

सतलुज जल विद्युत निगम लिमिटेड
SATLUJ JAL VIDYUT NIGAM LIMITED

(A joint venture of Govt. of India & Govt. of HP)
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वार्षिक रिपोर्ट *Annual Report* 2005 - 2006



सतलुज जल विद्युत निगम लिमिटेड
SATLUJ JAL VIDYUT NIGAM LIMITED

SJVNL Pays Rs.159.43 crores Dividend



Hon'ble Minister of Power, Shri Sushil Kumar Shinde; Secretary Power, Shri R.V. Shahi; and Joint Secretary(Hydel) Shri A.K. Kuty being presented a dividend cheque of Rs.119.57 crores by Shri H.K. Sharma, CMD and Shri J.K. Sharma Director (Civil)



Hon'ble Chief Minister of Himchal Pradesh Shri Virbhadra Singh being presented a dividend Cheque of Rs.39.86 crores by Shri H.K. Sharma , CMD. Also seen in the picture are Shri R.S. Chauhan GM (DID); Shri Vijay Chopra, GM(IW & C) and Shri S.N. Ghosh, GM (Finance)

विषय-सूची
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y\$kk % ik.M\$ nqk , .M ekFkj i jh{kdk I unh y\$kkdj] ubZ fnYyh	Auditors : Pandey Dua & Mathur, Chartered Accountants, New Delhi.
cdl l % &LV\$ cdl vkd bM; k &bM; u vkajl ht+cld & vkbZMh-ch-vkbZ cld	Bankers : -State Bank of India -Indian Overseas Bank -I.D.B.I. Bank
i at hdr % fgeQM fcfYMa dk; k\$y; U; wf'keyk & 171009	Registered : Himfed Building, Office New Shimla - 171009



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हिमाचल प्रदेश में सतलुज नदी की घाटी में तथा किसी अन्य स्थान पर जल विद्युत परियोजनाओं की आयोजना कर उनके सर्वेक्षण से लेकर निर्माण तक के कार्य पूरे करना एवं रख-रखाव तथा उनका परिचालन करना।

gekjh njn nf' kzk

निगम की व्यवहार्यता निरंतर बनाए रखने के लिए स्वस्थ वाणिज्यिक सिद्धांतों की आधार-शिला पर मानवीय कुशलता एवं मनोभावों के साथ विकास की संभावनाओं को पुनर्गठित कर भविष्य की जलविद्युत ऊर्जा के अपार संसाधनों के रूप में भारत को विश्वपटल पर प्रस्तुत करना।

fuxe dsmí\$;

उपर्युक्त मिशन को पूरा करने की दृष्टि से कंपनी ने अपने लिए निम्नलिखित कारपोरेट उद्देश्य निश्चित किए हैं:

- ◆ अधिकतम निष्पादन दक्षता के साथ विद्युत केन्द्रों का प्रचालन एवं अनुरक्षण।
- ◆ युक्तियुक्त व्यावसायिक, वित्तीय एवं नियामक नीतियों की स्थापना एवं अनुपालन।
- ◆ अन्य जल विद्युत परियोजनाओं को हाथ में लेना।
- ◆ सतलुज जल विद्युत निगम को आबंटित नई परियोजनाओं को कम से कम लागत सहित इन्हें प्रभावी ढंग से पूरा करना।
- ◆ आंतरिक रूप से उपलब्ध तकनीकी एवं प्रबंधकीय विशेषज्ञता का अन्य परियोजनाओं में प्रसार।
- ◆ सहभागिता प्रबंधन दर्शन की शुरुआत करते हुए कार्य संस्कृति एवं कार्य वातावरण तैयार करना जो कि संगठन एवं कर्मचारियों दोनों की संवृद्धि एवं विकास में सहायक होगा।
- ◆ समाज के प्रति सामाजिक दायित्वों को पूरा करना। स्टेक होल्डर्स, समकक्षों तथा अन्य संबंधित संगठनों का सृजनात्मक सहयोग हासिल करना तथा व्यक्तिगत संबंध बनाना।
- ◆ पर्यावरणीय तथा सामाजिक विक्षोभ को न्यूनतम रखते हुए परियोजना के स्वस्थ पर्यावरण एवं हरे-भरे वातावरण को बनाए रखने के लिए प्रयत्नशील रहना।
- ◆ मिनी रत्न स्टेटस प्राप्त करने हेतु प्रयास करना।

OUR MISSION

To Plan, investigate, organise, execute, operate and maintain hydropower projects in the Satluj river basin in Himachal Pradesh and at any other place.

OUR VISION

To make India a fountainhead of hydro power and the energy source of the future by recognising development with passion and professionalism for sustainable viability of the Corporation on bedrock of sound commercial principles.

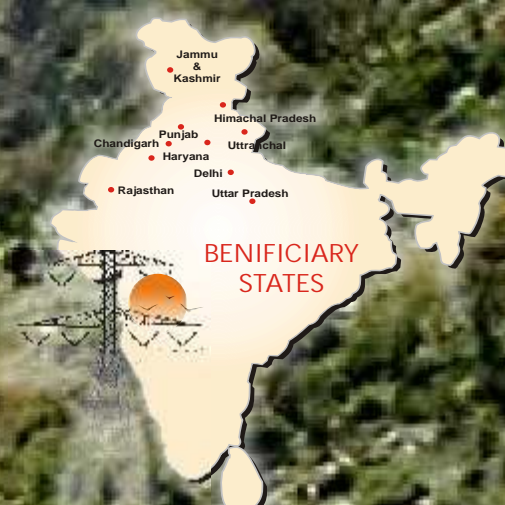
CORPORATE OBJECTIVES

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.
- ◆ 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 Mini Ratna Status.

लक्ष्य
6700 मेगावाट

TARGET
6700 MW



वित्तीय विशेषताएं

(रु./करोड़)

	2005-06	2004-05
बिक्री एवं अन्य आय	1391.78	1120.99
सकल लाभ	1256.39	1049.43
कर पश्चात् शुद्ध लाभ	498.22	298.43
लाभांश	159.43	143.16

FINANCIAL HIGHLIGHTS

(Rs./cr.)

	2005-06	2004-05
Sales and Other Income	1391.78	1120.99
Gross Profit	1256.39	1049.43
Net Profit after Tax	498.22	298.43
Dividend	159.43	143.16

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हिमाचल प्रदेश राज्य में

- 412 मेगावाट क्षमता की रामपुर जल विद्युत परियोजना
- 700 मेगावाट क्षमता की लुहरी जल विद्युत परियोजना
- 636 मेगावाट क्षमता की खाब जल विद्युत परियोजना

उत्तरांचल राज्य में

- 300 मेगावाट क्षमता की देवसरी जल विद्युत परियोजना
- 33 मेगावाट क्षमता की देवरा-मोरी जल विद्युत परियोजना
- 33 मेगावाट क्षमता की झाखोल सांकरी जल विद्युत परियोजना

PROJECT IN OPERATION

1500 MW Nathpa Jhakri Hydro Electric Project
Generating Power since October 2003

FUTURE PROJECTS

IN HIMACHAL PRADESH

- 412 MW Rampur Hydro Electric Project
- 700 MW Luhri Hydro Electric Project
- 636 MW Khab Hydro Electric Project

IN UTTARANCHAL

- 300 MW Devsari Hydro Electric Project
- 33 MW Devra Mori Hydro Electric Project
- 33 MW Jhakhol Sankari Hydro Electric Project

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v/; tk, oai czdk fun'skd
H. K. Sharma
Chairman & Managing Director



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R.D. Prabhakar
Director (Electrical)



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J.K. Sharma
Director (Civil)



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A. K. Kuty
Joint Secretary (Hydel)
Ministry of Power, GOI



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J. P. Negi
Principal Secretary (Power)
Govt. of H.P.



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S. K. Das
Member (D & R)
Central Water Commission



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fo|q eaky;] Hkkjr I jdkj
M. Sahoo
Joint Secretary & Finance Advisor
Ministry of Power, GOI



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fg- iz I jdkj
Dr. Sutanu Behuria
Principal Secretary (Finance)
Govt. of H.P.



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Gurdial Singh
Member (H. E.)
Central Electricity Authority

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Dear Members,

I cordially invite you to the 18th Annual General Meeting scheduled to-day, the 22nd September, 2006. The Annual Audited Accounts along with the Report of the Auditors and Directors for the year 2005-06 are already with you, and with your permission, I would take them as read. While the Directors' Report has dealt with extensively on the performance of the Company, I shall deal with a few important issues concerning the Company.

The Years' Performance

I wish to share with you the major issues during this year, namely, Pareechu flood and the subsequent effect of flood that destabilized the river banks and abnormal increase in silt content which prevented the operation of Nathpa Jhakri Hydro Electric Project to larger extent. However, with the dedicated efforts of our operation and maintenance team, the operation of power house was taken up by minimising the silt effect on the machines of the power house. In spite of above natural hurdles, we could generate 4104 MU during the year and helped a great extent to meet generation demand

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during peak time. To prevent the silt content in the river, various measures were taken up and we have treated two nallah/tributaries of Satluj by direct funding through forest wing and three more nallahs through CAT plan which will help us to reduce the quartz content and silt. Apart from above, we propose long term measures to reduce the silt content by way of construction of storage dam at Khab and implementation of CAT Plan. Further, hydraulic model studies are being carried out through CWPRS, Pune to study the method of restricting the entry of silt into Intake of Head Race Tunnel, controlled flushing of the reservoir and also to study the effect of proposed new diversion tunnel upstream of Nathpa dam which may reduce the silt content in the reservoir.

In respect of power house, all the Units were refurbished by 1st May, 2006 which was ahead of schedule submitted to MOP in December, 2005. Looking into the extent of damage caused by the silt erosion, a decision has been taken to get all the underwater parts of the turbine, except the runners, hard coated. Hard coating will also be done on Runners subsequently. The pressure equalizing pipe bursting, which caused flooding, was completely welded under strict quality check. To check the flooding of the power house, modifications in draft tube gates were carried out so as to operate under differential head. Provision for independent rope drum hoist for DT gates is also receiving attention. Also the dewatering capacity which is presently 460 lps has been enhanced to 734 lps by adding more submersible pumps. The vulnerable equipment likely to be submerged during flooding has been relocated to a higher elevation. Otherwise too, utmost care has been exercised to curb flooding of the power house.

With these concerted efforts, I believe, the targets expected of us will be achieved to the best possible extent.

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Returns On Investment

Despite the setback in generation, the financial performance is, however, up to the mark and considering the profit of Rs. 498.22 crores during the year, your Directors have recommended a sum of Rs.159.43 crores as Dividend as against a sum of Rs.143.16 crores in the previous year.

Future Plans

The Directors' Report already specifies the number of projects with the present status of execution. All our efforts are being made to secure more projects and towards this, a number of proposals are under submission with various state governments and I believe when I address you again in the next Meeting, there should be more information on the subject.

Acknowledgment

At the end, I would like to place on record my gratitude for the assistance and co-operation received from all the Members of the Board, Ministry of Power, the Government of Himachal Pradesh, the Government of Uttaranchal and all other governmental and non-governmental agencies and the employees, financial institutions, contractors and suppliers.

Thanking you.

(H.K. Sharma)
Chairman & Managing Director

Kasauli
22nd September, 2006



301 m. deep Surge Shaft of NJHPS

2. Generation

During the year 2005-06, 4104.422 million units of power were generated. There was a shortfall in generation to the extent of 2847.458 MU as compared to the design energy on account of less availability of river water flow, forced outage of unit no.6, flash flood in river Satluj on 26th June, 2005, resulting into complete closure of power house and subsequently running the power plant on part load upto August 2005 and very high silt level in river water from June 25 to July 14, 2005 as a result of breaching of Pareechu Lake and flooding of power house and consequent closure from September 2004 to October 18, 2005.

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3. Sales

The Turnover of the Company from the sale of energy was Rs.1371.51 crores including UI charges for Rs.23.21 crores. The CERC notified provisional two-part tariff (earlier provisional tariff of Rs.2.35/kwh) for the period 2004-06. As a result, the energy sales for the year included arrears on account of two-part tariff amounting to Rs.301.12 crore and Rs.221.22 crores for the year 2004-05 and 2005-06 in the month of April and May 2006.

3. SALES

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Against the loss of machinery and restoration cost on account of flood, your company has lodged insurance claim of Rs.94.10 crores. Pending final settlement, the National Insurance Company had already paid a sum of Rs.50.00 crores. Your company had also filed a claim for loss of profit amounting to Rs.320.79 crores and the claim is receiving the attention by Insurance Company. Further, the company has also filed a claim amounting to Rs.29.87 crores with NRPC towards deemed generation on account of heavy silt beyond acceptable parameters.

4. Dividend

The Company has earned a net profit of Rs.498.22 crores and as such your Directors had recommended a dividend of Rs.159.43 crores excluding dividend tax as against Rs.143.16 crores excluding dividend tax for the previous year. The dividend shall be paid after your approval in this Annual General Meeting.

4. DIVIDEND

The Company has earned a net profit of Rs.498.22 crores and as such your Directors had recommended a dividend of Rs.159.43 crores excluding dividend tax as against Rs.143.16 crores excluding dividend tax for the previous year. The dividend shall be paid after your approval in this Annual General Meeting.

5. Corporate Plan

Your Company had drawn a comprehensive 10 year plan to achieve a target over 6700 MW by 2014. Your Nigam has already bagged Rampur project (412 MW). Luhri (700 MW) and Khab (636 MW) were cleared for investigation and preparation of DPRs by Govt. of H.P. In the State of Uttaranchal, the Govt. of Uttaranchal has cleared 3 projects namely Devsari Dam (300 MW), Devra Mori (33 MW) and Jhakhol Sankari (33 MW), for purpose of investigation and preparation of DPR and subsequent implementation of these projects if found viable by your Nigam.

5. CORPORATE PLAN

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6. Status of New Projects

The DPR for the project was cleared by CEA in December, 2005. Approval for environment clearance of Project was also received from MOEF in

6. STATUS OF NEW PROJECTS

6.1 Rampur Project (412 MW)

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