regularly reviewed from legal stipulation angle as well as internal procedure and have shown complete compliance to all conditions stipulated by the Government of India while granting Environment and Forest Clearances.

Company's Corporate Objective also promotes conservation and protection of environment as in 'striving clean and green project environment with minimal ecological and social disturbances'. Towards this end, your company has formulated a comprehensive Environment Management Plan to ameliorate any potential environmental impacts for sustenance of resources over a long term.

The Environment Management Plan (EMP) for NJHEP had been formulated for ` 35.85 Crore out of which ` 29.34 Crore has been spent so far. Activities such as compensatory afforestation, muck disposal plan, fisheries sustenance, green belt development, environment monitoring etc. have been completed while CAT plan works are under implementation by State Forest Department.

The Environment Management Plan (EMP) for RHEP has been approved for ` 45.52 Crore out of which ` 30.62 Crore have been spent on various ongoing measures such as compensatory afforestation, fisheries development, CAT plan, public awareness programmes, environmental monitoring, establishing emergency communication systems, etc and another ` 17.76 Crore has been spent on protection of muck dumping sites. These dumping sites are being restored by using state of the art Geo-green erosion control blanket system which have been designed and evolved to provide an integrated solution for slope stabilization. Made from bio-degradable coconut fibers and reinforced with high-density polyethylene threads, these blankets not only retain water for longer periods but gradually biodegrade naturally to fully blend with the soil conditions. The success achieved in RHEP has prompted us to replicate this technique in all our other projects.

True to its commitment for self-regulation and environment protection, your company has also established an Environment Laboratory at Jhakri 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, solid waste testing and metal analysis.

11. SUSTAINABLE DEVELOPMENT

SJVN developed the Sustainable Development (SD) Policy in line with Department of Public Enterprises (DPE) guidelines with a purpose to ensure that the three pillars of Sustainable Development, viz. Social, Economic and Environment are adequately taken care of while developing a project.

In the year 2012-13, SJVN earmarked ` 583.43 Lakhs for SD activities. SJVN formulated a Board level designated Sub Committee namely CSR, SD & R&D Committee with an Independent Director as the Chairman of

the Committee to monitor performance of CSR, SD & R&D activities. During FY 2012-13 three meeting were held to monitor the performance of CSR & SD activities and it was decided that as SD has been integrated into CSR function in revised guidelines on CSR and Sustainability, as such SD activities and SD budget will be merged with CSR activities and CSR budget respectively from 2013-14 onwards.

In FY 2012-13, SJVN has carried out the following Sustainable Development activities:-

1. Sewerage Treatment Plants
2. Rain Water Harvesting
3. Land Rehabilitation at RHEP
4. Training in CDM / SD
5. Energy Efficiency- installation of solar lights in SJVN's guest houses.
6. Drinking water supply schemes / restoration of dried- up water sources
7. Afforestation / Plantation / Horticulture / Agriculture Development etc.

12. REHABILITATION AND RESETTLEMENT

SJVN has implemented R&R Plans in NJHPS, RHEP incurring cumulative expenditure of ` 13.60 Crore and ` 26.80 Crore respectively. SJVN has adequately compensated all the 2596 land owners under the provisions of Land Acquisition Act whose land was acquired for execution of NJHPS. Due to the intervention of Government of Himachal Pradesh to settle the land compensation cases under Section 28-A of Land Acquisition Act pending with Land Acquisition Collector, NJHPS Jhakri, an out of Court settlement dated 26.04.2007 was entered into among Government of Himachal Pradesh, SJVN and the interest holders and the re-determined compensation in respect of 245 cases amounting to ` 12 crore approximately was deposited with LAC NJHPS Jhakri for onward disbursement to the concerned interest holders. Not only this, SJVN has also agreed to pay re-determined amount of compensation even to those interest holders who could neither approach the Hon'ble court for enhancement of compensation nor filed any application for re-determination. In compliance to the said commitment by SJVN, a requisite notification to invite applications from such category of left out interest holders has already been published and after due verification and process required for the purpose, the case for payment of compensation is under consideration. In RHEP 37 landless families were already provided rehabilitation package ranging from ` 45,000/- to ` 65,000/- depending upon the quantum of land acquired. In addition to these 20 landless families have been identified this year who have also been provided rehabilitation package as per their entitlement.

13. CORPORATE SOCIAL RESPONSIBILITY

The Corporate Social Responsibility Plan for the financial year 2012-13 was implemented with an outlay of ` 16.03 Cr. which is 1.5 percent of profit after tax (PAT) of the previous financial year 2011-12. The annual CSR programs were evolved on the basis of baseline survey conducted by an independent external agency, Agro Economic Research Centre, HP University (HP) and are governed through SJVN Foundation. In this financial year, SJVN has launched its flagship CSR programme "SJVN Silver Jubilee Merit Scholarship Scheme" under which 147 meritorious students of 12th standard from Himachal Pradesh and Uttarakhand states were awarded ` 2,000 pm each for pursuing higher studies.

As a drive towards skill development of local youth, the Foundation sponsored 60 candidates from Project Affected Areas for various vocational courses in Govt. ITIs. Latest farming techniques to 550 farmers were imparted through various specialized agencies. Under the ITI Adoption Scheme of Govt. of India, the Foundation extended financial assistance of ` 1 Cr. each to ITI Berthin and ITI Bangana in H.P. As a support to upgrade technical education in the State, the Foundation contributed ` 5 Cr. to ABV Govt. Engineering College, Pragatinagar. In the field of health care, the Foundation catered to the prime requirement of people afflicted with muscular dystrophy by providing nine powered wheel chairs. Free medical care to 11,500 local population through mobile health vans (MHV) was extended. An



innovative programme of "Silver Jubilee Women and Child Development Scheme" was launched under which financial assistance of ` 10,000/- each to 10 BPL women was provided for pre and post natal care.

As a measure towards clean environment, garbage disposal containers were installed in 9 villages of NJHPS and RHEP. Giving thrust to participatory approach, Village Development Advisory Committees (VDACs) have been constituted and MOUs executed for construction of community assets in the local villages. 25 community assets like construction of school rooms, play grounds, fencing of play grounds, water fountain in Community Park, shopping complex near Panchayat Bhavan, steel benches at public places etc. have been created in the local area in collaboration with VDACs. The infrastructural works carried out through participatory approach have created employment of 21,500 man days for local people.

As a part of beautification of Shimla, SJVN has signed MOU with Municipal Corporation, Shimla for construction of 6 parks and street scaping of 2 sites at an estimated cost of ` 3.35 Cr. spread over three years.

The CSR implementation of SJVN for the FY 2012-13 has been evaluated by "External Committee of Experts" as per which the Annual CSR Plan has been implemented in conformity with the targets set under MOU 2012-13.

The contribution of SJVN Foundation in CSR area has been adjudged outstanding by civic bodies and forums which are evident from the accolades conferred on SJVN like Achievement Award for Social Development and Impact - 2013 by Construction Industry Development Council (CIDC), Institute of Public Enterprises (IPE) Subir Raha CSR award 2012, Most Caring Companies Award by World CSR Congress, Greentech CSR Appreciation Certificate - 2012, Africa CSR Award.

14. RESEARCH AND DEVELOPMENT

In line with the DPE Guidelines your company has laid special attention in Research and Development for Process Improvement, Product Development etc in its area of operation. Specific areas in which R&D has been carried out during 2012-13 in line with MoU signed with MoP are:-

- Study and implementation of energy efficiency conformance measures for Power House (NJHPS) underground complex
- Development of high strength concrete with reference to SJVN's projects.
- Performance of different types of rock bolts in different kinds of rock strata for standardization.
- Study of self compacting concrete
- Use of synthetic fibres in shotcrete
- Study to improve quality of survey & investigation for DPR preparation.

All the projects have been successfully completed under the guidance of eminent professionals from various engineering fields and in collaboration with renowned institutes like IIT.

Total expenditure on R&D projects completed during the FY 2012-13 was ` 5.94 Crore.

15. HUMAN RESOURCES

Human Resource is valued as "Greatest Assets" of an organization. Today the term "Human Capital" has been coined by Nobel Prize winning Economist Gary S. Becker to reflect their true worth. The present day economy has been titled as "Knowledge Economy" and so talent occupies the center stage in Indian work place. In view of this, managing and retaining talent figures on the critical path en-route to organizational sustainability and success. Powered by about 1800 brain heads, we have immense faith in the capabilities of our human resources and believe in unleashing their potential in all possible ways. We take pride in the fact that the attrition rate for financial year 2012-13 was 0.39%.

SJVN today practices a multi-pronged strategy to meet the aspirations of the ageing work force and "Gen Ys" who have stormed the work place. Leadership development, building competencies, multi-tasking and skill up gradation are meriting attention of the management. In the year ending March 2013, SJVN successfully accomplished the ambitious target of 2 days training to more than 90% of employees.

Our endeavor to achieve a performance driven culture is evidenced by the introduction of 'Robust Performance Management System', to ensure hostile development of employees in addition to its inherent role as an assessment tool. Employees performance, so assessed, is duly recognized by payment of variable pay. For the year 2012-13, while the total expenditure on salary and wages was ` 220.23 Crore, the amount paid as Variable Pay stood at ` 22.44 Crore. Multi rater feedback or 360 degree feedback has also been put to identify competency gaps and draw development plans accordingly.

World over reward and recognition are today recognized as an effective tool to reinforce performance driven culture. Rewards like Employee of the year Award, CMD Award, Best Suggestion Award and Special Recognition/Incentive for Shram Awardees have been introduced to recognize good performance of the employees. Our company's efforts towards human resource development have been appreciated in the form of many awards like 'Gold Shield for meritorious performance by Ministry of Power', 'IPEHR Leadership Award' and 'Indian Human Capital Award' etc.

We are committed to provide a safe, hygienic and humane workplace. Applauding our efforts in this direction, Rampur Hydro Electric Project has been awarded with Vishwakarma Award in the category of "Achievement Award for Construction, Health Safety & Environment".

At SJVN Employee Welfare initiative focus on inclusive welfare of employees and addresses concerns like House Building, Children Higher Education, Health Care Insurance and Routine Health Check-up etc.. We are committed to take care of our valuable 'Human Capital' not only while in service but also after the separation and have introduced many ambitious policies viz Scheme for Rehabilitation of Family of Deceased Employee and Benevolent Fund Scheme, Medical Benefits and pension etc.

The total manpower (excluding deputationists) on the rolls of SJVN was 1479 as on 31st March 2013 as against 1184 as on 31st March 2012. The strength of HPSEB/HP Govt. employees on deputation on the above date was 313 as against 638 on 31st March 2012. As of 31st March 2013 the employees from SC, ST and OBC was 324, 92 and 143 respectively as against 253, 70 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 2012-13, 1688 employees were trained for 5922 man days.

15.1 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.

16. STATUTORY AND OTHER INFORMATION

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"

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



17. DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors' confirm that in the preparation of the annual accounts for the year ended March 31, 2013:

- 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.

18. AUDITORS REPORT

M/s Hingorani M & Co., Chartered Accountants, New Delhi, was appointed by Comptroller & Auditor General as Statutory Auditors of the Company for the financial year 2012-13.

The Report of the Statutory Auditors to the Members on the Accounts for the year ended 31.03.2013 is placed at Annexure "B". Comments of the C&AG of India on the Accounts for the year ended 31.03.2013 are placed at Annexure "C". Comments of Statutory Auditors and C&AG being "NIL", the reply by the Management thereto is not applicable.

18.1 COST AUDIT

Pursuant to the Central Government directions to audit Cost Accounting Records as maintained by the Company, your Company appointed M/s Balwinder & Associates, Cost Accountants, as Cost Auditor for the year 2012-13 with the approval of Ministry of Corporate Affairs for the audit. The Cost Audit Report for the year 2011-12 was filed with MCA on 21st December 2012.

19. BOARD OF DIRECTORS

The Directors Report for the year 2013 contained changes in the Board level positions on account of appointments and cessations up to July 2013. Subsequently, the following changes in the Board have occurred:-

Pursuant to the orders of Ministry of Power, Shri R.K. Bansal, was appointed as Director (Electrical) w.e.f. 30th October, 2012.

Pursuant to the orders of Ministry of Power, Shri S.K.B.S. Negi was appointed as Government of H.P. Nominee Director in place of Shri Deepak Sanan, with effect from 24th January 2013.

Ms. Bharti Prasad and Sh. Ravi Dhingra ceased as Independent Directors from the Board of SJVN with effect from 28th March 2013.

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.

20. IMPLEMENTATION OF OFFICIAL LANGUAGE

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

Under section 3.3(i) of Official Language Act cent percent documents were issued bilingually. All the letters received in Hindi were replied to in Hindi.

Company's website is already in bilingual form and time to time it is updated. Out of total expenditure on purchase of books, 64.4% of amount was spent on purchase of Hindi books.

The Corporation has been awarded with "Tolic Rajbhasha Shield" (Second Prize) by Town Official Language Committee, Shimla for the

year 2011-12 and "NTPC Rajbhasha Shield" (Second Prize) by Ministry of Power, Govt. of India for the year 2012-13, for the best performance in the field of Official Language implementation.

To encourage executives and non-executives to do their entire work in Hindi a number of incentive schemes are under implementation. Under these schemes 455 executives and non-executives have received prizes amounting to ` 8,15,700/- approximately.

To impart training to the executives and non-executives to do their day-to-day work in Hindi by organising Hindi workshops/seminars is a continuous process in the company. 10 Hindi workshops/seminars have been organised and 245 no. of executives and non-executive have been trained. Organising of Hindi quiz competitions on national/important occasions is a regular feature and besides this a number of competitions were also organised during "Hindi fortnight" in which 593 no. of executives and non-executives were awarded cash prizes amounting to ` 4,89,500/-.

To encourage effective implementation of Official Language Hindi amongst the Central Govt. Offices/PSU's/Banks/Institutions situated at Shimla, SJVN had initiated "SJVN Rajbhasha Shield".

21. AWARDS & ACHIEVEMENTS

Your Company won the Commendation Certificate of "SCOPE Award for Excellence and Outstanding Contribution to the Public Sector Management – Institutional Category-II (Miniratna-I & II PSEs)" 2010-11.

For its Meritorious CSR activities, your company was awarded the prestigious 'Vishwakarma Awards' by Construction Industry Development Council (CIDC), a body established by the Planning Commission (Govt. of India) and Construction Industry. The Company also bagged the award for Social Development & Impact while its Rampur Hydro Electric Project bagged achievement award for Construction Health, Safety and Environment.

22. ACKNOWLEDGEMENT

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, State Governments of Bihar, Uttarakhand, Arunachal Pradesh and Maharashtra, the State Electricity Boards and the World Bank.

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

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

For and on behalf of Board of Directors

(R.P.Singh)

CHAIRMAN AND MANAGING DIRECTOR

Place: New Delhi

Date: 30th July, 2013



Annexure-A (Ref: para-16 (a))

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY OVERVIEW

The all India installed power generation capacity as on 31.03.2013 was 223343.60 MW which includes 39491.40 MW of hydro power, the rest from the thermal and renewable energy sources. To fulfil the objectives of the National Electricity Policy, a capacity addition of 20622.80 MW was achieved against the target of 17956.30 MW during the FY 2012-13. 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, Thermal share is 67686 MW and Nuclear share is 2800 MW. Beside this, 18500 MW has been targeted for renewable energy like wind, solar etc. for development during 12th plan period.

As regards hydro potential, India has an estimated hydro potential of about 1,50,000 MW of which only about 39491.40 MW (as on 31.03.2013) has been commissioned so far. The bulk of the unharnessed potential is located in the hill states of Himachal, Uttarakhand, Arunachal Pradesh and Sikkim.

The above industry scenario signifies that there is an ample opportunity for consistent growth of the business in hydro, thermal and renewable energy 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 of unpredictable 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 evident from the fact that till six years ago, SJVN was limited to one project. Today SJVN has 12 projects in India, 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. Keeping in view the opportunities and growth potential in non-conventional renewable energy sector, SJVN has also forayed into wind and solar energy development with setting up of 47.6 MW Khirvire Wind Power Project in the state of Maharashtra. Apart from above, SJVN has taken a big leap forward towards the development of thermal power projects by signing a MOU with the State agencies of Govt. of Bihar for setting up 1320 MW supercritical thermal project at Chausa near Buxar in Bihar for which the Deocha-Pachami coal block in West Bengal has also been allocated by Govt. of India.

FINANCIAL DISCUSSION AND ANALYSIS

A detailed financial discussion and analysis is furnished below on the Audited Financial Statements of the company for the fiscal 2013 vis-à-vis fiscal 2012:

A. RESULTS OF OPERATIONS

1. INCOME:

	2012-13	2011-12
Units of Electricity Sold (Million Units)	5885.843	6634.507
INCOME		
in crore		
1. Sales	1680.42	1909.79
2. Consultancy works	1.68	17.71
3. Other income		
a) Interest		
- On deposits	210.26	193.77
- On advances to employees & Contractors	2.53	1.89
- From Customers	11.94	0.55
Total interest	224.73	196.21
b) Foreign currency fluctuation adjustment	3.35	4.39
c) Other	6.44	8.69
Total Income	1916.62	2136.79

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 2013 is `1916.62 crore as compared to `2136.79 crore in the previous year registering a decrease of 10.30%. The decrease in gross income was mainly due to decrease in Generation on account of less discharge of water during the year.

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. ROE is grossed up with reference to applicable income tax rate so as to recover income tax incidence. For the purpose of recovery, AFC is bifurcated into two equal parts i.e. Energy Charges and Capacity Charges. Recovery of Energy Charges is dependent upon energy generated and full recovery is ensured when schedule design energy level is achieved. Generation over and above design energy entitles for additional revenue in the form of secondary energy charges. Recovery of capacity charges is dependent on the actual availability of plant for generating power with reference to Normative Annual Plant Availability Factor (NAPAF), which has been fixed at 82% for our operational plant i.e. Nathpa Jhakri Hydro Power Station (NJHPS). Company is entitled to receive incentives for achieving Plant Availability Factor higher than NAPAF.

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 2013 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 2013 has been provisionally recognized at ` 1680.42 crore as compared to ` 1909.79 crore during the fiscal 2012 (explained in Note No. 2.21 of Financial Statements).

Sales includes an amount of ` 221.72 Crore (previous year ` 278.00 crore) on account of incentive billing due to achievement of Plant Availability Factor (PAF) of 105.15% (previous year 104.26%) as against Normative Plant Availability Factor (NPAF) of 82% (previous year 82%) and Gross Annual Generation of 6777.78 million units (previous year 7610.26 million units) as against design energy of 6612 million units. The gross generation during the fiscal has decreased by 10.94% over previous year due to less discharge of water.

Sales also includes Unscheduled Interchange (UI) Charges amounting to ` 29.46 Crore (previous year ` 18.44 crore) for the deviation in generation with respect to schedule, payable (or receivable) at rates notified by CERC from time to time.

Sales during the year has also been adjusted by an amount of (` 75.01 crore) towards refunds (previous year: ` 75.01 crore recoverable) on account of income tax refund pursuant to appellate orders in favour of the company relating to earlier years. As the above tax related to Tariff period 2004-09 and was recoverable from beneficiaries separately as a pass through item, the same is treated as sales in the relevant years. However, there is no impact on the profit after tax of the company as the same is provided also as earlier year tax.

During the year, the Company has regulated the power of UPPCL, BRPL and BYPL (previous year 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, 82.522 MUs (previous year 51.160 MUs) of power was sold through PTC amounting to ` 24.44 Crore (previous year ` 18.13 Crore) and is included in Energy Sales. An amount of ` 13.06 Crore (previous year ` 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 ` 1.84 Crore (previous year ` 0.94 Crore) on Sale through PTC.

Consultancy

Consultancy income of the company is ` 1.68 crore during current fiscal as against ` 17.71 crore during previous year. The decrease in consultancy income is due to completion of consultancy assignments for preparation of DPRs in Bhutan.

Other Income

Other income during the year was ` 234.52 crore (previous year ` 209.29 crore) which mainly comprises of interest income earned on short term deposits amounting to ` 210.26 Crore (Previous year ` 193.77 crore). During the year interest income increased mainly due to increase in corpus of investable funds.

1. Expenditure

(` in crore)

Expenditure	Fiscal 2013	Fiscal 2012
Employee Benefits Expense (Note 2.23)	109.54	111.15
Finance Costs (Note 2.24)	54.06	83.65
Depreciation (Note 2.25)	446.67	446.00
Other Expenses (Note 2.26)	121.77	137.37
Total Expenditure	732.04	778.17

The total expenditure of the Company has Decreased by 5.93 % to ` 732.04 crore in the fiscal 2013 from ` 778.17 crore in Fiscal 2012 mainly due to decrease in Finance Cost. The total expenditure of the Company as a percentage of total income has increased to 38.19% as compared to 36.42% 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 14.96% of total expenditure in Fiscal 2013 as compared to 14.28% in Fiscal 2012.

The Employee Benefits Expense during the year was ` 109.54 Crore (previous Year ` 111.15 Crore) which is ` 1.61 crore lower than the previous year. Decrease in expenses is mainly due to lower provision of ` 7.61 crore for Defined Contribution Pension Scheme amounting to ` 4.35 crore during the year as compared to ` 11.96 crore during the previous year. The provision during previous year was higher as Pension Scheme was introduced for the first time and provision was made w.e.f. 01.01.2007. Otherwise there was a normal increase on account of annual increment and increase in DA.

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 35.37 % to ` 54.06 crore in comparison to ` 83.65 crore during previous year mainly due to repayment of loans pertaining to NJHPS.

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 & methodology notified by Central Electricity Regulatory Commission (CERC) vide notification dated 19.01.2009 in accordance with section 616 (c) of the Companies Act except for some items for which depreciation is charged at the rates assessed by the company.

The depreciation cost has increased marginally to ` 446.67 crore during the fiscal 2013 as compared to ` 446.00 crore during previous year.

Other Expenses

Other Expenses comprises primarily of Repair & Maintenance to Building and Plant & Machinery, Insurance, Fees to Power System Operation Corporation for System Operation and Market Operation Charges, CSR Expenses, Sustainable Development Expenses and Research and Development Expenses etc.

Other Expenses represents approx. 16.63 % of our total expenditure during fiscal 2013 in comparison to approx. 17.65 % during fiscal 2012. In absolute terms the expenses were ` 121.77 crore in fiscal 2013 as compared to ` 137.37 crore during previous year. Change is mainly due to decrease in Rebate to Customers, Repair & Maintenance Expenses, Foreign Currency Fluctuations and increase in CSR Expenditure & Sustainable Development Expenditure.

Profit Before Tax

Profit before tax decreased by 11.98 % to ` 1184.58 crore during fiscal 2013 as against ` 1345.89 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 F.Y. 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 ₹132.24 Crore as compared to ₹277.21 Crore for the previous year. The decrease is mainly due to decrease in Profit before Tax and earlier year tax adjustment on account of income tax refund pursuant to decision of CIT(Appeals) in favour of the Company against Income Tax demand.

B. Financial Position

Assets and liabilities in the Balance Sheet have been classified under head 'Current' and 'Non Current' categories consequent to adoption of revised Schedule VI to the Companies Act, 1956.

The items of the Balance Sheet are as under:

1. Net Worth

Net Worth of the Company at the end of fiscal 2013 increased to ₹8410.01 crore from ₹7822.28 crore in the previous year registering an increase of 7.51% due to increase in retained earnings. Correspondingly, the book value of shares has increased to ₹20.33 per share during current fiscal from ₹18.91 per share during previous year.

2. Non-current Liabilities

	As of March 31, (₹ in crore)	
	2013	2012
Long Term Borrowings (Note 2.3)	1876.27	1501.34
Other Long Term Liabilities (Note 2.4)	950.28	946.95
Long Term Provisions (Note 2.5)	54.84	43.59

Long Term Borrowings

Long Term Borrowings as on March 31, 2013 were ₹1876.27 crore as against ₹1501.34 crore as on March 31, 2012. Out of these ₹107.85 crore is Secured (previous Year ₹293.37 crore) and ₹1768.42 Crore is Unsecured (previous year ₹1207.97 crore). Secured Loans is borrowed from Domestic Financial Institutions. Over the last fiscal, Long Term Borrowings have registered an increase of 24.97 % amounting to ₹374.93 crore.

- During the year company has transferred an amount of ₹191.23 crore (Secured ₹185.52 crore and Unsecured ₹5.71 crore) drawn for Nathpa Jhakri Hydro Power Station (NJHPS) to Other Current Liabilities being current maturities of long term debts payable during next financial year.
- Unsecured Loans include borrowing from World Bank (IBRD) and Foreign Banks. The Unsecured Loans have registered an increase of 46.40% amounting to ₹560.45 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 Deposit, Retention Money from Contractors and Others, Advance Against Depreciation and Deferred Foreign Currency Fluctuation Liability. Other Long Term Liabilities have registered an increase of ₹3.33 Crore to ₹950.28 crore as compared to ₹946.95 crore during previous year 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 ₹11.25 crore during current fiscal.

3. Current Liabilities

	As of March 31, (₹ in crore)	
	2013	2012
Short Term Borrowings (Note 2.6)	---	3.06
Trade Payables (Note 2.7)	26.86	20.69
Other Current Liabilities (Note 2.8)	576.77	527.63
Short Term Provisions (Note 2.9)	594.31	577.28
Total	1197.94	1128.66

The Current Liabilities as at March 31, 2013 and 2012 were ₹1197.94 crore and ₹1128.66 crore respectively. The Current Liabilities have increased by 6.14% mainly due to increase in Other Current Liabilities.

Short Term Borrowings

No Short Term Borrowings are outstanding as at March 31, 2013 (previous year ₹3.06 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 ₹26.86 crore as compared to ₹20.69 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 increased by 9.31% to ₹576.77 crore as compared to ₹527.63 crore during the previous Fiscal mainly due to commencement of repayment of World Bank Loan of Rampur Hydro Electric Project from financial year 2013-14 included in Current Maturities of Long Term Debts & increase in Deposits, Retention Money from contractors and others.

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 2.95 % in Fiscal 2013 to ₹594.31 crore as compared to ₹577.28 crore during Fiscal 2012. The increase is mainly on account of increase in provision made towards Dividend & Dividend Tax and interest on arbitration awards etc.

4. Non-current Assets

	As of March 31, (₹ in crore)	
	2013	2012
Tangible Assets (Note 2.10)	5819.12	6228.89
Intangible Assets (Note 2.10)	0.71	0.93
Capital Work-in-Progress (Note 2.11)	2981.54	2022.96
Non-current Investments (Note 2.12)	4.94	--
Deferred Tax Assets (Net) (Note 2.13)	169.82	121.77
Long Term Loans and Advances (Note 2.14)	147.93	179.94
Other Non-current Assets (Note 2.15)	0.67	0.93
Total	9124.73	8555.42

Non-Current Assets as on March 31, 2013 has increased by 6.65% to `9124.73 crore as compared to `8555.42 crore as on March 31, 2012.

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 `38.35 crore. However, value of Tangible Assets at the end of Current Fiscal decreased by 6.58% to `5819.12 crore as compared to `6228.89 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 `0.71 crore (previous year `0.93 crore).

Capital Work-in-Progress

Capital Work-in-Progress during Current Fiscal registered an increase of 47.39 % to `2981.54 crore as compared to `2022.96 crore during previous Fiscal mainly due to increase in capital works in progress of Rampur Hydro Electric Project (RHEP).

Non-current Investments

During the year Company has invested an amount of `4.94 crore in the Equity Shares of Cross Border Transmission Company Limited.

Deferred Tax Assets (Net)

Deferred Tax Assets increased by `48.05 crore to `169.82 crore during Current Fiscal as compared to `121.77 crore during previous Fiscal mainly on account of creation of provision for timing difference in Book Depreciation and Tax Depreciation which has been credited to Statement of Profit and Loss for the year ended March 31, 2013.

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 `147.93 Crore (previous year `179.94 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 `0.67 Crore (Previous Year `0.93 Crore).

5. Current Assets

	(` in crore)	
	As of March 31,	
	2013	2012
Inventories (Note 2.16)	30.51	28.47
Trade Receivables (Note 2.17)	358.64	579.51
Cash and Bank Balances (Note 2.18)	2422.45	1888.76
Short Term Loans and Advances (Note 2.19)	116.52	14.73
Other Current Assets (Note 2.20)	436.49	375.93
Total	3364.61	2887.40

Current Assets as on March 31, 2013 has increased by 16.53% to `3364.61 crore as compared to `2887.40 crore as on March 31, 2012.

Inventories

Inventories are valued at lower of cost arrived at on weighted average basis and net realisable value. Inventories were valued at `30.51 crore as on 31st March, 2013 as compared to `28.47 crore as on 31st March, 2012.

Trade Receivables

Trade Receivables mainly consists of receivables on account of Sale of Energy. Trade Receivables during the Current Fiscal has decreased to `358.64 crore from `579.51 crore during the previous Fiscal mainly due to receipt of old outstanding dues from various Beneficiaries.

Cash and Bank Balances

Cash and Bank Balances include mainly balances in Term Deposits and Current Accounts. Increase of `533.69 crore in Cash and Bank Balances during the current year is due to increase in cash inflow from Operating Activities by `1616.21 crore (previous year `1094.37 crore) as offset by cash outflow from Investing and Financing Activities by `875.43 crore (previous year `684.76 crore) and `207.09 crore (Previous year `584.41 Crore) respectively.

Short Term Loans and Advances

Short Term Loans and Advances mainly include Advance Tax & Tax Deducted at Source (net of provisions) and Short Term Advances given to Employees and Contractors. Short Term Loans and Advances increased to `116.52 crore as compared to `14.73 crore during previous year mainly due to increase in amount recoverable from Government Departments and 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 16.11% to `436.49 crore during current fiscal as compared to `375.93 crore during the previous fiscal mainly due to increase in unbilled revenue and amount recoverable from insurance company.

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 independent 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 2013, the Board comprises of 12 members, consisting of 5 whole-time Directors including Chairman & Managing Director, 2 Part-Time Official Directors representing Government of India and Government of Himachal Pradesh and 05 Independent Directors. As per the Listing Agreement, 50% of the Board should consist of

Independent Directors, The matter has been taken up with the Administrative Ministry to fill up the vacancy as soon as possible so that the composition may be complied with as per the Listing Agreement.

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 2012-13, 09 Board Meetings were held on 28th May 2012, 23th July 2012, 08th Aug 2012, 03rd Sep 2012, 09th Oct 2012, 30th Oct 2012, 10th Dec 2012, 30th Jan 2013, and 25th Mar 2013. The maximum interval between any two meetings during this period was 69 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 (24rd) held on 03.09.2012	No. of other Directorship held on 31.03.2013	No. of Committee memberships in other companies on 31.03.2013	
						As Chairman	As Member
I	EXECUTIVE DIRECTORS						
A	Functional Directors						
1	Shri R.P. Singh, CMD	09	09	Yes	Nil	Nil	Nil
2	Shri R.N. Misra, Director (Civil)	09	09	Yes	Nil	Nil	Nil
3	Shri A.S. Bindra Director (Finance)	09	09	Yes	Nil	Nil	Nil
4	Shri N.L. Sharma, Director (Personnel)	09	09	Yes	Nil	Nil	Nil
5	Shri R.K. Bansal, Director (Electrical)	04	04	n/a	01	Nil	Nil
II	NON-EXECUTIVE DIRECTORS						
B	Part Time Official Directors						
6	Shri Deepak Sanan Pr. Secy (Power), GOHP	07	06	Yes	n/a	Ceased w.e.f. 24.01.2013	
7	Shri G.Sai Prasad JS (H), Ministry of Power, Gol	09	01	No	05	Nil	Nil
8	Shri S.K.B.S. Negi Pr. Secy (Power), GoHP	02	01	n/a	04	Nil	Nil
C	Independent Directors						
9	Shri S.M. Lodha	09	07	Yes	06	Nil	01
10	Shri K.S. Gill	09	09	Yes	Nil	Nil	Nil
11	Ms Bharti Prasad	09	08	Yes	01	Nil	01
12	Shri Ravi Dhingra	09	09	Yes	Nil	Nil	01
13	Smt. Asha Swarup	09	07	Yes	Nil	Nil	Nil
14	Shri Arun Mahajan	09	09	Yes	Nil	Nil	Nil
15	Shri D.V. Dharmik	09	08	Yes	02	Nil	Nil

2. Code of Corporate Governance

SJVN 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 2013, the following Directors were the Members of the Audit Committee:

- | | |
|--|-----------------------|
| 1. Ms. Bharti Prasad, Independent Director | Chairman [#] |
| 2. Sh. Ravi Dhingra, Independent Director | Member [#] |
| 3. Sh. S.M. Lodha, Independent Director | Member |
| 4. Sh. K.S. Gill, Independent Director | Member |
| 5. Sh. D.V. Dharmik, Independent Director | Member |

6. Sh. S.K.B.S. Negi, GoHP Nominee Director Member
Sh. Soumendra Das, Company Secretary, is the Secretary to the Audit Committee.

During the financial year 2012-13, 5 (Five) Audit Committee Meetings were held on 27th May, 2012, 23rd July, 2012, 07th Aug, 2012, 29th Oct, 2012, 29th Jan, 2013. 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	Ms Bharti Prasad	05	04
2	Shri Ravi Dingra	05	04
3	Shri SM Lodha	05	05
4	Shri KS Gill	05	05
5	Sh. D.V. Dharmik	05	05
6	Shri Deepak Sanan	04	04
7	Shri S.K.B.S. Negi	01	00

The Chairman of Audit Committee was present in the last AGM to answer shareholders queries.

4. Remuneration Committee

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.

As on 31st March 2013, the Remuneration Committee consists of:-

1. Sh. Ravi Dhingra, Independent Director Chairman*
2. Sh. K.S. Gill, Independent Director Member
3. Smt. Asha Swarup, Independent Director Member
4. Sh. S.K.B.S. Negi, GoHP Nominee Director Member

During the Financial Year 2012-13, there were 03 (Three) Meetings held on 02nd Sep, 2012, 29th Oct, 2012 and 10th Dec, 2012. The details of attendance in the Remuneration Committee are as under:

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri Ravi Dingra	03	03
2	Shri KS Gill	03	03
3	Smt. Asha Swarup	03	03
4	Shri Deepak Sanan	03	02

5. Investors Grievance Committee

As on 31st March 2013, the Committee consists of the following Members

1. Sh. Ravi Dhingra, Independent Director Chairman*
2. Sh. S.M. Lodha, Independent Director Member
3. Sh. Arun Mahajan, Independent Director Member
4. Sh. R.N. Misra, Director (Civil) Member

Sh. Soumendra Das, Company Secretary is the Compliance Officer.

During the Financial Year 2012-13, 02 (Two) Meetings were held on 07th Aug, 2012, 25th March, 2013.

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri Ravi Dhingra	02	02
2	Shri S.M. Lodha	02	02
3	Shri Arun Mahajan	02	02
4	Shri R.N. Misra	02	02

5.1 Status of Investors Complaints

Status of investors' complaints for the financial year 2012-13 is as under:-

Particulars	Opening	Received during the year	Resolved during the year	Pending (31.03.2013)
Complaints	17	675	677	15

* Note: Sh. Ravi Dhingra & Ms. Bharti Prasad ceased as Directors w.e.f. 28th March 2013, however the Board of Directors in its 220th Meeting held on 25th March 2013 directed reconstitution of various Committees w.e.f 1st April 2013.

6. Committee for Allotment and Post-Allotment Activities

As on 31st March 2013, 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

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

As on 31st March 2013, the Committee consists of:

1. Sh. S.M. Lodha, Independent Director Chairman
2. Sh. Arun Mahajan, Independent Director Member
3. Smt. Asha Swarup, Independent Director Member
4. Sh. D.V. Dharmik, Independent Director Member
5. Sh. S.K.B.S. Negi, GoHP Nominee Director Member
6. Sh. A.S. Bindra, Director (Finance) Member

During the Financial Year 2012-13, 03 (Three) Meetings were held on 07th Aug, 2012, 02nd Sep, 2012 and 29th Jan, 2013.

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri S.M. Lodha	03	03
2	Shri Arun Mahajan	03	03
3	Smt. Asha Swarup	03	03
4	Shri D.V. Dharmik	03	03
5	Shri Deepak Sanan	02	02
6	Shri A.S. Bindra	03	03
7	Shri S.K.B.S. Negi	01	00

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

The Committee was constituted by the Board for formulation and implementation of SJVNs 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 annual Memorandums of Understanding with Ministry of Power.

As on 31st March 2013, the Committee consists of:-

- a) Sh. Ravi Dhingra, Independent Director Chairman*
- b) Smt. Asha Swarup, Independent Director Member
- c) Ms. Bharti Prasad, Independent Director Member*
- d) Sh. S.K.B.S. Negi, GoHP Nominee Director Member
- e) Sh. N.L. Sharma, Director (Personnel) Member

During the Financial Year 2012-13, 03 (Three) Meetings were held on 28th Apr, 2012, 02nd Sep, 2012 and 01st Mar, 2013.

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri Ravi Dhingra	03	03
2	Smt. Asha Swarup	03	01
3	Ms. Bharti Prasad	03	02
4	Shri Deepak Sanan	02	02
5	Shri N.L. Sharma	03	03
6	Shri S.K.B.S. Negi	01	00

9. Investment Committee

As on 31st March 2013, the committee consists of whole time Directors. At present CMD, Director (Finance) and Director (Personnel) are its members. The scope of work of the Committee is to invest surplus money as may be available with the Company from time to time as short-term investments as per DPE/Ministry of Finance guidelines and place the status of investments including short-term loans availed, if any, before the Board on quarterly basis.

10. Empowered Committee

As on 31st March 2013, the Committee consists of all whole time Directors only. The scope of work of the Committee is to exercise the powers on specified items as approved by the Board of Directors in its 174th Meeting held on 15th September 2008.

11. Remuneration details of Directors

During the Financial year 2012-13, the remuneration details of functional directors are as under:

Sr. No.	Name of the Director	Salary (Rs.)	Benefits (Rs.)	Total (Rs.)
1.	Shri R.P. Singh	44,79,033	1,69,957	46,48,990
2.	Shri R.N. Misra	41,39,815	1,70,949	43,10,764
3.	Shri A.S. Bindra	38,63,423	96,833	39,60,256
4.	Shri N.L. Sharma	41,21,543	2,05,255	43,26,798
5.	Shri R.K. Bansal	12,82,857	36,102	13,18,959

11.1 Sitting Fee

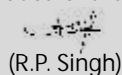
The Sitting Fee paid to Independent Directors for meetings attended during the financial year 2012-13 is as under:-

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total
1.	Shri S.M.Lodha	105000	75000	75000	255000
2.	Shri K.S.Gill	135000	75000	120000	330000
3.	Ms. Bharti Prasad	120000	60000	30000	210000
4.	Shri Ravi Dhingra	135000	60000	120000	315000
5.	Smt. Asha Swarup	105000	0	105000	210000
6.	Shri Arun Mahajan	135000	0	165000	300000
7.	Shri D.V. Dharmik	120000	75000	120000	315000

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 2013.


 (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:

- 24th Annual General Meeting was held on 03rd September 2012 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.
- 22nd Annual General Meeting was held on 15th September 2010 at 1600 hrs in Hotel Peter Hoff, Shimla, Himachal Pradesh.

13.2 Special Resolution

A special resolution was passed in 24th Annual General Meeting held on 03rd September 2012 for Alteration of Articles of Association to incorporate provision for Buy Back of Shares.

Except above, no other special resolution was passed in the last three Annual General Meetings.

13.3 Postal Ballot/ E-Voting

In accordance with the provisions of Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution through Postal Ballot), Rules, 2011 consent of Shareholders was sought to remove the words 'Except Thermal' from the Main Object Clause 1 (a) of the Memorandum of Association of SJVN Limited through Special Resolution via Postal Ballot and E-Voting to enable the company to diversify into Thermal Power Generation.

Notice dated 09th October, 2012, was served to all shareholders through physical and electronic modes and the said resolution was duly approved by the shareholders on 28th November, 2012. Result of Postal Ballot was also published in newspapers on 29th November, 2012. Mr. Santosh Pradhan, Practicing Company Secretary was appointed as scrutinizer for the conduct of Postal Ballot. The details of the voting are as under:-

Total No. of Shareholders casted vote through Postal ballot and E-Voting – 2012.

S. No.	Description	No. of Shareholders	No. of Shares	No. of Votes	Result
1.	Votes in favour	1848	3,78,94,39,336	3,78,94,39,336	Special Resolution passed with requisite majority.
2.	Votes against	52	1,07,008	1,07,008	
3.	Invalid Votes	109	1,42,385	1,42,385	

13.4 Disclosures

It is certified that during the Financial Year 2012-13:-

- The Company, has not entered in to any transaction of material nature with the Directors of the Company that may have potential conflict with the interests of the Company.
- The Company has fully complied with all applicable provisions and no penalties or strictures have been imposed on the company by Stock Exchange or SEBI or any other Statutory Authority, on any matter related to capital markets, during the last three years
- The Whistle Blower Policy of Company was approved and adopted w.e.f. 30/11/2011, and it is affirmed that no personnel has been denied access to the Audit Committee.
- All the mandatory requirements under listing agreement are being complied and the non mandatory requirements are being adopted to the extent possible.

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 30th July, 2013 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 2013 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;

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

(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 2013 were published on 30th May, 2013 in Times of India, Economics Times, Mint All, Business Line, Deccan Herald, Financial Express, DNA, Financial Chronicle, The Pioneer, Dainik Bhaskar, Punjab Kesari, Rashtriya Sahara, Prabhat Khabar, and Amar Ujala.

16. SHAREHOLDERS' INFORMATION

i. AGM: Date, Time and Venue:

- Date : 12th September 2013
- Time : 1500 HRS
- Venue : Hotel PeterHoff, Chaura Maidan, Shimla – 171004, Himachal Pradesh

ii. Financial Year : 2012-13

iii. Dates of Book Closure : 6th September 2013 to 12th September 2013 (both days inclusive)

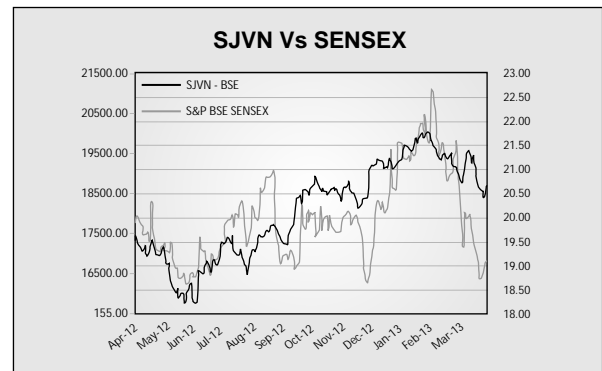
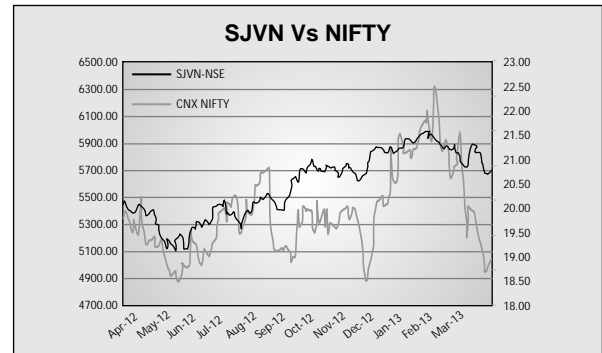
iv. Dividend Payment Date : 17th September 2013 onwards

v. Listing on Stock Exchanges : 20th May, 2010

vi. Stock code and Market Price Data

Month	National Stock Exchange (NSE) SJVN-EQ		Bombay Stock Exchange (BSE) 533206	
	High	Low	High	Low
Apr 2012	22.80	19.15	21.90	19.10
May 2012	20.20	18.40	20.25	18.40
Jun 2012	20.50	18.50	20.35	18.50
Jul 2012	20.50	19.10	20.65	18.50
Aug 2012	21.05	19.00	21.10	19.00
Sep 2012	21.65	18.80	21.70	18.80
Oct 2012	20.35	19.35	20.35	19.25
Nov 2012	20.20	18.40	20.20	18.50
Dec 2012	23.25	19.00	23.00	19.00
Jan 2013	22.70	20.25	22.65	21.00
Feb 2013	22.95	20.05	22.70	20.00
Mar 2013	20.90	18.25	20.85	18.40

vii. Performance in comparison to broad based indices NSE NIFTY and BSE SENSEX during F.Y. ended 31st March, 2013.



viii. Registrar and Share Transfer Agent Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West) Mumbai 400 078
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 2013

As on 31st March 2013, 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 2013

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 Practicing Company Secretary quarterly for the financial year 2012-13 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. Naitwar-Mori and Jakhol Sankri Hydro Electric Projects - Mori, Uttarkashi, Uttarakhand, Pincode – 249 185
 6. Dhaulasidh Hydro Electric Project - House No. 113, Ward No. 1, Krishna Nagar, Hamirpur – 177 001, District Hamirpur, Himachal Pradesh
 7. Arun – III Hydro Power Project Office - Red Cross Building, Khandbari, District Sakhuwasabha, Nepal
 8. Kholongchu & Wangchhu Hydro Electric Project Office - Village Zangpozor, P.O. Duksum, District Trashiyangtse, Bhutan
 9. Bihar Projects Liaison Office – House No. 69/5, T.N. Banerjee Path, Chajju Bagh, Near Gandhi Maidan, Patna – 800001
 10. Khirvire Wind Power Project Office – Agaman Bunglow, Plot No. 51, Shivaji Nagar, Sinnar, Distt. – Nashik, Maharashtra-422103
 11. Arunachal Pradesh Projects Office - The Mai House, "A" Sector, Model Village, Near Helipad, Naharlagun Distt. Papum Pare, Arunachal Pradesh - 791110
- xiv. Address for Correspondence:
Company Secretary, SJVN Limited, Himfed Building, New Shimla - 171009, 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 16 (c&d))

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

1. CONSERVATION OF ENERGY

Nathpa Jhakri Hydro Power Station

Based on the energy audit report of illumination system of underground power house of NJHPS submitted by M/s National Productivity council, Automatic Voltage Controller lighting feeders have been installed in the month of March 2012.

The aforesaid has resulted in reduction of load upto 84.64 KVA per hour. If the same reduction is considered for a year then the energy saving is to the tune of 7,41,446.4 KVAh (84.64x365x24) i.e. the energy calculated is from 1st April 2012 to 31 March, 2013 which comes in term of INR 29,65,785.60 (Cost of 1 KVAh is considered as INR 4.0 for calculation purpose).

Rampur HEP

- Rooftop of Power House for generating Solar Power- The roof of Power House building is proposed to be used for installation of high quality solar panels so as to generate 200 kw of clean & environmentally friendly solar power. This power shall be used for internal purpose such as illumination of offices, power house building, and guest house and by providing battery bank, it shall be used for illumination of various buildings during night.
- Solar lighting system is extensively being used in various locations of Rampur Project for illumination during night which shall be saving precious electricity.
- Solar Water Heating System is being adopted for heating the water in rest house at Bayal.
- CFL Lamps / LED Lighting system - The conventional bulbs are being replaced by CFL lamps to reduce energy consumption. Recently LED lighting has been introduced in RHEP locations, which shall eventually replace the CFLs also, which in turn further reduce the energy consumption.

2. TECHNOLOGY ABSORPTION & POWER SAVING METHODS

Gas Bubble formation in TRT Out fall : Advanced technologies like

Remote Operated Vehicle (ROV), LBV-600-6 along with Blue View 2D SONAR, Tritech SONAR (Plan & Cross-sectional plot) and CCTV were used for inspection of TRT. The entire inspection was digitally recorded and plots captured during the inspection. The inspection was planned and carried without loss of generation of NJHPS during zero-generation period.

Similarly, inspection of outfall plunge pool, TRT, Surge galleries, collection gallery, construction adit, and DT branch tunnels upto each DT gate location was also carried out successfully through ROV's using specialized Remotely Operated Vehicle (ROV) carrying three sonar heads, two cameras and lights..

In-situ machining of Generating Units:

All Generating Units (6X250 MW) of NJHPS- Jhakri need scheduled Annual Plant Maintenance every year for maintaining safety and reliability of machines and its auxiliaries.

Since NJHPS, does not have spare LTC and UTC, these cannot be taken outside Plant site for repair. The only possible solution for this operation is on-site machining of the components after re-building with welding..

Accordingly, In-situ machining of 03 Nos. Generating units has been successfully carried out in APM 2012-13 & remaining 03Nos. Generating Units will be Carried out in the coming APM of 2013-14.

Mini Hydro Power station at NJHPS

Underground Power House complex of NJHPS has to be illuminated for 24X365 Days. The total connected load of illumination is of the order of 318 KW and measured load is 226.3 kW comprising 10 nos of feeders. The annual illumination energy consumption is of the order of 1982388 KWh/Yr (rounded off to 2 MU yearly). The power for NJHPS for various uses is purchased from HPSEBL at Kotla Sub Station. The commercial rate for this energy is about ` 5.00 per Unit.

To regulate the seepage water from the lower drainage gallery to Surge Shaft, arrangement of pipes (300mm & 400mm) has been made to discharge the water up to the portal of BFV. From BFV housing portal, the seepage water is discharged into the drainage channel near the



Pot Head Yard which terminates at river Satluj at approximate EL1005 mtr & this water is unutilized up to now.

Now it is proposed to set-up a Captive Mini Hydro Power Station, on the drainage channel. Accordingly, the Pre-feasibility report (PFR) has already been forwarded to Him Urja, Shimla on 04.06.2013 by NJHPS authorities for their approval.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the year. The total

foreign exchange outgo during the year was ₹ 34 lakh on account of interest on foreign currency loans, payment to contractors and import of equipment etc.

4. 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, 2013 is Nil.

SANTOSH KUMAR PRADHAN
Company Secretaries

1504-A, Chiranjiv Tower,
43, Nehru Place, New Delhi - 110019
Tel : 41608147, Fax : 41674265

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, 2013 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 of 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 the 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.

Place: Shimla
Dated: 26th July, 2013

for Santosh Kumar Pradhan
(Company Secretaries)

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

INDEPENDENT AUDITOR'S REPORT

To
The Members of SJVN Limited
Report on the Financial Statements

We have audited the accompanying financial statements of SJVN Limited ('the Company'), which comprise the Balance Sheet as at 31st March 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March 2013;
- in the case of the Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

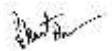
Emphasis of Matter

Without qualifying our report, we draw attention to Note No. 2.21 to the financial statements in respect of accounting of sales on provisional basis, pending determination of tariff by the Central Electricity Regulatory Commission.

Report on Other Legal and Regulatory Requirements

- As required by the Companies (Auditor's Report) Order, 2003 as amended by the Companies (Auditor's Report) (Amendment) Order 2004 ("the Order"), issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
- As required by section 227(3) of the Act, we report that:
 - we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - in our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - 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;
 - in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956.
 - Being a Government Company, pursuant to Notification No. GSR 829(E) dated 21st October, 2003 issued by Government of India, provisions of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956, are not applicable to the company.

For Hingorani M. & Co.
Chartered Accountants
Firm Regn.No. 006772N



(Vikrant Arora)
Partner
M.No. 511972

Place : New Delhi
Date : 29.05.2013

ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of SJVN LIMITED on the accounts for the year ended 31st March, 2013.

- (i)(a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) All the assets have not been physically verified by the management during the year, but there is a regular programme of verification to cover all assets over three years, which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.
- (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.

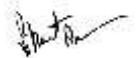
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory. No material discrepancies were noticed on physical verification.
- (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. In view of above, the clauses 4(iii)(b), 4(iii)(c) and 4(iii)(d) of the Order are not applicable.
- (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.

- In view of above, the clauses 4(iii)(f) and 4(iii)(g) of the Order are not applicable.
- (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 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.
In view of above, the clause 4(v)(b) of the Order is not applicable.
- (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.
- (viii) We have broadly reviewed the accounts and cost records maintained by the company pursuant to the Company (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been maintained. We have not, however, made detailed examination of the records with a view to determine whether they are accurate and complete.
- (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 statutory dues applicable to it, and there are no undisputed dues outstanding as on 31st March 2013 for a period of more than six months from the date they became payable. We are informed that the provisions of Employees' State Insurance Act are not applicable to the company.
- (b) According to the information and explanations given to us, dues of income tax, sales tax, wealth tax, service tax, custom duty, excise duty, 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, 1994	Service Tax	1236.00	Commissioner Excise & Service Tax, Chandigarh

- (x) The company has no accumulated losses and has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xi) In our opinion and according to the information and explanations given to us, the company has not defaulted in repayment of dues to financial institution or banks. The company has not issued any debentures.
- (xii) According to the information and explanations given to us, the company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) The company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Order are not applicable to the company.
- (xiv) The company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4(xiv) of the Order are not applicable to the company.
- (xv) According to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xvi) According to the information and explanations given to us, the term loans were applied for the purpose for 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 investments.
- (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) According to the information and explanations given to us, the company has not raised any money by public issue during the year.
- (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. 006772N



(Vikrant Arora)
Partner
M.No. 511972

Place : New Delhi
Date : 29.05.2013

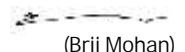
Annexure-C

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF SJVN LIMITED, SHIMLA, FOR THE YEAR ENDED 31 MARCH 2013

The preparation of financial statements of SJVN Limited, Shimla, for the year ended 31st March 2013 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 29 May 2013.

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, Shimla, for the year ended 31 March 2013. 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



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

Place : New Delhi
Dated : 17 June 2013



BALANCE SHEET AS AT 31st MARCH, 2013

(` Lakh)

	Note No.	As at 31st March, 2013	As at 31st March, 2012
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	4,13,663	4,13,663
Reserves and Surplus	2.2	4,27,338	3,68,565
		8,41,001	7,82,228
Non- current Liabilities			
Long Term Borrowings	2.3	1,87,627	1,50,134
Other Long Term Liabilities	2.4	95,028	94,695
Long Term Provisions	2.5	5,484	4,359
		2,88,139	2,49,188
Current Liabilities			
Short Term Borrowings	2.6	-	306
Trade Payables	2.7	2,686	2,069
Other Current Liabilities	2.8	57,677	52,763
Short Term Provisions	2.9	59,431	57,728
		1,19,794	1,12,866
Total		12,48,934	11,44,282
ASSETS			
Non - current Assets			
Fixed Assets			
Tangible Assets	2.10	5,81,912	6,22,889
Intangible Assets	2.10	71	93
Capital Work-in-progress	2.11	2,98,154	2,02,296
		8,80,137	8,25,278
Non-current Investments	2.12	494	-
Deferred Tax Assets (Net)	2.13	16,982	12,177
Long Term Loans and Advances	2.14	14,793	17,994
Other Non-current Assets	2.15	67	93
		9,12,473	8,55,542
Current Assets			
Inventories	2.16	3,051	2,847
Trade Receivables	2.17	35,864	57,951
Cash and Bank Balances	2.18	2,42,245	1,88,876
Short Term Loans and Advances	2.19	11,652	1,473
Other Current Assets	2.20	43,649	37,593
		3,36,461	2,88,740
Total		12,48,934	11,44,282

Significant Accounting Policies 1
The accompanying notes form an integral part of these financial statements.

For and on behalf of the Board of Directors

(Soumendra Das) (A.S. Bindra) (R.P. Singh)
Company Secretary Director (Finance) Chairman & Managing Director

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

(Vikrant Arora)
Partner
M.No. 511972

Place: New Delhi
Date : May 29,2013

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2013 (₹ Lakh)

	Note No.	Year ended 31st March, 2013	Year ended 31st March, 2012
REVENUE			
Revenue from Operations	2.21	1,68,210	1,92,750
Other Income	2.22	23,452	20,929
Total Revenue		1,91,662	2,13,679
EXPENSES			
Employee Benefits Expense	2.23	10,954	11,115
Finance Costs	2.24	5,406	8,365
Depreciation and Amortization Expense	2.25	44,667	44,600
Other Expenses	2.26	12,177	13,737
Total Expenses		73,204	77,817
Profit before exceptional and extraordinary items and tax		1,18,458	1,35,862
Exceptional Items	2.27	-	1,273
Profit before extraordinary items and tax		1,18,458	1,34,589
Extraordinary items		-	-
Profit Before Tax		1,18,458	1,34,589
Tax Expenses:			
- Current Tax	2.28	18,029	32,928
- Deferred Tax	2.13	(4,805)	(5,207)
		13,224	27,721
Profit for the Year		1,05,234	1,06,868
Earnings Per Equity Share (Par Value ₹ 10/- each)			
- Basic and Diluted (₹)		2.29 2.54	2.58

Significant Accounting Policies

1

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

For and on behalf of the Board of Directors


 (Soumendra 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


 (Vikrant Arora)
 Partner
 M.No. 511972

Place: New Delhi
Date : May 29,2013



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2013

(` in Lakh)

	Year ended 31st March, 2013	Year ended 31st March, 2012
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	1,18,458	1,34,589
Adjustment for:		
Depreciation	44,667	44,600
Interest & Finance Charges	5,406	8,365
Unbilled Revenue	(5,147)	(8,839)
Profit on Sale of Fixed Assets	-	(71)
Loss on Disposal/ Write of Fixed Assets	6	4
Operating Profit before Working Capital Changes	1,63,390	1,78,648
Adjustment for:		
Trade Receivables	22,087	(48,416)
Inventories	(204)	(559)
Trade Payables and Other Liabilities (Current & Non-current)	4,943	(2,403)
Provisions (Long Term/Short Term)	1,431	3,860
Loans and Advances	(5,288)	13,552
Other Current Assets	(909)	(2,010)
Cash generated from operations	22,060	(35,976)
Income Tax paid	1,85,450	1,42,672
Net Cash Flow from Operating Activities-A	(23,829)	(33,235)
	1,61,621	1,09,437
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Expenditure on Fixed Assets & CWIP, Advance for Capital Works & Capital Stores/Spares etc.	(87,049)	(68,476)
Investment in Joint Venture Companies	(494)	-
Net cash used in Investing Activities - B	(87,543)	(68,476)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(26,329)	(39,476)
Interest & Finance Charges Paid	(6,013)	(7,717)
Proceeds from Borrowings	56,818	27,208
Dividend	(38,877)	(33,087)
Tax on Dividend	(6,308)	(5,369)
Net Cash Flow from Financing Activities - C	(20,709)	(58,441)
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	53,369	(17,480)
Cash and cash equivalents (Opening balance)	1,88,876	2,06,356
Cash and cash equivalents (Closing balance)	2,42,245	1,88,876

Notes:

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


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 cash flow statement referred to in our report of even date
 For Hingorani M. & Co,
 Chartered Accountants


 (Vikrant Arora)
 Partner
 M.No. 511972
 Place: New Delhi
 Date : May 29, 2013

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2013

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

- a) 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.
- b) Fixed Assets created on land not belonging to the Company are included under Fixed Assets.
- c) Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress / Fixed Assets.
- d) Payments made provisionally towards compensation and other expenses relating to land are treated as cost of land.
- e) 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.
- f) Assets and systems common to more than one generating unit are capitalized on the basis of engineering estimates/assessments.
- g) Construction equipments declared surplus are shown at lower of book value and net realisable value.

1.3 Machinery Spares

- a) 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).
- 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.
- c) Other spares forming part of inventory are expensed when consumed.

1.4 Capital Work-in-Progress

- a) 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.
- b) 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.

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

1.5 Depreciation and Amortisation

- a) Depreciation is charged on straight-line method to the extent of 90% of the Cost of Asset following the rates & methodology 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.
- b) Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.
- c) Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.
- d) Assets costing ` 5,000/- or less are depreciated fully in the year of procurement.
- e) Expenditure on software is recognized as 'Intangible Asset' and amortized fully over four years.
- f) 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.
- g) 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.
- h) Leasehold land is amortized pro-rata through depreciation over the period of lease or 35 years, whichever is lower, following the rates & methodology notified by CERC Tariff Regulations, 2009.
- i) 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 incurrance of such expenditure.

1.6 Investments

- a) Non Current Investments are valued at cost less provision for permanent diminution in value.
- b) Current Investments are valued at lower of cost and fair value.

1.7 Inventories

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

- a) 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.
- b) Provident fund liability is accounted for on accrual basis.
- c) Company's contribution towards defined contribution pension scheme for employees 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) and Sustainable Development (SD). 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 previous year figures have also been reclassified/regrouped/rearranged wherever necessary to conform to this year's classification.

2.1 Share Capital

(₹ Lakh)

	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED				
Equity Shares of par value ₹ 10/- each	7,00,00,00,000	7,00,000	7,00,00,00,000	7,00,000
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹ 10/- each fully paid up	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663
Total		4,13,663		4,13,663

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

During the year ended 31st March 2013, the amount of per share dividend recognized as distribution to equity share holders was ₹ 0.96 (previous year ₹ 0.94)

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

Name of the Shareholder	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	%	No. of Shares	%
Government of India (GoI)	2,66,66,11,700	64.46	2,66,66,11,700	64.46
Government of Himachal Pradesh (GoHP)	1,05,50,14,800	25.51	1,05,50,14,800	25.51

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

(₹ Lakh)

Particulars	As at 31st March, 2013		As at 31st March, 2012	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663
No. of shares issued during the year	-	-	-	-
Number of shares at the end	4,13,66,26,500	4,13,663	4,13,66,26,500	4,13,663

2.2 Reserves and Surplus

(₹ Lakh)

	As at 31st March, 2013	As at 31st March, 2012
A Security Premium Account	1,313	1,313
B Surplus		
Opening Balance	3,67,252	3,05,576
Add: Profit for the Year as per Statement of Profit and Loss	1,05,234	1,06,868
Total Profit available for Appropriations	4,72,486	4,12,444
Appropriations		
Dividend		
Final Proposed	39,712	38,884
Tax on Dividend		
Final Proposed	6,749	6,308
Total Appropriation	46,461	45,192
Surplus -Closing Balance	4,26,025	3,67,252
Total Reserves and Surplus (A + B)	4,27,338	3,68,565

The Company has proposed final dividend for the year 2012-13 @ ₹ 0.96 (P.Y: ₹ 0.94) per equity share of par value ₹ 10/- each.

2.3 Long Term Borrowings

	As at 31st March, 2013	As at 31st March, 2012
(` 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
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from April 2013 to January 2014, carrying interest@ 11% p.a. payable quarterly)	-	8,884
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from January 2014 to October 2014, carrying interest @ 11% p.a. payable quarterly)	8,385	9,291
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto July 2013, carrying interest @ 10.75% p.a. payable quarterly)	-	1,600
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from October 2013 to January 2014, carrying interest @ 10% p.a. payable quarterly)	-	1,586
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from January 2014 to July 2014, carrying interest @ 10% p.a. payable quarterly)	1,400	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
REC Limited (Repayable in quarterly instalments upto July 2013, carrying interest @ 9.00% p.a. payable quarterly)	-	2,856
Life Insurance Corporation of India (Repayable in quarterly instalments upto July 2013, carrying interest @ 9.31% p.a. payable annually)	-	1,316
Total (A)	<u>10,785</u>	<u>29,337</u>
#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.)	1,76,194	1,19,578
-Nordic Investment Bank, Finland (Repayable in Half Yearly instalments upto October 2014, carrying interest @ LIBOR+0.60% p.a.)	648	1,219
Total (B)	<u>1,76,842</u>	<u>1,20,797</u>
Total Long term borrowings (A + B)	<u>1,87,627</u>	<u>1,50,134</u>

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

	(` Lakh)	
	As at 31st March, 2013	As at 31st March, 2012
Deposits, Retention Money from Contractors and Others	8,183	7,813
Less : Investments held as Security	<u>32</u>	<u>234</u>
	8,151	7,579
Income Received in Advance:		
- Advance Against Depreciation	84,935	84,935
Deferred Foreign Currency Fluctuation Liability	1,942	2,181
Total	<u>95,028</u>	<u>94,695</u>

2.5 Long Term Provisions

Particulars	As at 01.04.2012	For the year			As at 31.03.2013
		Additions	Write Back	Utilization	
Unfunded Employee Benefits					
Leave Encashment	2,712	912	-	106	3,518
Post Retirement Medical	1,605	327	-	13	1,919
Other Retirement Benefits	42	8	-	3	47
Total	<u>4,359</u>	<u>1,247</u>	<u>-</u>	<u>122</u>	<u>5,484</u>
Previous Year	3,228	1,195	-	64	4,359

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.39.

2.6 Short Term Borrowings

	(` Lakh)	
	As at 31st March, 2013	As at 31st March, 2012
Secured Loans:		
Short Term Loans from Banks	-	306
Total	<u>-</u>	<u>306</u>
Bank wise details of Short Term Loans:		
Punjab National Bank	-	200
(Secured against pledge of Term Deposit of Nil (P.Y: ` 225 lakh)		
Indian Overseas Bank	-	106
(Secured against pledge of Term Deposit of Nil (P.Y: ` 3100 lakh)		
Total	<u>-</u>	<u>306</u>

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

	(` Lakh)	
	As at 31st March, 2013	As at 31st March, 2012
Small Scale Industrial Undertakings	73	7
Others	2,613	2,062
Total	<u>2,686</u>	<u>2,069</u>

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.52

2.8 Other Current Liabilities

	As at 31st March, 2013	As at 31st March, 2012
(₹ Lakh)		
Current Maturities of Long Term debt		
Secured		
- Rupee Term Loans	18,552	25,354
Unsecured		
- Foreign Currency Loans (Guaranteed by GOI)	10,177	608
	28,729	25,962
Interest Accrued but not due on:		
- Foreign Currency Loans : World Bank	396	336
: Others	6	10
- Rupee Term Loans	754	1,454
	1,156	1,800
Advance Against Consultancy	14	14
Unpaid Dividend	13	6
Others Payables:		
-Liability for Employees' Remuneration and Benefits	1,544	1,879
Liability for Purchase/Construction of Fixed Assets:		
- Small Scale Industries	3	1
- Others	15,501	16,912
	15,504	16,913
Deposits, Retention Money from Contractors and Others	9,232	4,694
Less : Investments held as Security	327	188
	8,905	4,506
Gratuity Payable to Trust	357	665
TDS and Other Taxes Payable	722	485
Others	733	533
Total	57,677	52,763

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.52.

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

(` Lakh)

Particulars	As at 01.04.2012	For the year			As at 31.03.2013
		Additions	Write Back	Utilization	
(A) Unfunded Employee Benefits					
Leave Encashment	157	136	-	138	155
Post Retirement Medical	80	10	19	43	28
Other Retirement Benefits	2,352	871	-	1	3,222
Total (A)	2,589	1,017	19	182	3,405
(B) Others:					
Proposed Dividend	38,884	39,712	-	38,884	39,712
Tax on Proposed Dividend	6,308	6,749	-	6,308	6,749
Wage Revision	36	-	-	5	31
Performance Related Pay	2,686	1,124	144	2,244	1,422
Corporate Social Responsibility/SD	280	404	-	280	404
Interest on Arbitration Awards	5,632	948	-	33	6,547
Others	1,313	-	-	152	1,161
Total (B)	55,139	48,937	144	47,906	56,026
Total (A) + (B)	57,728	49,954	163	48,088	59,431
Previous Year	47,318	52,199	110	41,679	57,728

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.39.

In terms of guidelines of Department of Public Enterprises (DPE), Government of India (GOI), the defined contribution pension scheme formulated by the Company has been approved by the Ministry of Power, GOI, vide their letter dated 12th December 2012. Pending formation of the Trust as envisaged in the scheme, an amount of ` 868 lakh (Previous Year : ` 2350 lakh) has been provided and included in Unfunded Employee Benefits - Other Retirement Benefits.

2.10 Fixed Assets		Gross Block				Depreciation		Net Block	
Sl.No.	Particulars	As at 01.04.2012	Additions during year	Deductions/ Adjustments	As at 31.03.2013	Upto 01.04.2012	For the year	Upto 31.03.2013	As at 31.03.2013
	Tangible Assets								
1	Leasehold Assets								
	Land (including development expenses)	36	-	-	36	2	15	17	19
	Other Assets								
2	Land (including development expenses)	12,581	289	39	12,831	-	-	-	12,831
3	Buildings*	76,400	1,451	-	77,851	17,988	2,644	20,632	57,219
4	Roads and Bridges	5,244	175	-	5,419	1,007	204	1,211	4,208
5	Plant and Machinery	1,242	134	-	1,376	524	59	583	718
6	Generating Plant and Machinery	1,95,402	574	101	1,95,875	61,879	10,778	72,637	1,23,238
7	Hydraulic Works(Dams, Tunnel, etc)	5,78,724	692	3	5,79,413	1,70,194	30,906	2,01,100	3,78,313
8	Vehicles	348	39	-	387	167	23	190	197
9	Furniture, Fixture and Equipments	872	87	1	958	366	57	423	535
10	Electrical Works	2,270	113	1	2,383	643	122	765	1,618
11	Electrical Equipments	156	70	1	225	61	14	75	150
12	Office Equipments	1,093	150	1	1,242	401	85	485	757
13	Data processing Equipments	1,233	303	239	1,297	898	129	824	473
14	Capital Assets not owned by Company	8,707	143	-	8,850	7,289	-	7,289	1,561
	Total	8,84,308	4,220	385	8,88,143	2,61,419	45,036	3,06,231	5,81,912
	Intangible Assets								
1	Software	339	18	-	357	246	40	286	71
2	Expenditure on Compensatory Afforestation	500	-	-	500	500	-	500	-
	Total	839	18	-	857	746	40	786	71
	Total Fixed Assets	8,85,147	4,238	385	8,89,000	2,62,165	45,076	3,07,017	5,81,983
	Previous Year	8,79,485	7,629	1,967	8,85,147	2,17,426	44,974	2,62,165	6,62,059
						Current Year		Previous Year	
						35		25	

Fixed Assets costing ` 5000 or less procured and depreciated fully during the year.
 Possession of freehold land measuring 0-07-26 hectare (Previous Year: 0-08-26 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 Work-in-Progress

Sl.No.	Particulars	As at 01.04.2012	Additions during year	Transfers/Adjustments	Total WIP as at 31.03.2013	Capitalised during the year	As at 31.03.2013
1	Building	2,125	2,006	3	4,128	1,451	2,677
2	Civil Works	1,06,512	42,133	3	1,48,642	690	1,47,952
3	Roads, Bridges & Culverts	831	298	-	1,129	175	954
4	Plant and Machinery	-	12	-	12	12	-
5	Electrical Works	101	2	-	103	34	69
6	Capital Asset with Contractors (Electro Mechanical Packages)*	15,266	27,017	-	42,283	191	42,092
7	Preliminary	7,749	3,548	-	11,297	-	11,297
8	Capital Assets not owned by Company	1	142	-	143	143	-
9	Expenditure during construction (Note 2.11.1)	69,711	23,428	25	93,114	-	93,113
	Total	2,02,296	98,586	31	3,00,851	2,696	2,98,154
	Previous Year	1,23,966	77,849	(1,192)	2,03,007	711	2,02,296

* Capital Assets with contractor's include Material/Assets in transit having value ` 2541 lakh (PY: ` 1118 lakh).

2.11.1 Expenditure During Construction

(` Lakh)

	Year ended 31st March, 2013	Year ended 31st March, 2012
EXPENSES		
Employees' Remuneration and Benefits:		
Salaries, Wages, Allowances and Benefits*	9,421	9,734
Contribution to Provident and Other Funds	442	389
Leave Salary and Pension Contribution	246	335
Welfare Expenses	960	852
	<u>11,069</u>	<u>11,310</u>
Other Expenses		
Repair and Maintenance:		
Roads and Buildings	119	148
Plant & Machinery	26	52
Office Equipments & Furnitures	21	13
Vehicles	60	55
Others	89	87
	<u>315</u>	<u>355</u>
Rent	310	273
Rates & Taxes	1	1
Insurance	2	2
Security Expenses	260	243
Electricity Charges	109	87
Less: Recovered from Employees & Contractors	3	5
	<u>106</u>	<u>82</u>
Research & Development Expenses	-	6
Travelling & Conveyance	396	361
Training and Recruitment Expenses	124	119
Legal Expenses	14	5
Professional and Consultancy Charges	116	221
Communication Expenses	95	90
Printing & Stationery	85	74
Less: Receipts from Sale of Tenders	6	4
	<u>79</u>	<u>70</u>
Payment to Auditors	15	10
Advertisement & Publicity	97	77
EDP Expenses	72	60
Entertainment Expenses	26	29
Expenses on Transit Camps	167	154
Books & Periodicals	6	3
Hiring of Vehicles	441	370
Depreciation	409	354
Stores Written Off	-	2
Loss on Disposal/Write off of Fixed Assets	6	2
Crop and Other Compensation	119	656
Exchange Rate Variation	9,368	13,084
Directors Sitting Fees	11	7
Local Area Development Expenses	-	1,672
Business Promotion Expenses	47	72
Rehabilitation Expenses	32	68
Fees and subscription	8	23
Environment & Ecology Expenses	83	54
Safety Expenses	3	2
Miscellaneous Expenses	81	79
	<u>23,878</u>	<u>29,916</u>

2.11.1 Expenditure During Construction

	Year ended 31st March, 2013	Year ended 31st March, 2012
(` Lakh)		
INTEREST AND FINANCE CHARGES		
On Loan from World Bank (IBRD)	2,329	1,261
Others	-	11
	<u>2,329</u>	<u>1,272</u>
Less: Allocated to CWIP	2,329	1,261
	<u>-</u>	<u>11</u>
	<u>23,878</u>	<u>29,927</u>
LESS: RECEIPTS AND RECOVERIES		
Interest from:		
Banks	3	3
Employees	54	34
Contractors	301	2
	<u>358</u>	<u>39</u>
Miscellaneous Income	92	55
	<u>450</u>	<u>94</u>
Net Expenditure (transferred to Sch.-2.11)	<u>23,428</u>	<u>29,833</u>

*Salaries, Wages, Allowances and Benefits include an amount of ` 433 lakh (Previous Year: ` 1154 lakh) on account of Defined Contribution Pension Scheme for the employees as approved by the Ministry of Power (MOP).

2.12 Non - current Investments

	As at 31st March, 2013	As at 31st March, 2012
(` Lakh)		
Non Trade-Unquoted (at cost)		
(a) Joint Venture Companies		
13000 (PY: Nil) Equity shares of ` 10/- each in Cross Border Power Transmission Company Ltd.	1	-
Share Application Money Pending Allotment in Cross Border Power Transmission Company Ltd.	493	-
(b) Others		
60 Fully Paid up Ordinary shares of ` 50/-each in NJP Employees Consumer Co-operative Store, Jhakri (` 3000/-)	-	-
Total	<u>494</u>	<u>-</u>

2.13 Deferred Tax Assets (Net)

	As at 01.04.2012	Additions/Adjustments during the year	As at 31.03.2013
(` Lakh)			
Deferred Tax Assets			
Difference of Book Depreciation and Tax Depreciation	11,079	4,681	15,760
Provisions/Expenses disallowed for Tax purpose	1,098	124	1,222
Deferred Tax Assets	<u>12,177</u>	<u>4,805</u>	<u>16,982</u>

Net increase during the year in Deferred Tax Assets (Net) of ` 4805 Lakh (Previous Year: ` 5207 Lakh) has been adjusted in the tax expenses in the statement of Profit and Loss.

2.14 Long Term Loans and Advances

	As at 31st March, 2013	As at 31st March, 2012
(` Lakh)		
Capital Advances		
Secured by hypothecation of Equipment/Material	811	1,597
Unsecured considered good		
-Covered by Bank Guarantees	4,571	9,226
-Others	<u>5,237</u>	<u>4,034</u>
	<u>9,808</u>	<u>13,260</u>
Total	10,619	14,857
Security Deposits - Unsecured Considered Good	34	33

2.14 Long Term Loans and Advances

	As at 31st March, 2013	As at 31st March, 2012
Loans and Advances to Related Parties #		
Unsecured considered good		
- Loans and Advances	10	4
- Interest accrued	2	1
	12	5
Other Loans and Advances		
Loans to Employees		
- Secured	1,932	1,447
- Unsecured considered good	1,196	883
	3,128	2,330
Advances to Employees-Unsecured considered good	119	134
Others-Unsecured considered good		
Prepaid Expenses	1	2
Interest Accrued on Staff Advances:		
- Secured	537	374
- Unsecured considered good	343	259
	880	633
Total	14,793	17,994
# 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).	44	20

2.15 Other Non - current Assets

	As at 31st March, 2013	As at 31st March, 2012
Capital Stores (At Cost) (As certified by Management)		
Steel	53	53
Cement	1	-
Others	1	2
Material at Site	12	38
Total	67	93

2.16 Inventories

	As at 31st March, 2013	As at 31st March, 2012
Loose Tools	4	5
Stores and Spares	3,051	2,846
	3,055	2,851
Less : Provision for Shortage of store and Obsolescence	4	4
	3,051	2,847

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

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, 2013	As at 31st March, 2012
Unsecured considered good:		
- Outstanding for a period exceeding six months from due date of payment	3	911
- Others	35,861	57,040
	35,864	57,951

Trade receivables and Sales include an amount of ` 5197 lakh (Previous Year: ` 13511 lakh) towards bills raised after the end of the financial year.

Trade receivables due from Directors & other officers of the company : Nil (P.Y: Nil)

2.18 Cash and Bank Balances

	As at 31st March, 2013	As at 31st March, 2012
Cash and Cash Equivalents		
Balances with Banks		
- Current Deposits	578	731
- Term Deposits (having original maturity upto 3 months)	60,191	2,210
Cheques & Drafts in hand	30	-
Cash on Hand (₹ 33,640/- P.Y.: ₹ 48,538/-)	-	-
Other bank balances		
- Earmarked Balance (Unpaid Dividend)	13	6
- Margin Money for BG/ Letter of Credit and Pledged deposits	422	3,715
- Other Term Deposits (having original maturity of more than 3 months)	<u>1,81,011</u>	<u>1,82,214</u>
Total	<u>1,81,446</u>	<u>1,85,935</u>
	<u>2,42,245</u>	<u>1,88,876</u>

2.19 Short Term Loans and Advances

	As at 31st March, 2013	As at 31st March, 2012
Loans and Advances to Related Parties #		
- Unsecured considered good	-	6
Loans to Employees		
- Secured	315	265
- Unsecured considered good	<u>234</u>	<u>156</u>
	549	421
Advances to Contractor & Suppliers		
- Unsecured considered good	193	43
- Considered doubtful	<u>10</u>	<u>10</u>
	203	53
Less : Provision for doubtful advances	<u>10</u>	<u>10</u>
	193	43
Advances to Employees (unsecured considered good)	264	464
Deposits - Unsecured considered good:		
- Government Departments	62	214
- Deposits for Works	369	486
- Others	<u>15</u>	<u>15</u>
	446	715
Less: Provision for expenses	<u>273</u>	<u>378</u>
	173	337
Others		
Unsecured considered good:		
- Prepaid Expenses	1,428	592
- Amount recoverable from Govt departments	<u>3,675</u>	<u>174</u>
	5,103	766
Considered doubtful	<u>1,273</u>	<u>1,273</u>
	6,376	2,039
Less: Provision*	<u>1,273</u>	<u>1,273</u>
	5,103	766
Advance Tax Deposit and Tax deducted at Source	79,264	66,800
Less: Provision for Tax	<u>73,927</u>	<u>67,391</u>
	5,337	(591)
Others - Unsecured considered doubtful:-		
Advance to Ex-employees	7	9
Less : Provision for doubtful advances	<u>7</u>	<u>9</u>
	-	-
Interest Accrued on Staff Advances:		
-Secured	20	17
-Unsecured considered good	<u>13</u>	<u>10</u>
	33	27
Total	<u>11,652</u>	<u>1,473</u>

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: ₹ 1273 Lakh) is on account of expenditure incurred on Khab project withdrawn by GoHP from the company.

2.20 Other Current Assets

	As at 31st March, 2013	As at 31st March, 2012
Amount recoverable from Insurance Company	1,074	-
Amount recoverable from Contractors	1,572	1,643
Interest Accrued but not due on deposits with Banks	9,887	9,990
Deferred Foreign Currency Fluctuation Assets	214	205
Unbilled Revenue	30,901	25,754
Surplus Stores/Equipments	1,534	1,534
Less: Provision for Shortage/ Obsolescence	<u>1,533</u>	<u>1,533</u>
	1	1
Total	<u>43,649</u>	<u>37,593</u>

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, 2013	Year ended 31st March, 2012
Sales		
Energy Sales	1,72,962	1,82,095
Less:		
Regulated Power Adjustment- Margin	1,306	1,300
Regulated Power Adjustment- Expenses	<u>184</u>	<u>94</u>
	1,71,472	1,80,701
UI Charges	2,946	1,844
POSOCO Charges	1,034	-
Exchange Rate Variation recoverable from beneficiaries	91	754
Tax recoverable from beneficiaries	<u>(7,501)</u>	<u>7,501</u>
Revenue from Sales	1,68,042	1,90,800
Prior Period Sales	-	179
Total Revenue from Sales	<u>1,68,042</u>	<u>1,90,979</u>
Other operating revenues:		
Consultancy Income	<u>168</u>	<u>1,771</u>
Total Revenue from Operations	<u>1,68,210</u>	<u>1,92,750</u>

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 ` 171472 lakh (Previous Year: ` 180701 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 2012-13 on this basis is ` 164023 lakh (including billing of tax recovery) (Previous Year: ` 181960 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 UPPCL, BRPL and BYPL (P.Y: 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 82.522 MUs (P.Y: 51.160 MUs) of power was sold through PTC amounting to ` 2444 lakh (P.Y: ` 1813 lakh) and included in Energy Sales. An amount of ` 1306 lakh (P.Y.: ` 1300 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ` 184 lakh (P.Y: ` 94 lakh) on Sale through PTC.

During the year 2011-12, the company deposited ` 6000 lakh against the tax demand raised on regular assessment of the company for the Asstt. Year 2009-10 and provided the same as earlier year tax adjustment. An appeal before the CIT (Appeals) was also filed against the said assessment. As the above tax related to tariff period 2004-09 and was recoverable from beneficiaries separately as a pass through item, an amount of ` 7501 lakh (grossed up with tax rate) was treated as sales. During the year, the appeal before the CIT (appeals) has been decided in favour of the company. Accordingly, the amount of Grossed up sales of ` 7501 lakh has been adjusted from current year sales and benefit passed on to the beneficiaries for the relevant year. Similarly the amount of tax has been accounted for as earlier year tax adjustment.

CERC vide notification dated 31st December 2012 has allowed recovery of Regional Load Dispatch Center (RLDC) fees and charges levied by POSOCO from beneficiaries. Accordingly an amount of ` 1034 Lakhs (P.Y: Nil) relating to period upto 31st March 2013 (including ` 847 Lakhs accounted for as expenditure during earlier years) has been billed and included in sales for the year.

2.22 Other Income

	(₹ Lakh)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest From:-		
Banks	21,026	19,377
Employees	247	142
Contractors	6	47
Beneficiaries	211	18
	<u>21,490</u>	<u>19,584</u>
Interest on Income Tax Refund	216	371
Less: Refundable to Beneficiaries	<u>216</u>	<u>371</u>
	-	-
Surcharge on late payment from customers	983	37
Receipt of Maintenance of ICF	159	150
Sale of Scrap	43	4
Miscellaneous Income #	279	715
Foreign Currency Fluctuation Adjustment (Credit)	335	439
Total	<u>23,289</u>	<u>20,929</u>
Prior period Income	163	-
Total Other Income	<u>23,452</u>	<u>20,929</u>
# Details of Miscellaneous Income :		
Hire Rental Charges from Contractor	-	42
Profit on Sale of Fixed Assets	-	71
Rent Recovery from Staff/ Others	62	114
Excess Provision Written Back	140	114
Liquidated Damages recovered	49	339
Other Misc Receipts	28	35
Total	<u>279</u>	<u>715</u>

2.23 Employee Benefits Expense

	(₹ Lakh)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Salaries,Wages, Allowances and Benefits*	9,274	9,616
Contribution to Provident and Other Funds	447	371
Leave Salary and Pension Contribution	399	308
Welfare Expenses	834	820
Total	<u>10,954</u>	<u>11,115</u>

*Salaries, Wages, Allowances and Benefits include an amount of ₹ 435 lakh (Previous Year: ₹ 1196 lakh) on account of Defined Contribution Pension Scheme for the employees as approved by the Ministry of Power.

Disclosure required by AS 15 in respect of provisions made towards various employees benefits is made in Note 2.39.

2.24 Finance Costs

	(₹ Lakh)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Interest Expenses on:		
Foreign Currency Loans	19	190
Rupee Term Loans	4,240	6,917
Others	-	60
Arbitration Awards	948	951
	<u>5,207</u>	<u>8,118</u>
Other Borrowing Costs		
Finance Charges	102	53
Exchange differences regarded as adjustment to interest cost.	<u>97</u>	<u>194</u>
	199	247
Total	<u>5,406</u>	<u>8,365</u>

2.25 Depreciation and Amortization Expense

	Year ended 31st March, 2013	Year ended 31st March, 2012
Depreciation for the year	45,076	44,974
Less :		
Transfer to Expenditure During Construction (Note.2.11.1)	409	354
Depreciation Written back	-	20
Depreciation charged to Statement of Profit and Loss	<u>44,667</u>	<u>44,600</u>

2.26 Other Expenses

	Year ended 31st March, 2013	Year ended 31st March, 2012
Repair and Maintenance:		
Buildings	444	378
Roads	70	294
Plant & Machinery	189	118
Office Equipments & Furnitures	11	11
Civil Works	428	402
Electro Mechanical Works	1,647	1,568
Vehicles	63	58
Others	75	67
	<u>2,927</u>	<u>2,896</u>
Less: Claims Received from Insurance Companies *	<u>1,074</u>	<u>17</u>
	1,853	2,879
Rent	298	250
Rates & Taxes	91	-
Insurance	2,534	2,232
Security Expenses	1,185	993
Electricity Charges	1,033	996
Less:- Recovered from Employees & Contractors	<u>46</u>	<u>43</u>
	987	953
Research and Development	620	6
Travelling & Conveyance	310	268
Training and Recruitment Expenses	115	96
Less:- Cost of Application Forms Received	<u>-</u>	<u>4</u>
	115	92
Legal Expenses	39	19
Professional and Consultancy Charges	315	866
Communication Expenses	106	104
Printing & Stationery	80	61
Less: Receipts from Sale of Tenders	<u>17</u>	<u>8</u>
	63	53
Payment to Auditors	16	11
Advertisement & Publicity	118	95
EDP Expenses	72	55
Hiring of Vehicles	362	324
Entertainment Expenses	17	15
Expenses on Transit Camps	131	102
Books & Periodicals	6	6
Sustainable Development Expenses	584	-
C. S.R. Expenses	1,603	784
Stores Written Off	-	16
Loss on Disposal/Write off of Fixed Assets	6	4
Directors Sitting Fees	11	7
Business Promotion Expenses	69	102
Fees and subscription	305	344
Environment & Ecology Expenses	13	48
Safety Expenses	132	117
Miscellaneous Expenses	60	57
Exchange Rate Variation	17	145
Foreign Currency Fluctuation Adjustment (Debit)	88	720

2.26 Other Expenses

	(₹ Lakh)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Expenditure on Catchment Area Treatment	-	782
Wealth Tax	1	1
Rebate to Customers	47	1,323
Expenses on Regulated Power	184	94
Less: Regulated Power Adjustment - Sales	(184)	(94)
Prior Period Expenses	-	-
Total	3	(36)
Stores consumption included in repairs and Maintenance	1,220	726
	12,177	13,737

* Relates to Claims settled during the year for damage to assets for which expenditure was booked under 'Repair & Maintenance' during earlier years.

2.27 Exceptional Items

	(₹ Lakh)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
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 during the year 2011-12.

2.28 Current Tax

	(₹ Lakh)	
	Year ended 31st March, 2013	Year ended 31st March, 2012
Provision for Tax for the Year	23,701	26,928
Adjustments relating to earlier years	(5,672)	6,000
Total	18,029	32,928

During the year 2011-12, the company deposited ₹ 6000 lakh against the tax demand raised on regular assessment of the company for the Asstt. Year 2009-10 and provided the same as earlier year tax adjustment. An appeal before the CIT (Appeals) was also filed against the said assessment. As the above tax related to tariff period 2004-09 and was recoverable from beneficiaries separately as a pass through item, an amount of ₹ 7501 lakh (grossed up with tax rate) was treated as sales. During the year, the appeal filed before the CIT (appeals) has been decided in favour of the company. Accordingly, the amount of Grossed up sales of ₹ 7501 lakhs has been adjusted from current year sales and benefit passed on to the beneficiaries for the relevant year. Similarly the amount of tax has been accounted for as earlier year tax adjustment.

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

	Year ended 31.03.2013	Year ended 31.03.2012
Net Profit after Tax used as numerator (₹ lakh)	105234	106868
Weighted Average number of equity shares used as denominator	4,136,626,500	4,136,626,500
Earnings Per Share		
- Basic & Diluted (₹)	2.54	2.58
Face value per share (₹)	10	10

2.30 Contingent Liabilities:

a. Claims against the Company not acknowledged as debt: (₹ Lakh)

Particulars	As at 31.03.2013	As at 31.03.2012
Capital Works *	34286	33162
Land Compensation	5254	5254
Disputed Income Tax Demand	-	5703
Disputed Service Tax Demand	1236	1236
Others	245	38
Total	41021	45393

- *This includes ₹ 18984 lakh (Previous Year: ₹ 21967 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, have 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 i. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹ 96561 lakh (Previous Year: ₹ 117319 lakh).

ii. Other Commitments:

The amount of commitments on account of plant repair and supply of related spares/ components (net of advances) and other commitments not provided for is ₹ 2666 lakh (Previous Year: ₹ 1345 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, total expenditure of ₹ 11493 lakh (Previous Year: ₹ 9337 lakh) has been incurred on survey and investigation of the project upto 31.03.2013, which includes fixed assets ₹ 439 lakh (Previous Year: ₹ 423 lakh) and capital work in progress ₹ 11054 lakh (Previous Year: ₹ 8914 lakh).
- 2.33 The company has incurred expenditure of ₹ 6088 lakh (fixed assets ₹ 94 lakh & Capital WIP ₹ 5994 lakh) on its Nepal (Arun-3) project upto 31.03.2013. Subsequent to the Balance Sheet date, a wholly owned subsidiary company has been incorporated in Nepal with Authorized Capital of NPR 247500 lakh (₹ 154700 lakh) to implement this project.
- 2.34 The project cost of Rampur Hydro Electric Project (RHEP), which is under construction, has been revised by the management from ₹ 204705 lakh (March 2006 Price Level) to ₹ 339707 lakh (March 2012 Price Level).
- 2.35 The company has awarded an EPC Contract for 47.6 MW wind power project during the year. An amount of ₹ 2977 lakh paid/provided during the year has been included under Fixed Assets (₹ 263 lakh) and Capital Works in Progress (₹ 2714 lakh).
- 2.36 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.
- 2.37 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.
- 2.38 The effect of foreign exchange fluctuation during the year: (₹ Lakh)

		Year ended 31.03.2013	Year ended 31.03.2012
(i)	Amount charged to Statement of Profit and Loss excluding depreciation.		
	- As FERV	17	145
	- As Borrowing cost	97	194
(ii)	Amount charged to Expenditure During Construction		
	- As FERV	9368	13084
	- As Borrowing cost	-	-
(iii)	Amount adjusted by addition to carrying amount of fixed assets	-	197

- 2.39 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 ₹ 889 lakh (Previous year: ₹ 760 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) Pension:
The Company has Defined Contribution Pension Scheme as approved by Ministry Of Power (MOP). The liability for the same is recognized on accrual basis. The scheme will be funded by company and managed by separate trust to be created for this purpose.
- (iii) Leave encashment:
The Company has a defined benefit leave encashment plan for its Employees. Under this plan they are entitled to encashment of earned leaves and medical leaves subject to certain limits and other conditions specified for the same. The liability towards leave encashment has been provided on the basis of actuarial valuation.
- (iv) Retired Employee Health Scheme:
The Company has a Retired Employee Health Scheme, under which retired employee 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 the same has been provided on the basis of actuarial valuation.
- (v) Baggage Allowance:
Actual cost of shifting from place of duty at which employee is posted at the time of retirement to any other place where he / she may like to settle after retirement is paid as per the rules of the Company. The liability towards the same has been provided on the basis of actuarial valuation.
- (vi) Service Reward on Retirement:
Gift at the time of retirement is given to the employee as per the rules of the Company. The liability towards the same has been provided on the basis of actuarial valuation.

1. Key Actuarial assumptions for Actuarial Valuation:

Particulars	As at 31.03.2013	As at 31.03.2012
Mortality Table	LIC (1994-96) duly modified	LIC (1994-96) duly modified
Discount Rate	8.00%	8.50%
Future Salary Increase	6.00%	6.00%

2. Change in Present Value of Obligations (PVO)

Particular		(₹ Lakh)			
		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance /Service Reward on Retirement
PVO at Beginning of Year	CY	2565	2869	1685	44
	PY	1851	2164	1199	35
Interest Cost	CY	205	229	135	4
	PY	157	184	102	3
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Current Service Cost	CY	281	471	143	5
	PY	209	335	109	4
Benefit paid	CY	(97)	(251)	(49)	(4)
	PY	(101)	(348)	(27)	(4)
Actuarial (Gain)/Loss	CY	68	356	33	1
	PY	449	534	302	7
PVO at end of year	CY	3022	3674	1947	50
	PY	2565	2869	1685	45

3. Amount Recognized in Balance Sheet :

Particular		(` Lakh)			
		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance /Service Reward on Retirement
PVO at end of year	CY	3022	3674	1947	50
	PY	2565	2869	1685	45
Fair Value of Plan Assets at the end of year	CY	2665	-	-	-
	PY	1954	-	-	-
Funded Status	CY	(357)	(3674)	(1947)	(50)
	PY	(611)	(2869)	(1685)	(45)
Excess of actual over estimated	CY	(29)	-	-	-
	PY	50	-	-	-
Unrecognized actuarial gain/loss	CY	-	-	-	-
	PY	-	-	-	-
Net (Liability)/Asset recognized in Balance Sheet	CY	(357)	(3674)	(1947)	(50)
	PY	(611)	(2869)	(1685)	(45)

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	280	471	142	5
	PY	209	335	109	4
Interest Cost	CY	205	229	135	3
	PY	157	184	102	3
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Expected return on Plan Assets	CY	(223)	-	-	-
	PY	(152)	-	-	-
Net Actuarial (gain) /loss recognized for the year	CY	97	356	33	1
	PY	399	534	302	7
Expense recognized in Profit & Loss/EDC for the year	CY	359	1056	310	9
	PY	613	1053	513	14

2.40 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.

2.41 Related Party Disclosures:

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

a) Related Parties –

i) Joint Venture Companies:

M/s Cross Border Power Transmission Company Ltd.

ii) Key Management Personnel:

Shri R.P. Singh	Chairman and Managing Director (CMD) and Additional charge of Director (Electrical) upto 29.10.2012
Shri R.N.Misra	Director (Civil)
Shri A.S.Bindra	Director (Finance)
Shri N.L.Sharma	Director (Personnel)
Shri R.K. Bansal	Director (Electrical) from 30.10.2012

b(i) Transactions with related party at a(i) above are as follows:

Particulars	(` Lakh)	
	Year Ended 31.03.2013	Year Ended 31.03.2012
Investment in Equity Shares	1	-
Share Application money pending allotment	493	-
Consultancy Fee received	120	-

ii) Remuneration to key management personnel is `186 lakh (Previous Year: `276 lakh), and amount of dues outstanding to the company as on 31.03.2013 is `12 lakh (Previous Year: `11 lakh).

2.42 Remuneration to Directors (excluding Group Insurance Premium)

	Particulars	(` Lakh)	
		Year Ended 31.03.2013	Year Ended 31.03.2012
i)	Salaries and allowances *	167	257
ii)	Contribution to provident fund and family pension fund.	8	7
iii)	Gratuity	4	3
iv)	Other benefits	7	9
v)	Directors' Sitting Fees	22	15

* Includes arrears to Ex-Directors Nil (Previous Year: `146 lakh).

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

2.43 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. The Schedule of Employee Benefits Expense include `598 lakh (Previous Year: `565 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 houses & transit camps are shown as Rent under other expenses / Expenditure during Construction (EDC).

2.44 Disclosure as per Accounting Standard -27 on 'Financial Reporting of Interests in Joint Ventures':

Name of Company	Proportion of Ownership Interest as on (Excluding share application money)	
	31.03.2013 (%)	31.03.2012 (%)
Cross Border Power Transmission Company Ltd.	26	-

The above joint venture entity is incorporated in India. The company's share of the assets and liabilities as on 31st March 2013 and income and expenses for the financial year ended 31.03.2013 in respect of joint venture entity based on audited accounts is given below:

(` Lakh)

Particulars	As at 31.03.2013	As at 31.03.2012
I. Assets		
Non-current Assets:	425	-
Current Assets:	123	-
II. Liabilities		
Non-current Liabilities:	78	-
Current Liabilities:	155	-
III. Contingent Liabilities	-	-
IV. Capital Commitments	384	-
	Year ended 31.03.2013	Year ended 31.03.2012
V. Income	-	-
VI. Expenses	4	-

2.45 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.

2.46 Quantitative details in respect of energy generated & sold :
(As certified by the management)

Sr. No.	Particulars	Year ended 31.03.2013	Year ended 31.03.2012
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1500	1500
iii)	Actual Generation (Million Units)	6777.777	7610.257
iv)	Actual Sales (Million Units) (Net of auxiliary power & free power to Home State)	5885.843	6634.507

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

(` Lakh)

(A)	Expenditure in foreign currency	Year ended 31.03.2013	Year ended 31.03.2012
i)	Consultancy	-	-
ii)	Financing Charges (ECBs)	-	-
iii)	Interest on External Commercial Borrowings (ECBs)	19	190
iv)	Dividend Paid	-	-
v)	Other Miscellaneous Matters	15	10
(B)	Earnings in foreign currency	-	-
(C)	Value of Import calculated on CIF basis		
i)	Capital Goods	-	4807
ii)	Spare Parts	-	202
(D)	Value of components, stores and spare parts consumed		
i)	Imported	163 (13.36%)	53 (7.30%)
ii)	Indigenous	1057 (86.64%)	673 (92.70%)

2.48 Payment to Auditors includes:

(` Lakh)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
As Auditors		
- Statutory Audit	11	5
- Tax Audit	3	1
- Limited Review	8	4
For other services (Certificates etc.)	2	5
Reimbursement of Expenses	4	4
Reimbursement of Service Tax	3	2
Total	31*	21*

* Includes ` 7 lakh (Previous Year: ` 4 lakh) for earlier years.

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

(` Lakh)

Particulars	Currency	As at 31.03.2013	As at 31.03.2012
Borrowings, including Interest Accrued but not due thereon.	USD	187422	121751

2.50 During the year, following significant accounting policies have been reworded/modified to have a better disclosure without any significant financial impact.

Accounting Policy	Changes
Accounting Policy No.1.5(a) on depreciation on fixed assets	The words ' & methodology ' have been inserted after the words 'following the rates', to give better disclosure.
Accounting Policy No.1.5(h) of amortization of leasehold land has been changed to align with the CERC rate & methodology	The accounting policy has been changed from 'Period of lease' to 'Period of lease or 35 years, whichever is lower'. It has resulted in decrease in profit before tax for the year by ` 14 lakh.

2.51 As per the Guidelines on Corporate Social Responsibility (CSR) for Central Public Enterprises (CPEs), the company is required to spend a minimum of 0.5% on CSR and 0.1% plus ` 50 lakh on Sustainable Development (SD), of Profit After Tax (PAT) of Previous year. Board approved an amount of ` 1603 lakh [1.5% of PAT of previous year (PY: 0.86% of PAT of previous year ` 784 lakh)] to be spent on CSR during the year and the same has been booked to CSR expenses as per Accounting Policy 1.13(d). The Company has formed a trust to manage CSR activities and during the year an amount of ` 1603 lakh (PY: ` 251 lakh) has been paid to the trust. Similarly an amount of ` 584 lakh [0.5% of PAT of previous year plus ` 50 lakh (PY: Nil)] has been approved to be spent on SD during the year 2012-13 and the same has been booked to Sustainable Development expenses during the year as per Accounting Policy 1.13(d).

2.52 Information in respect of micro and small enterprises as at 31st March 2013 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(Lakh)

Particulars	Year ended 31.03.2013	Year ended 31.03.2012
a) Amount remaining unpaid to any supplier:		
Principal amount	73	8
Interest due thereon	-	-
b) Amount of interest paid in terms of section 16 of the MSMED Act along with the amount paid to the suppliers beyond the appointed day.	-	-
c) Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.	-	-
d) Amount of interest accrued and remaining unpaid	-	-
e) Amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises, for the purpose of disallowances as a deductible expenditure under section 23 of MSMED Act.	-	-

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


(Vikrant Arora)
Partner
M.No.511972

Place : New Delhi
Date : May 29, 2013



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 25th Annual General Meeting of the Company to be held on Thursday, the 12th September 2013 at
"Hotel Peterhoff, Chaura Maidan, Shimla – 171004" at 1500 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 25th Annual General Meeting of the Company to be held on Thursday, the 12th September 2013 at "Hotel Peterhoff, Chaura Maidan, Shimla – 171004" at 1500HRS

Folio/ Client ID									
------------------	--	--	--	--	--	--	--	--	--

DP ID No.									
-----------	--	--	--	--	--	--	--	--	--

No. of Share held									
-------------------	--	--	--	--	--	--	--	--	--

(Signature of Member)

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
For SJVN Limited



Soumendra Das
Company Secretary

Date : 30th July, 2013

REMINDER

Dear Shareholder,

Sub: Payment of Dividend For The Year 2009-10, 2010-11 & 2011-12

Your company SJVN Limited declared the dividend for the year 2009-10 on 15th September 2010, for the year 2010-11 on 26th August 2011 & for year 2011-12 on 3rd September 2012. All those Shareholders who were on the register of members on the respective record dates (i.e. 2nd September 2010, 19th August 2011 and 27th August 2012 respectively) 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
For SJVN Limited



Soumendra Das
Company secretary

Date : 30th July, 2013

VISION

To be Best-in-class Indian Power Company globally admired for developing affordable clean power and sustainable value to all stake holders.

MISSION

To drive socio-economic growth and optimize shareholders and stakeholders interest by:

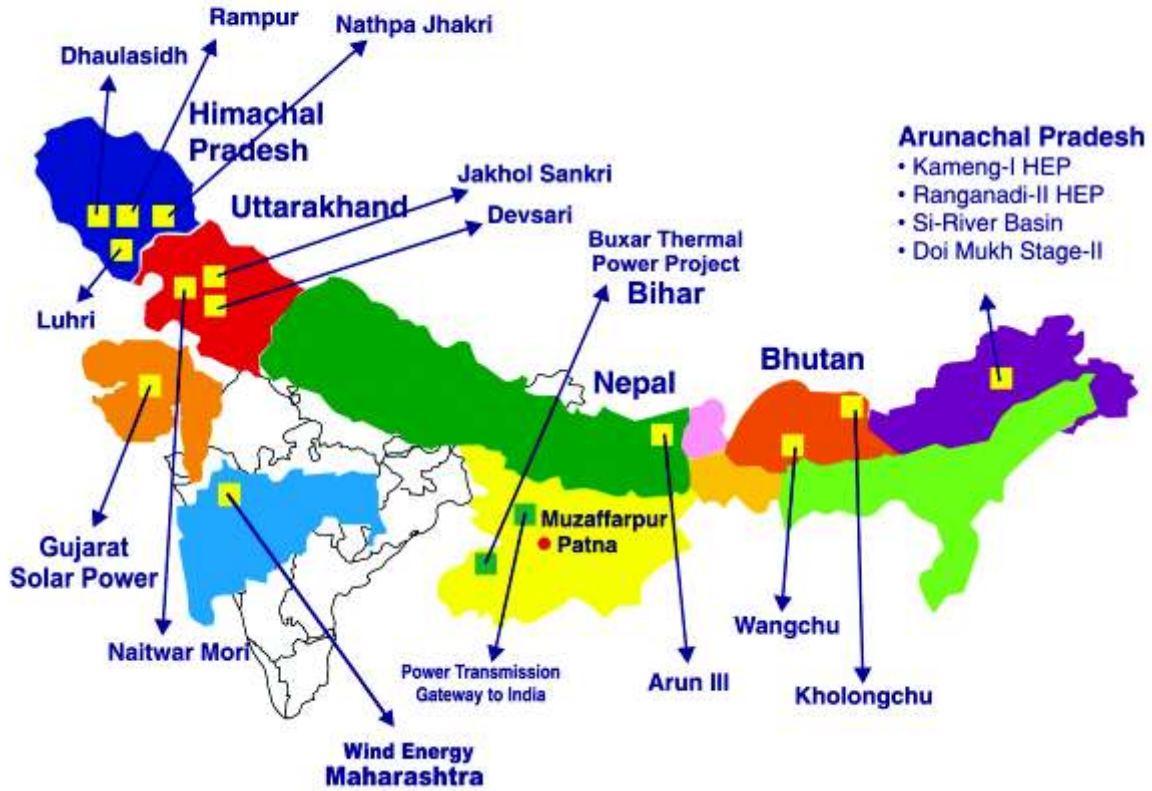
- Developing and operating projects in cost effective and socio-environment friendly manner.
- Nurturing human resources talent with care.
- Adopting innovative practices for technological excellence.
- Focusing on continuous growth and diversification.

OBJECTIVES

In the pursuit of above mission, the company had set for itself the following Corporate Objectives:-

- Operating and maintaining power stations with maximum performance efficiency.
- Establishing and following sound business, financial and regulatory policies.
- Taking up of other hydro power projects.
- Completion of the new projects allocated to SJVN in an efficient and cost effective manner.
- Use of the best project management practices for the project implementation by applying latest universally accepted Project Management Techniques, and by enabling its Engineers, to become certified Project Managers through further training.
- Dissemination of available in-house technical and managerial expertise to other utilities/projects.
- Creating work culture and work environment conducive to the growth and development of both the organization and the individuals through introduction of participative management philosophy.
- Fulfilling social commitments to the society. Achieving constructive cooperation and building personal relations with stakeholders, peers, and other related organizations.
- Striving clean and green project environment with minimal ecological and social disturbances.
- To strive for acquiring Nav Ratna Status.

SJVN's PROJECTS



एसजेवीएन लिमिटेड SJVN Limited

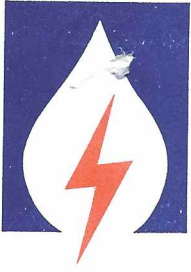
(A Joint Venture of Govt. of India & Govt. of H.P.)
A Mini Ratna & Schedule 'A' PSU

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

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

Phone: 011-41659207, 41659205, Fax: 011-41659204

Visit us at: www.sjvn.nic.in



एसजेवीएन लिमिटेड

(भारत सरकार एवम् हिमाचल प्रदेश सरकार का संयुक्त उपक्रम)

मिनी रत्न एवं अनुसूची 'ए' पी. एस. यू.

SJVN LIMITED

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

A Mini Ratna & Schedule 'A' P.S.U.

FORM A

Format of covering letter of the annual audit report to be filed
with the stock exchanges

1. Name of the Company:	SJVN Ltd.
2. Annual financial statements for the year ended	31 st March 2013
3. Type of Audit observation	Emphasis of Matter Attention has been drawn to Note No. 2.21 to the financial statements in respect of accounting of sales on provisional basis, pending determination of tariff by the Central Electricity Regulatory Commission as the tariff for the period is yet to be notified. The sales has been worked out on the basis of CERC norms applicable for the determination of tariff for the period 2009-14 on capital cost already approved by CERC.
4. Frequency of observation	From financial year 2011-12


(A.S. Bindra)
Director(Finance)


(R.P. Singh)
Chairman & Managing Director


(Vikrant Arora)
Partner
M.No. 511972
M/S Hingorani M & Co.
Chartered Accountants




(Asha Swaroop)
Audit Committee Chairperson

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आप अपने तथा राष्ट्र के हित में ऊर्जा की बचत करें।
SAVE ENERGY FOR BENEFIT OF SELF AND NATION