



SJVN
वार्षिक रिपोर्ट
ANNUAL REPORT
2012-2013



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



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

BOARD OF DIRECTORS



Raghunath Prasad Singh
Chairman & Managing Director

Functional Directors



Ramesh Narain Misra
Director (Civil)



Amarjit Singh Bindra
Director (Finance)



Nand Lal Sharma
Director (Personnel)



Rakesh Kumar Bansal
Director (Electrical)

Govt. Nominees



G. Sai Prasad
Nominee Director, GOI



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



Kamaljit Singh Gill
Independent Director



S.M. Lodha
Independent Director

Independent Directors



Asha Swarup (Mrs)
Independent Director



Arun Mahajan
Independent Director



D.V. Dharmik
Independent Director

THE BOARD OF DIRECTORS - BRIEF PROFILES

Mr. Raghunath Prasad Singh, 58 years, is on our Board as Chairman and Managing Director with effect from 31st January 2012. Earlier he was Director (Electrical) in SJVN and also held additional charge of CMD. Mr. Singh, is a graduate in electrical engineering from Regional Engineering College, Warangal. Prior to joining SJVN, he was the Executive Director in North Eastern Electric Power Corporation Limited. He has been associated with corporate planning, monitoring, design engineering etc. of transmission lines and hydro projects for more than 27 years. Mr. Singh has distinction in achieving machine availability of around 97% of Ranganandi Hydro Electric Plant (405 MW) consecutively for two years i.e. 2004-05 & 2005-06. For this remarkable achievement, the project earned Bronze Shield for 2004-05 from Ministry of Power under National Meritorious Performance Award. Mr. Singh was also awarded Gold Medal in Recognition of the Meritorious services rendered in the state of Arunachal Pradesh. He is representing the Country in the Working Group of 29 of International Electro-technical Commission- Technical Committee No. 4 which deals with particle erosion. Under his dynamic leadership, SJVNs Nathpa Jhakri Hydro Power Station has bagged the Gold Shield for 2010-11 from the Ministry of Power, Government of India under National Award for meritorious performance. Exploring new frontiers under his initiative, SJVN has diversified in the field of renewable energy sources by initiating to set up a Wind Energy Farm and is also exploring to take up Solar Power and Thermal Power Generation.

Mr. Ramesh Narain Misra, 55 years, is on our Board as the Director (Civil) since 21st May 2010. Mr. Misra is a postgraduate in Civil Engineering as well as Business Administration. He has about 34 years of experience in power sector. Prior to joining the company, he was Executive Director in NHPC Limited. He has wide experience in planning, project appraisal, environmental issues related to hydro power projects, project monitoring, contract management, management and execution of large hydro power projects including commercial aspects and policy issues related to power sector. As the Director (Civil), he is in-charge of Project under Investigation and Construction, Civil Design, DRB and Civil Contracts, Geology and Environment wings of the company.

Mr. Amarjit Singh Bindra, 53 years, is on our Board as Director (Finance) since 09th December 2010. Mr. Bindra is an Honours Graduate in Commerce and a Member of the Institute of Chartered Accountants of India. He has about 30 years of experience in NHPC, THDC and DMRC. Prior to joining the Company, he was General Manager (Finance) in Delhi Metro Railway Corporation Limited. Mr. Bindra has wide experience in Financial planning, appraisal, getting clearances, budgetary monitoring, contract management including commercial aspects and policy issues.

Mr. Nand Lal Sharma, 49 years, is on our Board as Director (Personnel) with effect from 22nd March 2011. Prior to the Board level appointment, Shri Sharma was working on deputation with the Company as the Executive Director (Human Resources) since July 2008. Shri Sharma holds a masters degree in Agriculture from HP Agriculture University, Palampur in Himachal Pradesh and Masters in Business Administration (MBA) from the University of Ljubljana, Slovenia. Prior to joining our Company, he was holding the position of Special Secretary (General Administration Department and Health) and Director Ayurveda with GoHP. As Director (Personnel), Shri Sharma is incharge of Human Resources functions including Personnel And Administration, Rehabilitation & Resettlement, Legal, Procurement, Corporate Communications etc.

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

Mr. G. Sai Prasad, 46 years, Joint Secretary, Ministry of Power, has been appointed as Nominee Director of Government of India on our Board w.e.f. 16th December, 2011. Sh. Prasad, is a graduate from the Indian Institute of Technology, Delhi and a Postgraduate Degree Holder in International Development Policy from Duke University, USA. Sri Prasad began his career in 1991 as Assistant Collector in Warangal and later worked on many important administrative positions Andhra Pradesh including Sub-collector of Paderu, Project Director of ITDA, Municipal Commissioner, Guntur, Joint Collector, Kadapa, District Collector and Magistrate at Kurnool and Chittoor. Prior to his posting in Ministry of Power He was also CMD of Central Power Distribution Company of AP Limited and CMD of Eastern Power Distribution Company of AP Limited. Presently, he is also heading NHPC as its Chairman and Managing Director.

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

Mr. Kamaljit Singh Gill, 66 years, is an independent Director on our Board since September 14, 2011. A graduate in Electrical Engineering from Punjab University, Mr. Gill possesses over 40 years of extensive professional experience in the power sector. He has an experience of 36 years with Punjab State Electricity Board in various capacities beginning from Assistant Engineer to the level of Engineer in Chief.

Mr. S.M. Lodha, aged 61 years is an independent director on our Board since September 14, 2011. Mr. Lodha holds a Honors Graduate in Commerce, Law and Post Graduate in Business management. He has over 39 years of cross industry experience in large Corporates and has been associated as Chief Executive Officer, advisor, and board member of reputed companies. His experience spans in Corporate finance, business performance, operations governance mergers & acquisitions etc. He is also actively associated in professional bodies like CEO Club, India China Business Forum, Indo Italian Chamber Of Commerce, FICCI etc.

Mrs. Asha Swarup, 63 years, is an Independent Director on our Board since 14th September, 2011. She is a post graduate from Delhi University. An officer of Indian Administrative Service, she has served on various Central and State Govt. administrative positions including, Secretary Ministry of Information and Broadcasting, Special Secy./Additional Secy. and Financial Adviser in the Ministries of Commerce and Textiles, Joint Secretary in Ministries of Human Resource Development and Rural Development, Govt. of India and as Chief Secretary, Principal Secy. in Departments of Finance, Health, Power, Home and Chairperson of HP Power Corporation, HP State Electricity Board and HP Transmission Corporation in the State of Himachal Pradesh.

Mr. Arun Mahajan, 61 years, is an Independent Director on our Board since September 14, 2011. A Gold Medalist in Civil Engineering Graduation from Punjab Engineering college Chandigarh, Shri Mahajan has 40 years of experience in planning, design, procurement, construction of buildings, hill roads. He has been actively associated in financial management of the PMGSY programme for the State of HP, Road maintenance management system, use of Plastic waste in renewal of road surfaces. His last posting was Engineer-In-Chief in PWD of HP Government.

Mr. D.V. Dharmik, 64 years, is an Independent Director on our Board since December 14, 2011. Sh. Dharmik, is a Law and Science graduate from Nagpur University. He joined Indian Revenue Service in 1971, and served on many significant positions and retired from the highest post of IRS i.e. Chief Commissioner of Income Tax. He has been well trained in Premier National and International Institutes of Public Administration, Management and Tax Administration. He also possesses wide range of experience in Corporate Tax Planning & Company Law Matters in Large Corporate Groups & PSUs and is presently Legal Advisor on Company Law, Taxation and Civil Matters in Bombay High Court.

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Company Secretary	: Soumendra Das
Statutory Auditors	: Hingorani M & Co. Chartered Accountants New Delhi
Bankers	: State Bank of India Union Bank of India IDBI Bank Oriental Bank of Commerce AXIS Bank Punjab National Bank
Registered Office	: Himfed Building New Shimla SHIMLA - 171009. Himachal Pradesh

NOTICE

NOTICE is hereby given that the 25th Annual General Meeting of the Members of SJVN Limited will be held on 12th September 2013, Thursday, at 1500 HRS. at Hotel Peterhoff, Chaura Maidan, Shimla – 171004, Himachal Pradesh to transact the following business:-

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2013 and Statement of Profit and Loss for the financial year ended on that date together with Report of the Board of Directors and Auditors thereon.
2. To declare Final Dividend for the financial year 2012-13.
3. To appoint a Director in place of Smt. Asha Swarup, who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri Arun Mahajan, who retires by rotation and being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri D.V. Dharmik, who retires by rotation and being eligible, offers himself for re-appointment.

By order of Board of Directors



(Soumendhra Das)
Company Secretary

Regd. Office :-
Himfed Building
New Shimla – 171009

Date: 30th July, 2013

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. Proxies, in order to be effective must be lodged with the Company not less than 48 hours before the commencement of the Annual General Meeting, i.e. latest by (03:00 PM) on, the 10th September 2013. Blank proxy form is enclosed.
2. As required by Clause 49 of the Listing Agreement(s), the relevant details of Smt. Asha Swarup, Sh. Arun Mahajan and Sh. D.V. Dharmik – Directors, retiring by rotation and seeking re-appointment under items no. 3, 4 & 5 of the Notice respectively in accordance with applicable provisions of the Articles of Association of the Company are annexed. The tenure of the above Directors is 3 years from the date of their appointment by Government of India or until further orders from the Ministry of Power, whichever event occurs earlier.
3. None of the Directors of the Company are anywhere related with each other.
4. Members are requested to:
 - (i) Note that copies of Annual Report will not be distributed at the Annual General Meeting.
 - (ii) Bring their copies of Annual Report, Notice and Attendance Slip duly completed and signed at the meeting.
 - (iii) Deliver duly completed and signed Attendance Slip and hand them over at the entrance of the meeting venue as entry to the Hall will be strictly on the basis of the entry slip available at the counter at the venue to be exchanged with the attendance slip. Photocopies of Attendance Slip will not be entertained for issuing entry slip for attending Annual General Meeting.
 - (iv) Quote their Folio/Client ID & DP ID Nos. in all correspondence.
 - (v) Note that due to strict security reasons, mobile phones, eatables and other belongings are not allowed inside the Auditorium.
 - (vi) Note that no gifts/coupons will be distributed at the Annual General Meeting.
5. Corporate Members are requested to send a duly certified copy of the Board Resolution/Power of Attorney authorizing their representative to attend and vote on their behalf at the Annual General Meeting.
6. The Register of Members and Share Transfer Books of the Company will remain closed from 6th September 2013 (Friday) to 12th September 2013 (Thursday) (both days inclusive). The final dividend on equity shares, as recommended by the Board of Directors, subject to the provisions of Section 206A of the Companies Act, 1956, if declared at the Annual General Meeting, will be paid on or after 17th September 2013.
7. The Board had recommended a Final Dividend @ ` 0.96p per share at its 221st meeting held on 29th May 2013. The dividend, if declared, at the Annual General Meeting will be paid to those Members, whose names appear on the Register of Members of the Company at the closure of business hours of 5th September 2013 (Thursday).
8. Pursuant to Section 205A read with Section 205C of the Companies Act, 1956, the dividend amounts which remain unpaid/ unclaimed for a period of seven years, are required to be transferred to the Investor Education & Protection Fund of the Central Government. After such transfer, there remains no claim of the members whatever on the said amount. Therefore, Members are advised to encash their Dividend warrants immediately on receipt.
9. Members are advised to submit their Electronic Clearing System (ECS) mandates to enable the company to make remittance by means of ECS. Those holding shares in Electronic Form may obtain and send the ECS Mandate Form directly to their Depository Participant (DP). Those holding shares in physical form may obtain and send the ECS mandate form to Link Intime India Private Limited, 44-Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028 (the Registrar & Transfer Agent of the company), if not done earlier.

10. The shareholders who do not wish to opt for ECS facility may please mail their bankers' name, branch address and account number to Link Intime India Private Limited, Registrar & Share Transfer Agent of the Company to enable them to print these details on the dividend warrants,
11. Members holding shares in multiple folios in physical mode are requested to apply for consolidation to the Company or its Registrar & Transfer Agent along with relevant Share Certificates.
12. All the documents referred to in the accompanying notice are open for inspection at the Registered Office of the Company on all working days (barring Saturday and Sunday), between 11.00 AM to 5.00 PM up to one day prior to the date of AGM.
13. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 109A of the Companies Act, 1956, are requested to submit to the Registrar & Transfer Agents of the Company the prescribed Form (Form 2B in duplicate) of the Companies (Central Government's) General Rules and Forms, 1956. In case of shares held in dematerialized form, the nomination has to be lodged with the respective Depository Participant.
14. Annual Listing fee for the year 2013-14 has been paid to the Stock Exchanges wherein shares of the Company are listed.
15. Members are requested to send all correspondence concerning registration of transfers, transmissions, subdivision, consolidation of shares or any other shares related matter and bank account to the Company's Registrar at the address given in Note No.9 above.
16. Members are requested to notify immediately any change of address:
 - (i) to their Depository Participants (DP) in respect of shares held in dematerialized form, and
 - (ii) to the Company at its Registered Office or its Registrar & Transfer Agent, Link In time India Private Limited in respect of their physical shares, if any, quoting their folio number.
17. Members desirous of getting any information on any item of business of this meeting are requested to address their queries to the Company Secretary at least ten days prior to the date of the meeting, so that the information required can be made readily available at the meeting.
18. Members can also access the Annual Report on Company's website www.sjvn.nic.in.

BRIEF RESUME OF THE DIRECTORS SEEKING RE- ELECTION

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

Name	Smt. Asha Swarup	Shri Arun Mahajan	Shri D.V. Dharmik
Date of Birth	03rd July 1950	14th February 1952	12th September 1948
Date of Appointment	14th September 2011	14th September 2011	14th December 2011
Qualification	Post Graduate Degree in arts from Delhi University.	Graduate in Civil Engineering from Panjab Engineering College Chandigarh (Gold Medalist).	Law and Science graduate from Nagpur University.
Expertise in Specific Functional Area	An officer of Indian Administrative Service, she has served on various key Central and State Govt. administrative positions including, Secretary Ministry of Information and Broadcasting, Special Secy./Additional Secy. and Financial Adviser in the Ministries of Commerce and Textiles, Joint Secretary in Ministries of Human Resource Development and Rural Development, Govt. of India and as Chief Secretary, Principal Secy. in Departments of Finance, Health, Power, Home and Chairperson of HP Power Corporation, HP State Electricity Board and HP Transmission Corporation in the State Of Himachal Pradesh.	Has over 40 years of experience in planning, design, procurement, construction of buildings, hill roads. He has been actively associated in financial management of the PMGSY programme for the State of HP, Road maintenance management system, use of Plastic waste in renewal of road surfaces. His last posting was Engineer-In-Chief in PWD of HP Government.	He joined Indian Revenue Service in 1971, and served on many significant positions and retired from the highest post of IRS i.e. Chief Commissioner of Income Tax. He has been well trained in Premier National and International Institutes of Public Administration, Management and Tax Administration. He also possesses wide range of experience in Corporate Tax Planning & Company Law Matters in Large Corporate Groups & PSUs and is presently Legal Advisor on Company Law, Taxation and Civil Matters in Bombay High Court.
Directorship held in other Companies	NIL	NIL	NIL
Membership/ Chairmanship of Committees across all the public companies (as per clause 49 C of the listing agreement)	NIL	NIL	NIL
Number of Shares Held	NIL	NIL	NIL

CHAIRMAN'S LETTER TO SHAREHOLDERS



Dear Shareholders,

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

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

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

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

HIGHLIGHTS OF THE YEAR 2012-13

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

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

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

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

HIGHLIGHTS OF THE YEAR 2013-14

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

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

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

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

FUTURE PLANS & STRATEGIES

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

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

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

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

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

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

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

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

CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABLE DEVELOPMENT

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

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

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

CORPORATE GOVERNANCE

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

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

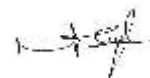
ACKNOWLEDGMENT

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

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

Thanking you,

Yours sincerely,



(R.P. Singh)

Chairman & Mg. Director

Place: New Delhi

Date : 31st July, 2013

DIRECTORS' REPORT 2013



Dear Members,

Your Directors are pleased to present the Twenty Fifth Annual Report of the Company for the year ended March 31, 2013 along with the Audited Statement of Accounts, Report of Auditors and Comments of the Comptroller and Auditor General of India.

The following financial highlights for the year ending 31st March 2013 briefly encapsulates the performance of your company.

1. FINANCIAL HIGHLIGHTS

(` In crore)

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

2. GENERATION

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

3. DIVIDEND

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

4. PROJECTS UNDER EXECUTION

4.1 RAMPUR HYDRO ELECTRIC PROJECT (412 MW)

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

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

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

5. PROJECTS UNDER SURVEY AND INVESTIGATION

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

The project is a run-of-the-river scheme located on Arun River in Sankhuwasabha District of Nepal. The Survey and Investigation works were completed in January 2011 and the final DPR was submitted to CEA in March 2011.

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

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

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

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

5.2 LUHRI PROJECT (588 MW)

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

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

5.3 DHAULASIDH PROJECT (66 MW)

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

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

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

5.4 UTTARAKHAND PROJECTS

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

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

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

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

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

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

5.5 ARUNACHAL PRADESH HYDRO PROJECTS

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

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

6. CONSULTANCY

6.1 PROJECTS IN BHUTAN

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

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

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

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

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

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

7. PROJECTS UNDER JOINT VENTURE

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

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

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

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

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

8. FURTHER DIVERSIFICATION

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

8.1 THERMAL PROJECTS

Buxar Thermal Project (1320 MW)

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

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

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

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

8.2 WIND PROJECTS

Khirvire Wind Power Project in Maharashtra (47.6 MW)

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

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

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