

वार्षिक रिपोर्ट Annual Report 2013-14



*"SJVN.....Pursuing Global Vision,
New Challenges-More Opportunities"*



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)



Mukesh Jain
Nominee Director, GOI



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

Govt. Nominees

Independent Directors



Kamaljit Singh Gill
Independent Director



S.M. Lodha
Independent Director



Asha Swarup (Ms)
Independent Director



Arun Mahajan
Independent Director



D.V. Dharmik

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.



THE BOARD OF DIRECTORS - BRIEF PROFILES

Chairman & Managing Director

Mr. Raghunath Prasad Singh, 59 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 28 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.

FUNCTIONAL DIRECTORS

Mr. Ramesh Narain Misra, 56 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 35 years of experience in power sector. Prior to joining the company, he was an 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 Projects under Investigation and Construction, Civil Design, DRB and Civil Contracts, Geology and Environment wings of the company.

Mr. Amarjit Singh Bindra, 54 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 31 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, 50 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 Resource functions including Personnel and Administration, Rehabilitation & Resettlement, Corporate Social Responsibility, Legal, Procurement, Corporate Communications etc.

Mr. Rakesh Kumar Bansal, 54 years has been appointed as Director (Electrical) with effect from 31 st 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.

GOVERNMENT NOMINEES

Mr. Mukesh Jain, 50 years, has joined our Board as a Government Nominee Director w.e.f. 5th November, 2013. He holds a Bachelor's degree in Electronics Engineering with Gold Medal, Post Graduate Diploma in Management from IIM Ahmedabad and Master's degree in Public Administration from Harvard University. Shri Jain is an IPS officer of the 1989 batch of Madhya Pradesh Cadre. During his illustrious career of 24 years as an IPS officer, he has held various administrative positions in Madhya Pradesh Government as well as in Central Government, including stints as Superintendent of Police (Raisen and Mandsaur), Regional Passport Officer (Jaipur), IG CID (New Delhi), PS to MOS for Commerce and PS to MOS (I/C) for Power. Currently he is Joint Secretary in Ministry of Power.

Mr. S.K.B.S. Negi, 58 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 28 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.

INDEPENDENT DIRECTORS

Mr. Kamaljit Singh Gill, 67 years, is an Independent Director on our Board since September 14, 2011. A graduate in Electrical Engineering from Punjab University, Mr. Gill possesses over 41 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 62 years is an Independent Director on our Board since September 14, 2011. Mr. Lodha holds an Honours Graduate in Commerce, Law and Post Graduate in Business Management. He has over 40 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, 64 years, is an Independent Director on our Board since 14th September, 2011. She is a postgraduate 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, 62 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 41 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, 65 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.



CONTENTS

1. Notice	05
2. Chairman's Letter to Shareholders	10
3. Directors' Report 2013-14	12
4. Management Discussion and Analysis	19
5. Report on Corporate Governance	25
6. Independent Auditor's Report	31
7. Comments of the Comptroller & Auditor General of India	33
8. Compliance Certificate on Corporate Governance	33
9. Balance Sheet	34
10. Statement of Profit and Loss	35
11. Cash Flow Statement	36
12. Notes to the Financial Statements	37
13. Indian Subsidiary - SJVN Thermal Private Limited	58
14. Foreign Subsidiary - SJVN Arun-3 Power Development Co. Pvt. Ltd.	80
15. Consolidated Financial Statements	92
16. Form of Proxy	
17. Ballot Form	
18. Attendance Slip	

Company Secretary	: Soumendra Das
Statutory Auditors	: M/s Soni Gulati & Co. Chartered Accountants Shimla
Bankers	: State Bank of India Yes Bank Vijaya Bank IDBI Bank Oriental Bank of Commerce AXIS Bank Punjab National Bank
Registered Office	: Himfed Building New Shimla SHIMLA - 171009. Himachal Pradesh



SJVN LIMITED

CIN: L40101HP1988GOI008409

Registered Office: Himfed Building, New Shimla-171009

Telephone: 0177- 2672324, Fax: 0177-2670737,

Email: inverstor.relations@sjvn.nic.in, Website: www.sjvn.nic.in

NOTICE

NOTICE is hereby given that the **26th Annual General Meeting** of the Members of SJVN Limited will be held on **9th September 2014, Tuesday, 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 Financial Statements of the Company for the year ended 31st March, 2014 including the Balance Sheet and Statement of Profit and Loss for the financial year ended as on that date together with Reports of the Board of Directors and Auditors thereon.
2. To declare Final Dividend for the financial year 2013-14.
3. To appoint a Director in place of **Shri Raghunath Prasad Singh [DIN 01894041]**, who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint a Director in place of **Shri Ramesh Narain Misra [DIN 03109225]**, who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

5. **Ratification of remuneration of Cost Auditor for financial year 2014-15**

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

"RESOLVED THAT, pursuant to the provisions of Section 148 and all other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, the remuneration of ₹75,000/-plus Service Tax as applicable plus Out of pocket expenses incurred in connection with the cost audit to be paid to M/s Balwinder & Associates, Cost Accountants, New Delhi, Cost Auditors of the Company for the financial year 2014-15, as approved by the Board of Directors of the Company, be and is hereby ratified."

By order of the Board of Directors

(Soumendra Das)
Company Secretary
FCS-4833

Date: 28.07.2014

Regd. Office : Himfed Building, New Shimla-171009

NOTES:-

1. Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY, OR, WHERE THAT IS ALLOWED, ONE OR MORE PROXIES, TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND THAT A PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e. latest by **03:00 PM** on, the **7th September 2014**. Blank proxy form is enclosed.
3. As per Section 105 of the Companies Act, 2013 and relevant rules made there under, a person can act as proxy on behalf of members not exceeding fifty (50) and holding in the aggregate not more than ten percent (10%) of the total share capital of the company carrying voting rights. Further, a member holding more than ten percent (10%) of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholder.
4. With effect from April 01, 2014, inter-alia, provisions of section 149 of Companies Act, 2013, has been brought into force. In terms of the said section read with section 152(6) of the Act, the provisions of retirement by rotation are not applicable to Independent Directors. Therefore, the directors to retire by rotation have been re-ascertained on the date of this notice.
5. As required by Clause 49 of the Listing Agreement(s), the relevant details of **Shri Raghunath Prasad Singh [DIN 01894041]** and **Shri Ramesh Narain Misra [DIN 03109225]** retiring by rotation and seeking re-appointment under item nos. 3, & 4 of the Notice respectively. In exercise of powers vested under Articles of Association of the Company, the above Directors were appointed by President of India (acting through Ministry of Power) for a period of 5 years from the date of taking over the charge or till date of superannuation or till further orders whichever is earlier.
6. None of the Directors of the Company are anywhere related with each other.



7. Members are requested to:
- Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - 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.
 - Polling Slips/ Forms, if required, shall be provided at the venue of the Meeting.
 - Quote their Folio No. or Client ID & DP ID Nos. in all correspondence.
 - Note that due to strict security reasons, mobile phones, eatables and other belongings are not allowed inside the Auditorium.
 - Note that no gifts/coupons will be distributed at the Annual General Meeting.
8. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
9. The Register of Members and Share Transfer Books of the Company will remain closed **from 3rd September 2014 (Wednesday) to 9th September 2014 (Tuesday)** (both days inclusive).
10. **The Board has recommended a Final Dividend @ ₹ 0.98 per share at its 229th meeting held on 28th May 2014. 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 2nd September 2014 (Tuesday).**
11. Subject to the provisions of Section 126 of the Companies Act, 2013, the Final Dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid on or after **14th September 2014**.
12. Pursuant to Section 125 of the Companies Act, 2013, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education & Protection Fund of the Central Government, Therefore, Members are advised to encash their Dividend warrants immediately on receipt.
13. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the company to make remittance by means of ECS. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those holding shares in physical form may obtain and send the ECS mandate form to **MCS Limited F-65, first Floor, Okhla Industrial Area, Phase I, New Delhi – 110020**, (the Registrar & Transfer Agent of the company), if not done earlier.
14. The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to MCS Limited, Registrar & Transfer Agent of the Company to enable them to print these details on the dividend warrants,
15. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Transfer Agent along with relevant Share Certificates.
16. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday), between 11.00 AM to 5.00 PM up to one day prior to the date of AGM
17. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form (Form SH-13 in duplicate) of the Companies Share Capital and Debentures Rules, 2014. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
18. Annual Listing fee for the year 2014-15 has been paid to the Stock Exchanges wherein shares of the Company are listed.
19. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and bank account to the Company's Registrar at the address given in Note No.12 above.
20. Members are requested to notify immediately any change of address:
- to their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - to the Company at its Registered Office or its Registrar & Transfer Agent, MCS Limited in respect of their physical shares, if any, quoting their folio number.
21. **Members desirous of getting any information on any item of business of this meeting are requested to address their queries to the Company Secretary at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.**
22. The annual report for 2013-14 along with the notice of Annual General Meeting, Attendance Slip and Proxy Form is being sent by electronic mode to all the shareholders who have registered their Email IDs with the depository participants/ registrar and transfer agent unless where any member has requested for the physical copy.

23. Members who have not registered their email ids, physical copies of the annual report 2013-14 along with the notice of Annual General Meeting, Attendance Slip and Proxy Form are being sent by the permitted mode. Members may further note that the said documents will also be available on the Company's website www.sjvn.nic.in and at www.cdslindia.com for download. Physical copies of the aforesaid documents will also be available at the Company's registered office for inspection during normal business hours on working days. For any communication, the shareholders may also send requests to the Company's investor email id viz. investor.relations@sjvn.nic.in.

VOTING THROUGH ELECTRONIC MEANS AND BALLOT

- Pursuant to Section 108 and corresponding Rules of Companies Act, 2013 as well as Clause 35B of Listing Agreement, the Company will provide e-voting facility to the members. All business to be transacted at the annual general meeting can be transacted through the electronic voting system.
- Further, in terms of Clause 35B (ii) of Listing Agreement the members, who do not have access to e-voting facility, may send their assent or dissent in writing on the Ballot Form sent alongwith this AGM Notice so as to reach the Scrutinizer on or before **5th September 2014 (Wednesday)** at the following address - **Mr. Santosh Kumar Pradhan, PCS, C/o MCS Limited, F-65, First Floor, Okhla Industrial Area, Phase I, New Delhi – 110020**. Any Ballot Form received after this date will be treated as if the reply from the member has not been received.
- The notice of annual general meeting will be sent to the members, whose names appear in the register of members/ depositories as at closing hours of business, on **8th August 2014**.
- The shareholders shall have one vote per equity share held by them. The facility of e-voting would be provided once for every folio/client id, irrespective of the number of joint holders.
- The Company has appointed **Mr. Santosh Kumar Pradhan**, Practicing Company Secretary, as the scrutinizer for conducting the e-voting and ballot process in the fair and transparent manner.
- The scrutinizer will submit his final report on votes casted through Ballot & e-voting to Chairman of the Company within three working days after the conclusion of e-voting period.
- The final results on the resolutions would be provided by the scrutinizer within the stipulated time after the AGM and will be displayed on the website of the Company viz. www.sjvn.nic.in and also on www.cdslindia.com.
- The results of annual general meeting shall be declared by the Chairman or his authorized representative or any one Director of the Company on/ or after annual general meeting within the prescribed time limits.
- The result of the e-voting will also be placed at the website of the Company viz. www.sjvn.nic.in and also on www.cdslindia.com.
- The scrutinizer's decision on the validity of e-voting and ballot will be final.

Instructions of Voting through electronic mode

A. In case of members receiving notice of Annual General Meeting via e-mail:

- Log on to the e-voting website www.evotingindia.com
- Click on "Shareholders" tab.
- Now, select the "COMPANY NAME" from the drop down menu and click on "SUBMIT"
- Now Enter your User ID
 - For CDSL: 16 digits beneficiary ID,
 - For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - Members holding shares in Physical Form should enter Folio Number registered with the Company.
- Next enter the Image Verification as displayed and Click on Login.
- If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- If you are a first time user follow the steps given below:

For Members holding shares in Demat Form and Physical Form	
PAN	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> Physical Shareholders who have not updated their PAN with the Company are requested to use the first two letters of their name in Capital Letter followed by 8 digits folio no in the PAN field. In case the folio number is less than 8 digits enter the applicable number of 0's before the folio number. Eg. If your name is Ramesh Kumar with folio number 1234 then enter RA00001234 in the PAN field Demat Shareholders who have not updated their PAN with their Depository Participant are requested to use the first two letters of their name in Capital Letter followed by 8 digit CDSL/ NSDL client id. For example: in case of name is Rahul Mishra and Demat A/c No. is 12058700 00001234 then default value of PAN is 'RA00001234.



DOB	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <ul style="list-style-type: none"> Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the number of shares held by you as on 8th August 2014 in the Dividend Bank details field.

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then reach directly the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
 - They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
 - After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
 - The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.
- B. In case of members receiving the physical copy of notice of the annual general meeting (for members whose e-mail ids are not registered with the company/ depository participant(s) or requesting physical copy)**
- (A) Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (B) The voting period begins at **9.00 A.M., on 3rd September 2014 and ends at 5.00 P.M. on 5th September 2014**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **8th August 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (C) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.co.in under help section or write an email to helpdesk.evoting@cdslindia.com.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT 2013

Item No. 5

The Board, on the recommendation of the Audit Committee has, vide its 227th meeting dated 07-02-2014 has approved the appointment and remuneration of M/s Balwinder & Associates, Cost Accountants, Registration No. 00201, New Delhi as the Cost Auditors to conduct the audit of the cost accounts and records maintained by the Company for the financial year ending 31st March 2015.

In accordance with Section 148 read with Companies (Audit and Auditors) Rules 2014, the remuneration payable to Cost Auditors has to be ratified by the shareholders of the Company.

Accordingly, consent of members is sought for passing an Ordinary Resolution as set out at item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending 31st March 2015.

None of the Directors / Key Managerial Personnel of the Company or their relatives are, in any way concerned or interested, financially or otherwise, in the resolution set out at item no. 5 of the Notice.

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

BRIEF RESUME OF THE DIRECTORS SEEKING RE- ELECTION AT THE 26TH ANNUAL GENERAL MEETING

Name	Shri Raghunath Prasad Singh	Shri Ramesh Narain Misra
DIN	01894041	03109225
Date of Birth	1 st January 1955	20 th November 1957
Date of Appointment	1 st November 2007	21 st May 2010
Qualification	Graduate in electrical engineering from Regional Engineering College, Warangal.	Postgraduate in Civil Engineering and Business Administration
Expertise in Specific Functional Area	Mr. Raghunath Prasad Singh , 59 years, is on our Board as Chairman and Managing Director with effect from 31st January 2012. Earlier he was Director (Electrical) in SJVN. 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 28 years. Mr. Singh was also awarded Gold Medal in recognition of the Meritorious services rendered in the state of Arunachal Pradesh. He is representing the Country in the Working Group of 29 of International Electro-technical Commission-Technical Committee No. 4 which deals with particle erosion. Under his dynamic leadership, SJVN's 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.	Mr. Ramesh Narain Misra , 56 years, is on our Board as the Director (Civil) since 21st May 2010. He has about 35 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 Projects under Investigation and Construction, Civil Design, DRB and Civil Contracts, Geology and Environment wings of the company.
Directorship held in other Companies	1. Director in SJVN Arun – 3 Power Development Company Private Limited, Nepal.	1. Director in SJVN Arun – 3 Power Development Company Private Limited, Nepal
Membership/ Chairmanship of Committees across all the public companies (as per clause 49 C of the listing agreement)		
Number of Shares Held	NIL	507 Equity Shares



CHAIRMAN'S LETTER TO THE SHAREHOLDERS



Dear Shareholders,

It gives me immense pleasure and pride to inform you that the by gone year will be remembered as one of the most successful and eventful year in the history of the Company, both on the operational front as well as on the growth front. Backed by the trust of our stakeholders, the management took a giant leap of faith by undertaking massive business expansion initiative which has yielded excellent results. I take this opportunity to share the achievements of our company with our Shareholders.

The Audited Financial Statements of the Company along with the Reports of the Auditors and Directors for the year 2013-14 are presented for your appraisal.

HIGHLIGHTS OF THE YEAR 2013-14

Your company's crown jewel, the 1500 MW Nathpa Jhakri Hydro Power Station (NJHPS) continued its excellent performance during F.Y. 2013-14. The Plant Generated 7193 MU as against 6778 MU during the previous year which is the second highest cumulative generation from the plant since its commissioning in 2003. During the same period, the plant also achieved the highest ever Plant Availability Factor of 105.75% against a normative requirement of 82%. On 29th May 2013, the NJHPS achieved a record daily generation of 39.147 MU.

The construction work of company's Rampur HEP was completed during the year and unit wise commissioning commenced w.e.f. 20th March 2014 with the synchronization of its first 68.67 MW unit with the northern grid. Synchronization and commercial operations of 3 units and 1 unit has been accomplished on 13th May 2014 and 18th June 2014 respectively.

The 47.6 MW Khirvire Wind Energy Plant was also completed and commissioned successfully during the year and energy generation of 3.32 MU was achieved from the Project up to 31.03.2014.

SJVN also signed a MoU with Druk Green Power Corporation, a PSE of Royal Govt. of Bhutan on 23-04-2014 for carrying out pre-construction activities for development of Kholongchhu Hydroelectric Power Project (600MW) till formation of Joint Venture Company in Bhutan. The foundation stone of the Project was laid by Shri Narendra Modi, Hon'ble Prime Minister of India on 16th June 2014.

Another significant achievement during the previous year was that your company was selected as a Joint Venture Partner with 16% shareholding in the prestigious Sambhar Ultra Mega Solar Power Project in Sambhar area of Rajasthan, which is currently the largest solar energy project in the World. SJVN signed a MoU to form a Joint Venture Company for implementation of First Phase (1000 MW) 4000 MW, Ultra Mega Solar Project in Sambhar with five other PSUs on 29th January 2014.

As regards the financial performance, the company earned a Net Profit of ₹1114.63 crore which is the highest since inception of the Company. Revenue also zoomed to ₹2110.72 crore as against ₹1927.36 crore during the previous year.

Your Board has recommended a dividend of ₹0.98 per share (₹ 405.39 crore) as against the dividend of ₹0.96 per share (₹397.12 crore) for the previous year. The dividend yield on the Company's shares is one of the best amongst all peer group Power Sector Companies.



HIGHLIGHTS OF THE YEAR 2014-15

During the first quarter of the Financial Year 2014-15, ended 30th June 2014, 2404.587 MUs of power has been generated out of which NJHPS generated 2160.788 MUs, RHEP generated 236.215 MUs and Khirvire Wind Power Project generated 7.584 MUs. On 16th June 2014 the NJHPS achieved highest daily generation record of 39.161 MUs.

During the financial year 2014-15, SJVN targets to generate 7920 MUs of power under "Excellent" parameters, out of which 6900 MUs is targeted from NJHPS, 950 MUs from RHEP and 70 MUs from Khirvire Wind Power Project. The target revenue realization from sale of energy is ₹1820 crore from NJHPS, RHEP and Khirvire Wind Power Project collectively.

FUTURE BUSINESS STRATEGY

When I assumed the charge as Chairman & Managing Director of the Company, I identified and assessed that the company's dependence on a single project, stagnation and non-diversification as the greatest weakness and risk for the Company. I clearly perceived that rich experience and expertise of our brilliant and hardworking people is not being harnessed to its optimum and that given an opportunity to prove, my people are capable of creating wonders. The goal that I set for myself and my people was to aim and transform SJVN from a Local Company to a Global Company.

Growth, Expansion and Diversification across geographies, across sectors and across technologies remained my core strategy and thrust area. Diversification into Conventional & Non-conventional Energy would help the company to rapidly expand and broaden its existing Project Portfolio thereby mitigating the risks associated with exposure to a single sector.

Talented people possessing initiative, creativity, decision making and risk taking abilities were handpicked and were granted all the necessary authority, support and motivation for demonstrating their capabilities. The bar was set high, to make SJVN a globally recognized and admired company with portfolio of 30,000 MW capacity, having presence in all sectors of energy including renewables by 2030. The strategy and efforts have borne results and today SJVN is all set to become a "Fully Diversified Transnational Power Sector Company" in the coming years.

The Status of on going Projects has been amply covered in the Directors' Report 2014 and hence, I would only like to mention that the other projects, namely, Luhri (601 MW); Dhaulasidh (66 MW) (both projects in Himachal Pradesh); Devsari (252 MW), Naitwar Mori (60 MW), Jakhhol Sankri (51 MW) (all the three projects in Uttarakhand); Arun-III (900 MW) in Nepal and Kolangchu (600MW) and Wangchu (570MW) projects in Bhutan; 1320 MW Buxar Thermal Power Plant in the state of Bihar; totaling 4420MW capacity are in different stages of development.

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 entity 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".

For its exemplary efforts the company received the Construction Industry Development Council (CIDC) - Vishwakarma Achievement Award for "Social Development and Impact" and also "PSE Excellence Award - 2013" in the category of "CSR and Sustainability".

CORPORATE GOVERNANCE

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

Your company has achieved "Excellent" rating for compliance with DPE Guidelines on Corporate Governance during F.Y. 2013-14 under Corporate Governance grading system prescribed by DPE for the third 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, Gujarat and Rajasthan, 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.

Yours Sincerely

(R.P. Singh)

Chairman & Managing Director

DIN: 01894041

Place: New Delhi

Date: 28.07. 2014



DIRECTORS' REPORT 2014

Dear Members,

Your Directors are pleased to present the Twenty Sixth Annual Report of the Company for the year ended March 31, 2014 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 2014 briefly encapsulate the performance of your company.

1. FINANCIAL HIGHLIGHTS

(₹ In crore)

PARTICULARS	2013-14	2012-13
REVENUE		
Revenue from Operations	1873.58	1682.10
Other Income	237.14	245.26
Total Revenue	2110.72	1927.36
EXPENSES		
Employees' Benefits Expense	123.75	109.54
Finance Costs	28.88	54.06
Depreciation and Amortization Expenses	474.52	446.67
Other Expenses	145.38	132.51
Total Expenses	772.53	742.78
Profit before exceptional items and Tax	1338.19	1184.58
Exceptional Items	---	---
Profit Before Tax	1338.19	1184.58
Tax Expenses:		
- Current Tax	280.50	237.01
- Adjustment relating to earlier years	---	(56.72)
- Deferred Tax	(56.94)	(48.05)
Profit for the Year	1114.63	1052.34

2. GENERATION

Gross Energy Generation of NJHPS during the year was 7192.553 MUs achieved as against MoU target of 6825 MUs for excellent rating and 6777.777 MUs during the previous year. The Plant Availability Factor (NAPAF) during the year zoomed to an all-time high 105.75% against the MoU target of 92.0% and 104.262% in the previous year. The design energy for the NJHPS is 6612 MUs as approved by CEA.

Company's maiden Wind Project - Khirvire Wind Energy Project, was also commissioned during the year and 3.32 MUs were generated from the Project up to 31.03.2014. Three units each of 68.67MW of Rampur HE Project have also been commissioned up to 31.03.2014.

3. DIVIDEND

The Company earned a net profit after tax of ₹ 1114.63 crore during the year as compared to ₹1052.34 crore in the previous year. Your Directors have recommended a dividend of ₹405.39 crore as against dividend of ₹397.12 crore for the previous year. The dividend shall be paid after your approval. The declared dividend per equity share comes to ₹0.98 (9.8%) as against ₹0.96(9.6%) 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 has been built on river Satluj, situated in Shimla and Kullu districts of

Himachal Pradesh in North India. The project is designed as a cascade tandem operating plant to Nathpa Jhakri Power Plant. The Annual Design Energy approved for Rampur HEP is 1878MU.

Major civil construction activities of Project are complete. The biggest challenge faced by Project in 2013 was restoration of collection gallery and heavy rock slide on TRT outfall exit channel. These two challenges were successfully met by completing collection gallery in Oct., 2013 and TRT outfall exit channel in March, 2014. The last activity of adit plugging of Head race Tunnel was completed on 22.02.2014 and tunnel filling was achieved on 14.03.2014.

The synchronization of first three units of Rampur H.E. Project viz Unit 1, 2 and 5 was achieved by 30.03.2014. The COD of these three units was declared on 13th May, 2014. The COD of fourth unit i.e. unit no. 4 has also been declared on 18th June 2014. The remaining two units are expected to be synchronized by end of August, 2014. Till 07.07.2014 the gross energy generated is 283.766 MU, which excludes 32.563 MU of infirm energy generated till then.

5. PROJECTS UNDER SURVEY AND INVESTIGATION

5.1 ARUN-3 PROJECT (900 MW)

SJVN Arun-3 Power Development Company Pvt, Ltd (SAPDC) has been established and registered on 25.04.2013 as a private limited company under the Nepalese Companies Act 2063 duly floated by single shareholder company SJVN Ltd with an aim to plan, promote, organize and execute the Arun-3 Hydroelectric Project. The corporate office of the SAPDC is located at Biratnagar-5, Morang, Nepal and project office is located at Khandbari, District Sankhuwasabha Nepal.

Memorandum of Understanding (MOU) was signed with the Govt. of Nepal (GoN) for the execution of 900 MW Arun - III Hydro-electric Project on 02.03.2008. This project is a run-of- river scheme located on Arun River in Sankhuwasabha District of Nepal, which is 657 km from Kathmandu via Biratnagar. Letter of intent issued on 23.05.2010 by GoN to SJVN to carry out infrastructure work at Dam & Power House site.

The survey and investigation works were completed in January 2011. The Project has been techno-economically appraised by CEA on 30.04.2014. The estimated cost of the projects at July2013 price level is ₹ 5668Crores.

The Survey license for DPR was issued by Government of Nepal. The application for Electricity Generation License has been filed to GoN on 14.07.2013. The draft EIA/EMP and draft R&R report has been submitted to IBN, GoN on 01.06.2014 for its approval. Project Development Agreement (PDA) is in advance stage of negotiation with Investment Board, GoN.

5.2 LUHRI PROJECT (601 MW)

The Luhri Hydro Electric Project (LHEP) with a generation potential of 601 MW (577 MW + 24 MW Dam Toe P/H) is located on River Satluj, in Shimla/Kullu/Mandi districts of Himachal Pradesh. The project is designed as run of the river project. The project has the potential to generate 2203 + 132 million units of energy in a 90% dependable year. The estimated cost of the project at January, 2013 price level is ₹ 7137.02 Crore.

GOI accorded Stage-I approval on 27/02/2013 under Forest (Conservation) Act, 1980 for diversion of Forest land (271.15.77 ha). Acquisition of private land has been initiated. However, the same is to be dealt in accordance with the provision of the Right to Fair Compensation in Land Acquisition, Rehabilitation & Resettlement Act, 2013. The rules/procedures for the same are being framed by Govt. of Himachal Pradesh.

On recommendations of Expert Appraisal Committee (EAC), MoEF, Govt. of India had accorded Environment clearance to LHEP.

5.3 DHAULASIDH PROJECT (66 MW)

The Dhaulasidh Project with installed capacity of 66 MW is located on River Beas, in Hamirpur and Kangra districts of Himachal Pradesh. The Project is designed as a run of river project with a small live storage that would be utilized for peaking power during the lean season. The Dhaulasidh project holds potential of generating 247.25 million units of electric energy in a 90% dependable year. The estimated cost of Project is ₹ 613 Crore at April 2013 price level.

Techno-economic clearance for the project was accorded by Directorate of Energy, Govt. of HP for 66 MW. The environment clearance as well as Stage-I forest clearance has been accorded by MOEF, Govt. of India. The proposal for investment decision has been submitted to the Ministry, Govt. of India.

Acquisition of private land has been initiated. However, the same is to be dealt in accordance with the provisions of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013. The rules/procedure for the same are being framed by Govt. of Himachal Pradesh.

5.4 UTTARAKHAND PROJECTS

Devasari HEP (252 MW)- A Run of River (RoR) scheme with installed capacity of 252 MW is located on River Pinder, in Chamoli District of Uttarakhand State. The project will generate 936.9 MU of energy in a 90% dependable year. The RoR scheme was cleared by Govt. of Uttarakhand in October, 2007 and by the Standing Technical Committee in April, 2012. DPR of the project has been concurred by the CEA in May, 2012. The estimated cost of the Project is ₹ 1790 crore at June 2012 price level.

The project has also been recommended for accord of environment clearance by the Expert Advisory Committee (EAC) of MoEF in its meeting held in December 2012. Proposal for diversion of forest land has been recommended by the State Government for approval by the MoEF whereas for private land, Notification under Section-IX of LA-Act, 1894 was issued and the process of record verification etc., completed. Further, action will be taken in accordance with provisions of Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation & Resettlement Act, 2013. The rules/procedures required for the same are being framed by Govt. of Uttarakhand. Other activities required for start of construction of the project like mining and explosive clearance etc., are in the advance stage. The tendering process for major civil works has been initiated and the process of pre-qualification of bidders has been completed. Subsequent to floods in Uttarakhand, the Supreme Court has imposed stay on environment and forest clearance.

Naitwar Mori HEP (60 MW) – The Naitwar Mori Project having proposed installed capacity of 60MW is located on River Tons, a major tributary of River Yamuna in Uttarakashi District of Uttarakhand. The project is designed as a run-of-river project and has the potential to generate 265.5million units of electricity in 90% dependable year. The estimated cost of the project at September 2012 price level is ₹664.6 Crore and the estimated construction period is 4 years.

The DPR of the project has been approved for 60MW 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 15.05.2013 has recommended the case for forest clearance. The CAT Plan of the project has been approved by GoUK. The Payment of Compensation to the owners of private land has been done in December, 2013. Subsequent to floods in Uttarakhand, the Supreme Court has imposed stay on environment and forest clearance.

Jakhol Sankri HEP (51 MW) – The Jakhol Sankri Project with proposed installed capacity of 51MW is located on River Supin, a tributary of River Tons in Uttarakashi District of Uttarakhand. The project is designed as a run-of-river project and has the potential to generate 216.26million units of electricity each year. The estimated cost of the project at March 2012 price level is ₹ 411.85 Crore and the estimated construction period is 4 years.

For assessment of geological features, 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 and is under examination with Government of Uttarakhand. State Board of Wild Life, Uttarakhand has recommended the proposal for Wild Life Clearance and the same has been forwarded by State Government to National Board of Wild Life, MoEF, Government of India in July, 2013 for further necessary action. Subsequent to floods in Uttarakhand, the Supreme Court has imposed stay on environment and forest clearance.

5.5 ARUNACHAL PRADESH HYDRO PROJECTS

Doimukh Hydro Electric Project (80 MW)

The draft MOA is submitted to Ministry of Power for obtaining NOC on 01/05/2013. The estimate for carrying out topographical survey of Doimukh HEP was sanctioned on 08/05/2014.

Ranga Nadi Stage-II HEP(60MW)

Matter regarding interference of FRL of Ranganadi Stage-II is being pursued with GoAP so as to allow SJVN to carry out the project upto a level of +327m along with other alternatives.

New Projects in Arunachal Pradesh

An expression of interest has been published by SJVN on 09/04/2014 for short listing of agencies for implementation of hydro power projects with installed capacity of 50MW and above in JV mode with SJVN in Arunachal Pradesh.

6. CONSULTANCY

6.1 PROJECTS IN BHUTAN

Kholangchu H.E. Project (600MW) - Kholangchu HEP with the installed capacity of 600 MW on the river Kholangchu in Bhutan will annually generate 2568.88 MU of energy. The DPR of the project has already been appraised by CEA as well as Royal Govt. of



Bhutan (RGoB). The estimated cost of the Project is ₹3860 Crore at June 2013 Price Level.

The project is to be implemented by the Joint Venture Company of SJVN and Druk Green Power Corporation (DGPC), Bhutan. Intergovernmental agreement has been signed between Govt. of India and Royal Govt. of Bhutan concerning development of Joint Venture Hydro Power Projects on 22/04/2014. The EIA/EMP reports as well as forest clearance proposals have already been submitted to Royal Government of Bhutan.

Wangchu H.E. Project (570 MW)- Wangchu HEP a run of river scheme with the installed capacity of 570 MW on the river Wangchu in Bhutan will annually generate 1968.55 MU of energy. After the appraisal of DPR of the project by CEA, the DPR has already been submitted to Royal Government of Bhutan (RGoB). The estimated cost of the Project is ₹ 4060 Crore at July 2013 Price level.

The project is to be implemented by the JV Company of SJVN and Druk Green Power Corporation (DGPC), Bhutan. Intergovernmental agreement has been signed between Govt. of India and Royal Govt. of Bhutan concerning development of Joint Venture Hydro Power Projects on 22/04/2014 for Wangchu HEP. The process for investment decision by Govt. of India for which the process has already been initiated. The EIA/EMP reports have already been submitted to RGoB. Public consultation meetings have been conducted. Forest Clearance proposal has also been submitted to Royal Government of Bhutan.

7. PROJECTS UNDER JOINT VENTURE

7.1 400KV D/C INDO-NEPAL CROSS-BORDER POWER TRANSMISSION COMPANY LTD.

Letter of award for construction of Transmission Line from Dhalkebar to Muzaffarpur @ ₹ 127.13 Crore was issued to M/s KEC International Ltd. by JV Company on 4th March, 2014.

SJVN has been appointed as consultant by CPTC to provide liaison and co-ordination services for obtaining various clearances/permits for an amount of ₹ 1.0941 Crore.

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.

8.1 THERMAL PROJECTS

Buxar Thermal Project (1320 MW)

SJVN has signed an MOU for setting up Green Field 1320 MW (2 x 660 MW) Supercritical Technology Thermal Power Project at Chausa village in Buxar district, Bihar in Jan., 2013.

Power Purchase Agreement (PPA) has already been signed between Bihar State Power Holding Company Limited (BSPHCL) and Project Executing Company i.e. Buxar Bijlee Company Private Limited for 85% share of power generation on bus bar rate.

SJVN has taken over the Project Executing Company i.e. Buxar Bijlee Company Private Limited on 04.07.2013 and paid all the liabilities due upto date. The name of Buxar Bijlee Company Private Limited has been changed to SJVN Thermal Private Limited on 17.10.2013.

Ministry of Coal, Govt. of India vide letter dated 6th September, 2013 has allocated Deocha Pachami coal block (2102 MT) located in Birbhum district of West Bengal to SJVN for Buxar Thermal Power Plant along with Six State Power Utilities. JV Agreement, MoA, AOA for JV formation have been prepared by WBPDC and circulated to all allocatees for their comments.

The process of Land acquisition of 1067 acres is at advanced stage of possession as disbursement of payment is in progress.

Preliminary Stage of Pre-construction Activities viz. Updation of DPR of 1320 MW Buxar thermal Power Project & Pre-feasibility Report for Rail Infrastructure are in progress.

8.2 WIND PROJECTS

Khirvire Wind Power Project in Maharashtra (47.6 MW)

SJVN commenced Generation of energy from wind resource w.e.f. 20.01.2014 from its Khirvire Wind Power Project (56 units of 850kW each) in Ahmednagar district of Maharashtra. 56th unit of the Project was commissioned on 20.05.2014. With the commissioning of all 56 WEGs, the whole Project stands commissioned on 20.05.2014.

8.3 SOLAR PROJECTS

Charnaka Solar Energy Project

Approval for setting up a 5 MW Solar power project at Charnaka, Gujarat has been obtained from SJVN Board. Land has been allotted for the said project by M/s GPCL. Project is expected to be commissioned during FY 2014-15.

Sambhar Ultra Mega Solar Power Project

SJVN as a Joint Venture Partner with 16% equity sharing along with 6 other PSUs i.e. BHEL (Equity : 26%), SECI (Equity : 23%), Power Grid (Equity : 16%), HSL (Equity : 16%) & REIL (Equity : 3%) in the Joint Venture Company being formed for setting up of 4000 MW Ultra Mega Solar Power Projects at Sambhar, Rajasthan. The MoU for formation of the Joint Venture Company has been signed on 29.01.2014.

The first phase of 1000 MW will be executed through viability gap funding from National Clean Energy Fund (NCEF) and power will be sold @5.50 per kWh.

Project will be completed within 3 years. SJVN will carry out Designing of Layout, Civil Structures, Project Management Consultancy, Monitoring and Owner's Engineering Supervision of Erection and Commissioning for the project

9. CURRENT PERFORMANCE

For the quarter ending 30th June 2014, the power generated was 2160.788 MUs (previous year: 2329.757 MUs). The total Income from sale of power recorded was ₹674.71 crore as against ₹537.68 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.

Your company's Corporate Objectives also promote 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 NathpaJhakri Hydro Electric Project had been formulated for ₹ 35.85 Crores. Activities such as compensatory afforestation, muck disposal plan, fisheries sustenance, green belt development, etc. have been completed while CAT plan works are under implementation by State Forest Department, Govt. of H.P.

The Environment Management Plan (EMP) for Rampur Hydro Electric Project had been approved for ₹45.52 Crores and mitigation measures at site are in various stages of implementation. Restoration of muck dumping sites and other muck utilisation areas in Rampur HE Project has been largely done 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 Rampur Hydro Electric Project has prompted us to work toward improving this technique further while implementing it in other projects.

True to its commitment for self regulation and environment protection, your company has also established an Environment Laboratory at Jhakri on the 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. CSR AND SUSTAINABILITY

The CSR and Sustainability Plan for the financial year 2013-14 was implemented with a budget of ₹13.68 Crore i.e 1.3 % of profit after tax (PAT) of the previous financial year 2012-13. Following major CSR and sustainability works were carried out in the surrounding areas of SJVN's Projects situated in the states of Himachal Pradesh, Uttarakhand, Bihar and Arunachal Pradesh:-

- 30 specialised health camps were organized which included 10 camps in District Chamoli which is a backward district in Uttarakhand. 7,144 patients were benefited.
- Free health services under the banner of Satluj Sanjeevani Sewa through additional 06 Mobile Medical Units(MMUs) including 02 MMUs for the backward District Chamoli, in Uttarakhand were started by engaging a specialised agency Help Age India. 42,712 treatments were provided to the local communities.
- 529 local youth were imparted skill development training including 132 local youth of backward district, Chamoli.

- 42 community assets were created including 05 in backward district Chamoli.
- 5 children parks have been constructed in Shimla in association with Municipal Corporation, Shimla.
- As a part of Sustainability measure, the work of laying "Sewerage Treatment System" for AwadiDeh area of village Jhakri under NJHPS has been awarded.
- 150 meritorious students were awarded SJVN Silver Jubilee Scholarship consisting of HP- 85, UK - 25, Bihar - 25 and AP- 15.
- Financial support of ₹ 2 Crore was provided to IAMD, to provide curative and therapeutic help to the patients of muscular dystrophy by constructing therapy centre in Solan (HP).
- Financial support of ₹4 Crore was provided to ABV Engineering college, Pragatinagar, H.P. for setting up of the institute.
- 3 economically poor students were sponsored to Abhyanaad Super 30, New Delhi for coaching for IIT/NIT Entrance examinations.

With a view to assess the impact and expected outcomes of CSR and Sustainability schemes, SJVN deployed an independent committee of experts. The committee report reveals that the CSR and Sustainability schemes have been successfully implemented in true spirits and in conformity to the annual targets.

The Construction Industry Development Council, New Delhi has adjudged the contribution of SJVN in CSR and Sustainability as excellent and has conferred "CIDC Vishwakarma Award-Achievement Award for Social Development and Impact".

12. REHABILITATION AND RESETTLEMENT

SJVN has implemented R&R Plans in NJHPS and RHEP incurring cumulative expenditure of ₹13.60 Crore and ₹26.80 Crore respectively. SJVN has also agreed to pay re-determined amount of land compensation to those left out interest holders under NJHPS 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, the applications received from the left out interest holders are being examined. In RHEP crop compensation to the tune of ₹2.84 Crore has been distributed among the local farmers making the cumulative compensation amount of ₹7.03 Crore. Similarly blast damage compensation to the tune of ₹1.27 Crore has been distributed among the local house dwellers making the cumulative compensation amount of ₹5.11 Crore. Under the Local Area Development Authority (LADA) works, SJVN has approved revised cost estimate of ₹5.54 Crore for construction of Kunni Bridge near Rampur, out of which ₹ 64 Lakh have already been provided to HP PWD for acquiring land for construction of the bridge. Similarly SJVN has approved revised cost of ₹ 5.06 Crore for construction of Govt. Sr. Secondary School, Rampur. ₹1.0 Crore was released to GOHP during the year making cumulative released amount of ₹ 3.0 Crore.

In Naitwar Mori Hydro Electric Project (Uttarakhand), 7.156 ha of private land falling in 3 villages comprising 104 land owners have been acquired at a compensation amount of ₹ 11.04 Crore.

13. RESEARCH AND DEVELOPMENT

In line with the DPE guidelines, SJVN has laid special attention on 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 2013-14 in line with MoU signed with MoP are:

- Study of Wind Power Potential and appropriate technology for setting up of Wind Power Project in SJVN project location through MNRE designated Institutes.
- Analysis of bubble formation phenomenon in outfall structure of NJHPS for causes of occurrence, type of gas and its effect on the structure.
- Study of erosion of non-removable components of turbine and its in-situ machining.
- Study of installation of suitable monitoring/inspection equipment inside lined water conducting system to monitor the performance of lining without dewatering.
- Study of performance of steel fibre reinforced shotcrete in desilting chamber of NJHPS.
- Identification, testing and subsequent Field trial for Tungsten Carbide powders for HVOF hard coating.
- Monitoring of Glacial lakes and Water Bodies in Satluj Catchment.
- Continuation of study on High Strength and Self Compacting Concrete.
- Study of efficacy of expansion system type accumulators to counter pulsations in secondary cooling water system of generating units in NJHPS.

All the projects have been successfully completed under the guidance of eminent professionals from various engineering fields and in collaboration with renowned Research Institutes like CWET, NCCBM etc.

Total expenditure on R&D projects completed during the FY 2013-14 was ₹6.48 Crore.

14. HUMAN RESOURCES

Human Resource is valued as "Greatest Asset" 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 centre 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 resource and believe in unleashing their potential in all possible ways. We take pride in the fact that the attrition rate for financial year 2013-14 was 0.37%.

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 2014, SJVN successfully accomplished the ambitious target of 2 days essential 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 holistic development of employees in addition to its inherent role as an assessment tool. Employee's performance, so assessed, is duly recognized by

payment of variable pay. For the year 2013-14, while the total expenditure on salary and wages was ₹235.42 Crores, the amount paid as Variable Pay stood at ₹13.32 Crores. Multi rater feedback or 360 degree feedback has also been put in place 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 '14th Annual Greentech Environment Award', 'IPE HR Leadership Award', 'IPE CEO with HR Orientation' '6th Vishwakarma Awards', and 'PSE Excellence 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 initiatives focus on inclusive welfare of employees and addresses concerns like House Building, Children Higher Education, Health Care, Insurance and Routine Health Checkup 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 deputationist) on the rolls of SJVN was 1579 as on 31st March, 2014 as against 1479 as on 31st March, 2013. The strength of HPSEB/HP Govt. employees on deputation on the above date was 290 as against 313 on 31st March 2013. As of 31st March, 2014 the employees from SC, ST and OBC was 332, 99 and 175 respectively as against 324, 92 and 143 respectively during the previous year.

Your company gives utmost importance for the enrichment of skills & towards this in-house and external training programmes are organized in all disciplines and at all levels. As a result, during the financial year 2013-14, 1737 employees were trained for 6284 man days.

15. 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 INFORMATIONS

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

- Management Discussion and Analysis.
- Report on Corporate Governance.

- c) Information on Conservation of Energy, Technology Absorption and Foreign Exchange earnings and out go.
- d) Information as per Companies (Particulars of Employees) Rules 1975.

17. DIRECTORS RESPONSIBILITIES STATEMENT

Pursuant to the requirement under section 217(2AA) of the Companies (Amendment) Act, 2000 with respect to Directors Responsibility statement, the Directors confirm that in the preparation of the annual accounts for the year ended March 31, 2014:

- 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 Soni Gulati & Co., Chartered Accountants, Shimla, were appointed by Comptroller & Auditor General as Statutory Auditors of the Company for the financial year 2013-14.

The Report of the Statutory Auditors to the Members on the Accounts for the year ended 31.03.2014 is placed at Annexure "B". Comments of the C&AG of India on the Accounts for the year ended 31.03.2014 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 2013-14 with the approval of Ministry of Corporate Affairs for the audit. The Cost Audit Report for the year 2012-13 was filed with MCA on 14th August 2013.

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 31st March 2013. Subsequently, the following changes in the Board have occurred:-

Pursuant to the orders of Ministry of Power, Shri Mukesh Jain was appointed as Government of India Nominee Director in place of Shri G. Sai Prasad, with effect from 5th November 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(l) 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.

To encourage executives and non-executives to do their entire work in Hindi a number of incentive schemes are under implementation namely 1) Payment of amount equivalent to one increment every month for doing whole office work in Hindi, 2) Honorarium for writing technical papers in Hindi, 3) Cash prize on passing Hindi typing examination and 4) Cash prize for Best write-up published in in-house Hindi journal "Himshakti". Under these schemes 367 executives and non-executives have received prizes amounting to ₹4,43,460/- approximately.

Under the "Rajbhash Samman" Scheme of reward of ₹25,000/- to each employee doing best work in Hindi in different Projects including Corporate Office and "Rajbhasha Uttkrishhta Samman" scheme of reward of ₹30,000/- to the employee doing best work in Hindi at Corporate Level eleven employees were awarded this year.

To impart training to the executives and non-executives to do their day-to-day work in Hindi by organizing Hindi workshops/seminars is a continuous process in the company. 200 Hindi workshops/seminars have been organized and 300 no. of executives and non-executive have been trained. Similarly in regularly organized programmes like inter school poetry/debate/GK competitions, Shudh Hindi Shabd Lekhan, Shabdarth Gyan pratiyogita on important occasions like National days and various competitions organized during Hindi fortnight 266 participants were given cash prizes worth approx. ₹2,24,400/-.

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 its constructive efforts in the field of Official Language implementation.

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". During the year National Sample Survey Office, Ministry of Statistics & Programme Implementation, Field Operations Division & Ministry of Labour & Employment were given 1st & 2nd prizes respectively.

To give impetus to the multi-facet talent of employees an in-house bi-annual Hindi magazine "Himshakti" was published and circulated. Out of total expenditure on purchase of books, 86.89% of amount was spent on purchase of Hindi books.

To propagate Hindi amongst the students various Hindi competitions were organised at different schools/colleges located in the vicinity of Projects/Offices.



20. AWARDS & ACHIEVEMENTS

During the year, your Company received numerous commendations for its work in form of various Awards and Achievements as under:-

- The Nathpa Jhakri Hydro Power Station (6 x 250 MW) was evaluated for the **'Silver Shield' for the year 2012-13** and the **'Bronze Shield' for the year 2011-12** by the Central Electricity Authority in the category of "Performance of Hydro Power Stations".
- Your Company was also awarded the prestigious **"PSE Excellence Award - 2013"** in the category of CSR and Sustainability 16th December, 2013. Contribution of SJVN in the field of CSR has been distinguished and recognized for the major activities in the areas of health, education, skill development, community infrastructure and organising cultural programme and sports.
- The Company bagged the Construction Industry Development Council (CIDC) - **Vishwakarma Achievement Award for "Social Development and Impact"**
- Rampur Hydro Electric Project bagged Construction Industry Development Council (CIDC) - **Vishwakarma Achievement Awards for Construction, Health, Safety and Environment**
- The Company was awarded **ISO 9001:2008 certification** further for next three years. SJVN has been awarded this certification initially in the year 2005 for maintaining stringent Quality Requirements of Det Norske Veritas.
- Chairman and Managing Director, SJVN Limited Mr. RP Singh was awarded **News Ink Legend PSU for Best Environment Friendly** and Director (Personnel) SJVN, Mr. N.L. Sharma was given **Best Director (Personnel) award** News Ink Legend PSU Shining awards, 2013 in Delhi on 31st January 2013.

The News Ink Legend PSU Shining awards aim to honour achievers playing vital role in Indian Economy and maintaining pace of Economic Growth of India. These awards are instituted by M/s. News Ink Media & Production (P) Limited to recognise and promote the excellence in the field of administration of Public Sector Undertakings.

21. 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, Ministry of Environment & Forests, Central Electricity Authority, Central Water Commission, Geological Survey of India, the Government of Nepal, the Government of Bhutan, the Government of Himachal Pradesh, particularly, the Departments of Power, Finance and Forests, the Pollution Control Board, State Governments of Bihar, Uttarakhand, Arunachal Pradesh, Gujarat and Maharashtra, the State Electricity Boards and the World Bank.

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

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

For and on behalf of Board of Directors

(R.P. Singh)
Chairman & Managing Director
DIN: 01894041

Place: New Delhi
Date: 28.07.2014

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY STRUCTURE & DEVELOPMENTS

The all India installed power generation capacity as on 31.03.2014 was 243028.95 MW which includes 40531.41 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 17825.01 MW was achieved against the target of 11663.31MW during the FY 2013-14. 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 40531.41 MW (as on 31.03.2014) 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 NathpaJhakri 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 14 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 commissioning 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 2014 vis-à-vis fiscal 2013. Figures of previous years have been regrouped/rearranged wherever necessary.

A. RESULTS OF OPERATIONS

1. INCOME:

	2013-14	2012-13
Units of Electricity Sold including Wind Power (Million Units)	6259.639	5885.843
INCOME	₹ in Crore	
1. Sales (Note 2.21)	1868.92	1680.42
2. Consultancy works (Note 2.21)	4.66	1.68
3. Other income (Note 2.22)		
a) Interest		
- On deposits	212.77	210.26
- On advances to employees & Contractors	2.75	2.53
- From Customers	7.12	11.94
Total interest	222.64	224.73
b) Foreign currency fluctuation adjustment	2.62	3.35
c) Other	11.88	17.18
Total Income	2110.72	1927.36

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 2014 is ₹2110.72 crore as compared to ₹1927.36 crore in the previous year registering an increase of 9.51%. The increase in gross income was mainly due to increase in Generation during the year.

Tariff

The sale of Hydro Power by the Company is governed by the tariff fixed by the Central Electricity Regulatory Commission (CERC) pursuant to the tariff policy issued by the Govt. of India. The Central Electricity Regulatory Commission (CERC) 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) upto fiscal 2014. Company is entitled to receive incentives for achieving Plant Availability Factor higher than NAPAF. The sale of Wind Power is from the wind power project in Maharashtra and is regulated as per the Tariff rates notified by Maharashtra Electricity Regulatory Commission (MERC).

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 for Nathpa Jhakri Hydro Power Station (NJHPS), Sales for the fiscal 2014 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 2014 has been provisionally recognized at ₹ 1868.92 crore as compared to ₹ 1680.42 crore during the fiscal 2013

Sales includes an amount of ₹264.79 Crore (previous year ₹221.72 crore) on account of incentive billing due to achievement of Plant Availability Factor (PAF) of 105.75% (previous year 105.15%) as against Normative Plant Availability Factor (NPAF) of 82% (previous year 82%) and Gross Annual Generation of 7192.55 million units (previous year 6777.78 million units) as against design energy of 6612 million units. The gross generation during the fiscal has increased by 6.12% over previous year.

Sales also includes Unscheduled Interchange (UI) Charges amounting to ₹ 18.09 crore (previous year ₹ 29.46 crore) for the deviation in generation with respect to schedule, payable (or receivable) at rates notified by CERC from time to time.

During the year, the Company has regulated the power of BYPL (previous year UPPCL, 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, 44.652 MUs (previous year 82.522 MUs) of power was sold through PTC amounting to ₹13.23 Crore (previous year ₹24.44 Crore) and is included in Energy Sales. An amount of ₹7.70 Crore (previous year ₹13.06 Crore) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹0.83 Crore (previous year ₹1.84 Crore) on Sale through PTC.

Sales include an amount of ₹ 18.07 crore (P.Y: Nil) on account of recovery of additional cost due to pay/wage revision allowed by CERC vide its order dated 08/10/2013 to be billed in twelve equal instalments. Accordingly an amount of ₹10.54 crore has been billed up to 31/03/2014. However, one of the beneficiaries has filed an appeal in Tribunal against the order.

Further CERC Vide notification No.-L-7/145(160)/2012-CERC dated 31.12.2012 has revised the Return on Equity (ROE) from 15.5% to

16.5% in respect of run of river generating station with pondage. Accordingly, an amount of ₹ 9.18 crore (P.Y: Nil) recoverable for the period from 01/01/2013 to 31/03/2013 has been shown as prior period sales.

Sales include an amount of ₹1.93 crore (previous year-Nil) from sale of 3.32 MUs of energy generated from wind power project which was partially commissioned during the year.

Consultancy

Consultancy income of the company is ₹4.66 crore during current fiscal as against ₹1.68 crore during previous year. The increase in consultancy income is mainly due to billing of consultancy assignments for preparation of DPRs in Bhutan.

Other Income

Other income during the year was ₹237.14 crore (previous year ₹245.26 crore) which mainly comprises of interest income earned on short term deposits amounting to ₹212.77 Crore (Previous year ₹210.26 crore). The decrease in other income is mainly due to decrease in receipt of insurance claims. Current year ₹1.64 crore (previous year ₹10.74 crore).

2. Expenditure

(₹ In Crores)

Expenditure	Fiscal 2014	Fiscal 2013
Employee Benefits Expense (Note 2.23)	123.75	109.54
Finance Costs (Note 2.24)	28.88	54.06
Depreciation (Note 2.25)	474.52	446.67
Other Expenses (Note 2.26)	145.38	132.51
Total Expenditure	772.53	742.78

The total expenditure of the Company has increased by 4.00 % to ₹ 772.53 crore in the fiscal 2014 from ₹ 742.78 crore in Fiscal 2013 mainly due to increase in Depreciation cost due to charging of 100% depreciation on Capital Expenditure on Assets not owned by the company amounting to ₹ 23.35 crore in line with reviewed opinion of ICAI in respect of Rampur Hydro Electric Project (RHEP). The total expenditure of the Company as a percentage of total income has decreased to 36.60% as compared to 38.54 % 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 16.02% of total expenditure in Fiscal 2014 as compared to 14.75% in Fiscal 2013.

The Employee Benefits Expense during the year was ₹ 123.75 crore (previous Year ₹ 109.54 crore) which is ₹ 14.21 crore higher than the previous year. Increase in expenses is mainly due to annual increment, increase in DA, increase in wages/pay due to new recruitments and increase in post-retirement benefits during the year.

Finance Costs

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

During the current fiscal, finance costs decreased by 46.58 % to ₹28.88 crore in comparison to ₹ 54.06 crore during previous year mainly due to repayment of loans pertaining to NJHPS.

Depreciation and Amortization Expenses

As per the Accounting Policy of the Company, depreciation is charged on straight line method following the rates & methodology notified by Central Electricity Regulatory Commission (CERC) vide notification dated 19.01.2009 in accordance with section 616 (c) of the Companies Act,1956 except for some items for which depreciation is charged at the rates assessed by the company.

The depreciation cost has increased to ₹474.52 crore during the fiscal 2014 as compared to ₹446.67 crore during previous year. The reason for increase in depreciation is mainly due to charging of 100% depreciation on Capital Expenditure on Assets not owned by the company amounting to ₹23.35 crore in line with reviewed opinion of ICAI in respect of RHEP and charging of depreciation on wind power project amounting to ₹ 3.52 crore which was partially commissioned during the year.

Depreciation represents approx. 61.42 % of our total expenditure during fiscal 2014 in comparison to approx. 60.13 % during fiscal 2013.

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. 18.82 % of our total expenditure during fiscal 2014 in comparison to approx. 17.84 % during fiscal 2013. In absolute terms the expenses were ₹145.38 crore in fiscal 2014 as compared to ₹132.51 crore during previous year. Change is mainly due to increase in Repair charges on Civil Works, Surge Shaft and Power House Roads, Buildings, Increase in Insurance premium & Increase in Electricity charges etc.

Profit Before Tax

Profit before tax increased by 12.97 % to ₹1338.19 crore during fiscal 2014 as against ₹ 1184.58 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 Current Tax for the year is ₹ 280.50 crore as compared to ₹ 237.01 crore during previous year. The increase is mainly on account of increase in profit during the year.

Provision for Deferred Tax

The deferred tax asset arisen during the year mainly on account of timing difference in Book Depreciation and Tax Depreciation. Provision for deferred tax asset for the fiscal 2014 is ₹ 56.94 crore as against the provision of ₹ 48.05 crore made in fiscal 2013, an increase of ₹8.89 crore.

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 2014 increased to ₹9050.35 crore from ₹8410.01 crore in the previous year registering an increase of 7.61% due to increase in retained earnings. Correspondingly, the book value of shares has increased to ₹21.88 per share during current fiscal from ₹20.33 per share during previous year.

2. Non-Current Liabilities

(₹ In Crores)

	As of March 31,	
	2014	2013
Long Term Borrowings (Note 2.3)	2213.51	1876.27
Other Long Term Liabilities (Note 2.4)	867.89	950.28
Long Term Provisions (Note 2.5)	67.42	54.84

Long Term Borrowings

Long Term Borrowings as on March 31, 2014 were ₹ 2213.51 crore as against ₹1876.27 crore as on March 31, 2013. Out of these ₹88.90 crore is Secured (previous Year ₹107.85 crore) and ₹2124.61 Crore is Unsecured (previous year ₹1768.42 crore). Secured Loans is borrowed from Domestic Financial Institutions. Over the last fiscal, Long Term Borrowings have registered an increase of 17.97 % amounting to ₹337.24 crore.

- During the year company has transferred an amount of ₹237.47 crore (Secured ₹118.95 crore and Unsecured ₹118.52 crore) drawn for Nathpa Jhakri Hydro Power Station (NJHPS) & Rampur Hydro Electric Project(RHEP) 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 20.14% amounting to ₹ 356.19 crore during current fiscal. The increase is due to drawl of loans from World Bank for Rampur Hydro Electric Project.



- The debt to equity ratio at the end of financial year 2013-14 of the company increased to 0.24 from 0.22 at the end of the previous financial year.

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 a decrease of ₹82.39 Crore to ₹ 867.89 crore as compared to ₹950.28 crore during previous year mainly due to decrease in Deposits, Retention Money from Contractors and Others in respect of RHEP.

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 ₹12.58 crore during current fiscal.

3. Current Liabilities

(₹ In Crores)

	As of March 31,	
	2014	2013
Short Term Borrowings (Note 2.6)	---	---
Trade Payables (Note 2.7)	23.35	26.86
Other Current Liabilities (Note 2.8)	725.54	576.77
Short Term Provisions (Note 2.9)	609.49	594.31
Total	1358.38	1197.94

The Current Liabilities as at March 31, 2014 and 2013 were ₹1358.38 crore and ₹1197.94 crore respectively. The Current Liabilities have increased by 13.39% mainly due to increase in Other Current Liabilities.

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 ₹23.35 crore as compared to ₹26.86 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 25.79% to ₹ 725.54 crore as compared to ₹576.77 crore during the previous fiscal. The increase is mainly due to commencement of repayment of World Bank Loan of Rampur Hydro Electric Project 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 marginally by 2.55 % in Fiscal 2014 to ₹609.49 crore as compared to ₹ 594.31 crore during Fiscal 2013.

4. Non-Current Assets

(₹ In Crores)

	As of March 31,	
	2014	2013
Tangible Assets (Note 2.10)	5668.25	5819.12
Intangible Assets (Note 2.10)	0.41	0.71
Capital Works In Progress (Note 2.11)	3925.79	2981.54
Non -Current Investments (Note 2.12)	4.95	4.94
Deferred Tax Assets (Net) (Note 2.13)	226.76	169.82
Long Term Loans and Advances (Note 2.14)	158.74	147.93
Other Non-Current Assets (Note 2.15)	11.03	0.67
Total	9995.93	9124.73

Non-Current Assets as on March 31, 2014 has increased by 9.55% to ₹ 9995.93 crore as compared to ₹9124.73 crore as on March 31, 2013.

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 Gross Block of Tangible Assets during the Current Fiscal is ₹325.98 crore mainly due to capitalization of Wind Power Project amounting to ₹274.28 crore which was commissioned partially during the year. However, Net Block of Tangible Assets at the end of Current Fiscal decreased by 2.59% to ₹5668.25 crore as compared to ₹5819.12 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 ₹0.41 crore (previous year ₹0.71 crore).

Capital Works In Progress

Capital Work-in-Progress during Current Fiscal registered an increase of 31.67 % to ₹3925.79 crore as compared to ₹2981.54 crore during previous Fiscal mainly due to increase in capital works in progress of Rampur Hydro Electric Project (RHEP).

Non-Current Investments

Non-Current Investments at the year end is ₹ 4.95 crore (previous year ₹4.94 crore). The investment is in the Equity Shares of Joint Venture & Subsidiary companies.

Deferred Tax Assets (Net)

Deferred Tax Assets increased by ₹56.94 crore to ₹226.76 crore during Current Fiscal as compared to ₹169.82 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, 2014.

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 ₹158.74 Crore (previous year ₹ 147.93 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 ₹11.03 Crore (Previous Year ₹ 0.67 Crore). The increase is on account of capital spares received at site but could not be capitalized during the year pending inspection.

5. Current Assets

(₹ In Crores)

	As of March 31,	
	2014	2013
Inventories (Note 2.16)	33.84	30.51
Trade Receivables (Note 2.17)	374.47	358.64
Cash and Bank Balances (Note 2.18)	2415.48	2422.45
Short Term Loans and Advances (Note 2.19)	232.01	116.52
Other Current Assets (Note 2.20)	505.82	436.49
Total	3561.62	3364.61

Current Assets as on March 31, 2014 has increased by 5.86% to ₹ 3561.62 crore as compared to ₹3364.61 crore as on March 31, 2013.

Inventories

Inventories are valued at lower of cost arrived at on weighted average basis and net realizable value. Inventories were valued at ₹33.84 crore as on 31st March, 2014 as compared to ₹30.51 crore as on 31st March, 2013.

Trade Receivables

Trade Receivables mainly consists of receivables on account of Sale of Energy. Trade Receivables during the Current Fiscal has increased to ₹374.47 crore from ₹ 358.64 crore during the previous Fiscal.

Cash and Bank Balances

Cash and Bank Balances include mainly balances in Term Deposits and Current Accounts. Decrease of ₹ 6.97 crore in Cash and Bank Balances during the current year is due to cash inflow from Operating Activities by ₹1154.26 crore (previous year ₹1405.95 crore) which has been offset by cash outflow from Investing and Financing Activities by ₹752.73 (previous year ₹665.17 crore) and

₹408.50 crore (Previous year ₹207.09 Crore) respectively. The cash and bank balances are 67.82% of current assets.

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 ₹232.01 crore as compared to ₹116.52 crore during previous year mainly due to increase in amount recoverable from Subsidiary companies.

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. Unbilled revenue also includes sale of energy from wind power which is not billed as PPA is yet to be entered. Other Current Assets increased by 15.88% to ₹505.82 crore during current fiscal as compared to ₹436.49 crore during the previous fiscal mainly due to increase in unbilled revenue.

C. Contingent Liabilities

The following table sets forth the components of our contingent liability as at March 31, 2014 and 2013:

(₹ In Crores)

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Works	376.23	342.86
Land Compensation	47.93	52.54
Disputed Service Tax Demand	12.36	12.36
Others	0.16	2.45
Total	436.68	410.21

Contingent Liabilities increased by 6.45% from ₹410.21 crore as of March 31, 2013 to ₹436.68 crore as of March 31, 2014 mainly on account of increase in contingent liabilities relating to Capital Works.

D. Internal Control Systems

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

In order to ensure that all checks and balances are in place and internal control systems are in order, regular internal audit is conducted by independent firms of Chartered Accountants in close coordination with Company's own Internal Audit Department. The internal audit process includes review and revaluation of effectiveness of the existing processes, controls and compliances.



It also ensures adherence to policies and systems and mitigation of the operational risks perceived for each area under audit. Significant Audit Observations and Action Taken Reports are placed before the Audit Committee headed by an Independent Director. The recommendations and directions of the Audit Committee are carried out and complied with.

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

1. Subsidiary Companies

Company has two wholly owned subsidiary companies as at 31.03.2014. The detailed financial statement of the subsidiaries are included elsewhere in this Annual Report. The performance of the subsidiaries is as under:

SJVN Thermal Pvt. Ltd.

In terms of MOU signed with Bihar Government on 17th January 2013, SJVN Limited has acquired Buxar Bijlee Company Private Limited by acquisition of 100% of Equity of the Company from the holding company Bihar Power Infrastructure Company Private Limited, on 4th July 2013 and renamed as M/s SJVN Thermal Pvt. Ltd. The authorized share capital of SJVN Thermal Pvt. Ltd. is ₹3000 crore. Presently the Company is taking up the development of 1320 MW Coal based Thermal Power Project located near Chausa village in District Buxar. Ministry of Coal, Govt. of India, vide notification dated 03.07.2013 has allocated Deocha Pachami Coal Block (2012 MT) located in Birbhum district of West Bengal to SJVN for Buxar Thermal Power Project along with six state Power Utilities.

SJVN Arun 3 Power Development Company Pvt. Ltd.

SJVN Arun 3 Power Development Company Pvt. Ltd. was incorporated in Nepal as a wholly owned subsidiary company of SJVN Ltd. on 25.04.2013. The authorized share capital of the company is NPR 247.50 crore (equivalent to ₹154.69 crore) with an aim to plan, promote, organize and execute 900MW Arun-3 Hydroelectric Project in Nepal. This project is proposed to be installed in the Sankhuwasabha District of Nepal. The survey license for DPR was issued by Government of Nepal. The estimated cost of the project at May 2013 price level is NPR 10774 crore (equivalent to ₹6734 crore).

2. Joint Venture Company

Cross Border Power Transmission Company Limited (CPTC)

SJVN Ltd. entered into a joint venture agreement in July 2012 with

IL&FS Energy Development Company Ltd.(IEDCL), Power Grid Corporation of India Ltd.(PGCIL) & Nepal Electricity Authority(NEA) for implementation of Indian portion of the transmission line from Nepal. Equity contribution by SJVNL, PGCIL, IEDCL & NEA shall be 26%, 26%, 38% & 10% respectively in JVC.

As at 31.03.2014, the authorized share capital of the company is ₹75 crore. The paid up share capital as on 31.03.2014 is ₹19 crore. SJVN has a share of ₹4.94 crore in the paid up share capital.

F. Consolidated financial statements of SJVN Ltd.

The consolidated financial statements have been prepared in accordance with Accounting Standard (AS)-21- 'Consolidated financial Statements' and Accounting Standard (AS)-27- 'Financial Reporting of Interests in Joint Ventures' and are included in this Annual Report.

As the above subsidiary companies are incorporated / taken over during the year, it is first time when the accounts of the company is consolidated with its subsidiaries and joint venture, hence previous year figures pertains to SJVN only.

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

	(₹ In Crores)	
	FY 2013-14	FY 2012-13
Total Revenue	2110.70	1927.36
Profit before Tax	1338.07	1184.58
Profit after Tax	1114.50	1052.34
Net Cash from operating activities	1279.47	1405.95

CAUTIONARY STATEMENT

Statements in the Directors' Report and Management Discussion & Analysis, describing the Company's objectives, projections and estimates, expectations, predictions etc. may be "forward looking statements" within the meaning of the applicable laws and regulations. Forward looking statements contained herein are subject to certain risks and uncertainties that could cause actual results to differ materially from those reflected in the forward-looking statements. Actual results, performances or achievements may vary materially from those expressed or implied, economic conditions, Government policies and other incidental factors such as litigation and industrial relation. Readers are cautioned not to place undue conviction on the forward looking statements.

REPORT ON CORPORATE GOVERNANCE

SJVN continuously strives 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 the National Stock Exchange {NSE} & the Bombay Stock Exchange {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 2014, 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 2013-14, 07 Board Meetings were held on 29th May 2013, 30th July 2013, 12th Sep 2013, 23rd Sep 2013, 06th Nov 2013, 18th Dec 2013, and 07th Feb 2014. The maximum interval between any two meetings during this period was 65 days.

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

Sr. No.	Directors	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (25th) held on 12.09.2013	No. of other Directorship held on 31.03.2014	No. of Committee memberships in other companies on 31.03.2014	
						As Chairman	As Member
1	EXECUTIVE DIRECTORS						
A	Functional Directors						
1	Shri R.P.Singh CMD	07	07	Yes	Nil	Nil	Nil
2	Shri R.N. Misra Director (Civil)	07	06	Yes	Nil	Nil	Nil
3	Shri A.S. Bindra Director (Finance)	07	07	Yes	01	Nil	Nil
4	Shri N.L. Sharma Director (Personnel)	07	06	Yes	01	Nil	Nil
5	Shri R.K. Bansal Director (Electrical)	07	07	Yes	02	Nil	Nil
B	Part Time Official Directors						
6	Shri G. Sai Prasad JS (H), Ministry of Power, GoI	04	02	Yes	N/a	Ceased w.e.f. 05.11.2013	
7	Shri Mukesh Jain JS (H), Ministry of Power, GoI	03	02	n/a	05	Nil	Nil
8	Shri S.K.B.S. Negi Pr. Secy (Power), GoHP	07	02	No	04	Nil	Nil
C	Independent Directors						
9.	Shri S.M. Lodha	07	06	Yes	06	Nil	01
10	Shri K.S. Gill	07	07	Yes	Nil	Nil	Nil
11	Smt. Asha Swarup	07	07	Yes	Nil	Nil	Nil
12	Shri Arun Mahajan	07	07	Yes	Nil	Nil	Nil
13	Shri D.V. Dharmik	07	05	Yes	03	Nil	Nil

2. Code of Corporate Governance

SJVN Limited developed a Code of Corporate Governance duly approved by the Board. The Code was formulated keeping in view the guidelines of the DPE, Listing Agreement of the Stock Exchanges, 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 2014, the following Directors were the Members of the Audit Committee:

- Smt. Asha Swarup, Independent Director** Chairman
- Sh. K.S.Gill, Independent Director** Member
- Sh. D.V. Dharmik, Independent Director** Member
- Sh. S.M.Lodha, Independent Director** Member
- Sh. Arun Mahajan, Independent Director** Member
- 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 2013-14, 4 (Four) Audit Committee Meetings were held on 28th May 2013, 29th July 2013, 05th Nov 2013, 05th Feb 2014. 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	Smt. Asha Swarup	04	04
2	Shri K. S. Gill	04	04
3	Shri D. V. Dharmik	04	03
4	Shri S.M.Lodha	04	04
5	Shri Arun Mahajan	04	04
6	Shri S.K.B.S. Negi	04	01

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 2014, the Remuneration Committee consists of:-

- | | |
|--|-----------------|
| 1. Sh. Arun Mahajan, Independent Director | Chairman |
| 2. Smt. Asha Swarup, Independent Director | Member |
| 3. Sh. K.S. Gill, Independent Director | Member |
| 4. Sh. S.K.B.S. Negi, GoHP Nominee Director | Member |

During the Financial Year 2013-14, there were 04 (Four) Meetings held on 28th May 2013, 29th August 2013, 11th Sep 2013 and 17th Dec 2013. 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 K. S. Gill	04	04
2	Smt Asha Swarup	04	04
3	Shri Arun Mahajan	04	04
4	Shri S. K. B. S. Negi	04	02

5. Investors Grievance Committee

As on 31st March 2014, the Committee consists of the following Members:

- | | |
|--|-----------------|
| 1. Sh. S.M. Lodha, Independent Director | Chairman |
| 2. Sh. Arun Mahajan, Independent Director | Member |
| 3. Sh. R.N. Misra, Director (Civil) | Member |
| 4. Sh. A. S. Bindra, Director (Finance) | Member |

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

During the Financial Year 2013-14, there were 03 (Three) Meetings were held on 29th July, 2013, 18th December 2013 and 06th March 2014.

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	Shri R.N. Misra	03	03
4	Shri A. S. Bindra	03	02

5.1 Status of Investors Complaints

Status of investors' complaints for the financial year 2013-14 is as under:-

Particulars	Opening	Received during the year	Resolved during the year	Pending (31.03.2014)
Complaints	15	367	382	0

6. Committee for Allotment and Post-Allotment Activities

As on 31st March 2014, 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.

During F.Y. 2013-14, 01 (One) Meeting of the Committee was held.

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 2014, the Committee consists of:

- | | |
|--|-----------------|
| 1. Sh. K.S. Gill, Independent Director | Chairman |
| 2. Sh. D.V. Dharmik, Independent Director | Member |
| 3. Sh. S.M. Lodha, Independent Director | Member |
| 4. Sh. S.K.B.S. Negi, GoHP Nominee Director | Member |
| 5. Sh. A.S. Bindra, Director (Finance) | Member |

During the Financial Year 2013-14, there were 04 (Four) Meetings were held on 22nd April 2013, 30th July 2013, 11th Sep 2013 and 05th Feb 2014.

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri K. S. Gill	04	04
2	Shri S. M. Lodha	04	04
3	Shri D. V. Dharmik	04	03
4	Shri A.S. Bindra	04	04
5	Shri S.K.B.S. Negi	04	01

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. The Committee has also 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 2014, the Committee consists of:-

- | | |
|--|-----------------|
| a) Sh. D.V. Dharmik, Independent Director | Chairman |
| b) Smt. Asha Swarup, Independent Director | Member |

- c) Sh. S.K.B.S. Negi, GoHP Nominee Director Member
d) Sh. N.L. Sharma, Director (Personnel) Member

During the Financial Year 2013-14, 03 (Three) Meetings were held on 29th July 2013, 17th Dec 2013, and 05th Feb 2014.

Sr. No.	Name	No. of Meetings held during tenure	No. of Meetings attended
1	Shri D.V. Dharmik	03	03
2	Smt. Asha Swarup	03	03
3	Shri N.L. Sharma	03	03
4	Shri S.K.B.S. Negi	03	01

9. Investment Committee

As on 31st March 2014, 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 2014, 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 2013-14, the remuneration details of functional directors are as under:

(Amount ₹)

Sr. No.	Name of the Director	Salary	Benefits	Total
1.	Shri R.P. Singh	42,92,979	1,85,976	44,78,955
2.	Shri R.N. Misra	40,10,907	1,32,409	41,43,316
3.	Shri A.S. Bindra	37,08,522	2,47,086	39,55,608
4.	Shri N.L. Sharma	39,78,456	2,56,374	42,34,830
5.	Shri R.K. Bansal	33,17,294	1,26,819	34,44,113

11.1 Sitting Fee

The Sitting Fee paid to Independent Directors for meetings attended during the financial year 2013-14 is as under:-


(Amount ₹)

Sr. No.	Name of the Director	Board Meetings	Audit Committee	Other Meetings	Total
1	Shri S.M. Lodha	1,10,000	70,000	140000	3,20,000
2	Shri K.S. Gill	1,30,000	70,000	270000	4,70,000
3	Smt. Asha Swarup	1,30,000	70,000	140000	3,40,000
4	Shri Arun Mahajan	1,30,000	70,000	275000	4,75,000
5	Shri D.V. Dharmik	95,000	70,000	210000	3,75,000

12. CODE OF CONDUCT

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

All the Members of the Board and Senior Management personnel have affirmed compliance of the Code of Conduct for the financial year ended 31st March 2014


(R.P.Singh)
Chairman & Mg. Director
DIN: 01894041

12.1 CODE FOR PREVENTION 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:

- 25th Annual General Meeting was held on 12th September 2013 at 1500 hrs in Hotel Peter Hoff, Shimla, Himachal Pradesh.
- 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.

13.2 Special Resolution passed in last 3 AGMs

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

No resolution has been passed through Postal Ballot during the year.

No special resolution requiring Postal Ballot is being proposed at the ensuing Annual General Meeting.

13.4 Disclosures

It is certified that during the Financial Year 2013-14:-

- 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 28th July 2014 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:

- a) 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 2014 and to the best of our knowledge and belief:
 - (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations;
- b) 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
- c) We are responsible for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies;
- d) We have indicated to the company's auditors and the Audit Committee
 - (i) Significant changes, if any, in internal control over financial reporting during the year;
 - (ii) Significant changes, if any in accounting policies during the year and the same have been disclosed in the notes to the financial statements, and
 - (iii) Instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting


(A.S. Bindra)
 Director (Finance)
 DIN: 03358160


(R.P. Singh)
 Chairman & Managing Director
 DIN: 01894041

15. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meetings, issue based correspondence and disclosures through its website www.sjvn.nic.in.

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

The financial results of the company for the year ending 31st March 2014 were published on 29th May 2014 in Times of India, Economics Times, Business Standard, Financial Express, DNA, Dainik Bhaskar, Punjab Kesari, Prabhat Khabar, Amar Ujala, Hindustan Times, Daily Post, Nav Bharat Times, Dainik Jagran, and Divya Himachal.

16. SUBSIDIARY MONITORING FRAMEWORK

The Company has two subsidiary Companies, the list of which shall be furnished in the Directors Report. All subsidiaries of the

Company are Board managed with their Boards having the rights and obligations to manage such Companies in the best interest of the stakeholders. As a majority shareholder, the Company nominates its representatives on the Board of subsidiary Companies and monitors the performance of such Companies periodically.

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

- (i) Minutes of the meetings of the Board of Directors of the subsidiaries are placed before the Companies is reviewed by the Board of the Company as under :
- (ii) A statement of all significant transactions and arrangements entered into by the subsidiary Companies are also reviewed by the Company.
- (iii) A Report on Business Activities of Subsidiary is being given to the Board of SJVN in each quarter.
- (iv) Subsidiary Companies sign an annual Memorandum of Understanding with SJVN in the beginning of the year setting the targets in financial and non-financial areas with weightages in consultation with SJVN, which is submitted to DPE. At the end of the financial year, the actual performance vis-à-vis the targets set is evaluated by DPE.
- (v) The Budget of the subsidiary Companies are being approved by the Committee on Management controls of SJVN.

17. SHAREHOLDERS' INFORMATION

- i. AGM: Date, Time and Venue:** **Date:** 9th September 2014
Time: 1500 HRS
Venue: Hotel Peter Hoff, Chaura Maidan, Shimla - 171004, Himachal Pradesh

ii. Financial Calendar:

Particulars	Date
Accounting Period	1st April 2014 to 31st March 2015
Unaudited Financial Results for the first three quarters	Announcement within 45 days of each quarter
Fourth Quarter Results	Announcement of Audited results - on or before 30th May 2014
AGM (Next year)	September 2015 (tentative)

- iii. Dates of Book Closure:** 3rd September 2014 to 9th September 2014 (both days inclusive)

iv. Dividend History: (Since Listing)

Financial Year	Total amount of dividend paid (in Rs. crore)	Date of AGM in which dividend was declared	Date of payment of dividend
2012-13	397.12	12-09-2013	20-09-2013
2011-12	388.84	03-09-2012	12-09-2012
2010-11	330.93	26-08-2011	09-09-2011
2009-10	248.20	15-09-2010	28-09-2010

- i. Listing on Stock Exchanges** - The Equity Shares of the Company are listed on following Stock Exchanges:-

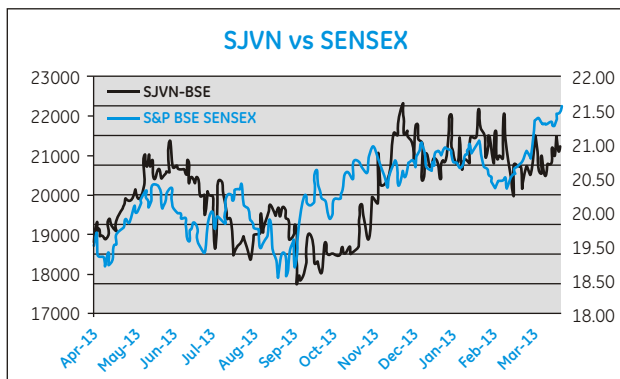
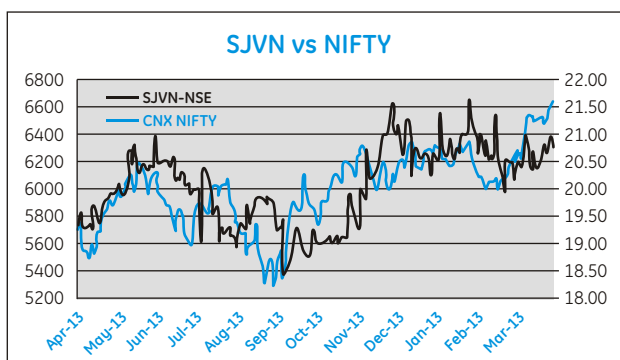
Stock Exchange Name	National Stock Exchange (NSE)	Bombay Stock Exchange (BSE)
Scrip Code	SJVN-EQ	533206
ISIN	INE002L01015	INE002L01015
Listing Date	20th May 2010	20th May 2010

vi. Dividend Payment Date: 14th September 2014 onwards

vii. Stock Code & Market Price Data

Stock Code	National Stock Exchange (NSE)		National Stock Exchange (BSE)	
	SJVN-EQ		533206	
Date	High	Low	High	Low
Apr-13	20.10	18.95	20.00	18.90
May-13	21.20	19.00	21.15	19.75
Jun-13	20.65	19.20	20.65	19.25
Jul-13	20.50	18.65	20.40	18.60
Aug-13	20.45	18.80	20.05	18.95
Sep-13	20.25	18.25	20.40	18.30
Oct-13	22.95	18.60	20.55	18.75
Nov-13	22.65	19.05	22.70	19.00
Dec-13	22.45	20.00	21.95	20.00
Jan-14	22.00	20.35	22.00	20.40
Feb-14	21.55	19.90	21.75	19.90
Mar-14	21.95	20.20	21.90	20.05

viii. Performance in comparison to broad based indices NSE NIFTY and BSE SENSEX during F.Y. ended 31st March 2014.



ix. Registrar and Share Transfer Agent
MCS Limited

F-65, first Floor, Okhla Industrial Area,
Phase I, New Delhi - 110020
Telephone: +91 11 41406149
Fax No.: +91 11 41709881
Email ID: admin@mcsdel.com
Website: www.mcsdel.com

x. Share Transfer System

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

xi. Distribution of Shareholding as on 31st March 2014

As on 31st March 2014, 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

xii. Dematerialization of Shares and liquidity as on 31st March 2014

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. Reconciliation of Share Capital Audit Report obtained from Practicing Company Secretary quarterly for the financial year 2013-14 has been submitted to Stock Exchanges within the stipulated time.

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

xiv. Plant/ Project Office locations:

1.	Nathpa Jhakri 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.	Dhulasidh Hydro Electric Project - House No. 113, Ward No. 1, Krishna Nagar, Hamirpur - 177 001, District Hamirpur, Himachal Pradesh
7.	Arun-3 Hydro Power Project Office - Red Cross Building, Khandbari, District Sakhwasabha, 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

xv. Address for Correspondence:

Company Secretary,
SJVN Limited, Himfed Building,
New Shimla - 171009, Himachal Pradesh;
Tel: +91 177 2672324, 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

Energy saving methods – Following Energy saving methods are being commonly adopted across most of the Projects of the Company:-

1. Replacement of conventional light bulbs with CFL and LED lighting systems.
2. Installation of Solar Water Heaters at project sites and residential colonies.
3. Installation of Solar Street lights for illumination.

Nathpa Jhakri Hydro Power Station

1. Installation of Automatic Voltage Regulator in the street light circuits.
2. Sodium Vapour Lamps were replaced with 4X24 watt T-5 lamps
3. Star rated ceiling fan/AC's were procured for newly constructed centralized office building.
4. Different rating of LED fitting (6W, 15 W, 36 W) has been installed in the newly constructed centralized office building for power saving.

The above measures results in annual saving to the tune of 1.15 Lac Units of electricity during FY 2013-14.

2. TECHNOLOGY ABSORPTION:

a. Nathpa Jhakri Hydro Power Station

- i. During FY 2013-14 NJHPS adopted SONAR technology through Remote operated vehicle and analysis phenomenon of formation of Bubbles in outfall structure of NJHPS for its causes, type of gas and its effects on the structure. The entire exercise was completed without generation loss.
- ii. To enhance the life of Runner the work for Residual Life Assessment (RLA) studies for 2 no. Runners of NJHPS, Jhakri has been awarded and is in progress.
- iii. Award of four nos. works through e-reverse auction has been done in FY 2013-14 in NJHPS, which results in saving to the tune of Rs. 32,84,000/- Reverse auction has been done for the first time in NJHPS/SJVN.
- iv. With the better silt management, more than 16 lac tone of silt passed through each turbines of NJHPS.

b. Rampur HE Project

is adopting new technologies and is working towards achieving power saving through advance power saving techniques. These techniques are not only reducing power consumption but are also leading to lowering emission of carbon in for clean and Sustainable Development

- i. One of power saving endeavor being implemented in RHEP is using roof top of 412 MW power house for generating solar power. The roof of building in addition to provide covering to Power House structure shall also be used for installation of high quality solar panels so as to generate 350 kW of clean & environmentally friendly solar power by optimal utilization of available space, reduce dependency

on hydrocarbons and other sources of energy besides earning additional carbon credit to your company. The case has been forwarded to MNRE for obtaining subsidy as per GOI guidelines. This power shall be used for internal uses like illumination of offices, Power House building, and guest houses and by providing battery bank, it shall be used for illumination of various buildings during night also.

- ii. The solar power generation shall also be extended to other areas in RHEP and endeavor shall be made to add as much power as possible to make the project self reliant in solar power to fulfill its internal power requirements.
 - iii. Secondly, solar lighting system is extensively being used in various locations of Rampur Project for illumination during night which shall be saving precious electricity.
 - iv. Thirdly, solar water heating system has been planned for water heating in rest house at Bayal.
 - v. The conventional bulbs are being replaced by CFL lamps to reduce energy consumption. Recently LED lighting has been introduced at various RHEP locations, which shall eventually replace the CFLs also, which in turn further reduce the energy consumption.
 - vi. Various R&D projects have been accomplished relating to development of new construction techniques/ products and plant maintenance techniques and system improvement.
 - vii. RHEP Colony at Duttnagar has been provided with Rain Water Harvesting System and STP with latest technology having least use of power, nevertheless, utilization of water for landscaping/Horticulture and in turn saving and conserving natural sources.
- b. Dhaulasidh Project – As an R&D Project Dhaulasidh HE Project has taken the initiative to put solar floating panels in the proposed reservoir area of DSEP. As a pilot project, floating solar panel has been proposed to be installed in the river Beas in the coming months for which a team of consultants from BHEL visited the site.

3. FOREIGN EXCHANGE EARNINGS AND OUTGO

There were no foreign exchange earnings during the year. The total foreign exchange outgo during the year was Rs.19 lakh mainly on account of interest on External Commercial Borrowings (ECB) and other miscellaneous matters.

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

As per Notification No. GSR 289(E) dated 31st March, 2011 issued by the Ministry of Corporate Affairs, amending the provisions of the Companies (Particulars of Employees) Rules, 1975 issued in terms of section 217(2A) of the Companies Act 1956 it is not necessary for Government Companies to include the particulars of employees drawing salaries of ₹60 lakh or more per annum, employed throughout the financial year or, ₹5 lakh per month, if employed for part of the financial year.

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 2014, 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 2014;
- 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. 2.20 & 2.21 to the financial statements in respect of accounting of sales on provisional basis & unbilled amount of sales, 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 Soni Gulati & Co.
Chartered Accountants
Firm Regn.No.08770N


(Suresh Chand Soni)

Partner

M.No. 083106

Place: New Delhi

Date : 28.05.2014

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, 2014.

- (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.



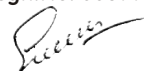
- (ii)(a) The inventory of the company consisting of stores and spare parts has been physically verified by the management at reasonable intervals.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company 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. No major weakness in internal control systems was noticed during audit.
- (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 2014 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 Soni Gulati & Co.
Chartered Accountants
Firm Regn.No. 008770N**


(Suresh Chand Soni)

Partner

M.No. 083106

**Place: New Delhi
Date: 28.05.2014**



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, 2014

The preparation of financial statements of SJVN Limited, Shimla for the year ended 31st March, 2014 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 the Companies Act, 1956 based on independent audit in accordance with the Standards on Auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 28.05.2014.

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 31st March, 2014. 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.

Place : New Delhi
Dated : 04.07.2014

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

Tanuja Mittal

(Tanuja S.Mittal)

Principal Director of Commercial Audit &
Ex-officio Member, Audit Board-III,
New Delhi

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

The Members of
SJVN Limited,
Himfed Building,
New Shimla,
SHIMLA 171 009

We have examined the compliances of conditions of Corporate Governance by SJVN Limited, for the year ended 31st March, 2014 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 the procedures and implementations thereof, adopted by the Company ensuring the compliances 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 explanation 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 compliances are 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 : Ghaziabad
Dated : 23.07.2014

For Santosh Kumar Pradhan
(Company Secretaries)

Santosh Kumar Pradhan

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



BALANCE SHEET AS AT 31st MARCH, 2014

(₹ Lakh)


	Note No.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	413,663	413,663
Reserves and Surplus	2.2	491,372	427,338
		905,035	841,001
Non- current Liabilities			
Long Term Borrowings	2.3	221,351	187,627
Other Long Term Liabilities	2.4	86,789	95,028
Long Term Provisions	2.5	6,742	5,484
		314,882	288,139
Current Liabilities			
Short Term Borrowings	2.6	-	-
Trade Payables	2.7	2,335	2,686
Other Current Liabilities	2.8	72,554	57,677
Short Term Provisions	2.9	60,949	59,431
		135,838	119,794
Total		1,355,755	1,248,934
ASSETS			
Non - current Assets			
Fixed Assets			
Tangible Assets	2.10	566,825	581,912
Intangible Assets	2.10	41	71
Capital Work-in-progress	2.11	392,579	298,154
		959,445	880,137
Non-current Investments	2.12	495	494
Deferred Tax Assets (Net)	2.13	22,676	16,982
Long Term Loans and Advances	2.14	15,874	14,793
Other Non-current Assets	2.15	1,103	67
		999,593	912,473
Current Assets			
Inventories	2.16	3,384	3,051
Trade Receivables	2.17	37,447	35,864
Cash and Bank Balances	2.18	241,548	242,245
Short Term Loans and Advances	2.19	23,201	11,652
Other Current Assets	2.20	50,582	43,649
		356,162	336,461
Total		1,355,755	1,248,934


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


This is the Balance Sheet referred to in our report of even date
For Soni Gulati & Co.
Chartered Accountants


(Suresh Chand Soni)
Partner
M.No. 083106
Place: New Delhi
Date : 28.05.2014

For and on behalf of the Board of Directors

 **(Soumendhra Das)** Company Secretary
FCS-4833

 **(A.S. Bindra)** Director (Finance)
DIN: 03358160

 **(R.P. Singh)** Chairman & Managing Director
DIN: 01894041



STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ Lakh)

	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
REVENUE			
Revenue from Operations	2.21	187,358	168,210
Other Income	2.22	23,714	24,526
Total Revenue		211,072	192,736
EXPENSES			
Employee Benefits Expense	2.23	12,375	10,954
Finance Costs	2.24	2,888	5,406
Depreciation and Amortization Expense	2.25	47,452	44,667
Other Expenses	2.26	14,538	13,251
Total Expenses		77,253	74,278
Profit before exceptional and extraordinary items and tax		133,819	118,458
Exceptional Items	2.27	-	-
Profit before extraordinary items and tax		133,819	118,458
Extraordinary items		-	-
Profit Before Tax		133,819	118,458
Tax Expenses:			
- Current Tax		28,050	23,701
-Adjustments relating to earlier years		-	(5,672)
- Deferred Tax	2.13	(5,694)	(4,805)
		22,356	13,224
Profit for the Year		111,463	105,234
Earnings Per Equity Share (Par Value ₹10/- each)			
Basic and Diluted (₹)	2.28	2.69	2.54

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
FCS-4833


(A.S. Bindra)
Director(Finance)
DIN: 03358160


(R.P. Singh)
Chairman & Managing Director
DIN: 01894041

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

For Soni Gulati & Co.
Chartered Accountants


(Suresh Chand Soni)
Partner
M.No. 083106

Place: New Delhi
Date : 28.05.2014



CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ Lakh)

	Year ended 31st March, 2014	Year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	133,819	118,458
Adjustment for:		
Depreciation	47,452	44,667
Interest & Finance Charges	2,888	5,406
Unbilled Revenue	(12,429)	(5,147)
Profit on Sale of Fixed Assets	(1)	-
Loss on Disposal/ Write of Fixed Assets	-	6
Interest on Term Deposits	(21,277)	(21,026)
Operating Profit before Working Capital Changes	150,452	142,364
Adjustment for:		
Trade Receivables	(1,583)	22,087
Inventories	(333)	(204)
Trade Payables and Other Liabilities (Current & Non-current)	4,321	4,943
Provisions (Long Term/Short Term)	1,808	1,431
Loans and Advances	(10,554)	(5,288)
Other Current Assets	970	(909)
	(5,371)	22,060
Cash generated from operations	145,081	164,424
Income Tax paid	(29,655)	(23,829)
Net Cash Flow from Operating Activities-A	115,426	140,595
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Expenditure on Fixed Assets & CWIP, Advance for Capital Works & Capital Stores/Spares etc.	(101,075)	(87,049)
Investment in Subsidiary/Joint Venture Companies	(1)	(494)
Interest on Term Deposits	25,803	21,026
Net cash used in Investing Activities - B	(75,273)	(66,517)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(29,516)	(26,329)
Interest & Finance Charges Paid	(3,317)	(6,013)
Proceeds from Borrowings	38,436	56,818
Dividend	(39,704)	(38,877)
Tax on Dividend	(6,749)	(6,308)
Net Cash Flow from Financing Activities - C	(40,850)	(20,709)
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	(697)	53,369
Cash and cash equivalents (Opening balance)	242,245	188,876
Cash and cash equivalents (Closing balance)	241,548	242,245

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

This is the cash flow statement referred to in our report of even date
For Soni Gulati & Co.
 Chartered Accountants

(Soumendra Das)
 Company Secretary
 FCS-4833

(A.S. Bindra)
 Director (Finance)
 DIN: 03358160

(R.P. Singh)
 Chairman & Managing Director
 DIN: 01894041

(Suresh Chand Soni)
 Partner
 M.No. 083106
 Place: New Delhi
 Date : 28.05.2014

Notes to the Financial Statements for the year ended 31st March, 2014

1. Significant Accounting Policies

1.1 System of Accounting

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

1.2 Fixed Assets

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

1.3 Machinery Spares

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

1.4 Capital Work-in-Progress

- In respect of supply-cum-erection contracts, the value of supplies received at site/construction store and accepted is treated as Capital Work-in-Progress.
- Administration and Other General Overhead expenses at the Corporate Office and Projects under Construction / Survey & Investigation attributable to construction of fixed assets are identified and allocated on systematic basis on major immovable assets other than land, infrastructure facilities and bought out items on commissioning of Projects. However, no allocation of such expenses pertaining to Corporate Office is made on projects taken on BOOT (Build, Own, Operate &

Transfer) basis till the date of grant of generation license.

- Expenditure on Survey and Investigation of the Projects is carried as capital work in progress and capitalized as cost of Project on completion of construction of the Project or the same is expensed in the year in which it is decided to abandon such project.
- Expenditure against "Deposit Works" is accounted for on the basis of statement of account received from the concerned agency and acceptance by the Company. However, provision is made wherever considered necessary.
- Claims for price variation /exchange rate variation in case of contracts are accounted for on acceptance.

1.5 Depreciation and Amortisation

- Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff from time to time, except as referred in Policy No. 1.5(g) and in case of computers & peripherals, and mobile phones which are depreciated @ 25% p.a.
- Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.
- Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.
- Assets costing ₹ 5,000/- or less are depreciated fully in the year of procurement.
- Expenditure on software is recognized as 'Intangible Asset' and amortized fully over four years on Straight Line Method or over a period of its legal rights to use whichever is less.
- Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liability on account of exchange fluctuation, change in duties or similar factors, the revised unamortized balance of such assets is depreciated prospectively over the residual life. Depreciation on increase/decrease in the value of existing assets on account of settlement of disputes is charged retrospectively.
- Capital Expenditure referred to in Policy No. 1.2(c) is fully depreciated and charged to Profit & Loss A/c in the year in which such Asset is capitalized and ready for use.
- 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.
- Expenditure on Catchment Area Treatment (CAT) Plan during construction is capitalized along with dam/civil works. Such expenditure during O&M stage is charged to revenue in the year of incurrence of such expenditure.

1.6 Investments

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

1.7 Inventories

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



- 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.
- b) Monetary items denominated in foreign currency are restated at exchange rates prevailing on the Balance Sheet date. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
- c) 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 Impairment of Assets

The carrying amount of cash generating unit is reviewed at each Balance Sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognized in the Statement of Profit & Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

1.12 Income

- a) Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) except for sale of wind power energy which is accounted for on the basis of tariff rates notified by Electricity Regulatory Authorities of respective states from time to time. 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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, 2014		As at 31st March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED				
Equity Shares of par value ₹10/- each	7,000,000,000	700,000	7,000,000,000	700,000
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹10/- each fully paid up	4,136,626,500	413,663	4,136,626,500	413,663
Total		413,663		413,663

The Company has only one class of equity shares having 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 2014, the amount of per share dividend recognized as distribution to equity share holders was ₹ 0.98 (previous year ₹0.96)

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

Name of the Shareholder	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	%	No. of Shares	%
Government of India (GoI)	2,666,611,700	64.46	2,666,611,700	64.46
Government of Himachal Pradesh (GoHP)	1,055,014,800	25.51	1,055,014,800	25.51

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

(₹ Lakh)

Particulars	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	4,136,626,500	413,663	4,136,626,500	413,663
No. of shares issued during the year	-	-	-	-
Number of shares at the end	4,136,626,500	413,663	4,136,626,500	413,663

2.2 Reserves and Surplus

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
A Security Premium Account	1,313	1,313
B Surplus		
Opening Balance	426,025	367,252
Add: Profit for the Year as per Statement of Profit and Loss	111,463	105,234
Total Profit available for Appropriations	537,488	472,486
Appropriations		
Dividend		
Final Proposed	40,539	39,712
Tax on Dividend		
Final Proposed	6,890	6,749
Total Appropriation	47,429	46,461
Surplus -Closing Balance	490,059	426,025
Total Reserves and Surplus (A + B)	491,372	427,338

The Company has proposed final dividend for the year 2013-14 @ ₹ 0.98 (PY: ₹ 0.96) per equity share of par value ₹ 10/- each.



2.3 Long Term Borrowings

	As at 31st March, 2014	As at 31st March, 2013
Term Loans		
From Other Parties:		
A Secured #		
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto October 2014, carrying interest@ 11% p.a. payable quarterly)	-	8,385
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments upto July 2014, carrying interest@ 10% p.a. payable quarterly)	-	1,400
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from July 2014 to October 2014, carrying interest@ 10% p.a. payable quarterly)	-	1,000
State Bank of India (Repayable in quarterly instalments from March 2015 to December 2024, carrying interest@ 10.65% p.a. payable monthly)	8,890	-
Total (A)	8,890	10,785
#Secured by equitable mortgage/hypothecation of all present and future fixed assets and book debts 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.)	212,461	176,194
- Nordic Investment Bank, Finland (Repayable in Half Yearly instalments upto October 2014, carrying interest@ LIBOR+0.60% p.a.)	-	648
Total (B)	212,461	176,842
Total Long term borrowings (A + B)	221,351	187,627

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

2.4 Other Long Term Liabilities

	As at 31st March, 2014	As at 31st March, 2013
Deposits, Retention Money from Contractors and Others	268	8,183
Less : Investments held as Security	198	32
	70	8,151
Income Received in Advance:		
- Advance Against Depreciation	84,935	84,935
Deferred Foreign Currency Fluctuation Liability	1,784	1,942
Total	86,789	95,028

2.5 Long Term Provisions

(₹ Lakh)

Particulars	As at 01.04.2013	For the year			As at 31.03.2014
		Additions	Write Back	Utilization	
Unfunded Employee Benefits					
Leave Encashment	3,518	805	1	227	4,095
Post Retirement Medical	1,919	650	32	37	2,500
Other Retirement Benefits	47	106	-	6	147
Total	5,484	1,561	33	270	6,742
Previous Year	4,359	1,247	-	122	5,484

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.37

2.6 Short Term Borrowings

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Secured Loans:		
Short Term Loans from Banks	-	-
Total	-	-

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, 2014	As at 31st March, 2013
Micro and Small Scale Enterprises	45	73
Others	2,290	2,613
Total	2,335	2,686

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.51

2.8 Other Current Liabilities

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Current Maturities of Long Term debt		
Secured		
- Rupee Term Loans	11,895	18,552
Unsecured		
- Foreign Currency Loans (Guaranteed by GOI)	11,852	10,177
	23,747	28,729
Interest Accrued but not due on:		
- Foreign Currency Loans : World Bank	370	396
Others	3	6
- Rupee Term Loans	251	754
	624	1,156
Advance Against Consultancy	22	14
Unpaid Dividend	21	13
Others Payables:		
- Liability for Employees' Remuneration and Benefits	2,180	1,544
Liability for Purchase/Construction of Fixed Assets:		
- Micro and Small Scale Enterprises	1	3
- Others	23,262	15,501
	23,263	15,504
Deposits, Retention Money from Contractors and Others	21,383	9,232
Less : Investments held as Security	172	327
	21,211	8,905
Amount Payable to Gratuity Trust	582	357
TDS and Other Taxes Payable	458	722
Others	446	733
Total	72,554	57,677

Disclosure regarding dues to micro and small enterprises as required by the MSMED Act is made in Note 2.51

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 01.04.2013	For the year			As at 31.03.2014
		Additions	Write Back	Utilization	
(A) Unfunded Employee Benefits					
Leave Encashment	155	227	-	148	234
Post Retirement Medical	28	31	5	14	40
Other Retirement Benefits	3,222	4	312	2,909	5
Total (A)	3,405	262	317	3,071	279
(B) Others:					
Proposed Dividend	39,712	40,539	-	39,712	40,539
Tax on Proposed Dividend	6,749	6,890	-	6,749	6,890
Wage Revision	31	-	-	5	26
Performance Related Pay	1,422	2,583	90	1,332	2,583
Corporate Social Responsibility/SD	404	-	-	404	-
Interest on Arbitration Awards	6,547	948	-	-	7,495
Others	1,161	2,220	-	244	3,137
Total (B)	56,026	53,180	90	48,446	60,670
Total (A) + (B)	59,431	53,442	407	51,517	60,949
Previous Year	57,728	49,954	163	48,088	59,431

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.37

2.10 Fixed Assets		Gross Block				Depreciation				Net Block			
		As at 01.04.2013	Additions during the year	Deductions/ Adjustments	As at 31.03.2014	Upto 01.04.2013	For the year	Deduction	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013		
Tangible Assets													
1	Land (including development expenses)	36	-	-	36	17	1	-	18	18	19		
2	Land (including development expenses)	12,831	1,929	62	14,698	-	-	-	-	14,698	12,831		
3	Buildings*	77,851	1,923	229	79,545	20,632	2,721	62	23,291	56,254	57,219		
4	Roads and Bridges	5,419	268	683	5,004	1,211	191	68	1,334	3,670	4,208		
5	Plant and Machinery	1,376	120	16	1,480	583	71	7	647	833	793		
6	Generating Plant and Machinery	195,875	28,284	83	224,076	72,637	11,157	20	83,774	140,302	123,238		
7	Hydraulic Works(Dams, Tunnel, etc.)	579,413	206	18	579,601	201,100	31,014	1	232,113	347,488	378,313		
8	Vehicles	387	4	23	368	190	23	19	194	174	197		
9	Furniture, Fixture and Equipments	958	55	50	963	423	63	16	470	493	535		
10	Electrical Works	2,383	111	-	2,494	765	129	-	894	1,600	1,618		
11	Electrical Equipments	225	25	41	209	75	13	3	85	124	150		
12	Office Equipments	1,242	137	20	1,359	485	80	4	561	798	757		
13	Data processing Equipments	1,297	74	87	1,284	824	147	60	911	373	473		
14	Capital Assets not owned by Company	8,850	92	(682)	9,624	7,289	2,335	-	9,624	-	1,561		
	Total	888,143	33,228	630	920,741	306,231	47,945	260	353,916	566,825	581,912		
Intangible Assets													
1.	Software	357	6	-	363	286	36	-	322	41	71		
2	Expenditure on Compensatory Afforestation	500	-	-	500	500	-	-	500	-	-		
	Total:	857	6	-	863	786	36	-	822	41	71		
	Total Fixed Assets	889,000	33,234	630	921,604	307,017	47,981	260	354,738	566,866	581,983		
	Previous Year :	885,147	4,238	385	889,000	262,165	45,076	224	307,017	581,983	622,982		
									Current Year	Previous Year			
									36	35			

Fixed Assets costing ₹5000 or less procured and depreciated fully during the year.
 Possession of freehold land measuring 0-05-22 hectare (Previous Year: 0-07-26 Hectare) is still to be handed over to the Company.
 Mutation of land measuring 10-45-60 hectare (Previous Year: Nil) is yet to be executed in favour of 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.
 After receipt of reviewed opinion from Expert Advisory Committee (EAC) of the ICAI on Capital Expenditure on assets not owned by the Company, such assets have been fully depreciated and charged to statement of Profit and Loss in line with the revised Policy No. 1.5(g).

2.11 Capital Work-in-Progress

2.11 Capital Work-in-Progress		Gross Block				Depreciation				Net Block			
		As at 01.04.2013	Additions during the year	Deductions/ Adjustments	As at 31.03.2014	Upto 01.04.2013	For the year	Deduction	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013		
1	Building	2,677	4,385	-	7,062	1,920	-	-	1,920	5,142	5,142		
2	Civil Works	147,952	39,874	1	187,825	-	1	-	-	187,825	187,825		
3	Roads, Bridges & Culverts	954	552	1	1,505	-	1	-	268	1,237	1,237		
4	Plant and Machinery	69	-	-	69	-	-	-	-	-	-		
5	Electrical Works	42,092	49,761	(2,737)	89,115	184	-	-	91	93	93		
6	Capital Asset with Contractors (Electro Mechanical Packages)*#	11,297	354	6,682	18,333	94,590	-	-	28,063	66,527	66,527		
7	Preliminary	-	19	-	19	12	-	-	12	4,957	4,957		
8	Capital Assets not owned by Company	-	36,552	2,801	39,353	-	-	-	-	39,353	39,353		
9	Expenditure during construction (Note 2.11.1)	298,154	131,612	6,748	436,514	126,864	-	-	85	126,779	126,779		
	Total	298,154	131,612	6,748	436,514	423,018	6,748	-	30,439	392,579	392,579		
	Previous Year	202,296	98,586	31	300,913	2,697	-	-	2,697	298,154	298,154		

* Capital Assets with contractors include Material/Assets in transit having value ₹4708 lakh (FY: ₹254.1 lakh).
 # Capital Assets with contractors has been adjusted by ₹1 lakh (FY: Nil) on account of sale of infirm power during trial run.



2.11.1 Expenditure During Construction

(₹ Lakh)

	Year ended 31st March, 2014	Year ended 31st March, 2013
EXPENSES		
Employees' Remuneration and Benefits:		
Salaries, Wages, Allowances and Benefits	9,591	9,421
Contribution to Provident and Other Funds	484	442
Leave Salary and Pension Contribution	288	246
Welfare Expenses	804	960
	11167	11069
Other Expenses		
Repair and Maintenance:		
Roads and Buildings	161	119
Plant & Machinery	37	26
Office Equipments & Furnitures	29	21
Vehicles	53	60
Others	204	89
	484	315
Rent	311	310
Rates & Taxes	1	1
Insurance	3	2
Security Expenses	256	260
Electricity Charges	135	109
Less: Recovered from Employees & Contractors	30	3
	105	106
Travelling & Conveyance	274	396
Training and Recruitment Expenses	206	124
Legal Expenses	3	14
Professional and Consultancy Charges	122	116
Communication Expenses	95	95
Printing & Stationery	81	85
Less: Receipts from Sale of Tenders	9	6
	72	79
Payment to Auditors	10	15
Advertisement & Publicity	68	97
EDP Expenses	48	72
Entertainment Expenses	17	26
Expenses on Transit Camps	153	167
Books & Periodicals	6	6
Hiring of Vehicles	499	441
Depreciation	465	409
Loss on Disposal/Write off of Fixed Assets	-	6
Crop and Other Compensation	449	119
Exchange Rate Variation	19,745	9,368
Directors Sitting Fees	10	11
Local Area Development Expenses	2,220	-
Business Promotion Expenses	33	47
Rehabilitation Expenses	15	32
Fees and subscription	24	8
Environment & Ecology Expenses	110	83
Safety Expenses	11	3
Miscellaneous Expenses	86	81
	37,068	23,878
INTEREST AND FINANCE CHARGES		
On Loan from World Bank (IBRD)	2,409	2,329
Term Loans	18	-
	2,427	2,329
Less: Allocated to CWIP	2,409	2,329
	18	-
	37,086	23,878
LESS: RECEIPTS AND RECOVERIES		
Interest from:		
Banks	2	3
Employees	60	54
Contractors	349	301
	411	358
Miscellaneous Income	123	92
	534	450
Net Expenditure - Transferred to CWIP (Note No. 2.11)	36,552	23,428

2.12 Non-current Investments

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Non Trade-Unquoted (at cost)		
(a) Joint Venture Companies		
4940000 (PY: 13000) Equity shares of ₹10/- each in Cross Border Power Transmission Company Ltd.	494	1
Share Application Money Pending Allotment in Cross Border Power Transmission Company Ltd.	-	493
(b) Subsidiary Companies		
10000 (PY: Nil) Equity shares of ₹10/- each in SJVN Thermal Pvt. Ltd.	1	-
(c) Others		
60 Fully Paid up Ordinary shares of ₹ 50/-each in NJP Employees Consumer Co-operative Store, Jhakri (₹ 3000/-)	-	-
Total	495	494

2.13 Deferred Tax Assets (Net)

(₹ Lakh)

	As at 01.04.2013	Additions/ (Adjustments) during the year	As at 31.03.2014
Deferred Tax Assets			
Difference of Book Depreciation and Tax Depreciation	15,760	5,424	21,184
Provisions/Expenses disallowed for Tax purpose	1,222	270	1,492
Deferred Tax Assets	16,982	5,694	22,676

Net increase during the year in Deferred Tax Assets (Net) of ₹ 5694 Lakh (Previous Year: ₹ 4805 Lakh) has been adjusted in the tax expenses in the statement of Profit and Loss.

2.14 Long Term Loans and Advances

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Capital Advances		
Secured by hypothecation of Equipment/Material	226	811
Unsecured considered good		
- Covered by Bank Guarantees	1,816	4,571
- Others	9,048	5,237
	10,864	9,808
Total	11,090	10,619
Security Deposits - Unsecured Considered Good	33	34
Loans and Advances to Related Parties #		
- Secured	15	-
- Unsecured considered good	7	10
- Interest Accrued	4	2
	26	12
Other Loans and Advances		
Loans to Employees		
- Secured	2,412	1,932
- Unsecured considered good	1,066	1,196
	3,478	3,128
Advances to Employees-Unsecured considered good	120	119
Others-Unsecured considered good		
Prepaid Expenses	1	1
Interest Accrued on Staff Advances:		
- Secured	749	537
- Unsecured considered good	377	343
	1,126	880
Total	15,874	14,793
# 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).	40	44



2.15 Other Non - current Assets

	(₹ Lakh)	
	As at 31st March, 2014	As at 31st March, 2013
Capital Stores (At Cost) (As certified by Management)		
Steel	57	53
Cement	1	1
Others	7	1
Material at Site*	1038	12
Total	1103	67

* Includes ₹ 1038 lakh (P.Y:Nil) being Capital Spares pending inspection.

2.16 Inventories

	(₹ Lakh)	
	As at 31st March, 2014	As at 31st March, 2013
Loose Tools	5	4
Stores and Spares	3,383	3,051
	3,388	3,055
Less : Provision for Shortage of store and Obsolescence	4	4
	3,384	3,051

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

2.17 Trade Receivables

	(₹ Lakh)	
	As at 31st March, 2014	As at 31st March, 2013
Unsecured considered good:		
- Outstanding for a period exceeding six months from due date of payment	3,561	3
- Others	33,886	35,861
	37,447	35,864

Trade receivables and Sales include an amount of ₹ 9127 lakh (Previous Year: ₹ 5197 lakh) towards bills raised after the end of the financial year.

Trade receivables due from Related Parties : Nil (P.Y: Nil)

2.18 Cash and Bank Balances

	(₹ Lakh)	
	As at 31st March, 2014	As at 31st March, 2013
Cash and Cash Equivalents		
Balances with Banks		
- Current Deposits	6,143	578
- Term Deposits (having original maturity upto 3 months)	51,980	60,191
Cheques & Drafts in hand	1	30
Cash on Hand (₹ 36,414/- P.Y.: ₹ 33,640/-)	-	-
Other bank balances		
- Earmarked Balance (Unpaid Dividend)	21	13
- Margin Money for BG/ Letter of Credit and Pledged deposits	110	422
- Other Term Deposits (having original maturity of more than 3 months)	183,293	181,011
	183,424	181,446
Total	241,548	242,245

2.19 Short Term Loans and Advances

	(₹ Lakh)	
	As at 31st March, 2014	As at 31st March, 2013
Loans and Advances to Related Parties		
Loans and Advances to Directors :		
- Secured	5	-
- Unsecured considered good	2	-
- Interest Accrued	-	-
	7	-
Amount Recoverable from Subsidiaries/Joint Venture	12658	-
Loans to Employees		
- Secured	431	315
- Unsecured considered good	237	234
	668	549
Advances to Contractor & Suppliers		
- Unsecured considered good	55	193
- Considered doubtful	10	10
	65	203
Less : Provision for doubtful advances	10	10
	55	193
Advances to Employees (unsecured considered good)	292	264
Deposits - Unsecured considered good:		
- Government Departments	88	62
- Deposits for Works	870	369
- Others	14	15
	972	446
Less: Provision for expenses	791	273
	181	173
Others		
Unsecured considered good:		
- Prepaid Expenses	2,252	1,428
- Amount recoverable from Govt departments	97	3,675
	2,349	5,103
Considered doubtful	1,273	1,273
	3,622	6,376
Less: Provision*	1,273	1,273
	2,349	5,103
Advance Tax Deposit and Tax deducted at Source	85,897	79,264
Less: Provision for Tax	78,955	73,927
	6,942	5,337
Others - Unsecured considered doubtful:-		
Advance to Ex-employees	7	7
Less : Provision for doubtful advances	7	7
	-	-
Interest Accrued on Staff Advances:		
- Secured	37	20
- Unsecured considered good	12	13
	49	33
	23,201	11,652

Loans and Advances include dues from other officers (General Manager and above). 16 3

*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, 2014	As at 31st March, 2013
Amount recoverable from Insurance Company	-	1,074
Amount recoverable from Contractors	1,716	1,572
Interest Accrued but not due on deposits with Banks	5,361	9,887
Deferred Foreign Currency Fluctuation Assets	174	214
Unbilled Revenue	43,330	30,901
Surplus Stores/Equipments	1,367	1,534
Less: Provision for Shortage/ Obsolescence	1,366	1,533
	<u>1</u>	<u>1</u>
	50,582	43,649

Unbilled Revenue amounting to ₹ 43137 lakh (P.Y: ₹ 30901 lakh) 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.

Unbilled Revenue also includes an amount of ₹ 193 lakh (P.Y: Nil) on account of sale of energy from wind power which is not billed as PPA is yet to be entered.

2.21 Revenue from Operations

	Year ended 31st March, 2014	Year ended 31st March, 2013
Sales		
Energy Sales	184,133	172,962
Less:		
Regulated Power Adjustment- Margin	770	1,306
Regulated Power Adjustment- Expenses	83	184
	<u>183,280</u>	<u>171,472</u>
UI Charges	1,809	2,946
RLDC Charges	739	1,034
Exchange Rate Variation recoverable from beneficiaries	146	91
Tax recoverable from beneficiaries	-	(7,501)
Revenue from Sales	185,974	168,042
Prior Period Sales	918	-
Total Revenue from Sales	186,892	168,042
Other operating revenues:		
Consultancy Income	466	168
Total Revenue from Operations	187,358	168,210

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 ₹183087 lakh (Previous Year: ₹171472 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 2013-14 on this basis is ₹171769 lakh (including billing of tax recovery) (Previous Year: ₹164023 lakh).

During the year, the Company has regulated the power of BYPL (P.Y: UPPCL, 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 44.652 MUs (P.Y: 82.522 MUs) of power was sold through PTC amounting to ₹ 1323 lakh (P.Y: ₹ 2444 lakh) and included in Energy Sales. An amount of ₹ 770 lakh (P.Y: ₹ 1306 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹ 83 lakh (P.Y: ₹ 184 lakh) on Sale through PTC.

Sales include an amount of ₹ 1807 lakh (P.Y: Nil) on account of recovery of additional cost due to pay/wage revision allowed by CERC vide its order dated 08/10/2013 to be billed in twelve equal installments. Accordingly an amount of ₹ 1054 lakh has been billed upto 31/03/2014. However, one of the beneficiaries has filed an appeal in Tribunal against the order.

Sales include an amount of ₹ 193 lakh (P.Y: Nil) from sale of energy generated from wind power project which was partially commissioned during the year.

Maharashtra Electricity Regulatory Commission (MERC) has revised the tariff of wind energy for wind zone 1 for F.Y 2013-14 to ₹ 5.81 per unit from the earlier rate of ₹ 5.67 per unit for sale of energy to Maharashtra State Electricity Distribution Company Limited (MSEDCL) and accordingly sales has been booked at the per unit sale price of ₹ 5.81. However, MSEDCL has filed review petition with MERC against the revision of the rates.

Further CERC Vide notification No.-L-7/145(160)/2012-CERC dated 31.12.2012 has revised the Return on Equity (ROE) from 15.5% to 16.5% in respect of run of river generating station with pondage. Accordingly, an amount of ₹ 918 lakh (P.Y: Nil) recoverable for the period from 01/01/2013 to 31/03/2013 has been shown as prior period sales.

2.22 Other Income

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest From:-		
Banks	21,277	21,026
Employees	260	247
Contractors	15	6
Beneficiaries	<u>179</u>	<u>211</u>
	21,731	21,490
Interest on Income Tax Refund	-	216
Less: Refundable to Beneficiaries	<u>-</u>	<u>216</u>
	-	-
Surcharge on late payment from customers	533	983
Receipt of Maintenance of ICF	220	159
Sale of Scrap	11	43
Miscellaneous Income #	863	1,353
Foreign Currency Fluctuation Adjustment (Credit)	<u>262</u>	<u>335</u>
Total	23,620	24,363
Prior period Income - Interest	<u>94</u>	<u>163</u>
Total Other Income	23,714	24,526
# Details of Miscellaneous Income:		
Hire Rental Charges from Contractor	1	-
Profit on Sale of Fixed Assets	1	-
Rent Recovery from Staff/Others	73	62
Excess Provision Written Back	268	140
Liquidated Damages recovered	64	49
Claim Received from Insurance Company	164	1,074
Other Misc. Receipts	<u>292</u>	<u>28</u>
Total	863	1,353

2.23 Employee Benefits Expense

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries, Wages, Allowances and Benefits	10,489	9,274
Contribution to Provident and Other Funds	514	447
Leave Salary and Pension Contribution	316	399
Welfare Expenses	<u>1,056</u>	<u>834</u>
Total	12,375	10,954

Disclosure required by AS 15 in respect of provisions made towards various employees benefits is made in Note 2.37.

2.24 Finance Costs

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Expenses on:		
Foreign Currency Loans	10	19
Rupee Term Loans	1,843	4,240
Arbitration Awards	<u>948</u>	<u>948</u>
	2,801	5,207
Other Borrowing Costs		
Finance Charges	10	102
Exchange differences regarded as adjustment to interest cost.	<u>77</u>	<u>97</u>
	87	199
Total	2,888	5,406



2.25 Depreciation and Amortization Expense

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Depreciation for the year*	47,981	45,076
Less :		
Transfer to Expenditure During Construction (Note.2.11.1)	465	409
Depreciation Written back	64	-
Depreciation charged to Statement of Profit and Loss	47,452	44,667

* Depreciation for the year includes prior period depreciation of ₹ 2243 lakh (P.Y: Nil) and ₹ 92 lakh (P.Y: Nil) for the current year in respect of capital expenditure on assets not owned by the company in line with Policy No. 1.5(g)

2.26 Other Expenses

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Repair and Maintenance:		
Buildings	622	444
Roads	316	70
Plant & Machinery	194	189
Office Equipments & Furnitures	11	11
Civil Works	770	428
Electro Mechanical Works	1,559	1,647
Vehicles	82	63
Others	102	75
	3,656	2,927
Rent	337	298
Rates & Taxes	1	91
Insurance	2,844	2,534
Security Expenses	1,304	1,185
Electricity Charges	1,219	1,033
Less:- Recovered from Employees & Contractors	55	46
	1,164	987
Research and Development	497	620
Travelling & Conveyance	285	310
Training and Recruitment Expenses	294	115
Less:- Cost of Application Forms Received	51	-
	243	115
Legal Expenses	132	39
Professional and Consultancy Charges	118	315
Communication Expenses	120	106
Printing & Stationery	91	80
Less: Receipts from Sale of Tenders	12	17
	79	63
Payment to Auditors	12	16
Advertisement & Publicity	118	118
EDP Expenses	55	72
Hiring of Vehicles	381	362
Entertainment Expenses	19	17

2.26 Other Expenses

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Expenses on Transit Camps	162	131
Books & Periodicals	7	6
C.S.R./ Sustainable Development Expenses	1,368	2,187
Stores Written Off	3	-
Loss on Disposal/Write off of Fixed Assets	-	6
Directors Sitting Fees	11	11
Business Promotion Expenses	42	69
Fees and subscription	839	305
Environment & Ecology Expenses	54	13
Safety Expenses	161	132
Miscellaneous Expenses	55	60
Exchange Rate Variation	221	17
Foreign Currency Fluctuation Adjustment (Debit)	144	88
Expenditure on Catchment Area Treatment	-	-
Wealth Tax	1	1
Rebate to Customers	105	47
Expenses on Regulated Power	83	184
Less: Regulated Power Adjustment - Sales	(83)	(184)
	-	-
Prior Period Expenses	-	3
Total	14,538	13,251
Stores consumption included in repairs and Maintenance	1,090	1,220

2.27 Exceptional Items

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Expenses:		
Provision for expenses for withdrawn project	-	-
Total	-	-

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

	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit after Tax used as numerator (₹lakh)	111463	105234
Weighted Average number of equity shares used as denominator	4,136,626,500	4,136,626,500
Earnings Per Share - Basic & Diluted (₹)	2.69	2.54
Face value per share (₹)	10	10

2.29 Contingent Liabilities:

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

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Works *	37623	34286
Land Compensation	4793	5254
Disputed Service Tax Demand	1236	1236
Others	16	245
Total	43668	41021

* This includes ₹18984 lakh (Previous Year: ₹18984 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.

2.30 1. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for is ₹35825 lakh (Previous Year: ₹96561 lakh).

2. 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 ₹2364 lakh (Previous Year: ₹2666 Lakh).

2.31 As per the agreement between Govt. of Himachal Pradesh (GoHP) and the company, Luhri Hydroelectric Project shall be executed by a 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 ₹13125 lakh (Previous Year: ₹11493 lakh) has been incurred on survey and investigation of the project up to 31.03.2014, which includes fixed assets ₹434 lakh (Previous Year: ₹439 lakh) and capital work in progress ₹12691 lakh (Previous Year: ₹11054 lakh).

2.32 The project cost of Rampur Hydro Electric Project (RHEP), which is under construction, has been recommended by Central Electricity Authority (CEA) for approval of Ministry of Power (MOP) from ₹204705 lakh (March 2006 Price Level) to ₹328828 lakh (March 2012 Price Level). The three units of Rampur Hydro Power Project were synchronized with the Grid during the year ending 31.03.2014. Sale of infirm power during trial run amounting to ₹ 1 lakh (Previous Year: Nil) is adjusted from Capital Work in Progress. The commercial production from these units have commenced from the F.Y 2014-15.

2.33 During the year 45.05 M.W of Wind Power Project comprising of 53 no. of WEG.s out of total installed capacity of 47.6 M.W comprising of 56 WEG's were commissioned in the State of Maharashtra. The cost of these 53 No's WEG's has been capitalized proportionately amounting to ₹ 27428 lakhs. The generation/sales from these units amounting to ₹ 193 lakhs has been booked to sales in note no. 2.21.

2.34 Balances of trade receivables, advances, deposits, trade payables, material in transit/material lying with third parties are reconciled periodically. However, as on 31.03.2014 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, will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

2.35 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.

2.36 The effect of foreign exchange fluctuation during the year:

(₹ Lakh)

		Year ended 31.03.2014	Year ended 31.03.2013
(i)	Amount charged to Statement of Profit and Loss excluding depreciation. - As FERV - As Borrowing cost	221 77	17 97
(ii)	Amount charged to Expenditure During Construction - As FERV - As Borrowing cost	19745 -	9368 -
(iii)	Amount adjusted by addition to carrying amount of fixed assets	27	-

2.37 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 ₹514 lakh (Previous Year: ₹447 lakh) and ₹484 lakh (Previous Year: ₹442 lakh) is recognized as expense and charged to the Statement of Profit and Loss and Expenditure During Construction (EDC) respectively. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by Gol.

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 is funded by company and managed by separate trust 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 31.03.2014	As at 31.03.2013
Mortality Table	IALM (2006-08)	LIC (1994-96) duly modified
Discount Rate	8.50%	8.00%
Future Salary Increase	6.50%	6.00%

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

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
PVO at Beginning of Year	CY	3022	3674	1947	50
	PY	2565	2869	1685	44
Interest Cost	CY	242	294	156	4
	PY	205	229	135	4
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Current Service Cost	CY	363	556	198	16
	PY	281	471	143	5
Benefit paid	CY	(106)	(379)	(52)	(8)
	PY	(97)	(251)	(49)	(4)
Actuarial (Gain)/Loss	CY	238	185	291	91
	PY	68	356	33	1
PVO at end of year	CY	3795	4329	2540	152
	PY	3022	3674	1947	50

3. Amount Recognized in Balance Sheet:

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
PVO at end of year	CY	3795	4329	2540	152
	PY	3022	3674	1947	50
Fair Value of Plan Assets at the end of year	CY	3213	-	-	-
	PY	2665	-	-	-
Funded Status	CY	(582)	(4329)	(2540)	(152)
	PY	(357)	(3674)	(1947)	(50)
Excess of actual over estimated	CY	(3)	-	-	-
	PY	(29)	-	-	-
Unrecognized actuarial gain/loss	CY	-	-	-	-
	PY	-	-	-	-
Net (Liability)/Asset recognized in Balance Sheet	CY	(582)	(4329)	(2540)	(152)
	PY	(357)	(3674)	(1947)	(50)

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

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
Current Service Cost	CY	363	556	198	16
	PY	280	471	142	5
Interest Cost	CY	242	294	156	4
	PY	205	229	135	3
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Expected return on Plan Assets	CY	(263)	-	-	-
	PY	(223)	-	-	-
Net Actuarial (gain) /loss recognized for the year	CY	241	185	291	91
	PY	97	356	33	1
Expense recognized in Profit & Loss/EDC for the year	CY	582	1035	645	110
	PY	359	1056	310	9

5. The Effect of one percent point increase/decrease in the medical cost of PRMF will be as under:

(₹ Lakh)

	Increase by	Decrease by
Service & interest Cost	(96)	(192)
Present Value of obligation	625	(395)

2.38 Disclosure as per Accounting Standard-16 on Borrowing Costs:

Borrowing Costs capitalized during the year are ₹ 2409 lakh (P.Y ₹ 2329 lakh)

2.39 Segment reporting:

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

2.40 Related Party Disclosures:

'Related party disclosures' as required by Accounting Standard (AS) - 18 is given as under:-

- List of Related Parties -
- Key Management Personnel:

Shri R.P. Singh	Chairman and Managing Director (CMD)
Shri R.N.Misra	Director (Civil)
Shri A.S. Bindra	Director (Finance)
Shri N.L. Sharma	Director (Personnel)
Shri R.K. Bansal	Director (Electrical)

- Subsidiaries: Wholly Owned
 - SJVN Arun-3 Power Development Company Pvt. Ltd (Incorporated in Nepal) w.e.f 25.04.2013.
 - SJVN Thermal Pvt. Ltd taken over w.e.f 04.07.2013.
 - Joint Ventures:
 - Cross Border Power Transmission Company Ltd.
- Transactions with the related parties at 2.40 (a)(ii & iii) above during the year are as follows.

(₹ Lakh)

Particulars	Subsidiary Companies		Joint Ventures Companies	
	Current Year	Previous Year	Current Year	Previous Year
1. Investment in Share Capital				
a) Cross Border Power Transmission Ltd.	-	-	493	1
2. Share Application money pending allotment				
a) Cross Border Power Transmission Ltd.	-	-	-	493
3. Amount Recoverable				
a) SJVN Arun-3 Power Development Company Pvt. Ltd	7891	-	-	-
b) SJVN Thermal Pvt. Ltd	4739	-	-	-
c) Cross Border Power Transmission Ltd.	-	-	28	-
4. Consultancy Fee Received				
a) Cross Border Power Transmission Ltd.	-	-	22	120



- iv) Remuneration to key management personnel is ₹203 lakh (Previous Year: ₹186 lakh), and amount of dues outstanding to the company as on 31.03.2014 is ₹33 lakh (Previous Year: ₹12 lakh).

2.41 Remuneration to Directors (excluding Group Insurance Premium)

(₹ Lakh)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
i) Salaries and allowances	172	167
ii) Contribution to provident fund and family pension fund.	15	8
iii) Gratuity	6	4
iv) Other benefits	10	7
v) Directors' Sitting Fees	21	22

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

2.42 The Company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices, guest houses & 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 ₹611 lakh (Previous Year: ₹598 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).

2.43 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)	
	31.03.2014 (%)	31.03.2013 (%)
Cross Border Power Transmission Company Ltd.	26	26

The above joint venture entity is incorporated in India. The company's share of the assets and liabilities as on 31st March 2014 and income and expenses for the financial year ended 31.03.2014 in respect of joint venture entity based on audited accounts is given below:

(₹ Lakh)

Particulars	As at 31.03.2014	As at 31.03.2013
I. Assets		
Non-current Assets:	542	425
Current Assets:	54	123
II. Liabilities		
Non-current Liabilities:	---	78
Current Liabilities:	111	155
III. Contingent Liabilities	-	-
IV. Capital Commitments	3337	384
	Year ended 31.03.2014	Year ended 31.03.2013
V. Income	4	-
VI. Expenses	11	4

2.44 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.

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

a) Hydro Power:-

Sr. No.	Particulars	Year ended 31.03.2014	Year ended 31.03.2013
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	1500	1500
iii)	Actual Generation (Million Units)	7192.553	6777.777
iv)	Actual Sales (Million Units) (Net of auxiliary power & free power to Home State)	6256.319	5885.843

b) Wind Power:-

Sr. No.	Particulars	Year ended 31.03.2014	Year ended 31.03.2013
i)	Licensed Capacity	Not applicable	Not applicable
ii)	Installed Capacity (MW)	45.05	NIL
iii)	Actual Generation (Million Units)	3.32	NIL

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

(₹ Lakh)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
(A) Expenditure in foreign currency		
i) Consultancy	-	-
ii) Financing Charges (ECBs)	-	-
iii) Interest on External Commercial Borrowings (ECBs)	10	19
iv) Dividend Paid	-	-
v) Other Miscellaneous Matters	9	15
(B) Earnings in foreign currency	-	-
(C) Value of Import calculated on CIF basis		
i) Capital Goods	-	-
ii) Spare Parts	-	-
(D) Value of components, stores and spare parts consumed		
i) Imported	234 (21.47%)	163 (13.36%)
ii) Indigenous	856 (78.53%)	1057 (86.64%)

2.47 Payment to Auditors includes:

(₹ Lakh)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
As Auditors		
- Statutory Audit	8	11
- Tax Audit	2	3
- Limited Review	6	8
For other services (Certificates etc.)	2	2
Reimbursement of Expenses	2	4
Reimbursement of Service Tax	2	3
Total	22 *	31 *

* Includes NIL (Previous Year: ₹7 lakh) for earlier years.

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

(₹ Lakh)

Particulars	Currency	As at 31.03.2014	As at 31.03.2013
Borrowings, including Interest Accrued but not due thereon.	USD	224312	187422

2.49 During the year, following significant accounting policies have been reworded/modified/introduced/deleted to have a better disclosure. The change in policy along with financial impact is as below.

Policy No.	Policy for 2012-13	Revised Policy for 2013-14	Reason for Change	Financial Impact
1.5 (a)	Depreciation is charged on straight-line method to the extent of 90% of the cost of the assets 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.	Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff from time to time, except as referred in Policy No. 1.5(g) and in case of computers & peripherals, and mobile phones which are depreciated @ 25% p.a.	Depreciation is charged as per the rates notified by the CERC and no depreciation is charged as per Income Tax Act, 1961.	Financial impact is given in 1.5(g). for others there is NIL impact.
1.5 (e)	Expenditure on software is recognized as 'Intangible Asset' and amortized fully over four years.	Expenditure on software is recognized as 'Intangible Asset' and amortized fully over four years on Straight Line Method or over a period of its legal rights to use whichever is less	Accounting Policy has been reworded for better presentation	NIL
1.5 (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.	Capital Expenditure referred to in Policy No. 1.2 (c) is fully depreciated and charged to Profit & Loss A/c in the year in which such Asset is capitalized and ready for use.	Policy is changed after the receipt of the reviewed opinion of ICAI on Treatment of Capital expenditure on Assets not owned by the company.	Gross Block & Profit has been reduced by ₹ 2335 lakh.
1.8(a & b)	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.	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 exchange rates prevailing on the Balance Sheet date. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.	Accounting Policy has been reworded for better presentation	NIL



Policy No.	Policy for 2012-13	Revised Policy for 2013-14	Reason for Change	Financial Impact
1.11		<p>Impairment of Assets</p> <p>The carrying amount of cash generating unit is reviewed at each Balance Sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognized in the Statement of Profit & Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased</p>	New Policy on Impairment of Assets has been introduced to convert the practice into Policy.	NIL
1.12(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.	Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) except for sale of wind power energy which is accounted for on the basis of tariff rates notified by Electricity Regulatory Authorities of respective states from time to time. Recovery/refund towards foreign currency variation in respect of foreign currency loans as per CERC notification is accounted for on year to year basis.	Additional policy for accounting of Wind Power is introduced.	Additional Sales from Wind Power amounting to ₹193 lakh.

2.50 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, of Profit After Tax (PAT) of Previous year. Board approved an amount of ₹1368 lakh [1.3% of PAT of previous year (P.Y: 1.5% of PAT of previous year ₹1603 lakh)] to be spent on CSR during the year and the same has been booked to CSR expenses as per Accounting Policy 1.14(d). The Company has formed a trust to manage CSR activities and during the year an amount of ₹1368 lakh (P.Y: ₹1603 lakh) has been paid to the trust.

2.51 Information in respect of micro and small enterprises as at 31st March 2014 as required by Micro, Small and Medium Enterprises Development Act, 2006.

(₹ Lakh)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
a) Amount remaining unpaid to any supplier:		
Principal amount	46	73
Interest due thereon	-	-

Particular	Year ended 31.03.2014	Year ended 31.03.2013
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


(Soumendra Das)
Company Secretary
FCS-4833


(A.S. Bindra)
Director (Finance)
DIN: 03358160


(R.P. Singh)
Chairman & Managing Director
DIN: 01894041

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.

For Soni Gulati & Co.
Chartered Accountants



(Suresh Chand Soni)
Partner
M.No.083106

Place: New Delhi
Date : 28.05.2014

**Indian Subsidiary Company
SJVN Thermal Private Limited**



SJVN Thermal Private Limited DIRECTORS REPORT 2014

Dear Members,

Your Directors have pleasure in presenting the Seventh Annual Report with Audited Accounts for the year ended March 31, 2014

FINANCIAL PERFORMANCE

(₹ Lakh)

Particulars		As at 31st March 2014	As at 31st March 2013
Fixed Assets		72.15	Nil
Capital Work-in-Progress			
I) Preliminary			
Related to acquisition of the company	3883.22		
Fees for enhancement of Authorised Share Capital	205.00		
Others	41.06	4129.28	
ii) IEDC			
Employees Benefits Expense	367.90		
Depreciation and Amortisation Expenses	7.77		
Other Expenses	131.92	507.59	2342.65
Sub Total		4636.87	2342.65
Capital Advances		96.63	Nil
Short term Loans and Advances		1.10	Nil
Balances with Banks		0.42	0.12
Total		4807.17	2342.77

PROJECT REVIEW

STATUTORY CLEARANCE:

Environment: Subsequent to Rapid Environment Impact Assessment of the project, the Terms of Reference (TOR) has been approved by MOEF, Govt. of India. Public hearing has already been conducted by Bihar Pollution Control Board. Application for Environmental Clearance along with EIA/EMP report and Public Hearing Minutes Submitted with the Ministry of Environment and Forest on 12th March 2013. Environmental Clearance is awaited.

Civil aviation clearance for Chimney: NOC from Airport Authority of India is in place since 10.07.2009 for the chimney height of 275 m above the ground level for seven years.

Water availability: Allocation for utilization of 56 cusec has been obtained from Water Resource Department, Govt. of Bihar and CWC, Govt. of India.

LAND ACQUISITION

Cabinet approval for diversion of 16 acres Govt. land has been obtained. Certificate of possession of private land has been issued by District Land Acquisition Officer, Buxar to the authorized signatory of Central Electric Supply Area, Patna for 1048.72 Acres of total land. 80% compensation for 505.20 acres of land has submitted to the Commissioner by Land Acquisition Deptt. Govt. of Bihar. Meanwhile, the Cabinet, Govt. of Bihar has approved the implementation of new Land Acquisition Act on 04.03.2014 and

notification for the same has been issued. The compensation rate is under approval with Commissioner.

COAL BLOCK

Ministry of Coal, Govt. of India, vide notification dated September 06, 2013 has allocated Deocha Pachami Coal Block (2012 MT) located in Birbhum of West Bengal to SJVN for Buxar Thermal Power Project along with other six States Power Utilities.

For development of Coal Block, a JV company is to be formed which will later sign Fuel Supply Agreement (FSA) with respective end users. For formation of the JV Company, JV Agreement, Memorandum of Articles, Article of Association have been prepared and are under finalization. A Coal Liaison Office has been prepared and are under finalization. A Coal Liaison Office has been established in Kolkata since October, 2013. Besides this, contact has been initiated for the supply of imported coal with the agencies having long term contract with coal mining companies of Indonesia, South Africa, Australia, Russia, China and USA.

RAILWAY SIDING AND INFRASTRUCTURE

The award for consultancy assignment for preparation of FSR has been placed on M/s RITES Limited for the proposed Rail Infrastructure of the Project.

Brief report for discussion of the junction arrangement at Chausa Station and layout of the in-plant yard including system of operation for handling the required volume of traffic has been



submitted by RITES. Further, the route proposed by RITES is under examination from land acquisition point of view and accordingly, the same will be finalized.

UPDATION OF DPR

The award for updation of DPR along with carrying out site specific studies has been placed on M/s NTPC Limited. NTPC has visited the project site and process for carrying out 'Preliminary Geo-technical Investigation' is in progress. NTPC is scheduled to complete the assignment by January, 2015. A report on regional exploration carried out for coal in the Deocha Pachami by GSI has been purchased. Data of this report is to be used for 'Remodeling of EIA & EMP Report' as well as for 'Updation of DPR'.

As per March, 2014 price level, the updated cost of project is ₹ 9591.72 Crore.

PIB APPROVAL

A detailed note along with PIB memo for Investment approval of ₹43668 lakh for pre-construction activities of the project has been submitted to Ministry of Power, Govt. of India on 13.02.2013. After due circulation of PIB memo by the MOP, comments from CEA have been obtained on 17.02.2014. Further, reply to the observations on PIB memo from Department of Expenditure has been submitted on 07th June, 2014.

POWER EVACUATION PLAN

In terms of the Power Purchase Agreement (PPA) entered on 05.01.2011 between the company and Bihar State Electricity Board (Now Bihar State Power Holding Company Limited), 85% of power from the project is to be supplied into the transmission grid of Bihar state. M/s Bihar Grid Company Ltd (A joint venture of Bihar State Power (Holding) Company Ltd. and Power Grid) has provided the plan for evacuation of power from BTPP to Bihar State and to Grid.

TOPOGRAPHICAL SURVEY

Topographical survey of the project site has been awarded on 03.03.2014. Work has been commenced at project site and is in progress.

CONSTRUCTION POWER

Supply of 5 MVA of construction power from Chausa sub-station to the project site through a 33 KV line has been firmed up with South Bihar Power Development Corporation Limited (SBPDCL). Work will be executed by SBPDCL on Deposit-Works basis with an estimated cost of ₹2,32,11,456/-. The required cost has been deposited by STPL with SBPDCL.

FINANCING OF THE PROJECT

Company has secured funding for 70 % Debt portion (presently Rs. 500,000 lakh) of the project cost, to be drawn equally from Power Finance Corporation (PFC) and Rural Electrification Corporation (REC) at an interest rate of 11.60 % per annum on quarterly rest basis along with 3 to 10 years reset.

DIVIDEND

The Board of Directors have not recommended any dividend for the financial Year under review.

DEPOSITS

During the year the company, has not accept any fixed deposit within the meaning of Section of 58-A of Companies Act, 1956 and the rules made there under.

HOLDING COMPANY

SJVN Thermal Private Limited is a subsidiary of SJVN Limited w.e.f. 04th July 2013.

CSR ACTIVITIES

All the CSR activities are being done by Holding Company.

AUDITORS REPORT

M/s B. Gupta & Co., Chartered Accountants, Patna, Bihar, was appointed by Comptroller and Auditor General of India (C&AG) as Statutory Auditors of the Company for Financial Year 2013-14.

The Report of the Statutory Auditors to the Members on Accounts for the year ended 31.03.2014 is placed at "**Annexure - II**". Comments of the C&AG of India on the Accounts for the year ended 31.03.2014 are placed at "**Annexure - III**". Comments of Statutory Auditors and C&AG being "Nil", the reply by the management thereto is not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis for the year under review is enclosed as **Annexure - I**.

CONSERVATION OF ENERGY, TECHNOLOGY, ABSORPTION, FOREIGN EXCHANGE AND OUTGO ETC.

The information relating to conservation of energy, and technology absorption as required to be given under section 217(1)(e) of the companies Act, 1956 read with companies (Disclosure of Particulars in Report of the Board of Directors) rules 1988, are not applicable.

The Company has not made any payments in foreign exchange to any consultants/ contractors during the year under review.

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

As per Notification No. GSR 289(E) dated 31st March, 2011 issued by the Ministry of Corporate Affairs, amending the provisions of the Companies (Particulars of Employees) Rules, 1975 issued in terms of section 217(2A) of the Companies Act 1956 it is not necessary for Government Companies to include the particulars of employees drawing salaries of ₹60 lakh or more per annum, employed throughout the financial year or, ₹5 lakh per month, if employed for part of the financial year.

However it is informed that, the Company does not have any employees and the employees in the company are posted by the holding company on secondment basis. The salary, wages, Allowances and Benefits including Retirement Benefits of such employees are paid / payable to the holding company and the same is recognized as an expense, charged to Expenditure during



Construction (EDC). Information under Section 217(2A) of the Companies Act, 1956 be treated as "NIL".

BOARD MEETINGS

The Board Meetings are held normally at Shimla and New Delhi.

During the financial Year 2013-14. Total 05 nos. of Board Meetings were held on 09th May 2013, 04th July 2013, 27th August 2013, 15th November 2013 and 14th February 2014. The maximum interval between any two meetings during this period was 91 days.

The details of Board Meetings, Attendance of the Directors for the year are as under:

Sr. No.	Name of Director	Meetings held during respective tenure of Directors	No. of Board Meetings attended	Attendance at last AGM (06th) held on 19-09-2013	Date of Appointment or Cessation of Director on the Board of Company
1	Shri A. S. Bindra	05	05	YES	Appointed w.e.f. 09-05-2013
2	Shri N. L. Sharma	05	05	YES	Appointed w.e.f. 09-05-2013
3	Shri R. K. Bansal	05	05	YES	Appointed w.e.f. 09-05-2013
4	Shri Haziq Beg	03	03	NA	ceased w.e.f. 14-07-2013
5	Shri Subramanian Baskaran	03	03	NA	ceased w.e.f. 14-07-2013

DIRECTORS' RESPONSIBILITY STATEMENT

The Directors would like to assure the Members that the financial statements for the year under review, confirm in their entirety to the requirements of the Companies Act, 1956.

Further, as required under Section 217 (2AA) of the Companies Act 1956, your Directors confirm that:

- In the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures.
- The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit or loss of the company for that period.
- The Directors have taken over proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for providing and detecting fraud and other irregularities.
- The directors have prepared the annual accounts on a going concern basis.
- The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

BOARD OF DIRECTORS

During the financial year Mr. A. S. Bindra, Mr. N. L. Sharma and Mr. R. K. Bansal were appointed Directors of the company in the Sixth Annual General Meeting held on 18th September 2013.

None of the Directors of the Company are disqualified from being

appointed as Directors as specified under Section 274 of the Company Act, 1956.

Mr. Haziq Beg and Mr. S. Bhaskaran ceased from the Board by tendering their resignation w.e.f. 04th July 2013.

As on 31st March 2014, the Board of your company comprised of following Directors:-

Sr No.	Name of the Directors	Designation
1	Shri A.S. Bindra	Chairman
2	Shri N.L. Sharma	Director
3	Shri R. K. Bansal	Director

ACKNOWLEDGEMENTS

The Board of Directors of the Company wish to place on record, their thanks and appreciation to Ministry of Power, Ministry of Coal, Govt. of Bihar/ BSEB, SJVN Limited, Auditors, Bankers, Contractors and Staff for their necessary support and contribution to the operations of the Company.

The Directors also place on record their sincere thanks to the shareholders for their continued support, co-operation and confidence in the Management of the Company.

For and on behalf of the Board of
SJVN Thermal Private Limited


(N.L. Sharma)
Director
DIN: 03495554


(A.S. Bindra)
Chairman
DIN: 03358160

Place : New Delhi

Date: 03.07.2014



MANAGEMENT DISCUSSION AND ANALYSIS

Annexure – I

INDUSTRY OVERVIEW

All India installed power generation capacity as on 31.03.2014 was 2,43,029 MW which includes 1,68,255 MW of Thermal Power, the rest from the Hydel, Renewable and Nuclear energy sources. To fulfil the objectives of National Electricity Policy, a capacity addition of 8,728 MW was achieved up-to December 2013 against the target of 18,432 MW from Thermal, Hydro and Nuclear sources during the FY 2013-14. As per National Electricity Plan (Volume-I) on Generation prepared by Central Electricity Authority in January 2012, 12th Plan envisages capacity addition of 79,690 MW out of which Thermal share is 67,686 MW, Hydro share is 9,204 MW and Nuclear share is 2800 MW. Besides this, 18500 MW has been targeted for renewable energy like Wind, Solar etc. for development during 12th Plan period.

Above industry scenario signifies that there is an ample opportunity for consistent growth of the business in thermal, hydro and renewable energy sector in the times to come. Keeping this in view, your company has taken a big leap forward towards the development of 1320 MW super-critical thermal power project at Chausa near Buxar in Bihar for which the Deocha-Pachami coal block 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 2014:

A. RESULTS OF OPERATIONS

I Income & Expenditure

No statement of Profit and Loss has been prepared for the year as (i) the company did not generate any revenue during the year (ii) the project (s) of the company are under construction and (iii) in line with Accounting Policy No. 1.4.1 (b), all expenses during the year are identified as Capital Work-in-Progress, to be allocated on major immovable assets on commissioning of the Project.

B. FINANCIAL POSITION

Assets and Liabilities in the Balance Sheet have been classified under head 'Current' and 'Non-Current' categories in accordance with Schedule VI to the Companies Act, 1956.

The items of the Balance Sheet are as under:

i. Net Worth

Net Worth of the company at the end of Fiscal 2014 has remained constant at ₹1.00 lakh (Previous Year: ₹1.00 lakh) as the company being at construction stage, no revenue has been generated.

ii. Non-Current Liabilities

(₹ Lakh)

Particulars	As of March 31,	
	2014	2013
Long Term Borrowings (Note 2.3)	Nil	Nil
Other Long Term Liabilities (Note 2.4)	Nil	Nil
Long Term Provisions (Note 2.5)	Nil	Nil

iii. Current Liabilities

(₹ Lakh)

Particulars	As of March 31,	
	2014	2013
Short Term Borrowings (Note 2.6)	Nil	Nil
Trade Payables (Note 2.7)	Nil	Nil
Other Current Liabilities (Note 2.8)	4806.17	2341.77
Short Term Provisions (Note 2.9)	Nil	Nil
Total	4806.17	2341.77

The Current Liabilities as at March 31, 2014 and 2013 were ₹ 4806.17 lakh and ₹ 2341.77 lakh respectively. This comprises only Other Current Liabilities and has increased by 105.24 %, mainly on account of funds received from holding company during the process of acquisition.

iv. Non Current Assets

(₹ Lakh)

Particulars	As of March 31,	
	2014	2013
Tangible Assets (Note 2.10)	72.15	Nil
Intangible Assets (Note 2.10)	Nil	Nil
Capital Work-in-Progress (Note 2.11)	4636.87	2342.65
Non-Current Investments (Note 2.12)	Nil	Nil
Deferred Tax Assets (Net) (Note 2.13)	Nil	Nil
Long Term Loans and Advances (Note 2.14)	96.63	Nil
Other Non-Current Assets (Note 2.15)	Nil	Nil
Total	4805.65	2342.65

Non-Current Assets as on March 31, 2014 comprises Tangible Assets, Capital Work-in-Progress and Long Term Loans & Advances and has increased by 105.14 % to ₹4805.65 lakh as compared to ₹2342.65 lakh as on March 31, 2013.

Tangible Assets

Tangible Assets consist of Net Block of Fixed Assets after Depreciation. These includes Furniture, Fixture and Equipment; Vehicles, Electrical Equipment, Office Equipment and Data Processing Equipment. Net addition in Tangible Assets during the Current Fiscal is ₹83.69 lakh which includes Transfer / Adjustment of ₹ 32.38 lakh during the year from the holding company.

CAPITAL WORK-IN-PROGRESS

Capital Work-in-Progress during current Fiscal registered an increase of 97.93 % to ₹4636.87 lakh as compared to ₹2342.65 lakh in previous Fiscal mainly due to addition of acquisition related payments to BPIC & ROC Charges and Expenditure during Construction (EDC) as detailed below.

(a) Expenditure During Construction (EDC)

(₹ Lakh)

Expenditure	Fiscal 2014	Fiscal 2013
Employee Benefits Expense (Note 2.11.1)	367.90	Nil
Finance Costs (Note 2.11.1)	Nil	Nil
Depreciation (Note 2.11.1)	7.77	Nil
Other Expenses (Note 2.11.1)	131.92	Nil
Total Expenditure	507.59	Nil

(b) Employee Benefits Expense

The Employee Benefits Expense includes Salaries and Wages, Allowances, Incentives, contribution to Provident Fund and other Funds and Welfare Expenses. These expenses accounted for 72.48 % of total expenditure in Fiscal 2014 as compared to Nil in Fiscal 2013.

Employee Benefits Expense during the year was ₹367.90 lakh (Previous Year: Nil) which is ₹367.90 lakh more than the previous year which is only because all the employees have joined the Company as secondment basis during the year.

(c) Finance Costs

During the Year, In view of no Term Loans, Short Term Loans, Foreign Currency Loans etc. Finance costs remained Nil (Previous Year: Nil).

(d) Depreciation and Amortisation Expenses

In accordance with Accounting Policy of the company, depreciation is charged on straight line method to the extent of 90 % of cost of the assets, following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) for tariff regulation from time to time except in case of computers & peripherals and mobile phones which are depreciated @ 25 % p.a.

Depreciation cost has been ₹7.77 lakh during the Fiscal 2014 as compared to Nil during previous year as all the tangible assets have been added during the year.

(e) Other Expenses

Other Expenses comprises mainly of Rent of Offices / TCs, Security, Travelling & Conveyance, Training, Expenses on Transit Camps, Hiring of Vehicles etc.

Other Expenses represents 25.99 % of our total expenditure during Fiscal 2014 in comparison to Nil during Fiscal 2013 as all the establishments have been added during the year. In absolute terms the expenses were ₹131.92 lakh in Fiscal 2014 as compared to Nil during the previous year.

Long Term Loans and Advances

Long Term Loans and Advances only consist of Capital Advance given to Contractors. The same at the end of current year is ₹ 96.63 lakh (Previous Year: Nil).

v. Current Assets

(₹ Lakh)

Particulars	As of March 31,	
	2014	2013
Inventories (Note 2.16)	Nil	Nil
Trade Receivables (Note 2.17)	Nil	Nil
Cash and Bank Balances (Note 2.18)	0.42	0.12
Short Term Loans and Advances (Note 2.19)	1.10	Nil
Other Current Assets (Note 2.20)	Nil	Nil
Total	1.52	0.12

Current Assets as on March 31, 2014 has increased by ₹1.40 lakh to ₹1.52 lakh as compared to Rs 0.12 lakh as on March 31, 2013 and comprises Cash and Bank Balances as well as Short Term Loans and Advances.

Cash and Bank Balances

Cash and Bank Balances include Balances in Current Accounts. Increase of ₹0.30 lakh in Cash and Bank balances during the current year is due to increase in Cash inflow from Financing Activities by ₹2463.30 lakh (Previous Year : ₹2336.87 lakh) as offset by cash outflow from Investing activities by ₹2463 lakh (Previous Year: ₹2337.01 lakh).

Short Term Loans and Advances

Short Term Loans and Advances include Short Term Advances given to Contractor. Short Term Loans and Advances increased to ₹1.10 lakh as compared to Nil during previous year mainly due to increase in amount recoverable from Lessor of office premises in Buxar.

C. INTERNAL CONTROL SYSTEMS

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

In order to ensure that all checks and balances are in place and internal control systems are in order, regular Internal Audit is conducted by an independent firm of Chartered Accountants. Significant Audit Observations and Action Taken Reports (ATRs) are considered by the Management and recommendations / directions are complied with accordingly.



INDEPENDENT AUDITOR'S REPORT

Annexure – I

**TO THE MEMBERS OF
SJVN THERMAL PRIVATE LIMITED
(Formerly Buxar Bijlee Company Private Limited)
(A wholly owned subsidiary of SJVN Limited)**

Report on the Financial Statements

We have audited the accompanying financial statements of SJVN Thermal Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, 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 judgement, 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 March 31, 2014;
- 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 your attention to the fact that the statement of Profit and Loss has not been prepared for the year for the following reasons:

- the Company has not generated any revenue during the year.
- the projects of the company are under construction.
- In line with the accounting policy no. 1.3(b) all expenses during the year are identified as capital work in progress to be allocated on major immovable assets on commissioning of the project.

Report on Other Legal and Regulatory Requirements

- This report does not include a statement on the matters specified in paragraph 4 of the Companies (Auditor's Report) Order, 2003 issued by the Central Government, in terms of Section 227 (4A) of the Companies Act, 1956, since the said order is not applicable to the company.
- 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 and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the Balance Sheet and Cash Flow Statement comply with the Accounting Standards referred to in subsection [3C] of Section 211 of the Companies Act, 1956.

For B.GUPTA & CO.
Chartered Accountants
(FRN 000933C)

(S.P.Sinha)
PARTNER (M.NO.014854)

Place : Chandigarh
Date : 09.05.2014



ANNEXURE-III

COMMENT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF SJVN THERMAL PRIVATE LIMITED, KOLKATA FOR THE YEAR ENDED 31ST MARCH, 2014

The preparation of financial statements of SJVN Thermal Private Limited for the year ended 31st March, 2014 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India Under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956, based on Independent audit in accordance with the Standards on Auditing 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 09.05.2014.

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 Thermal Private Limited for the year ended 31st March, 2014. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor and company personnel and 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

(Pramod Kumar)

Principal Director of Commercial Audit
& Ex-Officio Member, Audit Board-I,
Kolkata

Place : Kolkata

Dated : 11.06.2014



SJVN Thermal Private Limited
(Formerly Buxar Bijlee Company Private Limited)
BALANCE SHEET AS AT 31st MARCH, 2014

(₹ Lakh)

	Note No.		As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2.1	1.00		1.00
Reserves and Surplus	2.2	-		-
		-	1.00	1.00
Non-current liabilities				
Long Term Borrowings	2.3	-		-
Other Long Term Liabilities	2.4	-		-
Long Term Provisions	2.5	-		-
		-	-	-
Current liabilities				
Short Term Borrowings	2.6	-		-
Trade Payables	2.7	-		-
Other Current Liabilities	2.8	4,806.17		2,341.77
Short Term Provisions	2.9	-		-
		-	4,806.17	2,341.77
Total			4,807.17	2,342.77
ASSETS				
Non Current Assets				
Fixed Assets				
Tangible Assets	2.10	72.15		-
Intangible Assets	2.10	-		-
Capital Work In Progress	2.11	4,636.87		2,342.65
		4,709.02	4,709.02	2,342.65
Non Current Investments	2.12	-		-
Deferred Tax Assets (Net)	2.13	-		-
Long Term Loan and Advances	2.14	96.63		-
Other Non Current Assets	2.15	-		-
		96.63	96.63	-
Current Assets				
Inventories	2.16	-		-
Trade Receivables	2.17	-		-
Cash and Bank Balances	2.18	0.42		0.12
Short Term Loan and Advances	2.19	1.10		-
Other Current Assets	2.20	-		-
		1.52	1.52	0.12
Total			4,807.17	2,342.77

Significant Accounting Policies 1
Accompanying notes forming part of the Financial Statements 2

This is the Balance Sheet referred to in our report of even date
For B. Gupta & Co.

Chartered Accountants
(FRN 000933C)

S. P. Sinha
(S. P. Sinha)

M. No. 014854

Place : Chandigarh

Date :09.05.2014

For and on behalf of the Board of Directors

Raman K Sharma
(Raman K Sharma)
Company Secretary
ACS: 29662

N.L. Sharma
(N.L. Sharma)
Director
DIN: 03495554

A.S. Bindra
(A.S. Bindra)
Chairman
DIN: 03358160



SJVN Thermal Private Limited
(Formerly Buxar Bijlee Company Private Limited)
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2014

(₹ Lakh)

	Year ended 31st March, 2014	Year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Cash Flow from Operating Activities	-	-
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Expenditure on Fixed Assets	(72.15)	-
Capital Works in Progress (CWIP)	(2,294.22)	(2,337.01)
Advance for Capital Works	(96.63)	-
Net Cash Flow from Investing Activities	(2,463.00)	(2,337.01)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Increase / (Decrease) in Current Liabilities	2,464.40	2,336.87
(Increase) / Decrease in Short Term Loans & Advances	(1.10)	-
Net Cash from / (Used in) Financing Activities	2,463.30	2,336.87
D. Net Increase / (Decrease) in Cash and Cash equiv. (A+B+C)	0.30	(0.14)
E. Cash and Cash equivalents (Opening Balance)	0.12	0.26
F. Cash and Cash equivalents (Closing Balance)	0.42	0.12

For and on behalf of the Board of Directors

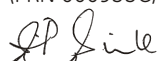

 (Raman K Sharma)
 Company Secretary
 ACS: 29662


 (N.L. Sharma)
 Director
 DIN: 03495554


 (A.S. Bindra)
 Chairman
 DIN: 03358160

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

For B. Gupta & Co.
Chartered Accountants
(FRN 000933C)



(S. P. Sinha)
M. No. 014854

Place : Chandigarh
Date :09.05.2014



SJVN Thermal Private Limited (Formerly Buxar Bijlee Company Private Limited)

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDING 31ST MARCH, 2014

1. Significant Accounting Policies

1.1 Accounting System

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

1.2 Fixed Assets

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

1.3 Machinery Spares

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

1.4 Capital Work-in-Progress

1.4.1 General

- In respect of supply-cum-erection contracts, the value of supplies received at site / construction store and accepted is treated as Capital Work-in-Progress.
- Administration and other general Overhead expenses at the Corporate Office and Projects under Construction / Survey &

Investigation attributable to construction of fixed assets are identified and shall be allocated on systematic basis on major immovable assets other than land, infrastructure facilities and bought out items on commissioning of projects. However, no allocation pertaining to Corporate Office shall be made on projects taken on BOOT (Build, Own, Operate & Transfer) basis till the date of grant of generation license.

- Expenditure on Survey and Investigation of the Projects shall be carried over as capital work in progress and capitalized as cost of Project on completion of construction of the Project or the same shall be expensed in the year in which it is decided to abandon such project.
- Expenditure against "Deposit Works" shall be accounted for on the basis of statement of account received from the concerned agency and acceptance by the company. However, provision shall be made wherever considered necessary.
- Claims for price variation / exchange rate variation in case of contracts shall be accounted for on acceptance.

1.4.2 Development of Coal Mines

Expenditure on exploration and development of new coal deposit is capitalised as 'Development of Coal Mines' under Capital Work in Progress (CWIP) till the mines project is brought to revenue account.

1.5 Depreciation and Amortisation

- Depreciation is charged on straight line method following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) for tariff regulation from time to time except in case of computers & peripherals and mobile phones which are depreciated @ 25 % p.a.
- Depreciation is provided on pro-rata basis from the month in which the asset becomes available for use.
- Depreciation on assets declared surplus / obsolete shall be provided till the end of the month in which such declaration is made.
- Assets costing ₹ 5000/- or less are depreciated fully in the year of procurement.
- Expenditure on software is recognised as 'Intangible Assets' and amortized fully over four years on straight line method or over a period of its legal rights to use whichever is less.
- Where the cost of depreciable assets undergoes a change during the year due to increase / decrease in long term liability on account of exchange fluctuation, change in duties or similar factors, revised unamortised balance of such asset shall be depreciated prospectively over the residual life. Depreciation on increase / decrease in the value of existing assets on account of settlement of disputes shall be charged retrospectively.

- g) Leasehold land shall be amortised pro-rata through depreciation over the period of lease or 25 years, whichever is lower, following the rates and methodology notified by prevailing CERC Tariff regulations.

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. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.

- b) Exchange differences, except to the extent considered as adjustment to borrowing cost as per AS-16 read with ASI-10, are recognised 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.

1.9. Borrowing Costs

Borrowing costs attributable to fixed assets during construction / exploration, renovation and modernisation are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.

1.10 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognised 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 recognised, but are disclosed in the notes. Contingent assets are neither recognised, nor disclosed in the financial statements.

1.11 Impairment of Assets

The carrying amount of cash generating unit is reviewed at each Balance sheet date where there is any indication of

impairment based on internal / external indicators. An impairment loss is recognised in the Statement of Profit & Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

1.12 Income

- a) Sale of Energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC).
b) Interest recoverable on advances to Contractors / Suppliers and other claims from Contractors / Suppliers under dispute are accounted for on receipt / acceptance.
c) 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.

1.13 Employee Benefits :

The company does not have any employees and the employees in the company are posted by the holding company on secondment basis. The Salary, Wages, Allowances and Benefits including Retirement Benefits of such employees are paid / payable to the holding company and the same is recognised as an expense, charged to Expenditure during Construction (EDC).

1.14 Miscellaneous

- a) Insurance claims shall be accounted for in the year of receipt / acceptance by the insurer / certainty of realisation.
b) Pre-paid 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 shall be recognised on acceptance by the company / receipt of award by the Arbitrator and the balance claim, if disputed / contested by the contractor shall be shown as contingent liability.

1.15. 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 recognised on timing difference 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 recognised 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 realised.

1.16 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 in Lakh and figures have been rounded off to the nearest two decimals except when otherwise stated. The previous year figures have also been reclassified / regrouped / rearranged wherever necessary to conform to current year classification.

2.1 Share Capital (₹Lakh)

Particulars	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amount	No. of Shares	Amount
Authorised	300,00,00,000	3,00,000.00	10,000	1.00
Issued, subscribed and fully paid-up	10,000	1.00	10,000	1.00

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 and are entitled to voting rights proportionate to their shareholding at the meeting of shareholders.

2.1.1 Details of shareholders holding more than 5 % shares in the Company: (₹Lakh)

Name of Shareholders	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amount	No. of Shares	Amount
SJVN Limited	9,999	0.99	Nil	Nil
BPIC Pvt. Limited	Nil	Nil	9999	0.99

2.1.2 The reconciliation of the number of shares outstanding is set out below: (₹Lakh)

Name of Shareholders	As at 31st March 2014		As at 31st March 2013	
	No. of Shares	Amount	No. of Shares	Amount
Number of shares at the beginning	10,000	1.00	10,000	1.00
Number of shares issued during the year	-	-	-	-
Number of shares at the end	10,000	1.00	10,000	1.00

2.2 Reserves and Surplus (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Opening balance*	Nil	Nil
Add : Profit/ (Loss) for the year	Nil	Nil
Total Profit available for appropriation	Nil	Nil
Appropriation	Nil	Nil
Closing balance	Nil	Nil

* Opening balance of (₹ 1.66) lakh has been regrouped / reclassified during FY 2013-14 in line with Policy no. 1.4.1(b).

2.3 Long Term Borrowings (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

2.4 Other Long Term liabilities (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

2.5 Long Term Provision (₹Lakh)

Particulars	As at 01.04.2013	For the year			As at 31.03.2014
		Additions	Write back	Utilization	
Nil	Nil	Nil	Nil	Nil	Nil

Disclosure required under Accounting Standard (AS) -15 on employee benefits has been made under Note no. 2.25

2.6 Short Term Borrowings (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

There has been no default in repayment of any loan or interest thereon at the end of year 2013-14.

2.7 Trade Payables (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

Disclosure regarding dues to micro and small enterprises as required by MSMED Act is made in Note no. 2.34

2.8 Other Current Liabilities (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Current Maturities of Long Term Debt	Nil	Nil
Interest Accrued but not due	Nil	Nil
Other Payables		
Payable to Holding Company (including liability for transfer of Fixed Assets ₹ 27.71 lakhs Previous Year - Nil)	4739.16	Nil
Deposits, Retention Money from Contractors and Others	0.71	Nil
Others	66.30	2341.77
Total	4806.17	2341.77

Disclosure regarding dues to micro and small enterprises as required by MSMED Act is made in Note no. 2.34

2.9 Short Term Provisions (₹Lakh)

Particulars	As at 01.04.2013	For the year			As at 31.03.2014
		Additions	Write back	Utilization	
Nil	Nil	Nil	Nil	Nil	Nil

Disclosure required under Accounting Standard (AS) -15 on employee benefits has been made under Note no. 2.25

2.10 Fixed Assets

Sl.No.	Particulars	Gross Block			Depreciation			Net Block	
		As at 01.04.2013	Transfer/Adjustment during the year *	Additions during the year	As at 31.03.2014	Transfer/Adjustment during the year *	Adjustment during the year	Upto 31.03.2014	As at 31.03.2014
Tangible Assets									
1	Furniture, Fixture and Equipments	-	9.25	18.64	27.89	0.69	-	2.97	24.92
2	Vehicles	-	-	12.05	12.05	-	-	0.28	11.77
3	Electrical Equipments	-	11.06	10.19	21.25	0.24	-	1.32	19.93
4	Office Equipments	-	1.42	3.09	4.51	0.15	-	0.72	3.79
5	Data Processing Equipments	-	10.65	8.34	17.99	3.59	(0.90)	6.25	11.74
	Total	-	32.38	52.31	83.69	4.67	(0.90)	11.54	72.15
Intangible Assets									
	Total Fixed Assets	-	32.38	52.31	83.69	4.67	(0.90)	11.54	72.15
	Previous Year	-	-	-	-	-	-	-	-

* The Assets transferred by holding company are shown at gross value and Depreciation provided on these assets by holding company are shown under the head Depreciation (Transfer / Adjustment during the year).

Individual assets of value less than ₹ 5000/-, total amounting to ₹ 1.79 lakh (Previous Year : Nil) has been depreciated fully during the year in accordance with Accounting policy No. 1.5 (d).

Additional depreciation amounting to ₹ 1.43 lakh (Previous Year - Nil) has been charged on account of depreciation @ 25% on data processing equipments and mobile phones in accordance with Accounting Policy No. 1.5 (a).

2.11 Capital Work-in-Progress

Sl.No.	Particulars	As at 01.04.2013			As at 31.03.2014	
		As at 01.04.2013	Additions during year	Transfers/Adjustments	Total WIP as at 31.03.2014	Capitalised during the year
1	Preliminary	2342.65	1786.63	-	4129.28	-
2	Expenditure during Construction	-	507.59	-	507.59	-
	Total	2342.65	2294.22	-	4636.87	-
	Previous Year	4.60	2338.05	-	2342.65	-

Note: Previous year figure includes ₹ 1.66 lakh on account of regrouping / reclassification under the head Preliminary Expenses.



2.11.1 Expenditure During Construction :

No statement of Profit and Loss has been prepared for the year as (i) the company did not generate any revenue during the year (ii) the project (s) of the company are under construction and (iii) in line with Accounting Policy No. 1.4.1 (b), all expenses during the year are identified as Capital Work-in-Progress, to be allocated on major immovable assets on commissioning of the Project.

Statement of Expenditure during Construction

(₹Lakh)

EXPENSES	Year ended 31st March 2014	Year ended 31st March 2013
Employees' Remuneration and Benefits :		
Salaries, Wages Allowances and Benefits	318.48	-
Contribution to Provident and Other funds	20.81	-
Welfare Expenses	28.61	-
Finance Cost	-	-
Depreciation and Amortisation Expenses	7.77	-
Other Expenses		
Repair & Maintenance		
Vehicles	1.02	-
Others	3.16	-
Rent		27.30
Insurance		0.06
Security Expenses		8.48
Electricity Charges		1.28
Travelling & Conveyance		33.91
Training & Recruitment Expenses		8.51
Legal Expenses		0.01
Professional & Consultancy Charges		3.35
Communication Expenses		3.05
Printing & Stationery Expenses	2.48	-
Less : Receipt from sale of Tender	0.28	-
Remuneration to Auditors :		
Audit Fees	0.56	-
In Other Capacity	0.00	-
Advertisement & Publicity		0.48
EDP Expenses		0.50
Entertainment Expenses		2.70
Expenses on Transit Camps		10.93
Books & Periodicals		1.51
Hiring of Vehicles		16.98
Business Promotion Expenses		0.12
Miscellaneous Expenses		5.81
Expenditure Transferred to CWIP (Note 2.11)	507.59	-

2.12 Non – Current Investments

(₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

2.13 Deferred Tax Assets (Net)

(₹Lakh)

Particulars	As at 01.04.2013	Additions/Adjustments during the year	As at 31.03.2014
Nil	Nil	Nil	Nil

2.14 Long Term Loans and Advances

(₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Capital Advances – unsecured considered good		
Covered by Bank Guarantees	96.63	Nil

Loans and Advances to Directors of the Company	Nil (Previous Year : Nil)
Loans and Advances to Related Parties	Nil (Previous Year : Nil)
Loans and Advances to Officers (General Manager & above)	Nil (Previous Year : Nil)

2.15 Other Non – Current Assets (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

2.16 Inventories (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

2.17 Trade Receivables (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

2.18 Cash and Bank Balances (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Cash & Cash Equivalents		
Balances with Banks		
Current Accounts	0.42	0.12

2.19 Short Term Loans and Advances (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Advances to Contractors & Suppliers		
Unsecured considered good	0.90	Nil
Others – unsecured considered good		
Pre-paid Expenses	0.20	Nil
Total	1.10	Nil

Loans and Advances to Directors of the Company	Nil (Previous Year : Nil)
Loans and Advances to Related Parties	Nil (Previous Year : Nil)
Loans and Advances to Officers (General Manager & above)	Nil (Previous Year : Nil)

2.20 Other Current Assets (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Nil	Nil	Nil

2.21 Revenue from Operations (₹Lakh)

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Nil	Nil	Nil

2.22 Other Income (₹Lakh)

Particulars	Year ended 31st March 2014	Year ended 31st March 2013
Nil	Nil	Nil

2.23 Contingent Liabilities (₹Lakh)

Particulars	As at 31st March 2014	As at 31st March 2013
Capital Works	Nil	Nil
Land Compensation	Nil	Nil
Others	Nil	Nil

2.24 Capital Commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances), balance payments of Success Fee / Professional Fee to the previous stakeholders and cost of land under acquisition not provided-for is ₹20618.37 lakh (Previous Year : Nil).

2.25 Disclosure under the provisions of Accounting Standard (AS) – 15 'Employee Benefits'

Employees of the company have been posted by the holding company, SJVN Ltd. on 'secondment basis' wherein they are governed by all rules, regulations and policies of the holding company and expenses thereto paid / payable to the holding company. General description of various defined employee benefits are as under:

a) Defined Contribution plans :

(i) Employer's contribution to Provident Fund :

Fixed contribution to Provident Fund is initially paid by the holding company at a predetermined rate to a separate trust, created by the holding company, which invests the fund in permitted securities. The contribution of ₹ 20.81 lakh (Previous Year : Nil) is paid / payable to the holding company for the year and the same is recognised as expense, charged to Expenditure During Construction (EDC).

b) Defined benefit plans :

(i) Gratuity :

Holding company has a defined benefit gratuity plan, which is regulated as per the provisions of Payment of Gratuity Act, 1972. The scheme is managed by a separate trust, created by the holding company and liability for the same for the year towards employees posted in the company on secondment is ₹17.41 lakh (Previous Year : Nil) and recognized on the basis of actuarial valuation. The same is recognised as expense charged to Expenditure during Construction (EDC).

(ii) Pension :

Holding company has Defined Contribution Pension Scheme as approved by Ministry of Power (MOP) and liability for the same for the year towards employees posted in the company on secondment is ₹17.35 lakh (Previous Year : Nil) and recognized on accrual basis. The same is recognised as expense, charged to Expenditure during Construction (EDC).

(iii) Leave encashment :

Holding Company has a defined leave encashment plan for its Employees. Under this plan they are entitled to encashment of earned leaves and medical leaves subject to certain limits and other conditions specified for the same and



liability for the same for the year towards employees posted in the company on secondment is ₹17.90 lakh (Previous Year : Nil) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC).

(iv) Retired Employee Health Scheme :

Holding Company has a Retired Employee Health Scheme, under which retired employee and the spouse are provided medical facilities in the Company hospitals / empanelled hospitals. They can also avail treatment as out-patient subject to a ceiling fixed by the Company. Liability for the same for the year towards employees posted in the company on secondment is ₹14.58 lakh (Previous Year : Nil) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC).

(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 shall be paid in accordance with rules of the holding company and liability for the same for the year towards employees posted in the company on secondment is ₹0.28 lakh (Previous Year : Nil) and provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC).

(vi) Service Reward on Retirement :

Gift at the time of retirement shall be given to the employee in accordance with rules of the Company and liability for the same for the year towards employees posted in the company on secondment is ₹2.87 lakh (Previous Year : Nil) provided on the basis of actuarial valuation. The same is recognised as expense, charged to Expenditure during Construction (EDC).

(vii) Key Actuarial assumptions for Actuarial Valuation :

Particulars	As at 31.03.2014	As at 31.03.2013
Mortality Table	IALM (2006-08)	NA
Discount Rate	8.50 % per annum	NA
Future Salary increase	6.50 % per annum	NA

2.26 Disclosure as per Accounting Standard (AS)-16 on 'Borrowing Costs'

Borrowing Costs capitalised during the year are - Nil (Previous year- Nil)

2.27 Disclosure as per Accounting Standard (AS)-17 on 'Segment Reporting'

As the company is primarily engaged in only one segment viz. Thermal Power, there is no reportable segment in terms of Accounting Standard - 17.

2.28 Disclosure as per Accounting Standard (AS)-18 on 'Related Party Disclosure'

a) Related Parties

- i) Holding Company: M/s SJVN Limited
- ii) Key Management Personnel

Sl. No.	Name	Position Held
01	Shri A. S. Bindra	Chairman
02	Shri N. L. Sharma	Director
03	Shri R. K. Bansal	Director

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

Particulars	Year Ended 31.03.2014	Year Ended 31.03.2013
Fund received	4739.16	Nil

- (ii) Remuneration to key management personnel is Nil (Previous Year : Nil).

2.29 Disclosure as per Accounting Standard (AS)-19 on 'Accounting for Leases'

The company's significant leasing arrangements are in respect of operating leases of premises for residential use of employees, offices and transit camps. They are not non-cancellable, are usually renewable by mutual consent on mutually agreed terms.

The employees benefit expense of ₹26.40 lakh (Previous Year : Nil) towards lease payments, net of recoveries in respect of premises for residential use of employees is initially paid by the holding company. The same is paid/ payable to the holding company for the year and is recognised as expense, charged to Expenditure During Construction (EDC).

Lease payments in respect of premises for offices and transit camps are shown as Rent under Expenditure During Construction (EDC).

2.30 Disclosure as per Accounting Standard (AS)-20 on 'Earning Per Share'

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit after Tax used as numerator (₹lakh)	Nil	Nil
Weighted average no. of Equity Shares used as denominator	10000	10000
Earning per Share - Basic & Diluted (₹)	Nil	Nil
Face Value per Share (₹)	10	10

2.31 Disclosure as per Accounting Standard (AS)-28 on 'Impairment of Assets'

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

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

	Year Ended 31.03.2014	Year Ended 31.03.2013
A Expenditure in foreign currency	Nil	Nil
B Earnings in foreign currency	Nil	Nil
C Import on CIF basis	Nil	Nil
D Components, stores and spares consumed		
i) Imported	Nil	Nil
ii) Indigenous	Nil	Nil

2.33 Payment to Auditors (₹Lakh)

Particulars	Year ended 31.03.2014	Year ended 31.03.2013
Statutory Audit excl. Service Tax	0.50	0.35
Internal Audit excl. Service Tax	0.22	0.15

2.34 Information in respect of micro and small enterprises as required by Micro, Small and Medium Enterprises Development Act, 2006

There are no Micro and Small enterprises, to which the Company owes dues, which are outstanding for more than 45 days as on March 31, 2014.

2.35 Disclosure as per Accounting Standard (AS)-5 on 'Change in Accounting Policies'

During the year, following significant accounting policies have been reworded / modified / introduced / deleted to have a better disclosure having Nil financial impact :

Policy No.	Policy for 2012-13	Revised Policy for 2013-14	Reason for Change
01	i Company Information The Company was incorporated on the 7th day of May 2007, Registration No. U31908BR2007PTC017646.	Deleted	Not considered necessary.
02	ii Basis for preparation of Financial Statements The Financial Statements are prepared under the historical cost convention, in accordance with the Generally Accepted Accounting Principles, the provisions of the Companies Act, 1956, as adopted by the company and in accordance with the Accounting Standards prescribed under Section 211 (3C) of the Companies Act 1956. All income and expenditure having a material bearing on the financial statements are recognised on an accrual basis.	1.1 Accounting System 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.	Accounting Policy has been reworded to have better presentation.
03	iii Purpose of Financial Statements The Financial statement have been prepared for the purpose of bidding out of the company and for the use of internal purpose only	Deleted	Not considered necessary.
04	iv Fixed Assets The Company does not have any fixed assets as at March 31, 2013 other than Capital Work in Progress and those have been reflected on the Assets side of the Balance Sheet under the Head Non-Current Assets.	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 shall be included under Fixed Assets. c) Payments made provisionally towards compensation and other expenses relating to land shall be treated as cost of land. d) Expenditure incurred for compensatory afforestation, soil conservation and re-forestation towards forest land shall be shown as "Intangible Assets – Expenditure on compensatory afforestation" and shall be amortized pro-rata through depreciation over the period of likely use. e) Assets and systems common to more than one generating unit shall be capitalized on the basis of engineering estimates / assessments. f) Construction equipment declared surplus shall be shown at lower of book value and net realisable value.	Accounting Policy has been modified for better presentation.



Policy No.	Policy for 2012-13	Revised Policy for 2013-14	Reason for Change
05	<p>v Capital Work in Progress</p> <p>Expenses incurred till the date of balance sheet i.e., March 31, 2013 have been accounted under the head Capital Work in Progress and have been reflected on the Assets side of the Balance Sheet under the Head Non-Current Assets.</p>	<p>1.4 Capital Work-in-Progress</p> <p>1.4.1 General</p> <p>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.</p> <p>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 shall be allocated on systematic basis on major immovable assets other than land, infrastructure facilities and bought out items on commissioning of projects. However, no allocation pertaining to Corporate Office shall be made on projects taken on BOOT (Build, Own, Operate & Transfer) basis till the date of grant of generation license.</p> <p>c) Expenditure on Survey and Investigation of the Projects shall be carried over as capital work in progress and capitalized as cost of Project on completion of construction of the Project or the same shall be expensed in the year in which it is decided to abandon such project.</p> <p>d) Expenditure against "Deposit Works" shall be accounted for on the basis of statement of account received from the concerned agency and acceptance by the company. However, provision shall be made wherever considered necessary.</p> <p>e) Claims for price variation / exchange rate variation in case of contracts shall be accounted for on acceptance.</p> <p>1.4.2 Development of Coal Mines</p> <p>Expenditure on exploration and development of new coal deposit is capitalised as 'Development of Coal Mines' under Capital Work in Progress (CWIP) till the mines project is brought to revenue account.</p>	Accounting Policy has been modified for better presentation.
06	No Policy	<p>1.5 Depreciation and Amortisation</p> <p>a) Depreciation is charged on straight line method following the rates and methodology notified by Central Electricity Regulatory Commission (CERC) for tariff regulation from time to time except in case of computers & peripherals and mobile phones which are depreciated @ 25 % p.a.</p> <p>b) Depreciation is provided on pro-rata basis from the month in which the asset becomes available for use.</p> <p>c) Depreciation on assets declared surplus / obsolete shall be provided till the end of the month in which such declaration is made.</p> <p>d) Assets costing ₹ 5000/- or less are depreciated fully in the year of procurement.</p> <p>e) Expenditure on software is recognised as 'Intangible Assets' and amortized fully over four years on straight line method or over a period of its legal rights to use whichever is less.</p> <p>f) Where the cost of depreciable assets undergoes a change during the year due to increase / decrease in long term liability on account of exchange fluctuation, change in duties or similar factors, revised unamortised balance of such asset shall be depreciated prospectively</p>	Accounting Policy has been introduced for necessary disclosure.


Policy No.	Policy for 2012-13	Revised Policy for 2013-14	Reason for Change
		over the residual life. Depreciation on increase / decrease in the value of existing assets on account of settlement of disputes shall be charged retrospectively. g) Leasehold land shall be amortised pro-rata through depreciation over the period of lease or 25 years, whichever is lower, following the rates and methodology notified by prevailing CERC Tariff regulations.	
07	vi Investments The company does not have any investments as at March 31, 2013.	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	Accounting Policy has been modified for better presentation.
08	No Policy	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.	Accounting Policy has been introduced for necessary disclosure.
09	vii Loans The Company has not given any loans during the year.	Deleted	Not considered necessary.
10	viii Revenue Recognition Income is recognised on accrual basis	1.12 Income a) Sale of Energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC). b) Interest recoverable on advances to Contractors/ Suppliers and other claims from Contractors/ Suppliers under dispute are accounted for on receipt/ acceptance. c) 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.	Accounting Policy has been modified for better presentation.
11	ix Transactions in Foreign Exchange Transactions in Foreign currencies are recorded at the exchange rate prevailing on the date of the transaction. Exchange differences on foreign exchange transactions are settled during the year and recognised in the profit and loss account. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate ruling on that date. The resultant exchange differences are recognised in the	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. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction. b) Exchange differences, except to the extent considered as adjustment to borrowing cost as per AS-16 read with ASI-10, are recognised 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.	Accounting Policy has been modified for better presentation.





Policy No.	Policy for 2012-13	Revised Policy for 2013-14	Reason for Change
	profit and loss account. In case of forward contracts for foreign exchange, the difference between the forward rate and the exchange rate at the date of transaction are recognised over the life of the contract.		
12	No Policy	1.9. Borrowing Costs Borrowing costs attributable to fixed assets during construction / exploration, renovation and modernisation are capitalised. Other borrowing costs are recognised as an expense in the period in which they are incurred.	Accounting Policy has been introduced for necessary disclosure.
13	x Employee Benefits The company does not have any employees. As such, provisions for liability on account of retirement benefits have not been made during the year.	1.13 Employee Benefits: The company does not have any employees and the employees in the company are posted by the holding company on secondment basis. The Salary, Wages, Allowances and Benefits including Retirement Benefits of such employees are paid / payable to the holding company and the same is recognised as an expense, charged to Expenditure during Construction (EDC).	Accounting Policy has been modified for better presentation.
14	xi Deferred Taxation Deferred tax assets and liabilities are recognised for the future tax consequences of timing differences between the carrying values of assets and liabilities and their respective tax bases. Deferred tax assets and liabilities other than carry forward losses and unabsorbed depreciation under tax laws are recognised when it is reasonably certain that there will be future taxable income. Deferred tax assets and liabilities are measured using substantively enacted tax rates. The effect on deferred tax assets and liabilities of a change in tax rates is recognised in the Profit and Loss Account in the period of substantive enactment of the change.	1.15. 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 recognised on timing difference 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 recognised 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 realised.	Accounting Policy has been modified for better presentation.
15	xii Provisions, Contingent Liabilities and Contingent Assets A Provision is recognised when the company has a present obligation as a result of past events and it is possible that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the financial statements.	1.10 Provisions, Contingent Liabilities and Contingent Assets Provisions involving substantial degree of estimation in measurement are recognised when there is a present obligation as a result of past events and it is probable that Provisions involving substantial degree of estimation in measurement are recognised when there will be outflow of resources. Contingent liabilities are not recognised, but are disclosed in the notes. Contingent assets are neither recognised, nor disclosed in the financial statements.	Accounting Policy has been modified for better presentation.

Policy No.	Policy for 2012-13	Revised Policy for 2013-14	Reason for Change
16	No Policy	1.3 Machinery Spares a) Machinery spares procured along with the Plant & machinery or subsequently and whose use is expected to be irregular are capitalised and depreciated fully over the residual useful life of the related plant & 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 spare are replaced except in cases where retrieved spares have useful life after repairs. c) Other spares forming part of inventory are expensed when consumed.	Accounting Policy has been introduced for necessary disclosure.
17	No Policy	1.11 Impairment of Assets The carrying amount of cash generating unit is reviewed at each Balance sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognised in the Statement of Profit & Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.	Accounting Policy has been introduced for necessary disclosure.
18	No Policy	1.14 Miscellaneous a) Insurance claims shall be accounted for in the year of receipt / acceptance by the insurer / certainty of realisation. b) Pre-paid 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 shall be recognised on acceptance by the company / receipt of award by the Arbitrator and the balance claim, if disputed / contested by the contractor shall be shown as contingent liability.	Accounting Policy has been introduced for necessary disclosure.
19	No Policy	1.16 Cash Flow Statement Cash Flow Statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) - 3 'Cash Flow Statements'.	Accounting Policy has been modified for better presentation.

For and on behalf of the Board of Directors

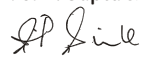

(Raman K Sharma)
 Company Secretary
 ACS: 29662


(N.L. Sharma)
 Director
 DIN: 03495554


(A.S. Bindra)
 Chairman
 DIN: 03358160

These are the notes referred to in Balance Sheet

For B. Gupta & Co.


(S. P. Sinha)
 M. No.014854

Place: Chandigarh
Date: 09.05.2014

Foreign Subsidiary Company

SJVN Arun-3

Power Development Company

Private Limited



SJVN Arun-3 Power Development Company Private Limited

INDEPENDENT AUDITOR'S REPORT

To

The Members of SJVN ARUN 3 POWER DEVELOPMENT COMPANY PRIVATE LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of SJVN Arun 3 Power Development Company Private Limited, which comprise the Balance Sheet as at 31st March 2014, 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 2014;
- 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.

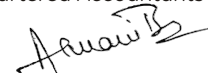
Report on Other Legal and Regulatory Requirements

1. 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.

2. 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, **A. Bansal & Associates**
Chartered Accountants


CA Aswani Bansal
Proprietor
Mem No: 0135 (ICAN)

Place: Biratnagar
Date: 23.05.2014



ANNEXURE TO THE AUDITOR'S REPORT

Annexure referred to in our report of even date to the members of SJVN Arun 3 Power Development Company Limited on the accounts for the year ended 31st March, 2014.

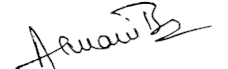
- (i)(a) The company has generally maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- (b) All the assets have been physically verified by the management during the year, which in our opinion is reasonable having regard to the size of the company and the nature of its assets. 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) The Company has no inventory items during the year. Accordingly the provisions of clause 4(ii) are not applicable to the Company.
- (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 2014 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.
- (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 no any dues from any financial institution or banks. Accordingly, the provisions of clause 4(xi) are not applicable to the Company.
- (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, no term loans were received by the company.
- (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.

Place: Biratnagar
Date :23.05.2014

For, **A. Bansal & Associates**
Chartered Accountants


CA Aswani Bansal
Proprietor
Mem No: 0135 (ICAN)



SJVN Arun-3 Power Development Company Private Limited

BALANCE SHEET AS AT 31ST MARCH, 2014

(₹ Lakh)

	Note No.		As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES				
Shareholders' Funds				
Share Capital	2.1	-	-	-
Reserves and Surplus	2.2	-	-	-
Non- current Liabilities				
Long Term Borrowings	2.3	-	-	-
Other Long Term Liabilities	2.4	-	-	-
Long Term Provisions	2.5	-	-	-
Current Liabilities				
Short Term Borrowings	2.6	-	-	-
Trade Payables	2.7	13	-	-
Other Current Liabilities	2.8	8,027	-	-
Short Term Provisions	2.9	-	-	-
Total			8,040	8,040
ASSETS				
Non - current Assets				
Fixed Assets				
Tangible Assets	2.10	77	-	-
Intangible Assets	2.10	-	-	-
Capital Work-in-progress	2.11	7,846	-	-
		7,923	-	-
Non-current Investments	2.12	-	-	-
Deferred Tax Assets (Net)	2.13	-	-	-
Long Term Loans and Advances	2.14	97	-	-
Other Non-current Assets	2.15	-	-	-
			8,020	-
Current Assets				
Inventories	2.16	-	-	-
Trade Receivables	2.17	-	-	-
Cash and Bank Balances	2.18	-	-	-
Short Term Loans and Advances	2.19	20	-	-
Other Current Assets	2.20	-	-	-
			20	-
Total			8,040	-

Significant Accounting Policies 1

The accompanying notes form an integral part of these financial statements. For and on behalf of the Board of Directors

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

For A. Bansal & Associates

Chartered Accountants

(CA Aswani Bansal)

Proprietor

M.No. 0135 (ICAN)

Place: Biratnagar

Date : 23.05.2014


(N.K. Verma)
Company Secretary


(A.S. Bindra)
Director


(R.P. Singh)
Director



SJVN Arun-3 Power Development Company Private Limited

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
(₹ Lakh)			
REVENUE			
Revenue from Operations	2.21	-	-
Other Income	2.22	-	-
Total Revenue		<u>-</u>	<u>-</u>
EXPENSES			
Employee Benefits Expense	2.23	-	-
Finance Costs	2.24	-	-
Depreciation and Amortization Expense	2.25	-	-
Other Expenses	2.26	-	-
Total Expenses		<u>-</u>	<u>-</u>
Profit before exceptional and extraordinary items and tax		-	-
Exceptional Items	2.27	-	-
Profit before extraordinary items and tax		-	-
Extraordinary items		-	-
Profit Before Tax		-	-
Tax Expenses:			
- Current Tax		-	-
- Deferred Tax	2.13	-	-
		<u>-</u>	<u>-</u>
Profit for the Year		<u>-</u>	<u>-</u>
Earnings Per Equity Share (Par Value ₹62.50/- each)			
Basic and Diluted (₹)	2.29	-	-
Significant Accounting Policies	1		

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

For and on behalf of the Board of Directors



(N.K. Verma)
 Company Secretary


(A.S. Bindra)
 Director


(R.P. Singh)
 Director

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

For A. Bansal & Associates
Chartered Accountants


(CA Aswani Bansal)
 Proprietor
 M.No. 0135 (ICAN)

Place: Biratnagar
Date : 23.05.2014



SJVN Arun-3 Power Development Company Private Limited

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ Lakh)

	Year ended 31st March, 2014	Year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	-	-
Adjustment for:		
Depreciation	-	-
Interest & Finance Charges	-	-
Unbilled Revenue	-	-
Profit on Sale of Fixed Assets	-	-
Loss on Disposal/ Write of Fixed Assets	-	-
Operating Profit before Working Capital Changes	-	-
Adjustment for:		
Trade Receivables	-	-
Inventories	-	-
Trade Payables and Other Liabilities (Current & Non-current)	8,039	-
Provisions (Long Term/Short Term)	-	-
Loans and Advances	(117)	-
Other Current Assets	-	-
	7,922	-
Cash generated from operations	7,922	-
Income Tax paid	-	-
Net Cash Flow from Operating Activities-A	7,922	-
B. CASH FLOW FROM INVESTING ACTIVITIES		
Net Expenditure on Fixed Assets & CWIP, Advance for Capital Works & Capital Stores/Spares etc.	(7,922)	-
Investment in Joint Venture Companies	-	-
Net cash used in Investing Activities - B	(7,922)	-
C. CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	-	-
Interest & Finance Charges Paid	-	-
Proceeds from Borrowings	-	-
Dividend	-	-
Tax on Dividend	-	-
Net Cash Flow from Financing Activities - C	-	-
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	-	-
Cash and cash equivalents (Opening balance)	-	-
Cash and cash equivalents (Closing balance)	-	-

Notes:

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

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

For A. Bansal and Associates,

Chartered Accountants

A. Aswani B
(CA Aswani Bansal)

Proprietor
M.No. 0135 (ICAN)
Place: New Delhi
Date : 23.05.2014

For and on behalf of the Board of Directors

(N.K. Verma)
(N.K. Verma)
Company Secretary

(A.S. Bindra)
(A.S. Bindra)
Director

(R.P. Singh)
(R.P. Singh)
Director



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2014

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 and the provisions of the Companies Act, including accounting standards notified there under.

1.2 Fixed Assets

- Fixed Assets are stated at historical cost less accumulated depreciation and any impairment in value. Where final settlement of bills with contractors is pending/under dispute, capitalization is done on estimated/provisional basis subject to necessary adjustment in the year of final settlement.
- Fixed Assets created on land not belonging to the Company are included under Capital Work-in-Progress / Fixed Assets.
- Capital expenditure on assets not owned by the Company is reflected as a distinct item in Capital Work-in-Progress / Fixed Assets.
- Construction equipments declared surplus are shown at lower of book value and net realizable value.

1.3 Capital Work-in-Progress

- Cost incurred on acquisition, installation and construction of fixed assets during the current financial year which are not yet completed, has been transferred to Capital Work in Progress account. The same shall be capitalized and identified as individual assets only after the completion of construction.
- Administration and Other General Overhead expenses, Incidental Expenses incurred related to projects, expenditure of infrastructure developments and expenditure on Survey, DPR and Investigation of the Projects is carried as capital work in progress.
- Expenditure against "Deposit work" shall be accounted for on the basis of statement of account received from the concerned agency and acceptance by the company. However, provision shall be made wherever considered necessary.
- Claim for price variation/exchange rate variation in case of contract shall be accounted for on acceptance.

1.4 Depreciation and Amortization

- Depreciation is charged on straight-line method to the extent of 90% of the Cost of Asset and in case of computers & peripherals, and mobile phones rate of depreciation is taken @ 25% p.a.
- Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.
- Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.
- Assets costing ₹ 5,000/- or less are depreciated fully in the year of procurement.

1.5 Investments

- Non-current investments are valued at cost less provision for permanent diminution in value.
- Current investments are valued at lower of cost & fair value.

1.6 Inventories

- Inventories are valued at lower of cost arrived at on weighted average basis & net realizable value.
- Loose tool issued during the year are charged to consumption.
- Store issued for operation & maintenance but lying unused at site are treated as part of inventory.

- The diminution in the value of obsolete, unserviceable & surplus store & spare is ascertained on review & provided for.
- Scrap is accounted for as and when sold.

1.7 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.

1.8 Employee Benefits

The company does not have any employees & the employees in the company are posted by Promoter Company. The salary, wages, allowances & benefits including retirement benefits of such employees are paid / payable to Promoter Company & same is recognized as an expense & charged to expenditure during construction (EDC).

1.9 Cash Flow Statement

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

- Profit and loss account shows zero figures as the project is under preliminary phase and all the expenses related to profit and loss account are charged to CWIP account.

SJVN Arun 3 Power Development Company Pvt. Ltd (SAPDC) has been established and registered on 25.04.2013 as a private limited company under the Company Act 2063 duly floated by single share holder company SJVN Ltd (which is a joint venture of Government of India and Government of Himachal Pradesh) with an aim to plan, promote, organize and execute the Arun-3 Hydroelectric Project. The corporate office of the SAPDCPL is located at Biratnagar-5, Morang, Nepal and project office is located at Khadbari#1 District Sankhuwasabha Nepal. The company has established transit offices at Kathmandu, Janakpur, Mujjafarpur Bihar.

Memorandum of Understanding (MOU) was signed with the Govt. of Nepal for the execution of 900 MW Arun – III Hydro-electric Project on 02.03.2008. This project is proposed to be installed in the Sankhuwasabha District of Nepal which is 657 Km from Kathmandu via Biratnagar. The Survey license for DPR was issued by Government of Nepal. Application for Electricity Generation License has been filed to GoN.

Letter of intent issued on 23.05.2010 to carry out infrastructure work at Dam & Power House site. Detailed Project Agreement is in the process of examination by GoN before signing. The estimated cost of the projects at May, 2013 price level is ₹ 6734 Crores.

Share Capital

The company has been formed as 100% subsidiary company of SJVN Limited India. All the transactions have been carried by and in the name of SJVN Ltd pertaining to SJVN ARUN 3 Power Development Co. P. Ltd. (Here in after called the Company) are transferred to the books of accounts of company. All the preliminary activities like licensing work, survey work and administrative work has been governed as per the rules of SJVN Ltd. and executed by the same company. No shares are allotted till the period and hence no paid up share capital exists. The investments and advances given by holding company has been disclosed as current liabilities in Note 2.8.

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, 2014		As at 31st March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED				
Equity Shares of par value ₹ 62.50 each	24,750,000	15,469	-	-
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹ 62.50 each fully paid up	-	-	-	-
Total				

The Company has only one class of equity shares having par value of ₹ 62.50 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. The company is having single shareholder as it's holding company SJVN Limited, India. During the year ended 31st March 2014, no dividend has been proposed or distributed as the shares are not paid up as well as no commercial operation initiated.

2.1.1 Details of shareholders holding more than 5% shares in the Company	: NIL
2.1.2 The reconciliation of the number of shares outstanding is set out below	: NIL
2.2 Reserves and Surplus	: NIL
2.3 Long Term Borrowings	: NIL
2.4 Other Long Term Liabilities	: NIL
2.5 Long Term Provisions	: NIL
2.6 Short Term Borrowings	: NIL
2.7 Trade Payables	: NIL

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Small Scale Industrial Undertakings	-	-
Others	13	-
Total	13	-

2.8 Other Current Liabilities

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Current Maturities of Long Term debt		
Secured		
- Rupee Term Loans	-	-
Unsecured		
- Foreign Currency Loans (Guaranteed by GOI)	-	-
Interest Accrued but not due on:		
- Foreign Currency Loans : World Bank	-	-
Others	-	-
- Rupee Term Loans	-	-
Income Received in Advance:		
- Advance Against Depreciation	-	-
- Advance Against Constulatrncy	-	-
Advance Against Consultancy	-	-
Unpaid Dividend	-	-
Others Payables:		
-Liability for Employees' Remuneration and Benefits	62	-
Liability for Purchase/Construction of Fixed Assets:		
- Small Scale Industries	-	-
- Others	1	-
Deposits, Retention Money from Contractors and Others	71	-
Less . Investments held as Security	-	-
Gratuity Payable to Trust	71	-
TDS and Other Taxes Payable	2	-
Payable to Holding Company	7,891	-
Total	8,027	-

The company has been formed as 100% subsidiary company of SJVN Limited India. All the transactions have been carried by and in the name of SJVN Ltd pertaining to SJVN ARUN 3 Power Development Co. P. Ltd. (Here in after called the Company) are transferred to the books of accounts of company. All the preliminary activities like licencing work, survey work and administrative work has been governed as per the rules of SJVN Ltd. and executed by the same company. Since the transactions are related to the Company, they all are transferred to related headings and sub headings. Net Liabilities amounting to ₹7891 lakhs created on transfer of assets and liabilities has been disclosed as Payable to promoter company

2.9 Short Term Provisions	: NIL
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2.10 Fixed Assets

Sl.No.	Particulars	Gross Block		Depreciation		Net Block		(₹Lakh)		
		As at 01.04.2013	Additions during the year	Deductions/ Adjustments	As at 31.03.2014	Upto 01.04.2013 For the year	Deduction/ transfers		Upto 31.03.2014	As at 31.03.2014
Tangible Assets										
Leasehold Assets										
1	Land (including development expenses)	-	-	-	-	-	-	-	-	-
Other Assets										
2	Land (including development expenses)	-	-	-	-	-	-	-	-	-
3	Buildings*	-	-	-	-	-	-	-	-	-
4	Roads and Bridges	-	-	-	-	-	-	-	-	-
5	Plant and Machinery	-	-	1	1	-	-	-	-	1
6	Generating Plant and Machinery	-	-	-	-	-	-	-	-	-
7	Hydraulic Works(Dams, Tunnel, etc.)	-	-	-	-	-	-	-	-	-
8	Vehicles	-	-	-	-	-	-	-	-	-
9	Furniture, Fixture and Equipments	-	7	39	46	4	14	18	28	-
10	Electrical Works	-	-	-	-	-	-	-	-	-
11	Electrical Equipments	-	1	34	35	2	2	4	31	-
12	Office Equipments	-	1	12	13	1	2	3	10	-
13	Data processing Equipments	-	1	21	22	3	12	15	7	-
14	Capital Assets not owned by Company	-	-	-	-	-	-	-	-	-
	Total	-	10	107	117	10	30	40	77	-
Intangible Assets										
1	Software	-	-	-	-	-	-	-	-	-
2	Expenditure on Compensatory Afforestation	-	-	-	-	-	-	-	-	-
	Total:	-	-	-	-	-	-	-	-	-
	Total Fixed Assets	-	10	107	117	10	30	40	77	-
	Previous Year :	-	-	-	-	-	-	-	-	-

Current Year 2
Previous Year 0

Fixed Assets costing ₹5000 or less procured and depreciated fully during the year. The assets acquired by SJVN Ltd. India for the use in this company was previously carried in the books of accounts of SJVN Ltd. Same has been transferred to the books of this company along with gross cost of assets and gross depreciation values.

2.11 Capital Work-In-Progress

Sl.No.	Particulars	As at 01.04.2013		Transfers/Adjustments		Total WIP as at 31.03.2014		Capitalised during the year		As at 31.03.2014	
		As at 01.04.2013	Additions during year	Transfers during year	Transfers/Adjustments	Total WIP as at 31.03.2014	Capitalised during the year	Capitalised during the year	As at 31.03.2014	As at 31.03.2013	
1	Building	-	-	-	-	-	-	-	-	-	-
2	Civil Works	-	-	-	-	-	-	-	-	-	-
3	Roads, Bridges & Culverts	-	-	-	-	-	-	-	-	-	-
4	Plant and Machinery	-	-	-	-	-	-	-	-	-	-
5	Electrical Works	-	-	-	-	-	-	-	-	-	-
6	Capital Asset with Contractors (Electro Mechanical Packages)*	-	-	-	-	-	-	-	-	-	-
7	Preliminary	-	190	-	3,945	-	4,135	-	-	4,135	-
8	Capital Assets not owned by Company	-	-	-	-	-	-	-	-	-	-
9	Expenditure during construction (Note 2.11.1)	-	1,009	-	2,702	-	3,711	-	-	3,711	-
	Total	-	1,199	-	6,647	-	7,846	-	-	7,846	-
	Previous Year	-	-	-	-	-	-	-	-	-	-

2.11.1 Expenditure During Construction

(₹ Lakh)

	Year ended 31st March, 2014	Year ended 31st March, 2013
EXPENSES		
Employees' Remuneration and Benefits:		
Salaries, Wages, Allowances and Benefits	685	-
Contribution to Provident and Other Funds	18	-
Leave Salary and Pension Contribution	3	-
Welfare Expenses	103	-
	809	-
Other Expenses		
Repair and Maintenance:		
Roads and Buildings	-	-
Plant & Machinery	-	-
Office Equipments & Furnitures	-	-
Vehicles	18	-
Others	-	-
	18	-
Rent	16	-
Rates & Taxes	-	-
Insurance	-	-
Security Expenses	3	-
Electricity Charges	2	-
Less: Recovered from Employees & Contractors	-	-
	2	-
Research & Development Expenses	-	-
Travelling & Conveyance	13	-
Training and Recruitment Expenses	3	-
Legal Expenses	-	-
Professional and Consultancy Charges	23	-
Communication Expenses	5	-
Printing & Stationery	1	-
Less: Receipts from Sale of Tenders	-	-
	1	-
Payment to Auditors	1	-
Advertisement & Publicity	-	-
EDP Expenses	2	-
Entertainment Expenses	-	-
Expenses on Transit Camps	35	-
Books & Periodicals	-	-
Hiring of Vehicles	29	-
Depreciation	10	-
Stores Written Off	-	-
Loss on Disposal/Write off of Fixed Assets	-	-
Crop and Other Compensation	-	-
Exchange Rate Variation	-	-
Directors Sitting Fees	-	-
Local Area Development Expenses	-	-
Business Promotion Expenses	2	-
Rehabilitation Expenses	-	-
Fees and subscription	47	-
Environment & Ecology Expenses	-	-
Safety Expenses	-	-
Miscellaneous Expenses	4	-
	1,023	-
INTEREST AND FINANCE CHARGES		
On Loan from World Bank (IBRD)	-	-
Others	-	-
	-	-
Less: Allocated to CWIP	-	-
	1,023	-
LESS: RECEIPTS AND RECOVERIES		
Interest from:		
Banks	-	-
Employees	7	-
Contractors	-	-
	7	-
Miscellaneous Income	7	-
	14	-
Net Expenditure (transferred to Sch.-2.11)	1,009	-



2.12 Non-current Investments : **NIL**

2.13 Deferred Tax Assets (Net) : **NIL**

2.14 Long Term Loans and Advances

	As at 31st March, 2014	As at 31st March, 2013
(₹ Lakh)		
Capital Advances		
Secured by hypothecation of Equipment/Material	-	-
Unsecured considered good		
-Covered by Bank Guarantees	-	-
-Others	-	-
	-	-
Total	-	-
Security Deposits - Unsecured Considered Good	1	-
Loans and Advances to Related Parties		
Unsecured considered good		
- Loans and Advances	-	-
- Interest accrued	-	-
	-	-
Other Loans and Advances		
Loans to Employees		
- Secured	70	-
- Unsecured considered good	-	-
	70	-
Advances to Employees-Unsecured considered good	-	-
Others-Unsecured considered good		
Prepaid Expenses	-	-
Interest Accrued on Staff Advances:		
- Secured	26	-
- Unsecured considered good	-	-
	26	-
Total	97	-

2.15 Other Non - current Assets : **NIL**

2.16 Inventories : **NIL**

2.17 Trade Receivables : **NIL**

2.18 Cash and Bank Balances : **NIL***

*Till the year end 31.03.2014, no any bank account is opened or operated in the name of this company. All financial transactions are made from the bank accounts opened and operated in the name of holding company (SJVN Ltd.), so the year end balances lying in the bank accounts opened in Nepal has been transferred to Holding Company account, as they are having the title of those accounts.

2.19 Short Term Loans and Advances

	As at 31st March, 2014	As at 31st March, 2013
(₹ Lakh)		
Loans and Advances to Related Parties #		
- Unsecured considered good	-	-
Loans to Employees		
- Secured	16	-
- Unsecured considered good	-	-
	16	-
Advances to Contractor & Suppliers		
- Unsecured considered good	-	-
-Considered doubtful	-	-
	-	-
Less : Provision for doubtful advances	-	-
	-	-
Advances to Employees (unsecured, considered good)	3	-



(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Deposits - Unsecured considered good:		
- Government Departments	-	-
- Deposits for Works	-	-
- Others	-	-
Less: Provision for expenses	-	-
Others		
Unsecured considered good:		
- Prepaid Expenses	-	-
- Amount recoverable from Govt departments	-	-
Considered doubtful	-	-
Less: Provision*	-	-
Advance Tax Deposit and Tax deducted at Source	-	-
Less: Provision for Tax	-	-
Others - Unsecured considered doubtful:-		
Advance to Ex-employees	-	-
Less Provision for doubtful advances	-	-
Interest Accrued on Staff Advances:		
-Secured	1	-
-Unsecured considered good	-	-
	<u>1</u>	<u>-</u>
	<u>20</u>	<u>-</u>
# No any loans and advances are made to related parties Loans and Advances include dues from other officers (General Manager and above).	-	-

2.20 OTHER CURRENT ASSETS

: NIL

2.21 Contingent Liability & Commitments

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Contingent Liabilities	-	-
Capital Commitments	170	-
Total	<u>170</u>	<u>-</u>

2.21 Revenue from Operations

: NIL

2.22 Other Income

: NIL

2.23 Employee Benefits Expense

: NIL

2.24 Finance Costs

: NIL

2.25 Depreciation and Amortization Expense

: NIL

2.26 Other Expenses

: NIL

2.27 Exceptional Items

: NIL

2.28 Current Tax

: NIL

2.29 Earnings per share (EPS)-Basic and Diluted

: NIL

2.30 Payable to SJVN Ltd

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Transfer of Inter Unit A/C	7,729	-
Bank balances	(3)	-
Transfer of Provisions for Employees Benefits	165	-
Total	<u>7,891</u>	<u>-</u>

**Consolidated
Financial Statements**



INDEPENDENT AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

(₹ Lakh)

To

The Board of Directors

SJVN Limited

We have audited the accompanying consolidated financial statements of SJVN Limited ('the Company') and its subsidiary and joint venture companies (collectively referred to as the "Group"), which comprise the consolidated Balance Sheet as at 31st March 2014, and the consolidated Statement of Profit and Loss and consolidated Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group Company in accordance with the Accounting principles generally accepted in India.

This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

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

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

We did not audit the financial statement of the subsidiaries and the Joint Venture entities.

The financial statement of the following Subsidiary Companies have been audited by other auditors whose reports have been furnished to us, and in our opinion, so far as it relates to the amounts included in respect of these companies is based solely on the report of these auditors. The details of the assets, revenue and net cash flows in respect of these Subsidiary Companies to the extent to which they are reflected in the consolidated financial statement are given below:

Name of the Company	Assets	Revenues	Net Cash Flows
Subsidiaries:			
SJVN Arun-3 Power Development Company Pvt. Limited	8040	-	-
SJVN Thermal Private Limited	4807	-	-

The financial statement of the following Joint Venture Entity is unaudited and in our opinion, so far as it relates to the amounts included in respect of the said joint venture is based solely on the financial statement certified by the management of the respective entity. The details of the assets, revenue and net cash flows in respect of this Joint Venture Entity to the extent to which they are reflected in the consolidated financial statement are given below:

(₹ Lakh)

Name of the Company	Assets	Revenues	Net Cash Flows
Joint Venture :			
Cross Border Power Transmission Company Limited	596	4	(69)

We report that the consolidated financial statements have been prepared by the Company's management in accordance with the requirements of Accounting Standard (AS) 21, 'Consolidated Financial Statement' and Accounting Standard (AS) 27, 'Financial Reporting of Interest in Joint Ventures' of the Companies (Accounting Standards) Rules, 2006.

Emphasis of Matter

Without qualifying our report, we draw attention to Note No. 2.20 & 2.21 to the financial statements in respect of accounting of sales on provisional basis & unbilled amount of sales, pending determination of tariff by the Central Electricity Regulatory Commission.

Opinion

Further to our comments in the above paragraphs, we report that on the basis of the information and explanation given to us and on consideration of the separate audit of individual audited financial statement of the Group to the extent received as stated above, in our opinion and to the best of our opinion and to the best of our information and according to the explanations given to us, the consolidated financial statement give a true and fair view in conformity with accounting principles generally accepted in India:

- in the case of the consolidated Balance Sheet, of the state of affairs of the Group as at 31st March 2014;
- in the case of the consolidated Statement of Profit and Loss, of the profit for the year ended on that date; and
- in the case of the consolidated Cash Flow Statement, of the cash flows for the year ended on that date.

For Soni Gulati & Co.
Chartered Accountants
Firm Regn.No.08770N

(Suresh Chand Soni)

Partner

M.No. 083106

Place : New Delhi
Date : 28.05.2014



CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2014


(₹ Lakh)


	Note No.	As at 31st March, 2014	As at 31st March, 2013
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.1	413,663	413,663
Reserves and Surplus	2.2	491,357	427,338
		905,020	841,001
Non- current Liabilities			
Long Term Borrowings	2.3	221,351	187,627
Other Long Term Liabilities	2.4	86,789	95,028
Long Term Provisions	2.5	6,742	5,484
		314,882	288,139
Current Liabilities			
Short Term Borrowings	2.6	-	-
Trade Payables	2.7	2,348	2,686
Other Current Liabilities	2.8	72,861	57,677
Short Term Provisions	2.9	60,949	59,431
		136,158	119,794
Total		1,356,060	1,248,934
ASSETS			
Non - current Assets			
Fixed Assets			
Tangible Assets	2.10	566,974	581,912
Intangible Assets	2.10	41	71
Capital Work-in-progress	2.11	405,598	298,154
		972,613	880,137
Non-current Investments	2.12	-	494
Deferred Tax Assets (Net)	2.13	22,676	16,982
Long Term Loans and Advances	2.14	16,068	14,793
Other Non-current Assets	2.15	1,103	67
		1,012,460	912,473
Current Assets			
Inventories	2.16	3,384	3,051
Trade Receivables	2.17	37,447	35,864
Cash and Bank Balances	2.18	241,602	242,245
Short Term Loans and Advances	2.19	10,585	11,652
Other Current Assets	2.20	50,582	43,649
		343,600	336,461
Total		1,356,060	1,248,934


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


For and on behalf of the Board of Directors

This is the Balance Sheet referred to in our report of even date
For Soni Gulati & Co.
Chartered Accountants


(Soumendhra Das)
Company Secretary
FCS-4833


(A.S. Bindra)
Director (Finance)
DIN: 03358160


(R.P. Singh)
Chairman & Managing Director
DIN: 01894041


(Suresh Chand Soni)
Partner
M.No. 083106
Place: New Delhi
Date : 28.05.2014



CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2014

(₹ Lakh)

	Note No.	Year ended 31st March, 2014	Year ended 31st March, 2013
REVENUE			
Revenue from Operations	2.21	187,352	168,210
Other Income	2.22	23,718	24,526
Total Revenue		211,070	192,736
EXPENSES			
Employee Benefits Expense	2.23	12,375	10,954
Finance Costs	2.24	2,888	5,406
Depreciation and Amortization Expense	2.25	47,452	44,667
Other Expenses	2.26	14,548	13,251
Total		77,263	74,278
Profit before exceptional and extraordinary items and tax		133,807	118,458
Exceptional Items	2.27	-	-
Profit before extraordinary items and tax		133,807	118,458
Extraordinary items		-	-
Profit Before Tax		133,807	118,458
Tax Expenses:			
- Current Tax		28,051	23,701
-Adjustments relating to earlier years		-	(5,672)
- Deferred Tax		(5,694)	(4,805)
		22,357	13,224
Profit for the Year		111,450	105,234
Earnings Per Equity Share (Par Value ₹10/- each)			
Basic and Diluted (₹)	2.29	2.69	2.54

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
 FCS-4833


(A.S. Bindra)
 Director(Finance)
 DIN: 03358160


(R.P. Singh)
 Chairman & Managing Director
 DIN: 01894041

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

For Soni Gulati & Co.
 Chartered Accountants


(Suresh Chand Soni)
 Partner
 M.No. 083106

Place: New Delhi
Date : 28.05.2014



CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2014

(₹ Lakh)

	Year ended 31st March, 2014	Year ended 31st March, 2013
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit Before Tax	133,807	118,458
Adjustment for:		
Depreciation	47,452	44,667
Interest & Finance Charges	2,888	5,406
Unbilled Revenue	(12,429)	(5,147)
Profit on Sale of Fixed Assets	(1)	-
Loss on Disposal/ Write of Fixed Assets	-	6
Interest on Term Deposits	(21,281)	(21,026)
Operating Profit before Working Capital Changes	150,436	142,364
Adjustment for:		
Trade Receivables	(1,583)	22,087
Inventories	(333)	(204)
Trade Payables and Other Liabilities (Current & Non-current)	4,340	4,943
Provisions (Long Term/Short Term)	1,808	1,431
Loans and Advances	1,965	(5,288)
Other Current Assets	970	(909)
	7,167	22,060
Cash generated from operations	157,603	164,424
Income Tax paid	(29,656)	(23,829)
Net Cash Flow from Operating Activities-A	127,947	140,595
B CASH FLOW FROM INVESTING ACTIVITIES		
Net Expenditure on Fixed Assets & CWIP, Advance for Capital Works & Capital Stores/Spares etc.	(113,670)	(87,049)
Investment in Joint Venture Companies	-	(494)
Interest on Term Deposits	25,807	21,026
Net cash used in Investing Activities - B	(87,863)	(66,517)
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of Borrowings	(29,516)	(26,329)
Interest & Finance Charges Paid	(3,317)	(6,013)
Proceeds from Borrowings	38,436	56,818
Dividend	(39,704)	(38,877)
Tax on Dividend	(6,749)	(6,308)
Net Cash Flow from Financing Activities - C	(40,850)	(20,709)
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	(766)	53,369
Cash and cash equivalents (Opening balance)	242,368	188,876
Cash and cash equivalents (Closing balance)	241,602	242,245

Notes:

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

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

For Soni Gulati & Co.

Chartered Accountants

(Suresh Chand Soni)

Partner

M.No. 083106

Place: New Delhi

Date : 28.05.2014

For and on behalf of the Board of Directors

(Soumendhra Das)
Company Secretary
FCS-4833

(A.S. Bindra)
Director (Finance)
DIN: 03358160

(R.P. Singh)
Chairman & Managing Director
DIN: 01894041

Notes to the Consolidated Financial Statements for the year ended 31st March, 2014

1. Significant Accounting Policies

1.1 System of Accounting

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

1.2 Fixed Assets

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

1.3 Machinery Spares

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

1.4.1 Capital Work-in-Progress

- In respect of supply-cum-erection contracts, the value of supplies received at site/construction store and accepted is treated as Capital Work-in-Progress.
- Administration and Other General Overhead expenses at the Corporate Office and Projects under Construction / Survey & Investigation attributable to construction of fixed assets are identified and allocated on systematic basis on major immovable assets other than land, infrastructure facilities and bought out items on commissioning of Projects. However, no allocation of such expenses pertaining to Corporate Office is made on projects taken on BOOT (Build, Own, Operate & Transfer) basis till the date of grant of generation license.

- Expenditure on Survey and Investigation of the Projects is carried as capital work in progress and capitalized as cost of Project on completion of construction of the Project or the same is expensed in the year in which it is decided to abandon such project.
- Expenditure against "Deposit Works" is accounted for on the basis of statement of account received from the concerned agency and acceptance by the Company. However, provision is made wherever considered necessary.
- Claims for price variation /exchange rate variation in case of contracts are accounted for on acceptance.

1.4.2 Development of Coal Mines

Expenditure on exploration and development of new coal deposit is capitalized as 'Development of Coal Mines' under Capital Work in Progress (CWIP) till the mines project is brought to revenue account.

1.5 Depreciation and Amortization

- Depreciation is charged on straight-line method following the rates & methodology notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff from time to time, except as referred in Policy No. 1.5(g) and in case of computers & peripherals, and mobile phones which are depreciated @ 25% p.a.
- Depreciation is provided on pro rata basis from the month in which the asset becomes available for use.
- Depreciation on assets declared surplus/obsolete is provided till the end of the month in which such declaration is made.
- Assets costing ₹ 5,000/- or less are depreciated fully in the year of procurement.
- Expenditure on software is recognized as 'Intangible Asset' and amortized fully over four years on Straight Line Method or over a period of its legal rights to use whichever is less.
- Where the cost of depreciable assets has undergone a change during the year due to increase/decrease in long term liability on account of exchange fluctuation, change in duties or similar factors, the revised unamortized balance of such assets is depreciated prospectively over the residual life. Depreciation on increase/decrease in the value of existing assets on account of settlement of disputes is charged retrospectively.
- Capital Expenditure referred to in Policy No. 1.2(c) is fully depreciated and charged to Profit & Loss A/c in the year in which such Asset is capitalized and ready for use.
- 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.
- Expenditure on Catchment Area Treatment (CAT) Plan during construction is capitalized along with dam/civil works. Such expenditure during O&M stage is charged to revenue in the year of incurrence of such expenditure.

1.6 Investments

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



1.7 Inventories

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

1.8 Foreign Currency Transactions

- 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 exchange rates prevailing on the Balance Sheet date. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
- 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 Impairment of Assets

The carrying amount of cash generating unit is reviewed at each Balance Sheet date where there is any indication of impairment based on internal / external indicators. An impairment loss is recognized in the Statement of Profit & Loss where the carrying amount exceeds the recoverable amount of the cash generating units. An impairment loss is reversed if there is change in the recoverable amount and such loss either no longer exists or has decreased.

1.12 Income

- Sale of energy is accounted for based on tariff approved by the Central Electricity Regulatory Commission (CERC) except for sale of wind power energy which is accounted for on the basis of tariff rates notified by Electricity Regulatory Authorities of respective states from time to time. Recovery/refund towards foreign currency variation in respect of foreign currency loans as per CERC notification is accounted for on year to year basis.

- The incentives /disincentives are accounted for based on the norms notified/approved by the Central Electricity Regulatory Commission.
- 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.
- 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.
- Interest recoverable on advances to contractors/suppliers and other claims from contractors/suppliers under dispute are accounted for on receipt/acceptance.
- 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.

1.13 Employee Benefits

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

1.14 Miscellaneous

- Insurance claims are accounted for in the year of receipt/ acceptance by the insurer / certainty of realisation.
- 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.
- 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.
- 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.

1.15 Taxes on Income

- Taxes on income are determined on the basis of taxable income under the Income Tax Act, 1961.
- 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.

1.16 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 forming part of Consolidated Financial Statements

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

	As at 31st March, 2014		As at 31st March, 2013	
	No. of Shares	Amount	No. of Shares	Amount
AUTHORISED				
Equity Shares of par value ₹10/- each	7,000,000,000	700,000	7,000,000,000	700,000
ISSUED, SUBSCRIBED AND FULLY PAID UP				
Equity Shares of par value ₹10/- each fully paid up	4,136,626,500	413,663	4,136,626,500	413,663
Total		413,663		413,663

2.2 Reserves and Surplus

	As at 31st March, 2014	As at 31st March, 2013
A Security Premium Account	1,313	1,313
B Surplus		
Opening Balance	426,023	367,252
Add: Profit for the Year as per Statement of Profit and Loss	111,450	105,234
Total Profit available for Appropriations	537,473	472,486
Appropriations		
Dividend		
Final Proposed	40,539	39,712
Tax on Dividend		
Final Proposed	6,890	6,749
Total Appropriation	47,429	46,461
Surplus -Closing Balance	490,044	426,025
Total Reserves and Surplus (A + B)#	491,357	427,338

Includes ₹ (15) lakh (P.Y: Nil) share of jointly controlled entity .

2.3 Long Term Borrowings

	As at 31st March, 2014	As at 31st March, 2013
Term Loans		
From Other Parties:		
A Secured #		
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from January 2014 to October 2014, carrying interest@ 11% p.a. payable quarterly)	-	8,385
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from January 2014 to July 2014, carrying interest@ 10% p.a. payable quarterly)	-	1,400
Power Finance Corporation Limited (PFC) (Repayable in quarterly instalments from July 2014 to October 2014, carrying interest@ 10% p.a. payable quarterly)	-	1,000
State Bank of India (Repayable in quarterly instalments from March 2015 to December 2024, carrying interest@ 10.65% p.a. payable monthly)	8,890	-
Total (A)	8,890	10,785

#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.



2.3 Long Term Borrowings

	As at 31st March, 2014	As at 31st March, 2013
B Unsecured:		
Foreign Currency Loans		
(Guaranteed by Govt of India)		
- World Bank (IBRD)	212,461	176,194
(Repayable in 30 half yearly instalments from May 2013, carrying interest@ LIBOR+variable spread p.a.)		
-Nordic Investment Bank, Finland	-	648
(Repayable in Half Yearly instalments upto October 2014, carrying interest@ LIBOR+0.60% p.a.)		
Total (B)	212,461	176,842
Total (A + B) #	221,351	187,627

Includes Nil (P.Y: Nil) share of jointly controlled entity .

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

2.4 Other Long Term Liabilities

	As at 31st March, 2014	As at 31st March, 2013
Deposits, Retention Money from Contractors and Others	268	8,183
Less : Investments held as Security	198	32
	70	8,151
Income Received in Advance:		
- Advance Against Depreciation	84,935	84,935
Deferred Foreign Currency Fluctuation Liability	1,784	1,942
Total #	86,789	95,028

Includes Nil (P.Y: Nil) share of jointly controlled entity.

2.5 Long Term Provisions

Particulars	As at 01.04.2013	For the year			As at 31.03.2014
		Additions	Write Back	Utilization	
Unfunded Employee Benefits					
Leave Encashment	3,518	805	1	227	4,095
Post Retirement Medical	1,919	650	32	37	2,500
Other Retirement Benefits	47	106	-	6	147
Total#	5,484	1,561	33	270	6,742
Previous Year	4,359	1,247	-	122	5,484

Includes Nil (P.Y: Nil) share of jointly controlled entity.

Disclosure required by AS 15 on 'Employee Benefits' has been made in Note 2.38

2.6 Short Term Borrowings

	As at 31st March, 2014	As at 31st March, 2013
Secured Loans:		
Short Term Loans from Banks	-	-
Total#	-	-

Includes Nil (P.Y: Nil) share of jointly controlled entity.

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



2.10 Fixed Assets

Sl.No.	Particulars	Gross Block		Depreciation		Net Block		(₹Lakh)		
		As at 01.04.2013	Additions during the year	As at 31.03.2014	Upto 01.04.2013	For the year	Deduction 31.03.2014		Upto 31.03.2014	As at 31.03.2014
Tangible Assets										
Leasehold Assets										
1	Land (including development expenses)	36	-	36	17	1	18	18	19	
2	Land (including development expenses)	12,831	1,929	14,698	-	-	-	14,698	12,831	
3	Buildings*	77,851	1,923	79,545	20,632	2,721	23,291	56,254	57,219	
4	Roads and Bridges	5,419	268	5,004	1,211	191	1,334	3,670	4,208	
5	Plant and Machinery	1,376	120	1,481	583	71	647	834	793	
6	Generating Plant and Machinery	195,875	28,284	224,076	72,637	11,157	83,774	140,302	123,238	
7	Hydraulic Works(Dams, Tunnel, etc.)	579,413	206	579,601	201,100	31,014	232,113	347,488	378,313	
8	Vehicles	387	16	380	190	23	194	186	197	
9	Furniture, Fixture and Equipments	958	81	1,037	423	69	491	546	535	
10	Electrical Works	2,383	111	2,494	765	129	894	1,600	1,618	
11	Electrical Equipments	225	36	265	75	16	90	175	150	
12	Office Equipments	1,242	141	1,376	485	82	565	811	757	
13	Data processing Equipments	1,297	83	1,324	824	154	932	392	473	
14	Capital Assets not owned by Company	8,850	92	9,624	7,289	2,335	9,624	-	1,561	
	Total	888,143	33,290	920,941	306,231	47,963	353,967	566,974	581,912	
Intangible Assets										
1.	Software	357	6	363	286	36	322	41	71	
2	Expenditure on Compensatory Afforestation	500	-	500	500	-	500	-	-	
	Total:	857	6	863	786	36	822	41	71	
	Total Fixed Assets#	889,000	33,296	921,804	307,017	47,999	354,789	567,015	581,983	
	Previous Year :	885,147	4,238	889,000	262,165	45,076	307,017	581,983	622,982	

Includes Nil (PY: Nil) share of jointly controlled entity.

Fixed Assets costing ₹5000 or less procured and depreciated fully during the year.

Possession of freehold land measuring 0-05-22 hectare (Previous Year: 0-07-26 Hectare) is still to be handed over to the Company.

Mutation of land measuring 10-45-60 hectare (Previous Year: Nil) is yet to be executed in favour of 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.

After receipt of reviewed opinion form from Expert Advisory Committee (EAC) of the ICAI on Capital Expenditure on assets not owned by the Company, such assets have been fully depreciated and charged to statement of Profit and Loss in line with the Policy No.1.5(g).

Current Year 40
Previous Year 35

2.11 Capital Work-in-Progress

Sl.No.	Particulars	As at 01.04.2013		Transfers/Adjustments		Total WIP as at 31.03.2014		Total Capitalised during the year		As at 31.03.2014	
		As at 01.04.2013	Additions during the year	As at 31.03.2014	Upto 01.04.2013	For the year	Deduction 31.03.2014	Upto 31.03.2014	As at 31.03.2014	As at 31.03.2013	
1	Building	2,677	4,385	-	7,062	1,920	5,142	-	187,825	187,825	
2	Civil Works	147,952	39,874	1	187,825	-	187,825	-	1,237	1,237	
3	Roads, Bridges & Culverts	954	552	1	1,505	268	1,237	-	-	-	
4	Plant and Machinery	-	-	-	-	-	-	-	-	-	
5	Electrical Works	69	115	-	184	91	91	-	93	93	
6	Capital Asset with Contractors (Electro Mechanical Packages)**	42,092	49,761	(2,737)	94,590	28,063	66,527	-	13,221	13,221	
7	Preliminary	11,297	4,673	2,737	13,233	12	13,221	-	19	19	
8	Capital Assets not owned by Company	-	19	-	19	-	19	-	131,534	131,534	
9	Expenditure during construction (Note 2.11.1)	93,538	38,180	99	131,619	85	131,534	-	405,598	405,598	
	Total #	298,579	137,559	101	436,037	30,439	405,598	30,439	298,154	298,154	
	Previous Year	202,296	98,586	31	300,851	2,697	298,154	2,697	298,154	298,154	

Includes ₹536 lakh (PY: Nil) share of jointly controlled entity.

* Capital Assets with contractors include Material/Assets in transit having value ₹4708 lakh (PY: ₹2541 lakh).

** Capital Assets with contractors has been adjusted by ₹1 lakh (PY: Nil) on account of sale of infirm power during trial run.

2.11.1 Expenditure During Construction

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
EXPENSES		
Employees' Remuneration and Benefits:		
Salaries,Wages, Allowances and Benefits*	10,606	9,421
Contribution to Provident and Other Funds	523	442
Leave Salary and Pension Contribution	291	246
Welfare Expenses	936	960
	12,356	11,069
Other Expenses		
Repair and Maintenance:		
Roads and Buildings	161	119
Plant & Machinery	37	26
Office Equipments & Furnitures	29	21
Vehicles	72	60
Others	207	89
	506	315
Rent	354	310
Rates & Taxes	1	1
Insurance	3	2
Security Expenses	267	260
Electricity Charges	138	109
Less: Recovered from Employees & Contractors	30	3
	108	106
Travelling & Conveyance	322	396
Training and Recruitment Expenses	218	124
Legal Expenses	3	14
Professional and Consultancy Charges	243	116
Communication Expenses	103	95
Printing & Stationery	84	85
Less: Receipts from Sale of Tenders	9	6
	75	79
Payment to Auditors	12	15
Advertisement & Publicity	68	97
EDP Expenses	51	72
Entertainment Expenses	20	26
Expenses on Transit Camps	199	167
Books & Periodicals	8	6
Hiring of Vehicles	545	441
Depreciation	483	409
Loss on Disposal/Write off of Fixed Assets	-	6
Crop and Other Compensation	449	119
Exchange Rate Variation	19,745	9,368
Directors Sitting Fees	10	11
Local Area Development Expenses	2,220	-
Business Promotion Expenses	35	47
Rehabilitation Expenses	15	32
Fees and subscription	74	8
Environment & Ecology Expenses	110	83
Safety Expenses	11	3
Miscellaneous Expenses	96	81
	38,710	23,878
INTEREST AND FINANCE CHARGES		
On Loan from World Bank (IBRD)	2,409	2,329
Term Loans	18	-
	2,427	2,329
Less: Allocated to CWIP	2,409	2,329
	18	-
	38,728	23,878
LESS: RECEIPTS AND RECOVERIES		
Interest from:		
Banks	2	3
Employees	67	54
Contractors	349	301
	418	358
Miscellaneous Income	130	92
	548	450
Net Expenditure -Transferred CWIP (Note No. 2.11) #	38,180	23,428

Includes ₹ 111 lakh (P.Y: Nil) share of jointly controlled entity.



2.12 Non-current Investments

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Non Trade-Unquoted (at cost)		
(a) Joint Venture Companies		
4940000 (P.Y: 13000) 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) Subsidiary Companies		
10000 (P.Y: Nil) Equity shares of ₹10/- each in SJVN	-	-
(c) Others		
60 Fully Paid up Ordinary shares of ₹ 50/-each in NJP Employees Consumer Co-operative Store, Jhakri (₹ 3000/-)	-	-
Total#	<u>-</u>	<u>494</u>

Includes Nil (P.Y: Nil) share of jointly controlled entity.

2.13 Deferred Tax Assets (Net)

(₹ Lakh)

	As at 01.04.2013	Additions/ (Adjustments) during the year	As at 31.03.2014
Deferred Tax Assets			
Difference of Book Depreciation and Tax Depreciation	15,760	5,424	21,184
Provisions/Expenses disallowed for Tax purpose	<u>1,222</u>	<u>270</u>	<u>1,492</u>
Deferred Tax Assets#	<u>16,982</u>	<u>5,694</u>	<u>22,676</u>

Includes Nil (P.Y: Nil) share of jointly controlled entity .

Net increase during the year in Deferred Tax Assets (Net) of ₹ 5694 Lakh (Previous Year: ₹ 4805 Lakh) has been adjusted in the tax expenses in the statement of Profit and Loss.

2.14 Long Term Loans and Advances

(₹ Lakh)

	As at 31st March, 2014	As at 31st March, 2013
Capital Advances		
Secured by hypothecation of Equipment/Material	226	811
Unsecured considered good		
- Covered by Bank Guarantees	1,913	4,571
- Others	<u>9,048</u>	<u>5,237</u>
	<u>10,961</u>	<u>9,808</u>
Total	11,187	10,619
Security Deposits - Unsecured Considered Good	34	34
Loans and Advances to Related Parties ##		
- Secured	15	-
- Unsecured, considered good	7	10
- Interest Accrued	<u>4</u>	<u>2</u>
	26	12
Other Loans and Advances		
Loans to Employees		
- Secured	2,482	1,932
- Unsecured considered good	<u>1,066</u>	<u>1,196</u>
	3,548	3,128
Advances to Employees-Unsecured considered good	120	119
Others-Unsecured considered good		
Prepaid Expenses	1	1
Interest Accrued on Staff Advances:		
- Secured	775	537
- Unsecured considered good	<u>377</u>	<u>343</u>
	<u>1,152</u>	<u>880</u>
Total #	16,068	14,793

Includes Nil (P.Y: Nil) share of jointly controlled entity .

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).

40

44

2.15 Other Non - current Assets

	As at 31st March, 2014	As at 31st March, 2013
Capital Stores (At Cost) (As certified by Management)		
Steel	57	53
Cement	1	1
Others	7	1
Material at Site*	1038	12
Total#	1103	67

Includes Nil (P.Y: Nil) share of jointly controlled entity .

* Includes ₹ 1038 lakh (P.Y: Nil) being Capital Spares pending inspection.

2.16 Inventories

	As at 31st March, 2014	As at 31st March, 2013
Loose Tools	5	4
Stores and Spares	3,383	3,051
	3,388	3,055
Less : Provision for Shortage of store and Obsolescence	4	4
Total#	3,384	3,051

Includes Nil (P.Y: Nil) share of jointly controlled entity .

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, 2014	As at 31st March, 2013
Unsecured considered good:		
- Outstanding for a period exceeding six months from due date of payment	3,561	3
- Others	33,886	35,861
Total #	37,447	35,864

Includes Nil (P.Y: Nil) share of jointly controlled entity .

Trade receivables and Sales include an amount of ₹ 9127 lakh (Previous Year: ₹ 5197 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, 2014	As at 31st March, 2013
Cash and Cash Equivalents		
Balances with Banks		
- Current Deposits	6,145	578
- Term Deposits (having original maturity upto 3 months)	52,032	60,191
Cheques & Drafts in hand	1	30
Cash on Hand (₹36,414/- P.Y.: ₹ 33,640/-)	-	-
Other bank balances		
- Earmarked Balance (Unpaid Dividend)	21	13
- Margin Money for BG/ Letter of Credit and Pledged deposits	110	422
- Other Term Deposits (having original maturity of more than 3 months)	183,293	181,011
	183,424	181,446
Total #	241,602	242,245

Includes ₹ 53 lakh (P.Y: Nil) share of jointly controlled entity.



2.19 Short Term Loans and Advances

	(₹ Lakh)	
	As at 31st March, 2014	As at 31st March, 2013
Loans and Advances to Related Parties		
Loans and Advances to Directors :		
- Secured	5	-
- Unsecured considered good	2	-
- Interest Accrued	-	-
	7	-
Amount Recoverable	21	-
Loans to Employees		
- Secured	447	315
- Unsecured considered good	237	234
	684	549
Advances to Contractor & Suppliers		
- Unsecured considered good	56	193
- Considered doubtful	10	10
	66	203
Less : Provision for doubtful advances	10	10
	56	193
Advances to Employees (unsecured, considered good)	295	264
Deposits - Unsecured considered good:		
- Government Departments	88	62
- Deposits for Works	870	369
- Others	14	15
	972	446
Less: Provision for expenses	791	273
	181	173
Others		
Unsecured considered good:		
- Prepaid Expenses	2,252	1,428
- Amount recoverable from Govt departments	97	3,675
	2,349	5,103
Considered doubtful	1,273	1,273
	3,623	6,376
Less: Provision*	1,273	1,273
	2,349	5,103
Advance Tax Deposit and Tax deducted at Source	85,897	79,264
Less: Provision for Tax	78,955	73,927
	6,942	5,337
Others - Unsecured considered doubtful:-		
Advance to Ex-employees	7	7
Less : Provision for doubtful advances	7	7
	-	-
Interest Accrued on Staff Advances:		
- Secured	38	20
- Unsecured considered good	12	13
	50	33
Total #	10,585	11,652

Includes ₹ 1 lakh (P.Y: Nil) share of jointly controlled entity .

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, 2014	As at 31st March, 2013
Amount recoverable from Insurance Company	-	1,074
Amount recoverable from Contractors	1,716	1,572
Interest Accrued but not due on deposits with Banks	5,361	9,887
Deferred Foreign Currency Fluctuation Assets	174	214
Unbilled Revenue	43,330	30,901
Surplus Stores/Equipments	1,367	1,534
Less: Provision for Shortage/ Obsolescence	<u>1,366</u>	<u>1,533</u>
Total #	<u>50,582</u>	<u>43,649</u>

Includes Nil (P.Y: Nil) share of jointly controlled entity .

Unbilled Revenue amounting to ₹ 43137 lakh (P.Y: ₹ 30901 lakh) is on account of difference due to recognition of Sales on the basis of principles enumerated in the Tariff regulation 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.

Unbilled Revenue also includes an amount of ₹ 193 lakh (P.Y: Nil) on account of sale of energy from wind power which is not billed as PPA is yet to be entered.

2.21 Revenue from Operations

	Year ended 31st March, 2014	Year ended 31st March, 2013
Sales		
Energy Sales	184,133	172,962
Less:		
Regulated Power Adjustment- Margin	770	1,306
Regulated Power Adjustment- Expenses	<u>83</u>	<u>184</u>
	183,280	171,472
UI Charges	1,809	2,946
RLDC Charges	739	1,034
Exchange Rate Variation recoverable from beneficiaries	146	91
Tax recoverable from beneficiaries	-	<u>(7,501)</u>
Revenue from Sales	185,974	168,042
Prior Period Sales	918	-
Total Revenue from Sales	186,892	168,042
Other operating revenues:		
Consultancy Income	460	168
Total Revenue from Operations #	<u>187,352</u>	<u>168,210</u>

Includes ₹ (6) lakh (P.Y: Nil) share of jointly controlled entity.

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 ₹ 183087 lakh (Previous Year: ₹ 171472 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 2013-14 on this basis is ₹ 171769 lakh (including billing of tax recovery) (Previous Year: ₹ 164023 lakh).

During the year, the Company has regulated the power of BYPL (P.Y: UPPCL, 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 44.652 MUs (P.Y: 82.522 MUs) of power was sold through PTC amounting to ₹ 1323 lakh (P.Y: ₹ 2444 lakh) and included in Energy Sales. An amount of ₹ 770 lakh (P.Y: ₹ 1306 lakh) excess realised as compared to regulated energy charges has been adjusted as Margin from Debtors and Sales after adjusting the expenses of ₹ 83 lakh (P.Y: ₹ 184 lakh) on Sale through PTC.

Sales include an amount of ₹ 1807 lakh (P.Y: Nil) on account of recovery of additional cost due to pay/wage revision allowed by CERC vide its order dated 08/10/2013 to be billed in twelve equal installments. Accordingly an amount of ₹ 1054 lakh has been billed upto 31/03/2014. However, one of the beneficiaries has filed an appeal in Tribunal against the order.

Sales include an amount of ₹ 193 lakh (P.Y: Nil) from sale of energy generated from wind power project which was partially commissioned during the year.

Maharashtra Electricity Regulatory Commission (MERC) has revised the tariff of wind energy for wind zone 1 for FY 2013-14 to ₹ 5.81 per unit from the earlier rate of ₹ 5.67 per unit for sale of energy to Maharashtra State Electricity Distribution Company Limited (MSEDCL) and accordingly sales has been booked at the per unit sale price of ₹ 5.81. However, MSEDCL has filed review petition with MERC against the revision of the rates.

Further CERC Vide notification No.-L-7/145(160)/2012-CERC dated 31.12.2012 has revised the Return on Equity (ROE) from 15.5% to 16.5% in respect of run of river generating station with pondage. Accordingly, an amount of ₹ 918 lakh (P.Y: Nil) recoverable for the period from 01/01/2013 to 31/03/2013 has been shown as prior period sales.



2.22 Other Income

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest From:-		
Banks	21281	21026
Employees	260	247
Contractors	15	6
Others	<u>179</u>	<u>211</u>
	21735	21490
Interest on Income Tax Refund	-	216
Less: Refundable to Beneficiaries	<u>-</u>	<u>216</u>
	-	-
Surcharge on late payment from customers	533	983
Receipt of Maintenance of ICF	220	159
Sale of Scrap	11	43
Miscellaneous Income ##	863	1353
Foreign Currency Fluctuation Adjustment (Credit)	<u>262</u>	<u>335</u>
Total	23624	24363
Prior period Income	<u>94</u>	<u>163</u>
Total Other Income #	23718	24526
# Includes ₹ 4 lakh (P.Y: Nil) share of jointly controlled entity.		
## Details of Miscellaneous Income :		
Hire Rental Charges from Contractor	1	-
Profit on Sale of Fixed Assets	1	-
Rent Recovery from Staff/ Others	73	62
Excess Provision Written Back	268	140
Liquidated Damages recovered	64	49
Claim Received from Insurance Company	164	1074
Other Misc Receipts	<u>292</u>	<u>28</u>
Total	863	1353

2.23 Employee Benefits Expense

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Salaries,Wages, Allowances and Benefits	10,489	9,274
Contribution to Provident and Other Funds	514	447
Leave Salary and Pension Contribution	316	399
Welfare Expenses	<u>1,056</u>	<u>834</u>
Total #	12,375	10,954

Includes Nil (P.Y: Nil) share of jointly controlled entity .

Disclosure required by AS 15 in respect of provisions made towards various employees benefits is made in Note 2.38.

2.24 Finance Costs

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Interest Expenses on:		
Foreign Currency Loans	10	19
Rupee Term Loans	1843	4240
Arbitration Awards	<u>948</u>	<u>948</u>
	2801	5207
Other Borrowing Costs		
Finance Charges	10	102
Exchange differences regarded as adjustment to interest cost.	<u>77</u>	<u>97</u>
	87	199
Total #	2888	5406

Includes Nil (P.Y: Nil) share of jointly controlled entity.

2.25 Depreciation and Amortization Expense

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Depreciation for the year*	47,999	45,076
Less :		
Transfer to Expenditure During Construction (Note.2.11.1)	483	409
Depreciation Written back	64	-
Depreciation charged to Statement of Profit and Loss	47,452	44,667

* Depreciation for the year includes prior period depreciation of ₹ 2243 lakh (P.Y: Nil) and ₹ 92 lakh (P.Y: Nil) for the current year in respect of capital expenditure on assets not owned by the company in line with Policy No. 1.5(g).

2.26 Other Expenses

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Repair and Maintenance:		
Buildings	622	444
Roads	316	70
Plant & Machinery	194	189
Office Equipments & Furnitures	11	11
Civil Works	770	428
Electro Mechanical Works	1,559	1,647
Vehicles	82	63
Others	102	75
	3,656	2,927
Rent	337	298
Rates & Taxes	1	91
Insurance	2,844	2,534
Security Expenses	1,304	1,185
Electricity Charges	1,219	1,033
Less:- Recovered from Employees & Contractors	55	46
	1,164	987
Research and Development	497	620
Travelling & Conveyance	285	310
Training and Recruitment Expenses	294	115
Less:- Cost of Application Forms Received	51	-
	243	115
Legal Expenses	132	39
Professional and Consultancy Charges	118	315
Communication Expenses	120	106
Printing & Stationery	91	80
Less: Receipts from Sale of Tenders	12	17
	79	63
Payment to Auditors	12	16
Advertisement & Publicity	118	118
EDP Expenses	55	72
Hiring of Vehicles	381	362
Entertainment Expenses	19	17



2.26 Other Expenses

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Expenses on Transit Camps	162	131
Books & Periodicals	7	6
C.S.R./ Sustainable Development Expenses	1,368	2,187
Stores Written Off	3	-
Loss on Disposal/Write off of Fixed Assets	-	6
Directors Sitting Fees	11	11
Business Promotion Expenses	42	69
Fees and subscription	849	305
Environment & Ecology Expenses	54	13
Safety Expenses	161	132
Miscellaneous Expenses	55	60
Exchange Rate Variation	221	17
Foreign Currency Fluctuation Adjustment (Debit)	144	88
Wealth Tax	1	1
Rebate to Customers	105	47
Expenses on Regulated Power	83	184
Less: Regulated Power Adjustment - Sales	(83)	(184)
	-	-
Prior Period Expenses	-	3
Total #	14,548	13,251
# Includes Nil (P.Y: Nil) share of jointly controlled entity .		
Stores consumption included in repairs and Maintenance	1,090	1,220

2.27 Exceptional Items

	(₹ Lakh)	
	Year ended 31st March, 2014	Year ended 31st March, 2013
Expenses:		
Provision for expenses for withdrawn project	-	-
Total#	-	-
# Includes Nil (P.Y: Nil) share of jointly controlled entity.		

Notes forming part of Consolidated Financial Statements

2.28 Basis of Consolidation

A. The consolidated financial statements (CFS) relate to SJVN Ltd. (the Company), its Subsidiaries and interest in Joint Ventures, together referred to as 'Group'

a) Basis of Accounting:

i) The financial Statements of the Subsidiary Companies and Joint Ventures in the consolidation are drawn up to the same reporting date as of the Company for the purpose of consolidation.

ii) The consolidated financial statements have been prepared in accordance with Accounting Standard (AS) 21-'Consolidated Financial Statements' and Accounting Standard (AS) 27-'Financial Reporting of Interest in Joint Ventures' of Companies (Accounting Standards) Rules, 2006 and generally accepted accounting principles.

b) Principles of consolidation.

The consolidated financial statements have been prepared as per following principles:

i) The financial statements of the Company and its subsidiaries are combined on a line by line basis by adding together of the like items of assets, liabilities, income and expenses after eliminating intra-group balances, intra-group transactions, unrealized profit or losses.

ii) The consolidated financial statements include the interest of the Company in Joint Ventures, which has been accounted for using the proportionate consolidation method of accounting and reporting whereby the Company's share of each asset, liability, income and expense of a jointly controlled entity is considered as a separate line item.

iii) The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented to the extent possible, in the same manner as the Company's separate financial statements except as otherwise stated in the notes to accounts.

B. The Subsidiaries and Joint Ventures Companies considered in the financial statements are as follows.

(₹ Lakh)

Name of The Company	Country of Incorporation	Proportion of Shareholding/Control	
		As at 31.03.2014	As at 31.03.2013
Subsidiary Companies:			
1. SJVN Arun-3 Power Development Company Pvt. Ltd	NEPAL	Majority Control in the composition of Board of Directors*	NIL
2. SJVN Thermal Pvt. Ltd	INDIA	100%	NIL
Joint Venture Companies:			
1. Cross Border Power Transmission Company Ltd #	INDIA	26%	26%

*The company has been formed as 100% subsidiary company of SJVN Ltd.. No shares are allotted till 31.03.2014 and hence no paid up share capital exists.

The financial statements are unaudited.

C. SJVN Arun-3 Power Development Company Pvt. Ltd was incorporated on 25.04.2013 and SJVN Thermal Pvt. Ltd was taken over by the company on 04.07.2013. As the above companies are incorporated/taken over during the year hence, it is first time when the accounts of the company is consolidated with its subsidiaries and joint ventures and accordingly previous year figures relate to SJVN only.

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

(₹ Lakh)

	Year ended 31.03.2014	Year ended 31.03.2013
Net Profit after Tax used as numerator (₹lakh)	111450	105234
Weighted Average number of equity shares used as denominator	4,136,626,500	4,136,626,500
Earnings Per Share - Basic & Diluted (₹)	2.69	2.54
Face value per share (₹)	10	10

2.30 Contingent Liabilities:

a. Claims against the Company not acknowledged as debt:

(₹ Lakh)

Particulars	As at 31.03.2014	As at 31.03.2013
Capital Works *	37623	34286
Land Compensation	4793	5254
Disputed Service Tax Demand	1236	1236
Others	16	245
Total	43668	41021

* This includes ₹18984 lakh (Previous Year: ₹18984 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. There is no Contingent Liability in respect of jointly controlled entity.

b. The above contingent liabilities do not include claims against pending cases in respect of service matters and others where the amount cannot be quantified.

c. It is not practicable to work out the outflow and possibilities of any reimbursement.

2.31 1. Capital Commitments:

Estimated amount of contracts remaining to be executed on capital account (net of advances) is ₹ 59950 lakh (Previous Year ₹96561).

2. 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 ₹2364 lakh (Previous Year: ₹2666 lakh).

2.32 As per the agreement between Govt. of Himachal Pradesh (GoHP) and the company, Luhri Hydroelectric Project shall be executed by a 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 ₹13125 lakh (Previous Year: ₹ 11493 lakh) has been incurred on survey and investigation of the project up to 31.03.2014, which includes fixed assets ₹434 lakh (Previous Year: ₹439 lakh) and capital work in progress ₹12691 lakh (Previous Year: ₹ 11054 lakh).

2.33 The project cost of Rampur Hydro Electric Project (RHEP), which is under construction, has been recommended by Central Electricity Authority (CEA) for approval of Ministry of Power (MOP) from ₹204705 lakh (March 2006 Price Level) to ₹328828 lakh (March 2012 Price Level). The three units of Rampur Hydro Power Project were synchronized with the Grid during the year ending 31.03.2014. Sale of infirm power during trial run amounting to ₹ 1 lakh (Previous Year: Nil) is adjusted from Capital Work in Progress. The commercial production from these units have commenced from the FY 2014-15.

2.34 During the year 45.05 M.W of Wind Power Project comprising of 53 no. of WEG.s out of total installed capacity of 47.6 M.W comprising of 56 WEG's were commissioned in the State of Maharashtra. The cost of these 53 No's WEG's has been capitalized proportionately amounting to ₹ 27428 lakhs. The generation/sales from these units amounting to ₹ 193 lakhs has been booked to sales in note no. 2.21.

2.35 Balances of trade receivables, advances, deposits, trade payables, material in transit/material lying with third parties are reconciled periodically. However, as on 31.03.2014 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, will be accounted for on confirmation/reconciliation of the same, which in the opinion of the management will not have a material impact.

2.36 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.

2.37 The effect of foreign exchange fluctuation during the year:

		(₹ Lakh)	
		Year ended 31.03.2014	Year ended 31.03.2013
(i)	Amount charged to Statement of Profit and Loss excluding depreciation. - As FERV - As Borrowing cost	221 77	17 97
(ii)	Amount charged to Expenditure During Construction - As FERV - As Borrowing cost	19745 -	9368 -
(iii)	Amount adjusted by addition to carrying amount of fixed assets	27	-

2.38 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 ₹514 lakh (Previous Year: ₹447 lakh) and ₹484 lakh (Previous Year: ₹442 lakh) is recognized as expense and charged to the Statement of Profit and Loss and Expenditure During Construction (EDC) respectively. The obligation of the company is limited to such fixed contribution and to ensure a minimum rate of return to the members as specified by Gol.

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 is funded by company and managed by separate trust 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 31.03.2014	As at 31.03.2013
Mortality Table	IALM (2006-08)	LIC (1994-96) duly modified
Discount Rate	8.50%	8.00%
Future Salary Increase	6.50%	6.00%

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

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
PVO at Beginning of Year	CY	3022	3674	1947	50
	PY	2565	2869	1685	44
Interest Cost	CY	242	294	156	4
	PY	205	229	135	4
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Current Service Cost	CY	363	556	198	16
	PY	281	471	143	5
Benefit paid	CY	(106)	(379)	(52)	(8)
	PY	(97)	(251)	(49)	(4)
Actuarial (Gain)/Loss	CY	238	185	291	91
	PY	68	356	33	1
PVO at end of year	CY	3795	4329	2540	152
	PY	3022	3674	1947	50

3. Amount Recognized in Balance Sheet:

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
PVO at end of year	CY	3795	4329	2540	152
	PY	3022	3674	1947	50
Fair Value of Plan Assets at the end of year	CY	3213	-	-	-
	PY	2665	-	-	-
Funded Status	CY	(582)	(4329)	(2540)	(152)
	PY	(357)	(3674)	(1947)	(50)
Excess of actual over estimated	CY	(3)	-	-	-
	PY	(29)	-	-	-
Unrecognized actuarial gain/loss	CY	-	-	-	-
	PY	-	-	-	-
Net (Liability)/Asset recognized in Balance Sheet	CY	(582)	(4329)	(2540)	(152)
	PY	(357)	(3674)	(1947)	(50)

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

(₹ Lakh)

Particulars		Gratuity	Leave Encashment	Retired Employee Health Scheme	Baggage Allowance / Service Reward on Retirement
Current Service Cost	CY	363	556	198	16
	PY	280	471	142	5
Interest Cost	CY	242	294	156	4
	PY	205	229	135	3
Past Service Cost	CY	-	-	-	-
	PY	-	-	-	-
Expected return on Plan Assets	CY	(263)	-	-	-
	PY	(223)	-	-	-
Net Actuarial (gain) /loss recognized for the year	CY	241	185	291	91
	PY	97	356	33	1
Expense recognized in Profit & Loss/EDC for the year	CY	582	1035	645	110
	PY	359	1056	310	9

5. The Effect of one percent point increase/decrease in the medical cost of PRMF will be as under:

(₹ Lakh)

	Increase by	Decrease by
Service & interest Cost	(96)	(192)
Present Value of obligation	625	(395)

2.39 Disclosure as per Accounting Standard-16 on Borrowing Costs:

Borrowing Costs capitalized during the year are ₹ 2409 lakh (P.Y ₹ 2329 lakh)

2.40 Segment reporting:

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

2.41 Related Party Disclosures:

'Related party disclosures' as required by Accounting Standard (AS) - 18 is given as under:-

- List of Related Parties -
 - Key Management Personnel:

Shri R.P. Singh	Chairman and Managing Director (CMD)
Shri R.N.Misra	Director (Civil)
Shri A.S.Bindra	Director (Finance)
Shri N.L.Sharma	Director (Personnel)
Shri R.K. Bansal	Director (Electrical)

- Subsidiaries: Wholly Owned

- SJVN Arun-3 Power Development Company Pvt. Ltd (Incorporated in Nepal) w.e.f 25.04.2013.
- SJVN Thermal Pvt. Ltd taken over w.e.f 04.07.2013.

- Joint Ventures:

- Cross Border Power Transmission Company Ltd.

Transactions with the related parties at 2.41(a) (ii & iii) above during the year are as follows.

(₹ Lakh)

Particulars	Subsidiary Companies		Joint Ventures Companies	
	Current Year	Previous Year	Current Year	Previous Year
1. Investment in Share Capital				
a) Cross Border Power Transmission Ltd.	-	-	493	1
2. Share Application money pending allotment				
a) Cross Border Power Transmission Ltd.	-	-	-	493
3. Amount Recoverable				
a) SJVN Arun-3 Power Development Company Pvt. Ltd	7891	-	-	-
b) SJVN Thermal Pvt. Ltd	4739	-	-	-
c) Cross Border Power Transmission Ltd.	-	-	28	-
4. Consultancy Fee Received				
a) Cross Border Power Transmission Ltd.	-	-	22	120



iii) Remuneration to key management personnel is ₹203 lakh (Previous Year: ₹186 lakh), and amount of dues outstanding to the company as on 31.03.2014 is ₹33lakh (Previous Year: ₹12 lakh).

2.42 Remuneration to Directors (excluding Group Insurance Premium)

(₹ Lakh)

Particular	Year ended 31.03.2014	Year ended 31.03.2013
i) Salaries and allowances	172	167
ii) Contribution to provident fund and family pension fund.	15	8
iii) Gratuity	6	4
iv) Other benefits	10	7
v) Directors' Sitting Fees	21	22

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, guest houses & 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 ₹637 lakh (Previous Year: ₹598 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 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.

2.45 Payment to Auditors includes:

(₹ Lakh)

Particular	Year ended 31.03.2014	Year ended 31.03.2013
As Auditors		
- Statutory Audit	10	11
- Tax Audit	2	3
- Limited Review	6	8
For other services (Certificates etc.)	2	2
Reimbursement of Expenses	2	4
Reimbursement of Service Tax	2	3
Total	24 *	31 *

* Includes NIL (Previous Year: ₹7lakh) for earlier years.

For and on behalf of the Board of Directors


(Soumendhra Das)
Company Secretary
FCS-4833


(A.S. Bindra)
Director (Finance)
DIN: 03358160


(R.P. Singh)
Chairman & Managing Director
DIN: 01894041

These are the notes referred to in Balance Sheet and Statement of Profit and Loss.

For Soni Gulati & Co.

Chartered Accountants


(Suresh Chand Soni)
Partner
M.No.083106

Place : New Delhi
Date : 28.05.2014



PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

SJVN LIMITED

CIN : L40101HP1988GOI008409

Registered Office: Himfed Building, New Shimla-171009.

Name of the member(s):		Email Id:	
Registered Address:		Folio No/*Client Id : *DP Id:	

I/We, being the member(s) of _____ shares of SJVN Limited, hereby appoint:

- 1) _____ of _____ having e-mail id _____ or failing him
- 2) _____ of _____ having e-mail id _____ or failing him
- 3) _____ of _____ having e-mail id _____.

and whose signature(s) are proposed below as my / our proxy to vote (on a poll) for me/us and on my/our behalf at the 26th Annual General Meeting of the Company, to be held on **Tuesday, September 9th, 2014** at **1500 HRS** at **"Hotel Peterhoff, Chaura Maidan, Shimla - 171004"** and at any adjournment thereof in respect of such resolutions as are indicated below:

** I wish my above Proxy to vote in the manner as indicated in the box below:-

	Resolutions	For	Against
1	Consider and Adopt the Audited Financial Statements, Reports of the Board of Directors and Auditors for F.Y. 2013-14.		
2	Declaration of Final Dividend on Equity Shares for Financial Year 2013-14.		
3	To appoint a Director in place of Shri Raghunath Prasad Singh [DIN 01894041], who retires by rotation and being eligible, offers himself for re-appointment.		
4	To appoint a Director in place of Shri Ramesh Narain Misra [DIN 03109225], who retires by rotation and being eligible, offers himself for re-appointment.		
5.	Ratification of Remuneration of Cost Auditor for the Financial Year 2014-15.		

Please affix
₹ 1
Revenue
Stamp

Signed this _____ day of _____ 2014.

(Signature of Member)

Signature of
First proxy holder

Signature of
Second proxy holder

Signature of
Third proxy holder

Notes:-

- (1) This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
- (2) A Proxy need not be a member of the Company.
- (3) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder
- ** (4) this is only optional. Please put a 'X' in the appropriate column against the resolutions indicated in the Box. If you leave the 'for' or 'Against' column blank against any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
- (5) Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- (6) In the case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.



SJVN LIMITED

CIN : L40101HP1988GOI008409

Registered Office: Himfed Building, New Shimla-171009.

E-mail ID: investor.relations@sjvn.nic.in, Website : www.sjvn.nic.in

Tel Nos: 0177-2672324, Fax No: 0177-2670737

BALLOT FORM

1. Name of the member(s) :
(including joint holders, if any)
2. Registered Folio No. / :
DPID No. / Client ID No.*
(*Applicable to Members holding shares
in dematerialized form)
3. I/We hereby exercise my/our vote in respect of the Ordinary Resolution(s) / Special Resolution(s) as specified in the Notice of the Company dated **28th July 2014** 2014 to be passed through Ballot for the business stated in the said Notice by conveying my / our assent or dissent to the said resolution in the relevant box below:

Item No.	Description	Type of resolution (Ordinary/Special)	I/We assent to the resolution (For)	I/We dissent to the resolution (Against)
1.	Adoption of the Audited Financial Statements, Reports of the Board of Directors and Auditors thereon for the Financial Year 2013-14.	Ordinary		
2.	Declaration of Final Dividend on Equity Shares for Financial Year 2013-14.	Ordinary		
3.	Appointment of Director in place of of Shri Raghunath Prasad Singh [DIN 01894041], who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
4.	Appointment of Director in place of of Shri Ramesh Narain Misra [DIN 03109225], who retires by rotation and being eligible, offers himself for re-appointment.	Ordinary		
5.	Ratification of Remuneration of Cost Auditor for the Financial Year 2014-15.	Ordinary		

Place :

Date :

.....

Signature of Member / Beneficial Owner

#Email :

#Tel No. :

SJVN LIMITED

CIN : L40101HP1988GOI008409

Registered Office: Himfed Building, New Shimla-171009.

ATTENDANCE SLIP

PLEASE FILL ATTENDANCE SLIP AND HAND IT OVER AT THE ENTRANCE OF THE MEETING HALL
Joint shareholders may obtain additional Slip at the venue of the meeting.

DP Id	
Client Id	

FOLIO No.	
No. of Shares	

NAME AND ADDRESS OF THE SHAREHOLDER.....

I hereby record my presence at the **26TH ANNUAL GENERAL MEETING** of the Company held on **Tuesday, September 9th, 2014 at 1500 HRS** at "**Hotel Peterhoff, Chaura Maidan, Shimla - 171004**".

Signature of Shareholder

REMINDER

Dear Shareholder,

Sub: Payment of Dividend For The Year 2009-10, 2010-11, 2011-12 & 2012-13

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 & for year 2012-13 on 12th September 2013. All those Shareholders who were on the register of members on the respective record dates (i.e. 2nd September 2010, 19th August 2011, 27th August 2012 & 5th September 2013 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 : 28.07.2014

BHUTAN - INDIA COOPERATION



Hon'ble Prime Minister of India Shri Narendra Modi unveiling the Foundation Stone of 600 MW Kholongchhu HEP at Thimpu, Bhutan on 16th June, 2014 (above)
Shri R.P. Singh, CMD with senior officials of SJVN Limited and Druk Green Power Corporation (below)



412 MW - Rampur HEP, Himachal Pradesh



एसजेवीएन लिमिटेड SJVN Limited

(A Joint Venture of Govt. of India & Govt. of H.P.)
A Mini Ratna & Schedule 'A' PSU
CIN No. L40101HP1988GO008409

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, Email : investor.relations@sjvn.nic.in

Visit us at : www.sjvn.nic.in

CIN: L40101HP1988GOI008409



FAX: 022-22722037/ 39/ 41/ 61

एसजेवीएन लिमिटेड

SJVN Limited

(A Joint Venture of GOI & GOHP)

A Mini Ratna & Schedule "A" Company

SJVN/CS/93/2014-

Dated: 14-08-2014

**BOLT SCRIP ID: SJVN,
SCRIP CODE: 533206**

The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001, India.

Sub: Clause 31(a) – Submission of Annual Reports – FY 2013-14

Sir

In compliance with **Clause 31(a)** of the Listing Agreement, we forward herewith **6 Copies** of Printed Annual Reports of our Company for F.Y. 2013-14.

Further, in compliance with SEBI circular no. CIR/CFD/DIL/7/2012 dated 13th August 2012, we are also forwarding the covering letter of Annual Audit Report in prescribed format i.e. **Form A**, in original, indicating Emphasis of Matter, duly signed by the CMD, Director (Finance), Statutory Auditor and Chairman of Audit Committee as required.

This is your kind information and record please.

Thanking you,

Yours faithfully,

(Soumendra Das)
Company Secretary

Encl: As above



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. CIN:L40101HP1988GOI008409
2. Annual financial statements for the year ended	31 st March 2014
3. Type of Audit observation	Emphasis of Matter Attention has been drawn to Note No.2.20 & 2.21 to the financial statements in respect of accounting of sales on provisional basis & unbilled amount of sales , 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. Whereas provisional billing is done as per Tariff applicable as on 31.03.2009, the difference is recognized as unbilled revenue.
4. Frequency of observation	From financial year 2011-12


(A.S. Bindra)
Director(Finance)
DIN:03358160


(R.P. Singh)
Chairman & Managing Director
DIN:01894041


(Suresh Chand Soni)
Partner
M.No. 083106
M/S Soni Gulati & Co.
Chartered Accountants


(Asha Swaroop)
Audit Committee Chairperson
DIN:00090902

निगम मुख्यालय : हिमफैड बिल्डिंग, न्यू शिमला / Corp. H. Q. : Himfed Building, New Shimla-171009, (H.P.)

समन्वय कार्या. : इरकॉन भवन, सी-4 डिस्ट्रिक्ट सेन्टर, साकेत, नई दिल्ली / Exp. Off. : Ircon Building, C-4, District Centre, Saket, New Delhi-110017

आप अपने तथा राष्ट्र के हित में ऊर्जा की बचत करें।

SAVE ENERGY FOR BENEFIT OF SELF AND NATION