

To,
THDC India Limited,
Corporate Office,
Ganga Bhawan, Bye Pass Road
Rishikesh-249201

Report on the Audit of the Project Financial Statements

Opinion

We have audited the accompanying special purpose Project financial statements of the Vishnugad Pipalkoti Hydro Electric Project (VPHEP) of THDC financed by the International Bank for Reconstruction and Development (IBRD) under Credit/Loan 8078-IN and implemented by **THDC India Limited**. These financial statements comprise of the Balance Sheet, Profit & Loss Account, Statement of Sources and Application of Funds and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "Project Financial Statements").

In our opinion, the aforesaid special purpose Project Financial Statements gives a true and fair view of the financial position of the project as at March 31, 2024, receipts and disbursements of the Project for the Project for the year ended on March 31, 2024 and the expenditure of the project for the year ended on March 31, 2024, in accordance with the financial reporting provisions of Section 5.09 of the General Conditions of the World Bank read with the Loan Agreement no. 8078-IN dated 10th August 2011 and as described in other explanatory note no. 43 as referred in financial statement.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial Statements section of our report. We are independent of the implementing agency in accordance with the ICAI's Code of Ethics for undertaking this assignment, and we have fulfilled our ethical responsibilities in accordance with ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Special Purpose Project Financial Statements:

a) The PFS is prepared to assist THDC India Limited to meet the financial reporting requirements of the Project's Loan agreement for Investment Project Financial Loan Agreement no. 8078-IN dated 10th August 2011 in respect of preparation of the project Financial Statements in a manner to reflect the operations, resources and expenditures related to the Project. As a result, these special purpose financial statements may not be suitable for another purpose.

b) Para 6 of Note No. 43 of the Special Purpose Project Financial Statements regarding delay in completion of VPHEP project owing to factors beyond control of company. Further, considering the acute financial crisis of M/s HCC, Board of Directors of the Company have approved arrangement of gap funding to contractor for expeditious completion of projects with financial regulation.

Our opinion is not modified in respect of above matters.

Responsibilities of Management and those charged with Governance for the Project Financial Statements

The Management of the implementing agency is responsible for the preparation and fair presentation of the Project Financial Statements in accordance with the financial reporting framework described in other explanatory Note no. 43, to these financial statements and for such internal control as management determines is necessary to enable the preparation of Project Financial Statements that are free from material misstatement, whether due to fraud or error.

The management and those charged with governance are responsible for overseeing the implementing agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Project Financial Statements

Our objectives are to obtain reasonable assurance about whether the Project Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Project Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the Project's operations and underlying transactions and events in a manner that achieves fair presentation in accordance with the financial reporting provisions described in other explanatory notes on Accounts to the Project Financial Statements.
- e) Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



- f) Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Further to our opinion on the Project Financial Statements we further report that:

- We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- The Project Financial Statements dealt with by this Report are in agreement with the books of account;
- The Project funds were utilized for the purposes for which they were provided;
- Expenditures, including assets created under the Project, shown in the PFS are eligible for financing under the Project Financing Agreements;
- Interim Financial Report (IFR) submitted by the Project management can be relied upon to support applications for withdrawal of the Loan, and adequate supporting documentation has been maintained to support these claims;
- Procurement has been carried out in line with the agreed procedures as detailed in the Operations Manual/Procurement Manual/ Project Implementation Plan/ Legal Agreements; and
- The project has an adequate internal financial control system (including IT controls) and such controls were operating effectively as at March 31, 2024 and the Project complies with the provisions on financial management contained in the Operations Manual/ Project Implementation Plan Financial Management Manual, in all material aspects.

For HCO & Co.
Chartered Accountants



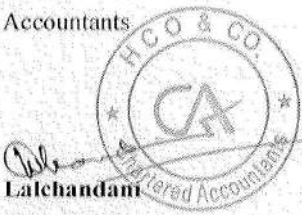
CA. K.K. Lalchandani
Partner
Membership No. 074788
Place: Lucknow
Date: 25.11.2024
UDIN: 24074788BKBXKS5989

Management Letter for the Financial Year 2023-24

To,
THDC India Limited
Corporate Office,
Ganga Bhawan, Bye Pass Road,
Rishikesh – 249201

1. Observations on deficiencies/weaknesses on the accounting records, systems, and controls that were examined during the audit and management's response to these together with specific recommendations – no such deficiencies or weakness found.
2. Any identified internal control weaknesses related to the procurement process such as, over the bidding, evaluation and contract management domains – no such weakness found.
3. Specific deficiencies and areas of weakness in systems and controls identified during the audit and recommendation for the improvement – no such areas of weakness.
4. Elaboration of the audit qualification, if any, made in the audit report – no such qualification.
5. Degree of compliance of the financial covenants in the financing agreements – THDCIL has complied with the finance covenants in the financing agreements.
6. Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project – no such matters found.
7. Report of the status of the corporate governance and financial accountability action plan agreed with THDC.
8. Adequacy of compliance with previous audit findings/recommendations in the Audit Report/Management Letter and status of any issues which remain to be addressed and any issues which recurred – no such observations.
9. Bring to the Management's attention any matter(s) that might have a significant impact on the implementation of the project or that the auditor considers necessary and pertinent – no such observations.
10. Describe the sampling methodology followed in audit – Test Check basis.

For **HCO & Co.**
Chartered Accountants


CA. K.K. Lalchandani
Partner
Membership No. 074788
Place: Lucknow
Date: 25.11.2024
UDIN: 24074788BKBXKS5989

THDC INDIA LIMITED- VISHNUGAD PIPALKOTI HYDROELECTRIC PROJECT(VPHEP)

| Particulars | Amount in Rs. | |
|--|---------------------------------------|--|
| | Current Year ended 31st March 2024 | Project to date as at 31st March 2024 |
| Upfront Fees | - | 7,95,16,080.00 |
| Mobilisation Advance for Civil works (Direct payment by World Bank) | - | 84,10,75,759.00 |
| Advances | - | 8,78,93,88,990.00 |
| IBRD - Reimbursements works | 4,30,24,41,213.00 | 7,26,77,80,826.00 |
| IBRD - Reimbursements -consultancy | 2,12,39,753.00 | 13,40,05,883.00 |
| Interest | 84,03,30,112.00 | 2,13,01,70,940.73 |
| Funds Received from World Bank | 5,16,40,11,078.00 | 19,24,19,38,478.73 |
| Less: Accrued Interest | 42,83,96,729.00 | 42,83,96,729.00 |
| Funds from World Bank (Net) | 4,73,56,14,349.00 | 18,81,35,41,749.73 |



Statement of remittances to VPHEP

Statement showing Remittances of Funds from -Rishikesh during 2023-24

| | Amount in Rs. |
|---|-------------------|
| 1. Opening Balance as on 01-Apr-2023 | 61,469.03 |
| 2. Amount received (Reimbursements & Advances) from world Bank during 2023-24 | 4,32,36,80,966.00 |
| 3. Amount received other than World Bank funds for transfer to VPHEP during 2023-24 | 79,36,61,919.31 |
| 4. Fund transfer to VPHEP during 2023-24 | 3,53,00,00,000.00 |
| 5. Closing Balance as on 31-Mar-2024 (1+2+3-4) | 42,422.34 |

Statement showing Funds received at-VPHEP during FY 2023-24

| | Amount in Rs. |
|--|-------------------|
| 1. Opening Balance as on 01-Apr-2023 | 6,41,80,330.28 |
| 2. Fund received from Rishikesh during 2023-24 | 3,53,00,00,000.00 |
| 3. Payment made during 2023-24 | 3,58,75,70,691.34 |
| 4. Closing Balance as on 31-Mar-2024 (1+2-3) | 66,09,638.94 |



A handwritten checkmark.

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Notes:
1. The above figures are based on General Accounts.
2. The expenditure booked under FDIC, FDIC & Supplemental includes all losses on loans insured by the FDIC.

| | 0 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 | 31 | 32 | 33 | 34 | 35 | 36 | 37 | 38 | 39 | 40 | 41 | 42 | 43 | 44 | 45 | 46 | 47 | 48 | 49 | 50 | 51 | 52 | 53 | 54 | 55 | 56 | 57 | 58 | 59 | 60 | 61 | 62 | 63 | 64 | 65 | 66 | 67 | 68 | 69 | 70 | 71 | 72 | 73 | 74 | 75 | 76 | 77 | 78 | 79 | 80 | 81 | 82 | 83 | 84 | 85 | 86 | 87 | 88 | 89 | 90 | 91 | 92 | 93 | 94 | 95 | 96 | 97 | 98 | 99 | 100 | 101 | 102 | 103 | 104 | 105 | 106 | 107 | 108 | 109 | 110 | 111 | 112 | 113 | 114 | 115 | 116 | 117 | 118 | 119 | 120 | 121 | 122 | 123 | 124 | 125 | 126 | 127 | 128 | 129 | 130 | 131 | 132 | 133 | 134 | 135 | 136 | 137 | 138 | 139 | 140 | 141 | 142 | 143 | 144 | 145 | 146 | 147 | 148 | 149 | 150 | 151 | 152 | 153 | 154 | 155 | 156 | 157 | 158 | 159 | 160 | 161 | 162 | 163 | 164 | 165 | 166 | 167 | 168 | 169 | 170 | 171 | 172 | 173 | 174 | 175 | 176 | 177 | 178 | 179 | 180 | 181 | 182 | 183 | 184 | 185 | 186 | 187 | 188 | 189 | 190 | 191 | 192 | 193 | 194 | 195 | 196 | 197 | 198 | 199 | 200 | 201 | 202 | 203 | 204 | 205 | 206 | 207 | 208 | 209 | 210 | 211 | 212 | 213 | 214 | 215 | 216 | 217 | 218 | 219 | 220 | 221 | 222 | 223 | 224 | 225 | 226 | 227 | 228 | 229 | 230 | 231 | 232 | 233 | 234 | 235 | 236 | 237 | 238 | 239 | 240 | 241 | 242 | 243 | 244 | 245 | 246 | 247 | 248 | 249 | 250 | 251 | 252 | 253 | 254 | 255 | 256 | 257 | 258 | 259 | 260 | 261 | 262 | 263 | 264 | 265 | 266 | 267 | 268 | 269 | 270 | 271 | 272 | 273 | 274 | 275 | 276 | 277 | 278 | 279 | 280 | 281 | 282 | 283 | 284 | 285 | 286 | 287 | 288 | 289 | 290 | 291 | 292 | 293 | 294 | 295 | 296 | 297 | 298 | 299 | 300 | 301 | 302 | 303 | 304 | 305 | 306 | 307 | 308 | 309 | 310 | 311 | 312 | 313 | 314 | 315 | 316 | 317 | 318 | 319 | 320 | 321 | 322 | 323 | 324 | 325 | 326 | 327 | 328 | 329 | 330 | 331 | 332 | 333 | 334 | 335 | 336 | 337 | 338 | 339 | 340 | 341 | 342 | 343 | 344 | 345 | 346 | 347 | 348 | 349 | 350 | 351 | 352 | 353 | 354 | 355 | 356 | 357 | 358 | 359 | 360 | 361 | 362 | 363 | 364 | 365 | 366 | 367 | 368 | 369 | 370 | 371 | 372 | 373 | 374 | 375 | 376 | 377 | 378 | 379 | 380 | 381 | 382 | 383 | 384 | 385 | 386 | 387 | 388 | 389 | 390 | 391 | 392 | 393 | 394 | 395 | 396 | 397 | 398 | 399 | 400 | 401 | 402 | 403 | 404 | 405 | 406 | 407 | 408 | 409 | 410 | 411 | 412 | 413 | 414 | 415 | 416 | 417 | 418 | 419 | 420 | 421 | 422 | 423 | 424 | 425 | 426 | 427 | 428 | 429 | 430 | 431 | 432 | 433 | 434 | 435 | 436 | 437 | 438 | 439 | 440 | 441 | 442 | 443 | 444 | 445 | 446 | 447 | 448 | 449 | 450 | 451 | 452 | 453 | 454 | 455 | 456 | 457 | 458 | 459 | 460 | 461 | 462 | 463 | 464 | 465 | 466 | 467 | 468 | 469 | 470 | 471 | 472 | 473 | 474 | 475 | 476 | 477 | 478 | 479 | 480 | 481 | 482 | 483 | 484 | 485 | 486 | 487 | 488 | 489 | 490 | 491 | 492 | 493 | 494 | 495 | 496 | 497 | 498 | 499 | 500 | 501 | 502 | 503 | 504 | 505 | 506 | 507 | 508 | 509 | 510 | 511 | 512 | 513 | 514 | 515 | 516 | 517 | 518 | 519 | 520 | 521 | 522 | 523</ |
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NOTE 2 The expenditure booked under R&D, DNP & Capitalization includes

Note: Cum. Examples and other CUEF (cumulative to date) includes EDC.

Notes: Δ Previous Year's figure has been regressed on the following regression:

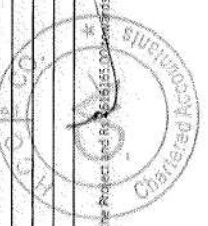
INTERIM UNAUDITED FINANCIAL REPORTS
VPHEP
 Implementing Agency-THDC INDIA LIMITED
 Revised FORECAST CUM CLAIM DOCUMENTS
 For the Period 16.03.2024 to 31.03.2024

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| DISBURSEMENT CATEGORY | IBRD ELIGIBLE % | Cash requirement for Apr to Jun-2024 | Cash requirement for Jul to Sep-2024 | Total Cash requirement for Apr 2024 to Sep 2024 | IBRD eligible cash requirement (INR '000) | IBRD eligible cash requirement (USD '000) (Rate taken as Rs 80 approx per dollar) | Remark |
|--|-----------------|--------------------------------------|--------------------------------------|---|---|---|--------|
| | | 3 | 4 | 5 | 6 | 7 | 8 |
| A Works & Supplies | | | | | | | |
| Contract for Civil/Hydro Mechanical Equipment under Component 1 of the Project-HCC | 100% | 12,35,200 | 12,35,200 | 24,70,400 | 24,70,400 | | |
| Contract For Electro Mechanical Equipment under Component 1 of the Project-SHEL | 100% | 2,00,000 | 2,00,000 | 4,00,000 | 4,00,000 | | |
| Sub. Total (A) | | 14,35,200 | 14,35,200 | 28,70,400 | 28,70,400 | 3,58,80,000 | |
| B Consultancy Services as below | | | | | | | |
| Design Review Consultancy | 100% | 10,000 | 10,000 | 20,000 | 20,000 | 2,50,000 | |
| Capacity Building and Institutional Strengthening | | 10,000 | 10,000 | 20,000 | 20,000 | 2,50,000 | |
| Sub. Total (B) | | 20,000 | 20,000 | 40,000 | 40,000 | 5,00,000 | |
| C Grand Total (A+B) | | 14,55,200 | 14,55,200 | 29,10,400 | 29,10,400 | 3,63,80,000 | |
| Total Fund Required | | 14,55,200 | 14,55,200 | 29,10,400 | 29,10,400 | 3,63,80,000 | |
| TO BE CLAIMED FROM IBRD (See below) | | 54,02,204 | | | | | |

| (in Rupees) | | | |
|---|---|------------------------------|---|
| (i) Forecast based Advance | | | |
| (ii) Reimbursement of expenses | | | |
| (a) consultancy payments | | | |
| | Total expenditure upto 31.03.2024 excluding Working capital Advance | Disbursement from world Bank | Balance to be recovered/ claimed from W.B |
| SMVEC | 20,87,70,305 | 19,72,40,128 | 1,15,10,177 |
| CONSAL | 3,28,43,983 | 3,28,43,983 | 0.00 |
| Perfact | 62,02,709 | 62,02,709 | 0.00 |
| Total | 24,78,16,997 | 23,63,06,820 | 1,15,10,177 |
| (B) works and supplies | | | |
| Expenditure/Contract for civil/HM Equipment and Contract for Em Equipment | 20,54,59,55,578.13 | 15,79,59,44,638.87 | 4,74,79,90,740 |
| (C) Interest During construction (including Accrued interest) | 3,34,44,77,043.73 | 1,70,17,74,210.99 | 64,27,02,833 |
| Advance from World Bank | | | 5,40,22,03,750 |
| | | | 1,00,00,00,000 |

Note: An amount of Rs. 128865151.00 towards Civil/Hydro Mechanical Equipment under Component 1 of the Project and Rs. 6165100 towards Design Review Consultancy - SMVEC, total 988794661.00 has been received on 18.04.2024



12345678910111213141516171819202122232425262728293031323334353637383940414243444546474849505152535455565758596061626364656667686970717273747576777879808182838485868788899091929394959697989910010110210310410510610710810911011111211311411511611711811912012112212312412512612712812913013113213313413513613713813914014114214314414514614714814915015115215315415515615715815916016116216316416516616716816917017117217317417517617717817918018118218318418518618718818919019119219319419519619719819920020120220320420520620720820921021121221321421521621721821922022122222322422522622722822923023123223323423523623723823924024124224324424524624724824925025125225325425525625725825926026126226326426526626726826927027127227327427527627727827928028128228328428528628728828929029129229329429529629729829930030130230330430530630730830931031131231331431531631731831932032132232332432532632732832933033133233333433533633733833934034134234334434534634734834935035135235335435535635735835936036136236336436536636736836937037137237337437537637737837938038138238338438538638738838939039139239339439539639739839940040140240340440540640740840941041141241341441541641741841942042142242342442542642742842943043143243343443543643743843944044144244344444544644744844945045145245345445545645745845946046146246346446546646746846947047147247347447547647747847948048148248348448548648748848949049149249349449549649749849950050150250350450550650750850951051151251351451551651751851952052152252352452552652752852953053153253353453553653753853954054154254354454554654754854955055155255355455555655755855956056156256356456556656756856957057157257357457557657757857958058158258358458558658758858959059159259359459559659759859960060160260360460560660760860961061161261361461561661761861962062162262362462562662762862963063163263363463563663763863964064164264364464564664764864965065165265365465565665765865966066166266366466566666766866967067167267367467567667767867968068168268368468568668768868969069169269369469569669769869970070170270370470570670770870971071171271371471571671771871972072172272372472572672772872973073173273373473573673773873974074174274374474574674774874975075175275375475575675775875976076176276376476576676776876977077177277377477577677777877978078178278378478578678778878979079179279379479579679779879980080180280380480580680780880981081181281381481581681781881982082182282382482582682782882983083183283383483583683783883984084184284384484584684784884985085185285385485585685785885986086186286386486586686786886987087187287387487587687787887988088188288388488588688788888989089189289389489589689789889990090190290390490590690790890991091191291391491591691791891992092192292392492592692792892993093193293393493593693793893994094194294394494594694794894995095195295395495595695795895996096196296396496596696796896997097197297397497597697797897998098198298398498598698798898999099199299399499599699799899910001001100210031004100510061007100810091010101110121013101410151016101710181019102010211022102310241025102610271028102910301031103210331034103510361037103810391040104110421043104410451046104710481049105010511052105310541055105610571058105910601061106210631064106510661067106810691070107110721073107410751076107710781079108010811082108310841085108610871088108910901091109210931094109510961097109810991100110111021103110411051106110711081109111011111112111311141115111611171118111911201121112211231124112511261127112811291130113111321133113411351136113711381139114011411142114311441145114611471148114911501151115211531154115511561157115811591160116111621163116411651166116711681169117011711172117311741175117611771178117911801181118211831184118511861187118811891190119111921193119411951196119711981199120012011202120312041205120612071208120912101211121212131214121512161217121812191220122112221223122412251226122712281229123012311232123312341235123612371238123912401241124212431244124512461247124812491250125112521253125412551256125712581259126012611262126312641265126612671268126912701271127212731274127512761277127812791280128112821283128412851286128712881289129012911292129312941295129612971298129913001

To,
THDC India Limited,
Corporate Office,
Ganga Bhawan, Bye Pass Road
Rishikesh-249201

Report on the Audit of the Project Financial Statements

Opinion

We have audited the accompanying special purpose Project financial statements of the Vishnugad Pipalkoti Hydro Electric Project (VPHEP) of THDC financed by the International Bank for Reconstruction and Development (IBRD) under Credit/Loan 8078-IN and implemented by **THDC India Limited**. These financial statements comprise of the Balance Sheet, Profit & Loss Account, Statement of Sources and Application of Funds and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "Project Financial Statements").

In our opinion, the aforesaid special purpose Project Financial Statements gives a true and fair view of the financial position of the project as at March 31, 2024, receipts and disbursements of the Project for the Project for the year ended on March 31, 2024 and the expenditure of the project for the year ended on March 31, 2024, in accordance with the financial reporting provisions of Section 5.09 of the General Conditions of the World Bank read with the Loan Agreement no. 8078-IN dated 10th August 2011 and as described in other explanatory note no. 43 as referred in financial statement.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing issued by Institute of Chartered Accountants of India (ICAI). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial Statements section of our report. We are independent of the implementing agency in accordance with the ICAI's Code of Ethics for undertaking this assignment, and we have fulfilled our ethical responsibilities in accordance with ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to the following matters in the Notes to the Special Purpose Project Financial Statements:

a) The PFS is prepared to assist THDC India Limited to meet the financial reporting requirements of the Project's Loan agreement for Investment Project Financial Loan Agreement no. 8078-IN dated 10th August 2011 in respect of preparation of the project Financial Statements in a manner to reflect the operations, resources and expenditures related to the Project. As a result, these special purpose financial statements may not be suitable for another purpose.

b) Para 6 of Note No. 43 of the Special Purpose Project Financial Statements regarding delay in completion of VPHEP project owing to factors beyond control of company. Further, considering the acute financial crisis of M/s HCC, Board of Directors of the Company have approved arrangement of gap funding to contractor for expeditious completion of projects with financial regulation.

Our opinion is not modified in respect of above matters.

Responsibilities of Management and those charged with Governance for the Project Financial Statements

The Management of the implementing agency is responsible for the preparation and fair presentation of the Project Financial Statements in accordance with the financial reporting framework described in other explanatory Note no. 43, to these financial statements and for such internal control as management determines is necessary to enable the preparation of Project Financial Statements that are free from material misstatement, whether due to fraud or error.

The management and those charged with governance are responsible for overseeing the implementing agency's financial reporting process.

Auditor's Responsibilities for the Audit of the Project Financial Statements

Our objectives are to obtain reasonable assurance about whether the Project Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As a part of an audit in accordance with the Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- a) Identify and assess the risks of material misstatement of the Project Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the Project's operations and underlying transactions and events in a manner that achieves fair presentation in accordance with the financial reporting provisions described in other explanatory notes on Accounts to the Project Financial Statements.
- e) Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



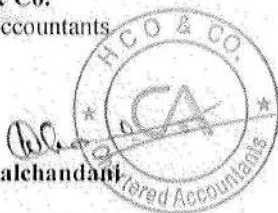
- f) Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

Further to our opinion on the Project Financial Statements we further report that:

- a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
- c. The Project Financial Statements dealt with by this Report are in agreement with the books of account;
- d. The Project funds were utilized for the purposes for which they were provided;
- e. Expenditures, including assets created under the Project, shown in the PFS are eligible for financing under the Project Financing Agreements;
- f. Interim Financial Report (IFR) submitted by the Project management can be relied upon to support applications for withdrawal of the Loan, and adequate supporting documentation has been maintained to support these claims;
- g. Procurement has been carried out in line with the agreed procedures as detailed in the Operations Manual/Procurement Manual/ Project Implementation Plan/ Legal Agreements; and
- h. The project has an adequate internal financial control system (including IT controls) and such controls were operating effectively as at March 31, 2024 and the Project complies with the provisions on financial management contained in the Operations Manual/ Project Implementation Plan Financial Management Manual, in all material aspects.

For HCO & Co.
Chartered Accountants




CA. K.K. Lalchandani
Partner
Membership No. 074788
Place: Lucknow
Date: 25.11.2024
UDIN: 24074788BKBXKS5989

Management Letter for the Financial Year 2023-24

To,
THDC India Limited
Corporate Office,
Ganga Bhawan, Bye Pass Road,
Rishikesh – 249201

1. Observations on deficiencies/weaknesses on the accounting records, systems, and controls that were examined during the audit and management's response to these together with specific recommendations – no such deficiencies or weakness found.
2. Any identified internal control weaknesses related to the procurement process such as, over the bidding, evaluation and contract management domains – no such weakness found.
3. Specific deficiencies and areas of weakness in systems and controls identified during the audit and recommendation for the improvement – no such areas of weakness.
4. Elaboration of the audit qualification, if any, made in the audit report – no such qualification.
5. Degree of compliance of the financial covenants in the financing agreements – THDCIL has complied with the finance covenants in the financing agreements.
6. Communicate matters that have come to attention during the audit which might have a significant impact on the implementation of the project – no such matters found.
7. Report of the status of the corporate governance and financial accountability action plan agreed with THDC.
8. Adequacy of compliance with previous audit findings/recommendations in the Audit Report/Management Letter and status of any issues which remain to be addressed and any issues which recurred – no such observations.
9. Bring to the Management's attention any matter(s) that might have a significant impact on the implementation of the project or that the auditor considers necessary and pertinent – no such observations.
10. Describe the sampling methodology followed in audit – Test Check basis.

For **HCO & Co.**
Chartered Accountants


CA. K.K. Lalchandani
Partner
Membership No. 074788
Place: Lucknow
Date: 25.11.2024
UDIN: 24074788BKBXKS5989



| THDC INDIA LIMITED | | | | | |
|--|----------|-------------------|--------------------------|-------------------|--------------------------|
| VISHNUGAD PIPALKOTI PROJECT | | | | | |
| BALANCE SHEET AS AT 31-March-2024 | | | | | |
| Amount in Rs. | | | | | |
| Particulars | Note No. | As at 31-Mar-2024 | | As at 31-Mar-2023 | |
| ASSETS | | | | | |
| Non-Current Assets | | | | | |
| (a) Property, Plant and Equipment | 2 | | 2,00,40,91,447.82 | | 2,03,73,56,618.16 |
| (b) Right of Use Assets | 2 | | 5,83,14,471.84 | | 5,73,54,870.67 |
| (c) Other Intangible Assets | 2 | | 0 | | 0 |
| (d) Capital work-in- progress | 3 | | 24,60,16,62,287.05 | | 18,78,90,38,941.06 |
| (e) Financial Assets | | | | | |
| (i) Investment in Subsidiary Co. | 4 | 0 | 0 | 0 | 0 |
| (ii) Loans | 5 | 0 | 0 | 0 | 0 |
| (iii) Others | 6 | 10,84,71,742.00 | 10,84,71,742.00 | 10,85,01,242.00 | 10,85,01,242.00 |
| (f) Deferred Tax Assets (Net) | 7 | | 0 | | 0 |
| (g) Non Current Tax Assets Net | 8 | | 0 | | 0 |
| (h) Other Non-Current Assets | 9 | | 11,53,37,33,772.10 | | 10,73,39,90,434.30 |
| Current Assets | | | | | |
| (a) Inventories | 10 | | 0 | | 0 |
| (b) Financial Assets | | | | | |
| (i) Trade Receivables | 11 | 0 | 0 | 0 | 0 |
| (ii) Cash and Cash Equivalents | 12 | 4,03,07,139.24 | | 8,06,36,721.61 | |
| (iii) Loans | 13 | 0 | 0 | 0 | 0 |
| (iv) Advances | 14 | 0 | 0 | 0 | 0 |
| (v) Others | 15 | 0 | 4,03,07,139.24 | 0 | 8,06,36,721.61 |
| (c) Current Tax Assets (Net) | 16 | | 9,40,169.78 | | 31,43,894.12 |
| (d) Other Current Assets | 17 | | 1,10,45,679.85 | | 2,44,46,424.59 |
| Regulatory Deferral Account Debit Balance | 18 | | 1,52,62,30,753.72 | | 1,33,42,32,662.89 |
| Inter Unit Accounts | | | -38,43,53,40,489.03 | | -31,79,77,57,506.50 |
| Total | | | 1,44,94,56,974.37 | | 1,37,09,44,302.90 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| (a) Equity Share Capital | 19 | | 0 | | 0 |
| (b) Other Equity | 20 | | 0 | | 0 |
| Total Equity | | | 0 | | 0 |
| Non-Current Liabilities | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 21 | 0 | 0 | 0 | 0 |
| (ia) Lease Liabilities | 22 | 1,69,16,344.00 | | 1,41,92,303.00 | |
| (ii) Non current Financial Liabilities | 23 | 70,38,54,573.06 | 72,07,70,917.06 | 50,80,05,940.08 | 52,21,98,243.08 |
| (b) Other Non Current Liabilities | 24 | | 15,16,56,046.23 | | 7,37,60,214.28 |
| (c) Provisions | 25 | | 2,42,48,800.00 | | 11,40,70,567.00 |
| Current Liabilities | | | | | |
| (a) Financial Liabilities | | | | | |
| (i) Borrowings | 26 | 0 | 0 | 0 | 0 |
| (ia) Lease Liabilities | 27 | 15,60,668.00 | | 4,89,403.00 | |
| (ii) Trade Payables | | | | | |
| A. Total outstanding dues of micro enterprises and small | | 0 | 0 | 0 | 0 |
| B. Total outstanding dues of creditors other than micro | | 0 | 0 | 0 | 0 |
| (iii) Others | 28 | 45,38,04,437.87 | 45,53,65,105.87 | 40,65,22,068.15 | 40,70,11,471.15 |
| (b) Other Current Liabilities | 29 | | 1,34,46,200.21 | | 1,02,71,536.93 |
| (c) Provisions | 30 | | 8,39,69,905.00 | | 24,36,32,270.40 |
| (d) Current Tax Liabilities (Net) | 31 | | 0 | | 0 |
| Regulatory Deferral Account Credit Balance | 32 | | 0 | | 0 |
| TOTAL | | | 1,44,94,56,974.37 | | 1,37,09,44,302.90 |
| Material Accounting Policies | 1 | | | | |
| Disclosures on Financial Instruments and Risk Management | 42 | | | | |
| Other Explanatory Notes to Accounts | 43 | | | | |
| Note 1 to 43 form an integral part of the Accounts | | | | | |

As per our Report of Even date Attached

For HCO & Co.
Chartered Accountants
FRN : 001087C

(CA. K.R. Lachandani)
Partner
M.NO. 074788

Date: 25/11/24
Place: Raichur



(A.R. Srivastava)
DGM (Finance-Pipal Koti)
THDC INDIA LIMITED

THDC INDIA LIMITED

VISHNUGAD PIPALKOTI PROJECT

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-March-2024

Amount In Rs.

| Particulars | Note No. | For the Year Ended 31-Mar-2024 | For the Year Ended 31-Mar-2023 |
|---|----------|--------------------------------|--------------------------------|
| INCOME | | | |
| Revenue from Operations | 33 | 0 | 0 |
| Other Income | 34 | 0 | 0 |
| Deferred Revenue on account of Irrigation | | 0 | 0 |
| Less: Depreciation on Irrigation Component | 2 | 0 | 0 |
| Total Income | | 0 | 0 |
| EXPENSES | | | |
| Employee Benefits Expense | 35 | 0 | 0 |
| Finance Costs | 36 | 19,19,98,090.83 | 78,51,71,570.00 |
| Depreciation & Amortisation | 2 | 0 | 0 |
| Generation Administration and Other Expenses | 37 | 0 | 0 |
| Provision for Bad & Doubtful Debts, CWIP and | 38 | 0 | 0 |
| Total Expenses | | 19,19,98,090.83 | 78,51,71,570.00 |
| Profit/ (Loss) Before Regulatory Deferral | | -19,19,98,090.83 | -78,51,71,570.00 |
| Exceptional Items- (Income)/ Expenses- Net | | 0 | 0 |
| Profit/ (Loss) Before Tax and Regulatory | | -19,19,98,090.83 | -78,51,71,570.00 |
| Tax Expenses | | | |
| Current Tax | | | |
| Income Tax | 39 | 0 | 0 |
| Deferred tax- (Asset)/ Liability | | 0 | 0 |
| Profit/ (Loss) For The Period before regulatory | | -19,19,98,090.83 | -78,51,71,570.00 |
| Net Movement in Regulatory Deferral Account | 40 | 19,19,98,090.83 | 78,51,71,570.00 |
| I Profit/ (Loss) For The Period from continuing | | 0 | 0 |
| II OTHER COMPREHENSIVE INCOME | | | |
| (I) Items that will not be classified to Profit or Re-measurements of the Defined Benefit Plans | 41 | 0 | 0 |
| Other Comprehensive Income | | 0 | 0 |
| Earning per Equity Share (including net | | | |
| Basic (₹) | | 0 | 0 |
| Diluted (₹) | | 0 | 0 |
| Earning per Equity Share (excluding net | | | |
| Basic (₹) | | 0 | 0 |
| Diluted (₹) | | 0 | 0 |
| Material Accounting Policies | 1 | | |
| Disclosures on Financial Instruments and Risk | 42 | | |
| Other Explanatory Notes to Accounts | 43 | | |
| Note 1 to 43 form an integral part of the Accounts | | | |

As per our Report of Even date Attached

For HCO & Co.
Chartered Accountants
FRN : 001087C

(A K Srivastava)
OGM (Finance-Pipal Koli)
THDC INDIA LIMITED

(CA. K.K. Lalchandani)

Partner

M.NO. 074788

Date:

Place: Rishikesh



THDC INDIA LIMITED

VISHNUGAD PIPALKOTI PROJECT

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31-March-2024

Amount in Rs.

| PARTICULARS | For the Period Ended 31-Mar-2024 | | For the Period Ended 31-Mar-2023 | |
|--|----------------------------------|---------------------------|----------------------------------|---------------------------|
| A. CASH FLOW FROM OPERATING ACTIVITIES | | | | |
| Profit Before Exceptional items and Tax | | -19,19,98,090.83 | | -78,51,71,570.00 |
| Add: Net Movement in Regulatory Deferral Account | | -19,19,98,090.83 | | -78,51,71,570.00 |
| Add: Tax on Net Movement in Regulatory Deferral | | | | |
| Profit Before Tax including movements in | | -38,39,96,181.66 | | -1,57,03,43,140.00 |
| Adjustments for:- | | | | |
| Depreciation | - | - | - | - |
| Depreciation- Irrigation Component | - | - | - | - |
| Provisions | - | - | - | - |
| Finance Cost | 19,19,98,090.83 | | 78,51,71,570.00 | |
| Profit on Sale of Assets | - | - | - | - |
| Loss on Sale of Assets | - | - | - | - |
| Interest on Bank deposits | - | - | - | - |
| Prior Period Adjustments through SOCIE | - | - | - | - |
| Exceptional items | - | - | - | - |
| | | 19,19,98,090.83 | | 78,51,71,570.00 |
| Cash Flow from Operating profit activities Before | | -19,19,98,090.83 | | -78,51,71,570.00 |
| Adjustment For :- | | | | |
| Inventories | - | - | - | - |
| Trade Receivables (including unbilled revenue) | - | - | - | - |
| Other Assets | - | - | -7,53,39,754.92 | |
| Loans and Advances (Current + Non Current) | - | - | 2,03,72,024.12 | |
| Minority Interest | - | - | - | - |
| Trade Payable and Liabilities | - | - | 18,29,16,347.31 | |
| Provisions (Current + Non Current) | - | - | -2,46,51,791.00 | |
| Net Movement in Regulatory Deferral Account Balance | 19,19,98,090.83 | 19,19,98,090.83 | 78,51,71,570.00 | 88,84,68,395.51 |
| Cash Flow From Operative Activities Before Taxes | | | | 10,32,96,825.51 |
| Corporate Tax | - | - | - | - |
| Net Cash From Operations (A) | | | | 10,32,96,825.51 |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | | | |
| Change in:- | | | | |
| Purchase of Fixed Assets and CWIP | -4,24,67,55,705.31 | | -3,86,91,63,008.62 | |
| Proceeds of Fixed Assets and CWIP | 14,48,674.00 | | | |
| Capital Advances | -79,97,43,337.90 | | -1,63,07,68,149.80 | |
| Interest on Bank deposits | - | - | - | - |
| Late Payment Surcharge | - | - | - | - |
| Bank Balances other than cash and cash equivalents | - | - | - | - |
| Net Cash Flow From Investing Activities (B) | | -5,04,50,49,369.11 | | -5,49,99,31,158.42 |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | | | |
| Share Capital (Including Pending Allotment) | - | - | - | - |
| Repayment of Borrowings- Non Current | - | - | - | - |
| Proceeds of Borrowings- Non Current | - | - | - | - |
| Borrowings- Current | - | - | - | - |
| Lease Liability | -34,82,021.00 | | 27,40,000.00 | |
| Interest and Finance Charges | -1,62,93,04,875.94 | | -78,51,71,570.00 | |
| Grants | - | - | - | - |
| Dividend | 0 | | 0 | |
| Net Cash Flow From Financing Activities (C) | | -1,63,27,86,896.94 | | -78,24,31,570.00 |
| D. NET CASH FLOW DURING THE YEAR (A+B+C) | | -6,67,78,36,266.05 | | -6,17,90,65,902.91 |
| E. OPENING CASH & CASH EQUIVALENTS | | 8,06,36,721.61 | | 4,41,01,244.90 |
| Inter Unit Accounts | | 6,63,75,82,982.53 | | 6,22,18,32,489.36 |
| Fixed Assets Transfer in-out | | -76,298.05 | | -62,31,109.74 |
| F. CLOSING CASH & CASH EQUIVALENTS(D+E) | | 4,63,07,139.24 | | 8,06,36,721.61 |

As per our Report of Even date Attached

For HCO & Co.
Chartered Accountants
FRN : 001087C

(A K Srivastava)
DGM (Finance-Pipal Koli)
THDC INDIA LIMITED

(CA. K.K. Lalchandani)
Partner
M.NO. 074788
Date: 31/03/24
Place: Rishikesh



PFS-I

THDC INDIA LIMITED- VISHNUGAD PIPALKOTI HYDROELECTRIC PROJECT(VPHEP)

IBRD Loan no. 80780-IN

STATEMENT OF SOURCES & APPLICATION OF FUNDS
REPORT FOR THE YEAR ENDED 31.03.2024

Amount in INR

| Particulars | Current Year Ended 31st March 2024 | Previous Year Ended 31st March 2023 | Project to Date as at 31st March 2024 | Project to Date as at 31st March 2022 |
|--|---------------------------------------|--|--|--|
| Opening Balance: | | | | |
| Opening Balance in IBRD designated Account at Corporate Office | 61,469.03 | 33,366.80 | | |
| Opening Balance in IBRD Special Account at Project | 6,41,80,330.28 | 2,95,37,838.43 | | |
| Opening Balance in Project Bank Account – Counterpart | 1,64,56,391.33 | 1,45,63,406.47 | | |
| Total Opening Balance | 8,06,98,190.64 | 4,41,34,611.70 | | |
| Receipts: | | | | |
| IBRD - Advances | - | 1,61,99,88,990.00 | 8,78,93,88,990.00 | 7,16,94,00,000.00 |
| IBRD - Direct Payments/ Special Commitments | - | - | 84,10,75,759.00 | 84,10,75,759.00 |
| IBRD - Reimbursements works | 4,30,24,41,213.00 | 1,10,36,56,239.00 | 7,26,77,80,826.00 | |
| IBRD - Reimbursements - consultancy | 2,12,39,753.00 | 83,82,934.00 | 13,40,05,883.00 | |
| Upfront fees/ Front End Fees | - | - | 7,95,16,080.00 | 7,95,16,080.00 |
| Interest During Construction including Accrued interest | 1,01,66,03,141.00 | 47,81,44,512.00 | 2,13,01,70,940.73 | 63,54,23,287.73 |
| Repayment of loan | (87,20,78,118.95) | (64,41,17,729.03) | (3,28,95,00,353.81) | (1,77,33,04,505.83) |
| Total IBRD Funds (a) | 4,46,82,05,988.05 | 2,56,60,54,945.97 | 15,95,24,38,124.92 | 6,95,21,10,620.90 |
| Counterpart Funds/inter unit (b) | 1,29,72,79,828.84 | 3,01,16,87,916.59 | 19,19,34,44,432.64 | 14,88,44,76,687.21 |
| Repayment of above loan from THDCIL own sources (c) | 87,20,78,118.95 | 64,41,17,729.03 | 3,28,95,00,353.81 | 1,77,33,04,505.83 |
| Total Receipts (a+b+c) | 6,63,75,63,935.84 | 6,22,18,60,591.59 | 38,43,53,82,911.37 | 23,60,98,91,813.94 |
| Interest Earned on IBRD Funds (if any) | - | - | - | - |
| Total Sources of Funds (A) | 6,71,82,62,126.48 | 6,26,59,95,203.29 | 38,43,53,82,911.37 | 23,60,98,91,813.94 |
| Expenditures by Component: | | | | |
| Expenditures by Component - IBRD | | | | |
| A. Upfront fees/Front End Fees | - | - | 7,95,16,080.00 | 7,95,16,080.00 |
| B. Interest During Construction including Accrued interest | 1,01,66,03,141.00 | 47,81,44,512.00 | 2,13,01,70,940.73 | 63,54,23,287.73 |
| C. Works payments, Mobilisation and other advances | 7,19,46,54,629.00 | 2,99,67,22,730.00 | 20,54,39,35,378.87 | 10,35,25,58,019.87 |
| D. Interest to be received from World Bank | - | - | 21,43,06,103.00 | 21,43,06,103.00 |
| E. Consultancy Services | 2,34,53,297.09 | 1,66,79,315.00 | 24,78,16,996.87 | 20,76,84,384.78 |
| Total IBRD Expenditure (B) | 8,23,47,11,067.09 | 3,49,15,46,557.00 | 23,21,57,45,499.47 | 11,48,94,87,875.38 |
| Expenditure by Component – Counterpart | | | | |
| Land | 55,54,596.00 | (3,66,344.00) | 28,08,03,187.50 | 27,56,14,935.50 |
| Building & Civil Works Assets | 5,42,43,873.77 | 1,85,71,037.57 | 2,36,53,21,469.00 | 2,29,25,06,557.66 |
| Vehicles & Other Office Equipment | 1,32,26,700.87 | 1,95,44,898.49 | 57,23,94,139.59 | 53,96,22,540.23 |
| EDC Pending Allocation (Net) | - | - | - | - |
| Dam & Barrages & other CWIP (Net off capitalisation) | 53,64,12,232.90 | 38,22,75,862.96 | 7,08,88,76,904.84 | 6,17,01,88,808.98 |
| R&R, Afforestation & S&I | 6,63,09,619.00 | 7,85,62,512.60 | 1,60,72,39,350.85 | 1,46,23,67,219.25 |
| Non Current Assets (Net off non current Liability) | 72,15,68,341.13 | 55,68,12,236.41 | 1,54,46,74,903.96 | 26,62,94,326.42 |
| Current Assets (Net off Current Liabilities) and regulatory Deferral | 17,60,26,447.21 | 89,74,61,328.63 | 98,54,35,392.27 | (8,80,52,383.57) |
| Account Debit balance | - | - | - | - |
| Depreciation | (10,53,30,739.81) | (10,50,26,515.01) | (1,15,61,12,876.43) | (94,57,55,621.61) |
| Other Assets until adjustment (Working Capital Advances) | (3,02,48,09,573.26) | 84,59,15,438.00 | 1,89,06,55,378.74 | 4,06,95,49,514.00 |
| Total Counterpart Expenditure (C) | (1,55,67,98,502.19) | 2,69,37,50,455.65 | 15,17,92,87,850.32 | 14,04,23,35,896.86 |
| Total Project Expenditure D= (B+C) | 6,67,79,12,564.90 | 6,18,52,97,012.65 | 38,39,50,33,349.79 | 25,53,18,23,772.24 |
| Closing Balance (E=A-D) | 4,03,49,561.58 | 8,06,98,190.64 | 4,03,49,561.58 | (1,92,19,31,958.30) |
| Closing Balance in IBRD designated Account at Corporate office | 42,422.34 | 61,469.03 | 42,422.34 | 33,366.80 |
| Closing Balance in special Account at Project site (IBRD) | 66,09,638.94 | 6,41,80,330.28 | 66,09,638.94 | 2,95,37,838.43 |
| Closing Balance in Project Bank Account (Counterpart) | 3,36,97,500.30 | 1,64,56,391.33 | 3,36,97,500.30 | 1,45,63,406.47 |
| Total Closing Balance | 4,03,49,561.58 | 8,06,98,190.64 | 4,03,49,561.58 | 4,41,34,611.70 |

Notes:

1 Previous Year's figures has been regrouped/Rearranged/recast wherever necessary

2 It is certified that the proceeds of the loan provided by the World Bank have been used only for the purposes for which the loan was granted, with due attention to considerations of economy and efficiency and without regard to political or other non-economic influences or considerations.

(A K Srivastava)
DGM (Finance-Pipal Koli)
THDC INDIA LIMITED

As per our Report of Even date Attached

For HCO & Co.,
Chartered Accountants
FRN : 001087C

(CA. K.K. Lachandani)
Partner
M.NO. 074788

Date: 23/11/24
Place: Lucknow
UDIN:



PFS-II

THDC INDIA LIMITED- VISHNUGAD PIPALKOTI HYDROELECTRIC PROJECT(VPHEP)

IBRD Loan no. 80780-IN

RECONCILIATION OF CLAIMS TO TOTAL APPLICATION OF FUNDS
REPORT FOR THE YEAR ENDED 31.03.2024

| Particulars | Schedules | Amount in (₹) | | |
|---|-----------|---------------------------------------|--|--|
| | | Current Year ended 31st March 2024 | Project to date as at 31st March 2023 | Project to date as at 31st March 2024 |
| IBRD Funds from World Bank | I | 5,34,02,84,107.00 | 13,90,16,54,371.73 | 19,24,19,38,479 |
| Less: Repayment of Loan | | 87,20,78,118.95 | 2,41,74,22,234.86 | 3,28,95,00,353.81 |
| Total IBRD Fund | | 4,46,82,05,988.05 | 11,48,42,32,136.87 | 15,95,24,38,124.92 |
| Less: | | | | |
| - Interest Accrued | | 17,62,73,029.00 | 25,21,23,700.00 | 42,83,96,729.00 |
| -Closing Balance in Designated and Special Account | | 66,52,061.28 | 6,42,41,799.31 | 66,52,061.28 |
| Total IBRD Fund available (A) | | 4,28,52,80,897.77 | 11,16,78,66,637.56 | 15,51,73,89,334.64 |
| Total IBRD Funded Expenditure during the year | | 8,23,47,11,067.09 | 14,98,10,34,432.38 | 23,21,57,45,499.47 |
| Less: | | | | |
| - Ineligible expenditures certified by the Auditors | | - | - | - |
| -Expenditure not Claimed | II | 3,07,06,99,989.09 | 2,33,15,03,760.65 | 5,40,22,03,749.74 |
| - Available Advances by World bank | | - | 1,00,00,00,000.00 | 1,00,00,00,000.00 |
| - Closing Balance in Designated and Special Account | | 66,52,061.28 | 6,42,41,799.31 | 66,52,061.28 |
| Total Eligible Expenditure (B) | | 5,15,73,59,016.72 | 13,58,52,88,872.42 | 18,80,68,89,688.45 |
| Less: Repayment of Loan | | 87,20,78,118.95 | 2,41,74,22,234.86 | 3,28,95,00,353.81 |
| Net Expenditure (B) | | 4,28,52,80,897.77 | 11,16,78,66,637.56 | 15,51,73,89,334.64 |

(AK Srivastava)
DGM (Finance-Pipal Koti)
THDC INDIA LIMITED

As per our Report of Even date Attached

For HCO & Co.
Chartered Accountants
FRN : 001087C

(CA. K.K. Lalchandani)
Partner
M.NO. 074788

Date: 25/11/24
Place: Lucknow
UDIN:



THDC INDIA LIMITED- VISHNUGAD PIPALKOTI HYDROELECTRIC PROJECT(VPHEP)

SCHEDULE-I OF PFS-II

| Particulars | Current Year ended 31st March 2024 | Project to date as at 31st March 2023 | Project to date as at 31st March 2024 |
|--|---|--|--|
| Upfront Fees | - | 7,95,16,080.00 | 7,95,16,080.00 |
| Mobilisation Advance for Civil works (Direct payment by World Bank) | - | 84,10,75,759.00 | 84,10,75,759.00 |
| Advances | - | 8,78,93,88,990.00 | 8,78,93,88,990.00 |
| IBRD - Reimbursements works | 4,30,24,41,213.00 | 2,96,53,39,613.00 | 7,26,77,80,826.00 |
| IBRD - Reimbursements - consultancy | 2,12,39,753.00 | 11,27,66,130.00 | 13,40,05,883.00 |
| Interest including Accrued Interest | 1,01,66,03,141.00 | 1,11,35,67,799.73 | 2,13,01,70,940.73 |
| Total | 5,34,02,84,107.00 | 13,90,16,54,371.73 | 19,24,19,38,478.73 |
| | | | |
| Less - repayment of loan | 87,20,78,118.95 | 2,41,74,22,234.86 | 3,28,95,00,353.81 |
| Total | 4,46,82,05,988.05 | 11,48,42,32,136.87 | 15,95,24,38,124.92 |

Schedule II of PFS-II

| Expenditure not Claimed | Amount in Rs. | | |
|--------------------------------|---|--|--|
| Particulars | Current Year ended 31st March 2024 | Project to date as at 31st March 2023 | Project to date as at 31st March 2024 |
| | | | |
| Consultancy payments | 22,13,544.00 | 92,96,633.00 | 1,15,10,177.00 |
| Works and supplies | 2,89,22,13,416.00 | 1,85,57,77,324.00 | 4,74,79,90,740.00 |
| Interest | 17,62,73,029.35 | 46,64,29,803.65 | 64,27,02,833.00 |
| Total | 3,07,06,99,989.35 | 2,33,15,03,760.65 | 5,40,22,03,750.00 |



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Reconciliation for the year 2023-24

(Amount in INR)

| S.No. | Particulars | IBRD | |
|-------|--|---------------------------------------|--|
| | | Current Year ended 31st March 2024 | Project to date as at 31st March 2024 |
| A | AMOUNT OF REPORTED EXPENDITURE | | |
| i | Total project Expenditures as per PFS-I | 6,67,79,12,564.90 | 38,39,50,33,349.79 |
| ii | Less: In-eligible expenditure(Counter part expenditure including Working capital Advance) | (1,55,67,98,502.19) | 15,17,92,87,850.32 |
| iii | Net project expenditure as per PFS (i-ii) | 8,23,47,11,067.09 | 23,21,57,45,499.47 |
| iv | Net reimbursable from World Bank | 8,23,47,11,067.09 | 23,21,57,45,499.47 |
| v | Reimbursable expenditures as reported in IUFR | 8,23,47,11,067.09 | 23,21,57,45,499.47 |
| B | DIFFERENCE (iv-v) | - | - |
| C | AMOUNT OF WB FUNDS RECEIVED (NET OF REPAYMENT) | | |
| | Total funds received from the Bank (excluding Accrued Interest) as per PFS- II | 5,16,40,11,078.00 | 18,81,35,41,749.73 |
| | Add: Expenditure not claimed during 2023-24 (net off of previous year) | 3,07,06,99,989.09 | 5,40,22,03,750 |
| | Less: Advance received from World Bank (as per IUFR) | - | 1,00,00,00,000.00 |
| vi | Total Utilization | 8,23,47,11,067.09 | 23,21,57,45,499.47 |
| vii | Total IBRD Fund expenditure as per the World Bank | 8,23,47,11,067.09 | 23,21,57,45,499.47 |
| D | DIFFERENCE (vi-vii) | - | - |
| E | EXCESS/ SHORT CLAIM, if any (B-D) | - | - |

(A K Srivastava)
DGM (Finance-Pipalkoti)
THDC India Limited

As per our Report of Even date Attached

For HCO & Co.
Chartered Accountants
FRN : 001087C

(CA. K.K. Lalchandani)
Partner
M.NO. 074788

Date: 25/11/23
Place: Lucknow
UDIN:



Total Funds from World bank

(Amount in INR)

| Particulars | Up to 31.03.2024 |
|---|---------------------------|
| IBRD - Advances | 8,78,93,88,990.00 |
| IBRD - Direct Payments/ Special Commitments | 84,10,75,759.00 |
| IBRD - Reimbursements | |
| Consultancy | 13,40,05,883.00 |
| Supply and works | 7,26,77,80,826.00 |
| A. Upfront fees | 7,95,16,080.00 |
| B.IDC | 1,70,17,74,211.73 |
| Total IBRD Fund Received | 18,81,35,41,749.73 |
| Accrued Int as on 31.03.2024 | 42,83,96,729.00 |
| Total IBRD Fund including Accrued Interest | 19,24,19,38,478.73 |
| Less: Repayment of Loan | 3,28,95,00,353.81 |
| Net Total | 15,95,24,38,124.92 |
| | |

