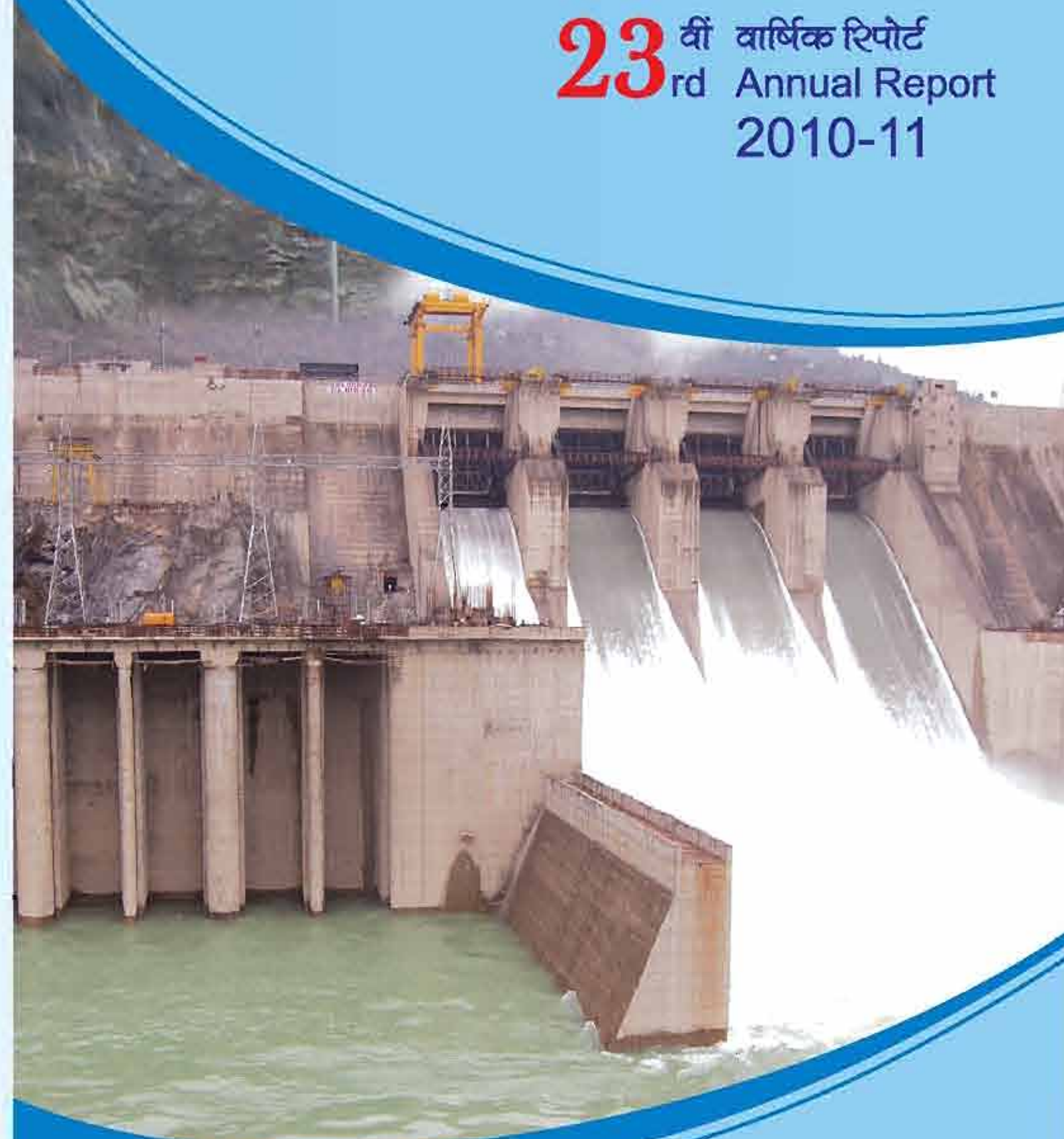


23 वी वार्षिक रिपोर्ट
rd Annual Report
2010-11



टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED

(A Joint Venture of Govt. of India & Govt. of U.P.)

Ganga Bhawan, Pragatipuram, Bypass Road, Rishikesh - 249201 (Uttarakhand)

Phones: (0135) 2435842, 2439309 & 2437646 Fax: (0135) 2436761

Website: <http://thdc.gov.in>

Designed & Printed by Pamn Advertising & Marketing



टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED

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 NOTICE 

NOTICE is hereby given that the **23rd Annual General Meeting** of the Members of THDC India Limited will be held on **26.09.2011** at **5.30 PM** at **THDC INDIA LIMITED, Plot No. 20, Sector No. 14, Kaushambi, Gaziabad (U.P.), (Phone No. 0120-2776491)** to transact the following Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Annual Accounts together with Auditors' Report and Directors' Report of the Corporation for the year ended March 31, 2011.
2. To fix the remuneration of the Statutory Auditors for the year ended March 31, 2011.
3. To confirm Interim Dividend and declare Final Dividend for the year 2010-11.

SPECIAL BUSINESS

4. To approve the Borrowing Power of Board in excess of Paid up Capital & Free Reserve.

By order of the Board of Directors of
THDC INDIA LIMITED



(S. Q. Ahmad)
Company Secretary
M-9412998458

To :

- **All the Members of THDCIL**
- **All Directors of THDCIL**
- **Statutory Auditors - M/s HDSG & Associates, Chartered Accountants, New Delhi-110 014.**

PLACE : RISHIKESH

DATE : 19.09.2011



Registered Office

Bhagirath Bhawan (Top Terrace), Bhagirathipuram,
Tehri Garhwal- 249001, (Uttarakhand)

Other Offices

RISHIKESH

Pragatipuram, Bye-Pass Road, Rishikesh -249201, (Uttarakhand)

NCR

Plot No - 20, Sector-14, Kaushambi, Ghaziabad-201010 (U.P.)

DEHRADUN

26, EC Road, Dehradun-248001 (Uttarakhand)

LUCKNOW

101, Raj Apartment, 7 Jopling Road, Lucknow-226001 (U.P.)

MUMBAI

Transit Camp - Flat No. 101-102, Guru Mahima Heights,
Plot No. 12, Sector-14, Sanpada, Navi Mumbai-400705

CHANDIGARH

1st Floor, SCO 27, Sec-11, Panchkula- 134112 (Haryana)

BHUTAN

H-2/33, Block No. 5, Tshimalakha Colony, Po- Tsimasham, Chhukha, Bhutan

Company Secretary

Shri S.Q. Ahmad

Statutory Auditors

M/s HDSG & Associates

Chartered Accountants

D-36, Basement, Jungpura Extn., New Delhi-110014

Bankers

Punjab National Bank

Union Bank of India

State Bank of India

State Bank of Hyderabad

This report was adopted at

23rd Annual General Meeting of the Corporation held on 26.09.2011



BOARD OF DIRECTORS

As on 26th September, 2011



Shri R.S.T. Sai
Chairman & Managing Director



Shri Sudhir Kumar
JS(H), MOP
Govt. Nominee Director



Shri Kishan Singh Atoria
Principal Secretary (Irrigation), GoUP
Govt. Nominee Director



Shri Navneet Kumar Sehgal
CMD, UPPCL
Govt. Nominee Director



Shri A.S. Bisht
Director (Personnel)



Shri C.P. Singh
Director (Finance)



Shri D.V. Singh
Director (Technical)



Our Vision

- A major global player in power sector, providing quality, affordable and sustainable power with commitment to environment, ecology and social values.
- Create work ethos of growth through professionalism and achievement of excellence.

Our Mission

- To plan, promote, develop hydro as well as other energy resources from concept to commissioning and operate power stations to meet the growing energy demand, ensuring environment and ecological balance, contributing to national prosperity.
- To accept Corporate Social Responsibility (CSR), including Rehabilitation and Resettlement of Project Affected Persons (PAP) with human face.
- To meet the challenges of dynamically transforming business environment and setting global benchmarks.
- To build sustainable and value based relationship with stakeholders for mutual benefit and growth.
- To achieve performance excellence by inspiring a dedicated workforce in an environment of organizational learning and mutual trust.



Shri R.S.T. Sai
Chairman & Managing Director

CHAIRMAN'S ADDRESS

Ladies & Gentlemen,

I have great pleasure in welcoming you today to the 23rd Annual General Meeting of your company.

On this occasion, I would like to express my warmest greetings and thank you most sincerely for your continued encouragement and support. The trust and goodwill reposed by you, provides us immense strength, as we move ahead to pursue the vision, mission and objectives of your company.

The Board of your company has recommended the Final Dividend of ₹ 56 Cr. in addition to Interim Dividend of ₹ 125 Cr. for the year ended on 31st March 2011. The gross income this year grew 18.64% to ₹ 1689.27 Cr. The Profit before Tax increased by 38.42 % to ₹ 679.20 Cr. while Net Profit at ₹ 600.48 Cr. registered increase of 25.11%.

I draw deep satisfaction that your company has emerged as a multi project Power Sector PSU. The performance of your Company over past 5 years has been given due recognition and Mini Ratna and schedule "A" status was conferred by the Govt of India.

Sustainable Business Ecology and Inclusive Growth

As an emerging economy, with favorable demographic composition our country's endeavor is to achieve double digit growth of GDP, for alleviation of poverty of its massive population. Already we are the third largest economy in the World. To sustain a fast trajectory of growth, one has to ensure that conducive business environment is in place. The limits to future growth will be defined by vulnerabilities flowing from social inequities, environmental degradation and climate change.

Environmental concerns, such as global warming and emissions of green house gases, can no longer be brushed aside. The conventional methods of calculating economic growth ignoring costs of environmental depletion can no longer be sustained. The cost on account of environment depletion and loss of bio-diversity need to be considered while pricing goods and services. In such a scenario, I see Hydro Sector as a clear favorite.



As per the UNDP Human Development Report, India is placed at 119th out of 169 countries. Around 55% of Indians suffer from deprivation on multiple counts. Nearly 421 million population live in extreme poverty. The country has 17% of world's population. By 2050, India's population is expected to grow to 1.7 billions as compared to the latest census figure of 1.21 billion. The addition of 500 million people will create acute pressure on limited resources. The energy needs will increase exponentially over this period with the rising income and urbanization. Clearly, a rising population of such magnitude will need food, fuel and water and will create immense pressure on infrastructure. Already half of the country's available land is water stressed. The harnessing of river water seems to be the only sustainable alternative that would could satiate the ever increasing needs of water, food and power. Temporally 70% of the precipitation in the subcontinent is received during 2-3 months of monsoon and the surface runoff goes waste into the ocean. We need to create facilities to harness this precious gift from nature to irrigate our parched lands, quench the thirst of our teeming population and light up their lives.



Sh. R.S.T. Sai, CMD, THDCIL exchanging MoU Document with Sh. P. Umashankar, Secretary (Power), Govt. of India

Parcelling out rivers and allocating various stretches to developers in utter disregard of Integrated River Basin Management is evidently suboptimal. Irrespective of ideologies, economists and jurists agree that ownership



Sh. R.S.T. Sai, CMD, THDCIL receiving "Indira Gandhi Rajbhasha Shield" from Smt. Prathiba Devi Singh Patil, Hon'ble President of India in the presence of Sh. P. Chidambaram, Hon'ble Home Minister and Sh. Jitender Singh, Hon'ble State Minister for Home, GOI

of commons should be in public domain. It is pertinent to recall that, "We the People" resolved to constitute India as sovereign, socialist, secular, democratic republic and to secure to all its citizens justice- social, economic and political.

Strategic CSR

The reliance on colonial legislation for land acquisition to cater to industrial purposes is meeting with stiff resistance from civil society. The Power Sector is directly affected, as also, the development of coal mines. There is growing opposition to Nuclear Power due to apprehensions as to safety. Your Company realized the need to be sensitive to the concerns of Project Affected Families. An expenditure of about ₹ 1380 Cr. amounting to 16.4% of Project Cost was incurred on R&R of Tehri Dam Project. In addition, a sum of ₹ 103 Cr. has recently been agreed to. This is apart from the annual allocations under CSR.

The business of your company is in remote hilly areas, where there is acute poverty. Your Company is directly engaged in meaningful CSR activities that would generate sustainable livelihood and promote conservation of nature. What matters is not the financial support by way of the budget that your company has allocated for the purpose. It is the immense transformational capacity of its dedicated human resources, physically present in the



A view of 23rd Annual General Meeting held on September 26, 2011

vicinity that can deliver and multiply the economical and social value of the financial outlay. Realising the importance of its CSR, your company concentrated its efforts in Tehri Garhwal around the rim of the Tehri reservoir. Your company established local centers in collaboration with Delhi University and HNB Srinagar Garhwal University. The benefit by way of the goodwill for your Company has already been felt in an area, which was earlier known to be hostile towards Tehri Dam.

Sustainable Reporting

Your company has voluntarily adopted sustainable reporting on an annual basis conforming to the guide lines laid down by GRI and IHA. The second sustainability Report for the year 2009-10 has already been released. Recently, the Ministry of Corporate Affairs, Govt. of India has issued National Voluntary Guidelines. The third Sustainability Report shall comply with these guidelines as well.

Conclusion

Your company continues to remain engaged in development of Power Projects and generation of electricity and aims to diversify within the sector. Your Company realizes

that the demand for Energy is immense and all routes for generation should be explored. Your company strives to leverage the new technologies and carefully nurture technological competence. World class expertise in design and construction of large Hydro Power Projects constitute the core strength of your Company. It is this competitive strength that provide us the confidence as we step ahead in our pursuit of excellence.

As I conclude this address in the 23rd Annual General Meeting, it is indeed satisfying to witness the transition of Koteswar HEP into O&M phase. I express my deep gratitude to the employees who have worked hard in pursuit of your company's objectives. With them by my side, I am confident that your company is geared well to fulfill its mission and objectives.

I once again thank you all, for the cooperation and support in accomplishing our mission and objectives.

Thank you ladies and gentlemen.

(R.S.T. Sai)

Chairman & Managing Director

Date : 26.09.2011

Place : New Delhi



DIRECTORS' REPORT - 2010-11

Dear Members,

Your Directors are pleased to present the 23rd Annual Report of the Company along with the Audited Annual Accounts and Report of the Statutory Auditors and comments of Comptroller & Auditor General of India for the year ended March 31, 2011.

FINANCIAL RESULTS

The Financial Results of the operations during the year ending 31st March 2011 are summarized as under :

(₹ In Million)

PARTICULARS	2010-11	2009-10
Income		
Sale of Energy	16700.41	14167.03
Receipt from consultancy Service	131.28	0.00
Other Income (Including energy internally consumed)	61.02	72.03
Gross Income (a)	16892.71	14239.06
Expenditure		
Employee Remuneration & Benefits	1505.26	775.35
Generation, Administration & other expenses	1055.25	880.35
Expenditure on Consultancy Service	143.92	0.00
Interest & Finance charges	3913.30	4183.91
Depreciation	3495.15	3458.34
Provisions	7.91	22.11
Prior period adjustment	(20.08)	12.39
Total Expenditure (b)	10100.71	9332.45

PARTICULARS	2010-11	2009-10
Profit before Tax (a-b)	6792.00	4906.61
Tax	787.21	107.10
Profit after Tax	6004.79	4799.51
Add: Surplus balance of previous year b/f	8478.46	5375.38
BALANCE AVAILABLE FOR APPROPRIATION	14483.25	10174.89
APPROPRIATIONS :		
Dividend		
Interim	1250.00	600.00
Proposed Final	560.00	850.00
Tax on Dividend		
Interim	207.61	101.97
Proposed Final	93.00	144.46
BALANCE CARRIED TO BALANCE SHEET	12372.64	8478.46

FINANCIAL PERFORMANCE

Revenue

The Total Income of the Company during the Financial Year 2010-11 is ₹ 16892.71 Million (Previous Year ₹ 14239.06 Million), an increase of 18.64% over previous year.

Profit

Your Company has earned a Net Profit of ₹ 6004.79 Million during the year 2010-11 (Previous Year ₹ 4799.51 Million). Thus there is an increase of 25.11% in Profit After Tax. The Earning Per Equity Share (EPS) of the Current Year 2010-11 is ₹ 182.10 (Previous Year ₹ 145.55).



A view of underground Power House of 1000 MW, Tehri HPP



Dividend

Your Company has paid Interim Dividend of ₹ 37.91 per Equity Share in March' 2011. In addition, Your Directors have recommended Final Dividend of ₹ 16.98 per Equity Share for the year 2010-11. The total Dividend for the year thus aggregate to ₹ 54.89 per Equity Share. The Dividend Pay Out for the year is ₹1810 million which represents 5.49% of Paid Up Capital and 30.14% of Profit After Tax (PAT). The Final Dividend shall be paid after approval at the Annual General Meeting (AGM).



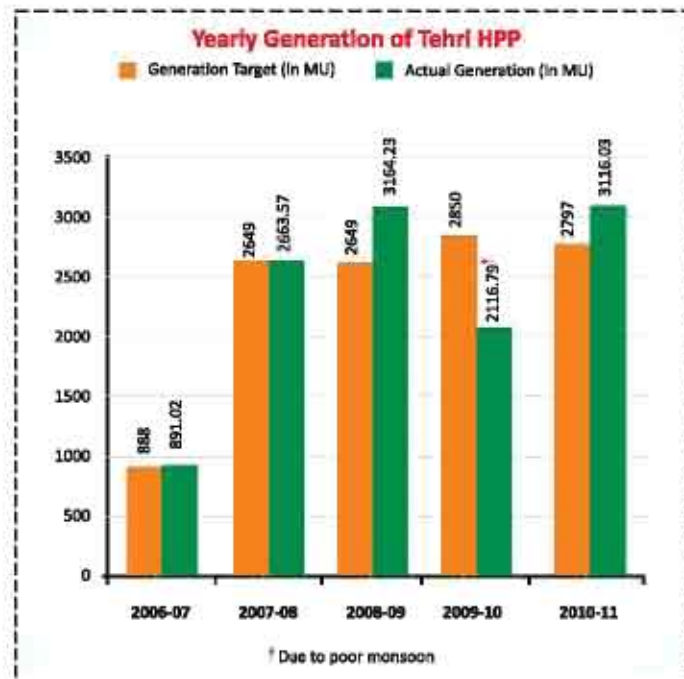
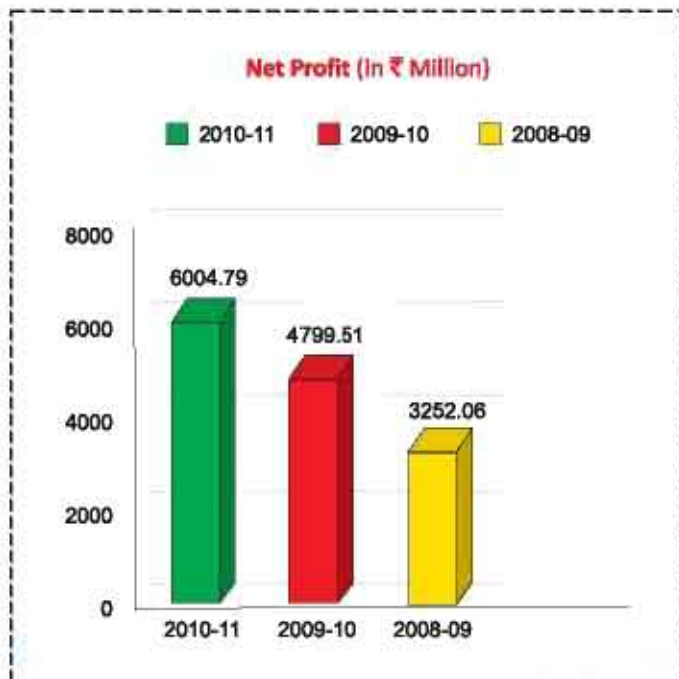
An overview of Tehri Dam & Reservoir

OPERATIONAL PERFORMANCE

During the financial year 2010-11, Tehri Hydro Power Station (4 × 250MW) generated 3116.03 Million Units of Energy against the target of 2797 Million Units (Previous year 2116.79 Million). The monsoon-2010 was a high wet season and consequently Tehri Reservoir was operated to mitigate the flooding impact of Bhagirathi River on the downstream population of Tehri Dam. All the four units were run continuously for 24 hours during this period and flood inflow upto maximum possible extent was stored in the Reservoir and then released in a regulated manner once the flood had tapered off. The plant achieved the "Plant Availability Factor (PAF)" of 74.408% against the

Normative Annual Plant availability Factor (NAPAF) of 77% specified for Tehri HPP as per CERC Tariff Regulations, 2009. The shortfall in PAF was attributable to closure of Tehri plant for a period of about 37 days in Dec, 2010 and Jan, 2011. Closure was necessitated due to blockage of Diversion Tunnel at Koteshwar HEP consequent upon geological subsidence.

The civil works at Koteshwar HEP had to be completed on war footing to prepare the Spillways to pass the water. But, this period of shutdown of Tehri HEP was effectively utilized for doing the major maintenance of unit-2, which was otherwise due in Mar, 2011.





During the year, Energy Management System (EMS), a computerized system to monitor, control and optimize the performance of generating system and Information Management System (IMS), an automatic post trip analysis system / diagnose to minimize the trip problems / breakdowns of machines, have also been installed at Tehri Power Station.

COMMERCIAL PERFORMANCE

During the Financial Year 2010-11, based on the Provisional Tariff notified by CERC, revenue of ₹ 11139.19 million (Previous year ₹ 10044.50 million) has been realised from the beneficiaries against the billing of ₹ 11340.68 million towards sale of energy. This works out to a collection of 98.82% of the billed amount.

In addition, the company has also earned net revenue of ₹ 132.51 million on account of Unscheduled Interchange (UI) Charges under the prevailing UI mechanism and ₹ 2.41 million on account of interest for late payment of UI Charges. During the Financial Year 2010-11, the "Rebate Scheme 2010-11" yielded the desired results. The same scheme has, therefore, been made applicable for the period 2011-14 also.



An overview of Koteswar Dam & Reservoir

The Power Purchase Agreement for Koteswar HEP (400 MW) was signed with the only remaining beneficiary PDD, J&K during the year 2010-11. The Power Purchase Agreements for Vishnugad Pipalkoti HEP (444 MW) were also signed with PDD, J&K and one of Delhi Discoms, namely, NDPL. Further, Your Company also entered into the field of Thermal Power through implementation of Khurja Super Thermal Power Plant (1320 MW).

The total power of the plant has been tied up for sale by signing the Power Purchase Agreements with five beneficiaries namely Uttar Pradesh, Uttarakhand, Rajasthan, Himachal Pradesh and BRPL, Delhi.

Two Units, each of 100 MW, of Koteswar HEP were synchronized with the grid in March, 2011. Revenue of ₹1.2 million was earned through the sale of infirm energy generated from these units.

The Beneficiaries consented to pay the provisional tariff of Koteswar HEP in 18th TCC and 20th NRPC meetings. Accordingly, the beneficiaries are being provisionally billed for 80% of the Annual Fixed Cost of Koteswar Hydro Electric Project and revenue is being collected.

All the beneficiaries have given their feedback expressing their satisfaction with the dealings of the Corporation.



Down Stream view of Koteswar Dam

PROGRESS OF PROJECTS UNDER CONSTRUCTION

Koteshwar Hydro Electric Project (400 MW)

Your Directors are pleased to inform that two Units of 100 MW each of Koteshwar HEP have been commissioned in Mar, 2011 despite flooding of the Koteshwar Power House in Sep, 2010. With this, 200 MW fresh capacity has been added to the Northern Grid during the financial year 2010-11 and Installed Capacity of the Corporation stands increased to 1200 MW.

Unit-1 of Koteshwar HEP is already in commercial operation w.e.f. 1st April, 2011 and Unit-2 is expected to be declared Commercial by end of September, 2011. Balance works of Unit-3 & 4 are under progress and are scheduled to be commissioned in January & March, 2012 respectively. However, all out efforts are being made to commission Unit -3 by December, 2011.

During the previous Monsoon, heavy rains occurred in the catchment areas of River Bhagirathi and flood inflows were being absorbed in Tehri Reservoir. Anticipating heavy rains, interim permission of Hon'ble Supreme Court was obtained to temporarily raise the Reservoir Level to FRL. From 18th September, 2010 onwards, an intense spell of rain commenced and the inflows into Tehri Reservoir continued unabated. The Tehri Reservoir crossed its FRL (Full Reservoir Level) of El.830m in early morning of 20th Sep, 2010, upon which un-gated right bank shaft spillways (at El.830.20m) of Tehri also came into operation and outflow from Tehri could no longer be regulated. Consequently, pondage at Koteshwar increased and water entered into the Power House. It



A Visit of Independent Directors with Sh. D.V. Singh, Director (Technical), THDCIL at Koteshwar Project

resulted in damages to some of the Electro Mechanical Equipments and Panels installed in Power House. Thereafter, d/s coffer dam was first restored and Power House got dewatered on 16th Oct., 2010. Replenishment/restoration process of damaged equipment was then taken up. While the restoration process was still going on, sudden subsidence of rock mass above the Diversion Tunnel of the Project occurred on 17th December, 2010. Debris out of the subsidence blocked the Diversion Tunnel at about 100 m u/s of outlet portal. Tehri Power House had to be shut down to safeguard the works at Koteshwar.

All balance Civil and Hydro-Mechanical works were taken up on war footing and works related with reservoir impoundment were completed on 27th January, 2011. Out flow from Koteshwar spillway was started on 28th January, 2011 and operational normalcy of Tehri plant was restored.

Tehri PSP (1000 MW)

Major works of the Project have been planned to be executed through a single EPC contract. Litigation initiated by bidders has been concluded after a period of more than 2 years with the final judgment of Hon'ble Supreme Court in March, 2011. Thereafter, EPC contract has been awarded to Consortium of M/s Alstom Hydro France and M/s Hindustan Construction Company Ltd. in June-2011. PIB has recommended the Revised Cost Estimate (RCE) of the Project amounting to ₹ 2978.86 Cr including IDC of ₹ 405.04 Cr at April-2010 PL. Project works commenced on 27th July, 2011 and are scheduled to be completed by Feb-2016.

Vishnughad Pipalkoti HEP (444 MW)

The required infrastructure works to take off the major works viz. Field Hostel, Construction of Offices, Residen-



Exchange of Agreement Documents for execution of Tehri PSP between Sh. R.S.T. Sai, CMD, and Consortium of M/s. ALSTOM Hydero France and M/s. Hindustan Construction Company Ltd.



tial Quarters, Main access Roads and Bridges have been completed.

In the light of recommendations of IIT, Roorkee based on study of Cumulative Impact Assessment of Hydro Power Projects in Alaknanda and Bhagirathi Basins upto Devparyag, MOEF has revised Minimum Environmental Flow from 3 cumecs to 15.65 Cumecs. Stage-I clearance to the 80.507 Ha. Forest Land has been accorded on 3rd June, 2011 subject to fulfillment of certain conditions. The Gazette Notification of Section-6 and for acquisition of private land (18.672 Ha.) at Hat Village has been published. The disbursement of compensation of special package to Hat Villagers has already started and is under progress.

Bids for the EPC Contract of Civil and HM package have been received and opened on 30th May, 2011. Out of seven Pre-Qualified Bidders, four Bidders have submitted their bids. Technical evaluation of bids is under process. The award of work is expected by December, 2011. Meanwhile, negotiations for loan amount of US \$ 648 Million with World Bank have been concluded and agreement was signed on August 10, 2011.

Pre-qualification of Bidders for Package-II (Electro-Mechanical Works) and preparation of tender documents are under process. As an advance action till EPC contract for Civil & HM works is awarded, works for construction of flood protection wall and stabilization works in inlet & outlet area of Diversion Tunnel, exploratory tunnel to De-Silting Chambers have been taken up.

Revised Cost Estimate at December, 2009 PL amounting to ₹ 3422.44 Cr. including IDC of ₹ 333.62 Cr. has been prepared and was submitted to MoP. However, as desired



Exchange of Power Purchase Agreement between THDCIL and North Delhi Power Ltd.



Signing of Loan Agreement for VPHEP between THDCIL and World Bank

by MoP, further revision of RCE at March, 2011 PL is under process. The Project is scheduled for commissioning by May, 2016.

Dhukwa Small Hydro Project (24 MW)

Govt of UP allotted Dhukwan Small Hydro Project to your company for updation of DPR and for subsequent implementation. Updation of DPR has been completed in June, 2010 and your Board of Directors have approved DPR of the project including investment on the project at an estimated cost of ₹ 195.42 Cr. including ₹ 12.89 Cr IDC at April, 2010 PL.

The Equity Portion i.e. 30% of the project cost shall be funded by the Corporation from its Internal Resources. Project has been planned to be executed in three Separate Packages viz. Civil, Electro- Mechanical and HM works. Preparation of tender specifications and the tender drawings for the same is under progress.

During the year, case for diversion of 21.08 Ha forest land required for project works has been recommended by SAG in its meeting held on 27th May, 2011. Further action for diversion of forest land is under progress. Application for transfer of requisite land owned by UP Irrigation Deptt. was submitted on 30th June, 2010 and case is under progress in GOUP. Bids for development of requisite infrastructure works have already been invited. The project is expected to be completed in the year 2014-15.

PROJECTS UNDER INVESTIGATION

In the State of Uttarakhand

• Jhelum Tamak HEP (128 MW)

Draft DPR of Jhelum Tamak HEP (128 MW) has been submitted to CEA. Draft EIA / EMP report has been

prepared. In the meantime, in view of the enhancement of the installed capacity and change in the height of the structures, Environment Appraisal Committee (EAC) has discussed revised ToR of the EIA study in its meeting held on 26th Mar-11. The main points are as hereunder:

- ◆ The minimum continuous release from Barrage during lean season will be 20% of average discharge of four leanest months of 90% dependable year. The flow to be increased to 30% of the 90% dependable flow in the 10 daily periods during monsoon season. This needs to be kept in consideration while fixing power potential and calculating annual energy generation.
- ◆ A distance of at least one Km free river reach between TWL discharge point of U/S project and the reservoir tip at FRL of immediate D/S project to be maintained with normal uninterrupted flow.

As the above changes may render Project unviable, the matter is being taken up with MoEF for dilution of 1 Km free flow condition.

• **Malari Jhelum HEP(114MW)**

As Malari Villagers did not agree for taking up investigation works at original Malari Location, an agreement with Kosa Villagers (Near Malari) has been reached. Accordingly, Geo-technical Investigations at alternate B2 axis near Kosa Village are under progress.

Since Malari Jhelum HEP (114 MW) is the U/S project of the Jhelum Tamak HEP, the TWL of the U/S project and FRL of the D/S project is same. In the light of the recommendations of the EAC meeting of 26th Mar., 2011, . Shifting of Power House of the Project U/S may also make the project



Prize distribution ceremony on the occasion of Independence Day at Tehri Project

unviable. Further, action shall be decided after hearing from MoEF.

• **Bokang Bailing (330 MW), Karmoli (140 MW) and Jadganga (50 MW) HEP's**

Bokang Bailing (330 MW), Karmoli (140 MW) and Jadganga (50 MW) HEP's come under protected wild life areas. An Interlocutory Application has been filed before Hon'ble Supreme Court of India for de-reservation of the forest land.

After meeting of Standing Committee of NBWL, MoEF accorded approval for undertaking survey & investigations works in Bokang Bailing HEP without drilling and drifting. Since DPR investigation work can not be completed without drilling & drifting, matter has been taken up with Chief Wild life Warden for granting permission/ forwarding recommendations for allowing drilling and drifting. However , Hydrological studies and GLOF studies are being conducted in association with National Institute of Hydrology.

On the insistence of Chief Wildlife Warden, one season EIA / EMP studies for the two projects viz Karmoli & Jadganga completed and report of the study was forwarded to Chief Wild life Warden, GoUK for recommendation of the case. In turn, Director, Gangotri National Park has communicated the views not favoring the grant of permission for survey & investigation works. Hence, Permission for Survey & Investigation is not forthcoming.

In the State of Maharashtra

• **Malshej Ghat PSS(700 MW)**

DPR of Malshej Ghat PSS(MGPSS) with enhanced installed capacity of 700 MW has been completed and DPR has been submitted to Govt. of Maharashtra. Based on the assurance of the Ministry of Power, Govt of India that policy for permitting Hydro Projects under MoU route is under consideration, in principle consent for implementation of the Malshej Ghat PSS (700 MW) through Joint Venture of THDCIL and NPCIL was given in a meeting held on 29th April 2011 subject to approval of State Cabinet.

Meanwhile, efforts are being made with Dy. Chief Conservator of forests (DCF), Thane to forward the required details to MoEF, New Delhi for granting the permission for construction of drifts / exploratory tunnel for MGPSS.

• **Humbarli PSS (400 MW)**

The Humbarli PSS is located on the fringe area of Koyna Wildlife Sanctuary (KWS). Case for getting permission to take up survey & investigation work for Humbarli PSS (400



Laying of Foundation Stone by Sh. R.S.T. Sai, CMD, THDCIL, in the presence of Dr. S.C. Saxena, Director, IIT Roorkee, of 'SEWA-THDC Wing' at the School of Deaf and Dumb, IIT Roorkee

MW) was discussed in Standing committee meeting of NBWL. The recommendations of State Wildlife Board, shall be forwarded to NBWL, New Delhi for its consideration.

Development of Projects in Bhutan

Under India-Bhutan Co-operation in Hydro Sector Development, the Government of India allotted two Projects to your company namely Sankosh Multipurpose Project (4060 MW) and Bunakha HEP (180 MW) in Bhutan for updation of DPR.

Your company has opened regular office at Phuentsholing, Bhutan to supervise the field works of Bhutan projects.

• Sankosh Multipurpose Project (4060 MW) and Bunakha HEP (180 MW)

Your company had already submitted updated DPR of Sankosh HEP considering Rock-fill Main Dam option in April, 2009. In May 2009 it was suggested that the possibility of Concrete Dam be explored for better handling of sediment as also keeping longevity of Dam in view. Accordingly, DPR of Sankosh HEP with Concrete Dam Option has also been prepared and submitted on 31st May, 2011.

As the Sankosh Project executed exclusively as a power project may not be viable, revised configuration for overall optimization of river valley potential by undertaking integrated development of Sankosh, Punasangtchu-III and Daracchua is being explored.

• Bunakha HEP (180MW)

After obtaining clearance on viability of Bunakha HEP in March, 2010, your Company has taken up the DPR preparation work. DPR of the project has since been completed and submitted on August 30, 2011.

DIVERSIFICATION INTO OTHER ENERGY AREAS

• Khurja Super Thermal Power Station (1320 MW)

Your company ventured into other energy areas. An MoU has been entered on 31st Dec., 2010 with Energy Department, GoUP for setting up of a coal based 1320 MW Khurja Super Thermal Power Station at Khurja in the State of Uttar Pradesh.

PPA's for entire energy have been signed with five Beneficiary States (Uttar Pradesh, Uttarakhand, Delhi, Himanchal Pradesh and Rajasthan) before 5th January, 2011. Resolution of issues related to possession of the 1200 Acre land from UPSIDC to THDC is under progress.

Board of Directors of your company has approved expenditure upto ₹ 20 Cr. through Internal Resources for various studies, investigations, preparation of PFR/FR/DPR and essential infrastructure facilities of Khurja STTP. Consultancy services for preparation of PFR, ToR for EIA study and Technical Specifications for Site Specific Studies has been awarded to NTPC.

PFR and ToR for EIA study have been prepared and submitted to MoEF in August 2011. The application for coal linkage has been submitted to Ministry of Coal on 25th May, 2011.

• New & Renewable Energy Programme

➤ Wind Power Generation

Your Company has explored the possibility of diversifying into the field of Wind Power Generation in potential areas of the country. Centre for Wind Energy Technology (C-WET) has been appointed as Consultant to provide consultancy for establishing 50 MW Wind Power Project. Tender Document for 50 MW Wind Power Project has been finalised. The process to award EPC Contract for establishing 50 MW Wind Power Project at suitable site in any wind potential State: Rajasthan/M.P./Gujarat/Maharashtra has been initiated.

➤ **Solar Power Generation**

Your Company also intends to venture in the field of Solar Power Generation by setting up Solar Farm of 200 MW capacity in Uttar Pradesh. Discussion with UPNEDA and UP Power Corporation Ltd. is going on for formation of Joint Venture Company.

CONSERVATION OF ENERGY

Your Company is continuously endeavoring for conservation of energy in all possible areas. Major steps taken in this direction are as follows :

Solar energy

- Provision for Day Light has been made in our Corporate Buildings by providing windows in top slab, transparent roofing etc.
- Solar water heating system, Solar Street Light and Solar Fencing for conservation of energy have been installed in the premises of the Company. Besides 100 KW solar energy plant is proposed to be installed in HRD complex of the Company at Rishikesh.

Energy Efficient Equipments

- In office buildings, bulbs and tubes have been replaced with energy efficient CFL and T-20 tubes.
- Old Air Conditioners and Fans have been replaced with star Rated ones.
- High mast lights are being controlled by automatic street light control panels with timer to reduce human interference.

Eco-friendly System for Sewage & Solid Waste Treatment

- One solid waste disposal plant has been planned to be installed by The Energy and Resources Institute of India (TERI) for efficient and sustainable use of natural resources. About 500 Kg of waste generated per day in the campus will be treated and expected to yield 5475 m³ of biogas and 18250 Kg of manure.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

LiDAR Technology

Topographical data for the entire reservoir rim area for Vishnugad-Pipalkoti HEP has been captured by using the latest state of the art LIDAR technology. LIDAR technology brings real-time acquisition of 3D space information and is a new means of acquiring high space time resolution geo-space information. Your Company is also making attempts

to build necessary in-house capacity to acquire this technology .

Physical sediment modeling for de silting chambers

Providing de-silting chambers to remove the sediments in an optimized manner from the silt-laden flows. Normally, the sediment characteristics are modeled mathematically and its physical modeling is found as a complex phenomenon due to the scaling complexities and its numerous variables. Your Company has successfully conducted physical sediment modeling for de-silting chambers on geometrically similar model built to scale varying from 1/8 to 1/20 depending upon the associated technical parameters.

Computer Aided Hydrological Studies

Hydrology Group of your company has of late, attained the capability of conducting detailed hydrological studies by using digital data for the assessment of water availability at any given site in the river basin. These studies involve processing of large amount of satellite data such as Shuttle Radar Topography Mission (SRTM) of 90m / 30m resolution and CartoSAT-1 of 2.5m resolution etc.

Use of Tunnel Boring Machine (TBM) for Excavation

For the diversion of the river water into an Underground Power House of Vishnugad Pipalkoti HEP, a 13.4 km long Head Race Tunnel of 8.8 m Inner diameter has been envisaged to be constructed. As per the available geological information, HRT is to pass through different lithologies of rocks having number of faults and shear zones However, with the help of detailed acquired field data about the geology, a risk sharing matrix and unique contractual arrangements between the TBM operator and main Civil



Inauguration of Geological Museum by Dr. P.C. Nawani, Director, GSI, in the presence of Sh. D.V. Singh, Director (Technical) at Rishikesh



Contractor have been devised and provided in the tender document. Response of all the bidders towards such provisions has been very encouraging.

RESEARCH & DEVELOPMENT

• Geological Museum

A Geological Museum has been established in Saraswati Bhawan Office Complex, Rishikesh. The purpose of establishing the Museum is to enhance understanding & knowledge of the persons of different fields about the Geological Science. In this Museum various Rock Samples, Mineral Samples & Fossil Samples are displayed. Different geological structural feature are displayed in the form of 3-D Models, Maps etc. Geological Instruments are also displayed. Fresh and core sample of rocks from various projects of the Company are also displayed.

A library of geological events & geological history of our projects and models are being established. The Geological Museum shall also be open for children to induce the curiosity about Geological Science.

• Report on Cascade Development of Ganga Valley Projects

A case study report on cascade development of Ganga Valley Projects has been prepared under R&D Programme as mandated in MOU signed between Ministry of Power and your company for 2010-11. This report elaborates the benefits of integrated development considering whole basin wise planning of Hydro Projects. The report provides information on Completed Projects, On Going Projects & Planned Future Projects on Ganga Valley.

ENGINEERING CONSULTANCY

Engineering Consultancy Department has been established in the company for providing consultancy and advisory services in the field of Hydro Engineering. Accordingly, your company has submitted two RFP documents and likely to get assignment to offer Consultancy Services for "Power Potential Studies" and "Design of E&M Equipments" for 6 nos. Small Hydro Power Projects under Par - Tapi-Narmada (PTN) Link Project and 2 nos. Small Hydro Power Projects under Damanganga-Pinjal (DP) Link Project.

Also, Engineering, Design and Supervi-

sion of site activities for execution of slope stability measures at Varuna Vat (Uttarkashi) and Mata Vaishno Devi Shrine has been undertaken.

MANAGEMENT SYSTEMS CERTIFICATION (ISO 9001: 2008 & ISO 14001:2004)

Your Company, after achieving ISO 9001 certification for Corporate Office, Rishikesh, is now implementing ISO 9001 (Quality Management System) and ISO 14001(Environmental Management System) at Tehri, PSP and VPHEP Projects.

The ISO Certification at these Projects are scheduled to be acquired by 15th March, 2012 and shall help in achieving excellence in respective areas.

PROJECT FINANCING

The Credit Rating Institution M/s CARE has re-affirmed the 2nd highest rating of AA to THDCIL for raising Commercial Borrowing from Financial Institution/Banks for a loan of ₹ 2000 Cr. for Tehri PSP (Enhanced from ₹1500 Cr.)

HUMAN RESOURCE MANAGEMENT

Your Company has Human Capital of 2197 Nos comprising of 759 Executives, 177 Supervisors and 1261 Workmen. It has been an earnest endeavour to promote training and learning for developing Professional capabilities.

During the year 7513 man-days of training have been imparted to various target groups to enhance the compe-



HRD Initiatives-Training Programme on "Law of Contract & INCOTERM-2010" imparted by ASCI, Hyderabad



Township of VPHEP Project at Pipalkoti

tency level for achieving the goals & objectives of the company in line with the MOU target with MoP for the year 2010-11. In addition, some specialized long term training programmes have also been organized through Xavier Institute of Management, Bhubaneswar and HNB Garhwal University, Srinagar(Uttarakhand) for a period of one year on Social Science, Environment Science for 26 Executives and Supervisors. Besides, one technical programme on Rock Mechanics has been organized through National Institute of Rock Mechanics, Bangalore for a period of 3 months for 10 Executives posted in Design and at Construction Projects. During the year, 2 General Management Programmes for Senior Officers were designed, customized and organized through Administrative Staff College of India(ASCI), Hyderabad. All inclusive investment of ₹ 3.27 Cr. was made during the period for enabling training opportunities to our employees/ETs.

Training Need Assessment(TNA) is a valuable tool of HRD. During the year, ASCI, Hyderabad was assigned the task of Assessment of HRD System and TNA for our Executives(E-1 to E-4) and to carry out Skill Gap Analysis.

Performance Management System (PMS) has been implemented in line with Government directive for robust, transparent and fair mechanism for reward to talented and meritorious employees. Performance Related Pay is regulated based on the outcome of the PMS evaluation.

World Bank and National Press have appreciated the efforts made by your Company for Capacity Building and taking HRD initiatives in R&R-CSR, Environment etc. It is to

be expected that transformation in our approach towards Society/ Environment will help in smooth progress of our projects.

Your Company has developed the 1st phase of the Institute of Leadership Development(HRD Centre), in Rishkesh comprising of 02 Conference Halls with seating capacity of 60 and 40 each and also the Administrative Building. The 2nd phase facilities comprising of residential accommodation for participants and faculty, yoga kendra, Recreation facilities etc. are under construction. The Company has planned to commence Training & Learning (T&L) programmes from this facility in the

current year.

EMPLOYEE RELATIONS

During the year, wage revision due w.e.f 1.1.2007 has been implemented by your company. The bilateral agreements with unions have been amicably arrived at.

Various welfare activities were organized like summer sports, winter sports, creation of recreational amenities within the township, Besides various functions on National and local festivals created an atmosphere of bondage among the members of THDC family. To develop the extra curricular activities of tiny tots of the employees, various activities like painting competition, swimming camps, training to operate musical instruments, sports meets, etc. were organized during the period under report.

Regular interactions with all the Workmen Unions, Associations takes place at frequent intervals.

INITIATIVES FOR SC/ST

Your Company endeavours to comply with follow the Guidelines issued by Govt. of India from time to time on implementation of reservation policy on Direct Recruitment, Promotion etc, for SC/ST candidates.

The Company implemented Govt Guidelines on welfare of SC/ST personnel and redressal of their grievances in letter and spirit. Liaison Officers are nominated at all Project Sites and Offices of the Corporation. Periodical reviews are taken by Chief Liaison Officer at Corporate Office and remedial measures suggested for redressal of



Sh. R.S.T. Sai, CMD, THDCIL receiving the award of Indira Gandhi Rajbhasha Shield from Sh. Hamid Ansari, Hon'ble Vice President of India

such grievances. The SC/ST cell at Corporate office also periodically reviews the grievances received for redressal. It has been the endeavor of the Corporation to educate the employees belonging to SC/ST and make them aware of their rights and various provisions of relaxation admissible to them.

Out of the 08 Backlog vacancies reserved for SC/ST, offer of appointment were issued to 05 executives, out of which 04 have joined. 01 executive did not join after accepting the offer of appointment. For filling up the remaining vacancies, efforts are on to fill up these vacancies through Special Recruitment Drive.

INITIATIVES FOR PHYSICALLY CHALLENGED PERSONS

As per guidelines issued by Govt. of India, reservation of posts in Direct Recruitment and Promotion wherever applicable is earmarked for persons with Physical Disabilities. During the year, recruitment of backlog vacancies were advertised in leading newspapers to fill up backlog vacancies reserved for Physically handicapped. Out of the 04 posts reserved for Physically Handicapped, 02 posts have been filled during the year under report. For the remaining two, efforts are under way to fill up through Special Recruitment Drive(SRD).

The Corporation has also been nominating employees belonging to Physically Handicapped Category to attend special training pro-grammes.

In compliance of implementation of United Nations Convention on the Rights of Persons with Disabilities, the Corporation has provided easy accessibility by way of erecting ramps in most buildings of the Corporation.

RIGHT TO INFORMATION ACT, 2005

Your company has been earnest in the implementation of Right to Information Act, 2005. Particulars of Appellate Authority, CPIO, PIOs and APIOs of the Corporation, and all the related formats for seeking application, submission of appeal to the first Appellate Authority are uploaded in the website of the Company.

All the applications received from the information seekers are dealt with as per provisions contained in the RTI Act, 2005. During the year 2010-11, 127 applications from citizens of India seeking information of various nature have been received and information made available to them on time.

24 appeals have been received by the 1st Appellate Authority during the year. 19 appeals have been rejected after examination by the Appellate Authority and remaining 05 admitted.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Corporation has made continuous efforts to enhance the progressive use of Hindi in day to day official working according to the guidelines of the Official Language Policy of the Govt. of India.

During the year, 16 Hindi workshops have been conducted at Corporate office, Rishikesh and subordinate Units/ Offices for the motivation of the employees. Hindi Fortnight was conducted from 14th to 28th Sep., 2010 at all the offices of the Corporation. During the Fortnight, various competitions like Hindi Essay, Noting & Drafting, Translation, Poetry, Handwriting, Typing, Debate and Hindi Quiz etc. were organized. Employees participated with great zeal and enthusiasm. Besides the competitions conducted during Hindi Fortnight, many other competitions like Hindi Quiz, Swarachit Hindi Kavya Gosthi and as

well as Essay Competition for students of school have also been organized at regular interval.

Quarterly meetings of Official Language Implementation Committee have been held in June, 2010, September, 2010 and March, 2011 at Corporate Office. Quarterly meetings of Official Language Implementation Committee are also being organized regularly in subordinate offices/units. Meetings of Hindi Nodal Officers appointed in different departments have been held in every quarter for the review of Hindi implementation. A Rajbhasha Conference/Workshop for Hindi Nodal Officers was conducted in August, 2010. To inspect the progress of Hindi implementation, all the offices of the Corporation have been inspected by the officers of the Hindi Section from time to time.

During the year, 15 employees have been imparted training in different Hindi training programmes like Hindi Workshops, Hindi Computer Training Programmes, Orientations Training Programmes and Advanced Translation Training Courses sponsored by Department of Official Language, Govt. of India, as well as NPTI, Badarpur, New Delhi.

Hindi books have been purchased for approximately ₹ 1,04,396/- during the year, which is about 54% of total expenditure incurred on purchasing of books.

To provide bi-lingual working facility in Computers/Laptops, Hindi Software/Fonts have been installed. Material is displayed in the website bilingually. To encourage the employees to perform their work in Hindi, a Hindi Typing/Stenography Incentive Scheme has been introduced.

The Parliamentary Committee on Official Language inspected Tehri Project Office of the Corporation on in June, 2010. The Committee has appreciated the Hindi work done by the project office, Tehri.

Corporation has been conferred Third Prize in Indira Gandhi Rajbhasha award for the year 2008-2009 for excellent contribution in the field of Official Language Implementation. This award has been received by Shri R.S.T. Sai, CMD from his Excellency Mohd. Hamid Ansari, Vice President of India on 14th September 2010, on the occasion of Hindi Day Celebration at

Vigyan Bhavan, New Delhi. Your CMD has attended the meeting of Hindi consultancy Committee of MOP held on 19.10.2010 at Coorg, Karnataka.

Apart from this TOLIC, Hardwar awarded Official Language Shield to Corporate office for excellent work done in the field of Official Language Implementation at local level on 30.07.2010. Senior Executives had attended the Official Language Implementation Committee meetings of MOP and TOLIC.

REHABILITATION & RESETTLEMENT

Your Company has set a benchmark in the Rehabilitation and Resettlement of the Project Affected Families of Tehri HEP. The R&R Package has been aimed at the Social and Economic Upliftment of the displaced people. Additional improvement measures such as Road Connectivity, Relocation of Public Facilities, arrangement of Cable Car and Ferry Boat for cut-off area etc. have been implemented.

A Grievance Redressal Mechanism for settling representations of project affected families of Tehri Dam Project is in place as per orders of Hon'ble Supreme Court and has been very effective in independent and transparent settlement of claims.

A Heavy Motor Vehicle Bridge across Bhagirathi River near village Dobra with span of 440M is also being constructed with 50:50 funding by the State Govt. and the THDC/ GOI at a total revised cost of ₹ 154 Cr. in order to improve connectivity of Cut off Areas from Distt. Headquarter i.e. NTT.



A developed Rehabilitation Village at Bhaniyawala, Dehradun



Your Company has formulated an attractive Resettlement and Rehabilitation Policy for upcoming projects taking into account the provisions of NPRR-2007 and in consultation with concerned stakeholders. The policy addresses issues of loss of land, houses, other resources and means of livelihood etc. of the PAF's. Major emphasis has been laid upon economic uplift of the PAF's and provision of sustained livelihood.

While formulating R&R policy, all the provisions of NPRR-2007 have been taken into account and some of the provisions have even been improved. An external consultancy agency has also been appointed for third party monitoring and evaluation at Mid-term and End-term of the RAP implementation of VPHEP.

A provision of 0.5% of Project Cost is being made in the Project Cost Estimate for meeting expenditure towards community welfare of PAFs and Neighbourhood Communities under R&R head of upcoming projects.

ENVIRONMENT MANAGEMENT

Your company is highly sensitive to the cause of environment. The Tehri HPP is a successful example of mitigation of almost all possible environmental concerns based on studies carried out by expert institutions like BSI, ZSI, NEERI etc. The Company has also incorporated the recommendations of Hanumantha Rao Committee constituted by GOI after the decision of Hon'ble Supreme Court.

Your Company has undertaken implementation of other Hydro Power Projects in Alaknanda, Bhagirathi, Sharda

Valleys and Bhutan. Extensive studies are being done to assess the possible impact on the Environment. Based on study commensurate mitigation measures shall be taken.

The Company is committed to set highest technological standards for its hydro projects in the field of environment. Apart from fulfilling mandatory requirement of preparing EIA/EMP report, additional studies as per state of the art developments are being taken up. For Vishnugad Pipalkoti HEP, following studies are being carried out:

- Fish study and assessment of Downstream River Flow.
- Terrestrial Biodiversity Study.
- Holistic Environmental Assessment & Management Reports.
- Social Assessment Study.
- Study of KNWLS as an addendum of comprehensive EIA/EMP of VPHEP.

Third Party Monitoring for Catchment Area Treatment(CAT) and Environment Management Plan of VPHEP is also envisaged

In view of considerable adverse experience of turbine erosion in Himalayan Hydropower Projects, detailed study to determine optimal measures for dealing with sediment is being carried out.

The Company has formulated a scheme to set up a Mini Power House at the toe of VPHEP through which mandatory minimum discharge will be passed.

The Company is also exploring possibilities for harnessing Clean Development Mechanism (CDM) benefits for its Hydro Projects.

The Company has initiated steps to obtain ISO 14001-2004 Certification (Environment Management System) for Tehri HPP, Tehri PSP and VPHEP.

VIGILANCE

During the period, the thrust of the Vigilance Department was on improving Vigilance administration by leveraging technology and increasing transparency through effective use of Website. Preventive vigilance was given the utmost



Plantation Programme organised by THDCIL in a village of Tehri District

priority by implementing the process of e-tendering. Procurement of supply items is being done 100% on e-procurement basis at Rishikesh, Tehri and Koteshwar. Efforts were made to put in place the system of e-payment.

The activities of Vigilance Department were reviewed regularly by the Chief Vigilance Officer and from time to time by the CMD. The time schedule laid down by the Central Vigilance Commission for conducting enquires and investigations was by and large adhered to. In order to further strengthen the Vigilance functions, regular and surprise inspections were also carried out by the Vigilance Department. Reports on paras of Intensive Examination of various works by the Chief Technical Examiner of Central Vigilance Commission was taken up on priority basis, with the result that most of the paras were settled.

Complaint handling system/policy related with complaints to Vigilance Department has been published in THDC web site. Now the complaints are also being received through e-mail. Above sensitization and publicity is yielding good results and good source information are being made available by members of Public.

Vigilance Awareness Week-2010 was conducted from 25th October to 01st November, 2010. On the occasion a Booklet "Chetna" covering aspects of anti-corruption was released. A two days training programme on vigilance matters was conducted for the benefits of middle level executives. Your Company has started toll free vigilance helpline No.18001804148 and wide publicity was given through news paper and website of your company.

During the year, system improvement was undertaken in different areas including Public Procurement, CSR, Personnel Matters etc. The information pertaining to CSR under THDCIL-CSR-CD Scheme-2010, CSR Hand Book, Annual Report on CSR and Budget Allocation during the year have been uploaded on the website of your company



THDC Institute of Hydro Power Engineering and Technology at Bhagirathipuram, Tehri

to bring in more transparency on expenditure being incurred under Corporate Social Responsibility.

Minor Penalty Proceedings were initiated against 7 nos. executives of the Corporation and penalties have been awarded. Agreed list was reviewed and updated in consultation with the Superintendent of Police, Central Bureau of Investigation, Dehradun.

The Vigilance Department was able to make a savings of ₹ 1.48 Cr. on various works during financial year 2010-2011. A recovery of ₹ 9.06 Cr. from a contractor has been proposed.

CORPORATE COMMUNICATION

Corporate Communication Department is fully committed to disseminate Corporate Policies and Programmes to its Stakeholders, i.e. Internal as well as External. Your organization participated in IITF-2010 at Pragati Maidan, New Delhi during the period 14th to 27th Nov. 2010. The achievements of the Corporation by placing replica of Tehri HEP, Koteshwar HEP, Rural and Urban Rehabilitation sites have been displayed in the exhibition. The display was widely appreciated by all including the top officials of the Ministry of Power and other power constituents.

A House Journal, Gangavatanam is being published on a quarterly basis. It contains various events that take place at different Units/ Projects including the Corporate Office. It has become an effective tool to disseminate company information to its employees.



A group photo of Sweaters Distribution Programme by Ladies Club of THDC at E.M.B. Shcool, Rishikesh

The Corporate Communication of your company has been very effective in dealing with Media. Your Company has reported effectively the efforts made in controlling the flood situation at Tehri/Kotehswar projects due to unprecedented rain fall in September, 2010. The all India coverage in electronic and print media had reduced the misconceptions amongst the general public regarding the safety of Dam.

CORPORATE SOCIAL RESPONSIBILITY(CSR)

Your company is committed to implement Corporate Social Responsibility (CSR) in an economically, socially and environmentally sustainable manner, while recognizing the interests of its stakeholders. This commitment is beyond statutory requirements. Corporate Social Responsibility is, therefore, closely linked with the practice of Sustainable Development.

Corporate Social Responsibility extends beyond philanthropic activities and reaches out to the integration of social and business goals. These activities need to be seen as those which would, in the long term, help secure a sustainable competitive advantage.

Your Company has earmarked 2% of Net Profit Before Tax of subject to minimum of ₹ 3.00 Cr., The Amount is allocated and transferred every year to Non-Lapsable CSR Fund for implementation of THDC CSR-CD Scheme. The Schemes of CSR are implemented through company sponsored NGO (CONGOs) such as "SEWA-THDC" and THDC Education Management Board (THDC-EMB). The

CSR budget is being utilised as per the approved THDC CSR-CD Scheme at Operational Business Locations and related Geographical Areas.

Your Company's Annual CSR Plans primarily focused on Educational Development, Environment Enhancement, Health & Veterinary Care, Income Generation & Women Empowerment, Infrastructure Development and Agriculture besides other various Welfare Activities etc.

A Detailed Report on CSR Activities is enclosed as **Annexure-I**.

CORPORATE GOVERNANCE

The Company's Governance Philosophy

Your Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices characteristic of Public Sector. Corporate Governance generally refers to the practices by which organization are directed, controlled and held to account. It includes the relationships among many players involved (the stakeholders) in the context of the goals of the company.

The principal players are the Shareholders, Management and the Board of Directors, Employees, Suppliers, Customers, Banks and other lenders, Regulators, the Environment and the Community at large. The Corporate Governance encompasses Values, Ethical Business Conduct and Transparency.

This is achieved through a mechanism of checks and balances to ensure that the decision-making powers vested in the Executives are used with care and responsibility to meet shareholders' aspirations and social expectations.

A transparent document on Delegation of Powers has been issued and updated from time to time with a view to empower executives at various levels of hierarchy and to enable them quickly take decisions in the decentralized multi project context. Also, policy for procurement of Works and Supplies has been reframed incorporating latest developments, Govt. Guidelines etc. to have transparency, fairness, competition, economy, and accountability in the procurement process. In line with the same, procedural guidelines for effective management of Works Contract shall be finalized.

Though your Company is not listed and Clause 49 of the listing agreement is not applicable, the Company has endeavored to adopt practices of Good Corporate Governance as required under Companies Act/DPE Guidelines.

The Corporate Governance Philosophy of your company has been further strengthened with the appointment of three Non-official Part-time Directors and adoption of Business Code of Conduct & Ethics for Board Members and Senior Management. DPE has issued the Guidelines on Good Corporate Governance in March, 2011 for all Government Companies and these Guidelines are mandatory.

As per the new policy, sustainability of business is a key ingredient of the Corporate Governance. In furtherance of the same, your Board has re-constituted the Remuneration Committee and approved Risk Management Manual. Also Annual Sustainability Report as per Global Reporting Initiatives is being published.

Whistle Blower Policy

The Board of Directors in the 154th Meeting held on 25.04.2010 has approved the Whistle Blower Policy of THDCIL. This policy is formulated to facilitate highest possible standards of ethical, moral and legal business conduct in the Company. It provides opportunity to employees to access the Management or in exceptional cases, the Chairman of the Audit Committee, in case they observe unethical and improper practices or any other wrongful conduct in the Company.

Risk Management

Your Company has adopted Risk Management Policy. Risk Management is a mechanism for dealing with various aspects of associated risks in managing any business activity. It is a structured approach to managing risk resulting from all kinds of threats and involves a sequence of human activities including risk identification, risk quantification, development and implementation of risk response/mitigation of risk using managerial resources.

A Detailed report on the Corporate Governance including functioning and scope of Audit Committee, Remuneration Committee and other Board level committees is annexed herewith as per Annexure –II.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Section 217(2AA) of the Companies Act, 1956, your Directors state that:

- (i) In the preparation of the Annual Accounts, all the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (ii) The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2011 and Profit and Loss Account of the Company for the year ended on that date;
- (iii) The Company has taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) These accounts have been prepared on a going concern basis.

BOARD OF DIRECTORS

During the period Shri Gurdial Singh, Chairman, CEA and Shri A.K. Bajaj, Chairman CEA ceased to be the Govt. Nominee Part-time Director of the Company . Dr. Sudhir S. Bloeria, Former Chief Secretary, J&K., Prof. (Dr.)S.C.



Holding of Trophy by GM (Personnel) among runner-up "Power Sector Volleyball Championship" winner team of THDCIL



Saxena, Director, IIT, Roorkee, Dr. K. Aprameyan, Former CMD, BEM Ltd. Bangalore ceased to be Independent Directors of the Company.

The Directors placed on record their appreciation of the valuable advise and guidance received from them during their tenure.

COST AUDITORS

M/S Chandra Wadhwa & Co., Cost Accountant, 204, Krishna House, 4805/24, Bharat Ram Road, Daryaganj, New Delhi-110002 has been approved by Government of India as a Cost Auditor to conduct the Audit of Cost Accounting Records of Power Stations for the Financial Year 2010-2011 under Section 233-B of the Companies Act, 1956.

STATUTORY AUDITORS

Your company being a Government Company, the Appointment of Statutory Auditors is made by Comptroller and Auditor General of India under section 619(2) of the Companies Act 1956, M/S HDSG & Associates, Chartered Accountants, K-61, Basement, Jangpura Extension, New Delhi-110 014 were appointed accordingly as Statutory Auditor of the company by C&AG vide their letter no. ca.v/coy/central government, tehri h(i)/535 dated 22/07/2010

As required under Section 224(8) (aa) of the Companies Act 1956, a proposal for fixation of the remuneration payable to the Statutory Auditor is being placed at the ensuing Annual General Meeting for consideration.

The report of the Statutory Auditor is enclosed

Management Comments on the Statutory Auditor's Report.

The Statutory Auditors of the company have given an unqualified report on Accounts of the company for the financial year 2010-11.

Review of Accounts by Comptroller & Auditor General of India. Comments of the C & AG.

The Comments of Comptroller & Auditor General of India as supplement to the Auditors' Report under Section 619(4) of the Companies Act, 1956 on the Accounts of the Company for the year ended March 31, 2011 are enclosed.

PARTICULARS OF EMPLOYEES UNDER SECTION 217(2A) OF COMPANIES ACT, 1956.

The particulars of employees under Section 217 (2A) the Companies Act, 1956 read with the Companies (Particular of Employees) Rules 1975, for the year ended 31st March 2011 as amended upto date, drawing emolument more than the specified remuneration is enclosed. (Annexure-III).

ACKNOWLEDGEMENT

The Board of Directors acknowledge with deep appreciation the co-operation received from the various Ministries/Departments of the Govt. of India particularly the Ministry of Power; Ministry of Water Resources; Planning Commission; Ministry of Finance; Ministry of Environment & Forests; Department of Public Enterprises; Central Water Commission; Central Electricity Authority; Department of Corporate Affairs; Ministry of External Affairs; Royal Govt. of Bhutan . The Board of Directors also acknowledge the support and co-operation received from Government of UP and Government of Uttarakhand and their various Departments, notably the Director, Rehabilitation of the Tehri Project. The Board also acknowledges the support received from Govt. of Maharashtra and Nuclear Power Corporation of India Ltd.

The Directors take this opportunity to thank the Statutory Auditors, and the officers of C&AG of India for their valued co-operation during the year.

Your Directors further wish to place on record their sincere thanks to the various National/International Financial Institutions/Banks for the continued trust and confidence reposed by them by rendering timely assistance and patronage for successful implementation of various projects by the company.

The Directors place on record, their appreciation of the untiring efforts and contribution made by the employees at all levels in achieving growth and excellence by the Company.

For and on behalf of Board of Directors.

(R.S.T. Sai)

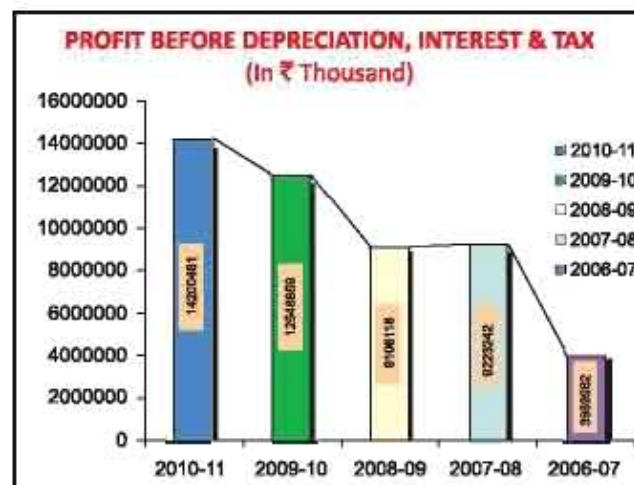
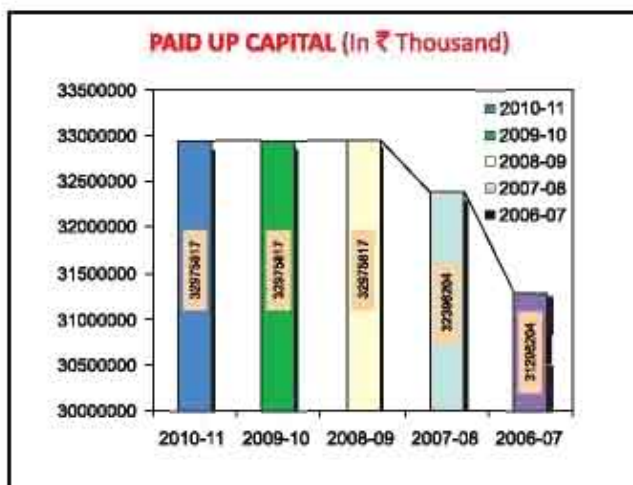
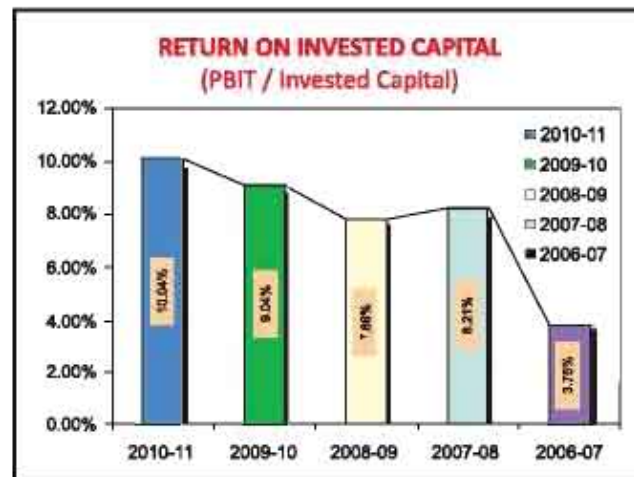
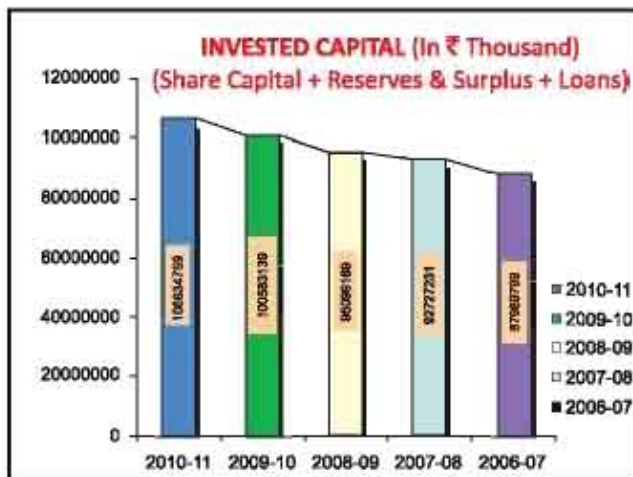
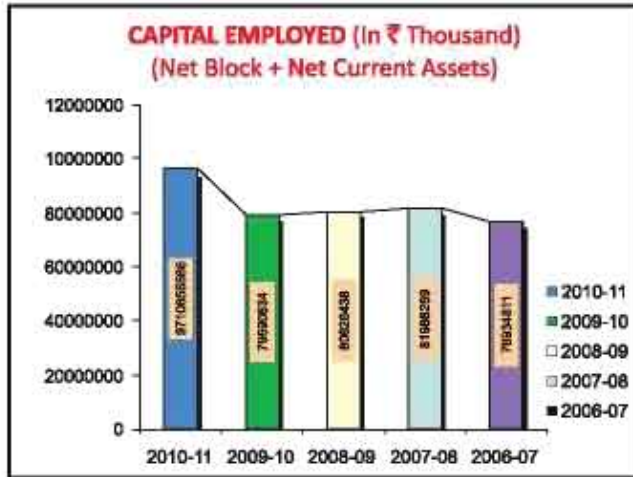
Chairman & Managing Director

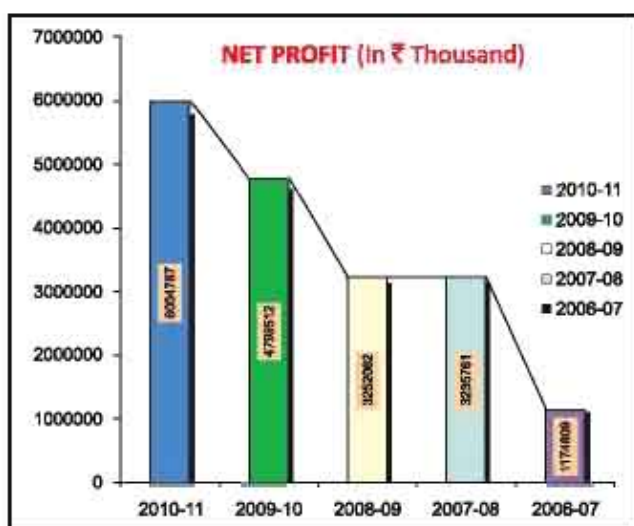
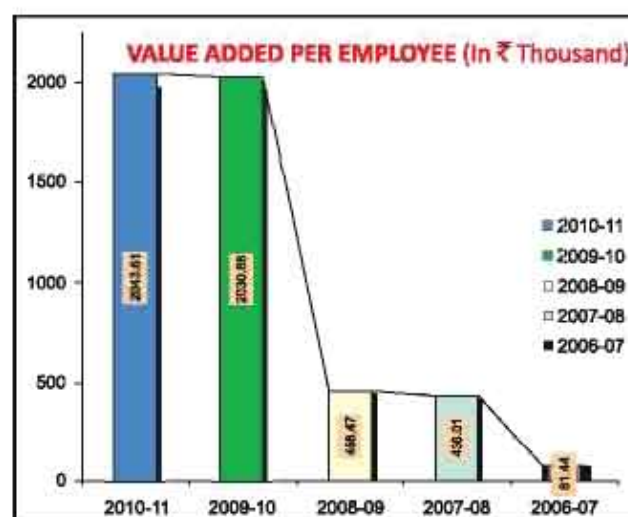
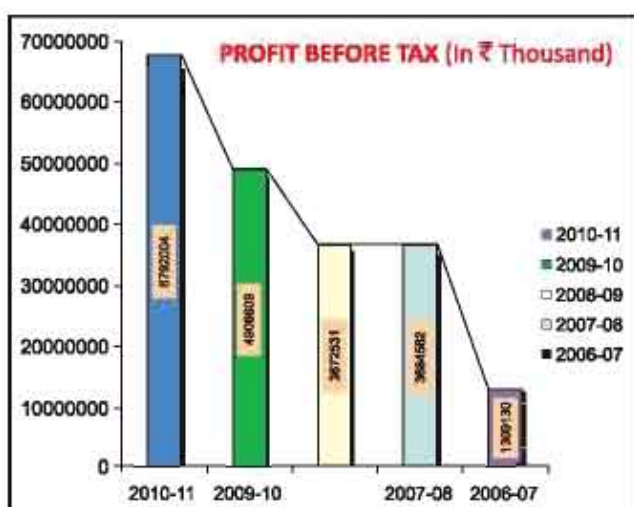
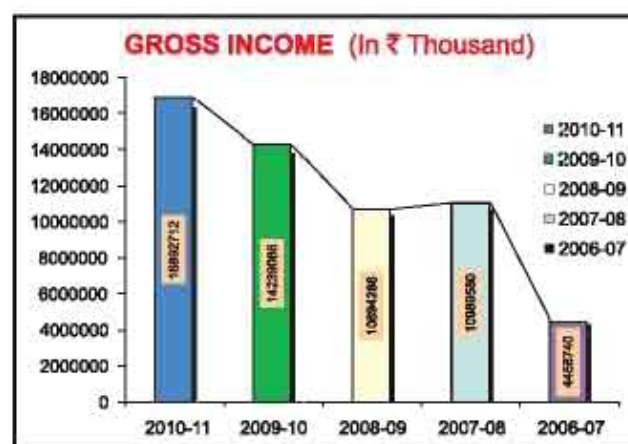
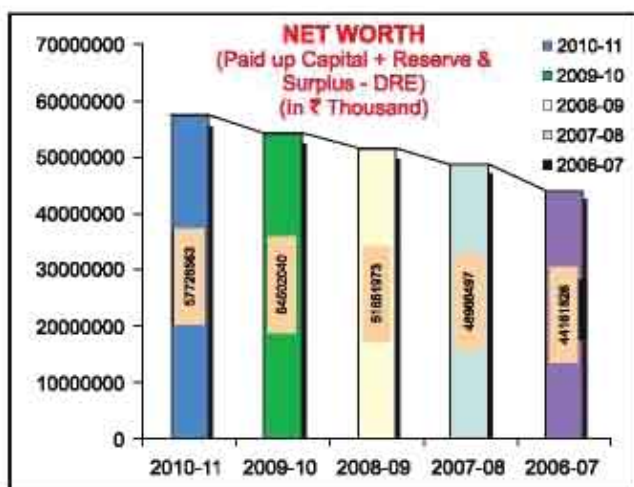
Date : 26.09.2011

Place : RISHIKESH



FINANCIAL HIGHLIGHTS





CORPORATE SOCIAL RESPONSIBILITY

ANNEXURE-I

Commitment to Sustainable Livelihood and Resource Management for Socio-economic Transformation of Society

Your Company is committed to operate in an Economically, Socially and Environmentally Sustainable manner, while recognizing the interests of its Stakeholders. Its vision statement includes "Commitment to Environment, Ecology and Social Values" with a human face. Along with effective implementation of Policy of Rehabilitation and Resettlement for Project Affected Persons (PAPs) the Company has gone beyond to provide assistance to needy and down trodden people in the Operational Business Areas.

Corporate Social Responsibility extends beyond Philanthropic Activities and reaches out to the integration of Social and Business Goals. These activities need to be seen as those which would, in the long term, help and secure a sustainable competitive advantage. Department of Public Enterprises, Government India has made CSR mandatory for the Central Public Sector Enterprises (CPSE's), and issued CSR Guidelines in March, 2010. The Guidelines also indicates minimum Budget Allocation for CSR Initiatives to be transferred to Non-Lapsable CSR Fund every Financial Year. The emphasis is on Triple Bottom Line Approach (**People, Planet & Profit**) in terms of Economic, Social and Environmental Impacts

Scope of CSR

Economic Growth is possible only through consumption of resources available in the nature. The harnessing of



Installation of Hand Pumps at remote villages of Tehri District



Education Kits provided to Trainees of Women Empowerment Centre, Rishikesh by Mrs. Sai along with other members of Ladies Club

Natural Resources has a direct impact on the Economy, the Environment and Society at large. CSR is a concept whereby organizations serve the interests of society by taking responsibility for the impact of their activities on all the Stakeholders i.e. Customers, Employees, Shareholders, Communities and the Environment in all aspects for their operations.

CSR and Business Ecology

- Investment in CSR is undertaken to sustain business ecology rather than as charity.
- CSR activities should generate community goodwill, create social impact and visibility.
- CSR activities should also involve the suppliers in order to ensure that the supply chain also follows the CSR principles.
- CSR activities should help in building a positive image of the company in the public perception.
- CSR activities may be related to United Nations Global Compact Program on Environment.
- CSR projects may be closely linked with the principles of Sustainable Development, based on the immediate and Long-Term Social and Environmental Consequences of their activities.

Planning CSR Initiatives

The planning for CSR initiatives starts with the identification of the activities/projects to be undertaken in the periphery where a company carries out its



Free bus facility extended to remote area villages at MJJT Project, Joshimath by SEWA-THDC

commercial activities as far as possible and extended to Operational Business Areas. Company specific CSR strategies is developed, that mandates the design of Corporate Social Responsibility Action Plan (LONG-TERM, Medium-Term and Short-Term). It has shifted from a random approach to Project Based Accountability approach.

Our CSR Plans clearly specify

- Baseline Survey/Need Assessment Survey before starting CSR Activities;
- Prioritization of Activities for Implementation based on Need Assessment;
- Non Lapsable Budget allocation;
- Time framework for Implementation;
- Clear cut Responsibilities and authorities defined;
- Monitoring and Evaluation of CSR Projects being implemented
- Outcome and Impact Assessment.

Thrust Areas for Corporate Social Responsibility in THDC

The main Thrust Areas of THDC CSR Initiatives are as under :

- Educational Development;
- Environment Management;
- Health & Veterinary care;
- Income Generation & Women Empowerment;
- Infrastructure Development;
- Welfare Activities , etc.

Institutional and Financial Mechanism for conducting CSR Activities

Your Company has earmarked 2% of Net Profit before Tax, subject to minimum of ₹3.00 Crore. The Budget shall be

allocated and transferred every year to Non-Lapsable CSR Fund for implementation of THDC CSR-CD Scheme. Your Company implements CSR Scheme mainly through company sponsored NGO (CONGOs) such as "SEWA-THDC" and THDC Education Management Board (THDC-EMB). The CSR budget is being utilised as per the approved THDC CSR-CD Schemes at Operational Business Locations and Broad Geographical Areas.

Expenditure on CSR Activities

Total expenditure on CSR activities was ₹ 976.86 lac, during the Financial Year 2010-11 as detailed below :

Details of CSR Expenditure for the F.Y. 2010-11

S. No.	Head	No of proposals approved	Total Exp. in F.Y 2010-11 (Amt. in ₹ Lac)
1	Educational Development	49	95.57
2	Environment Initiatives	18	17.78
3	Health & Veterinary Programs	20	35.51
4	Income Generation	6	20.72
5	Women Empowerment Schemes	23	49.37
6	Community Development & Livelihood Programs.	33	118.97
7	Infrastructure Development	41	196.31
8	Welfare Activities for old aged & disabled	10	29.43
9	Miscellaneous	46	71.19
	Sub Total	246	634.85
	THDC Education Management Board (EMB)-Two Schools		342.01
	Total CSR Expenditure		976.86

CONTRIBUTION TO THE SOCIETY THROUGH VARIOUS CSR ACTIVITIES DURING THE YEAR 2010-11

Some of the major CSR Initiatives undertaken by THDC, during the Year 2010-11 have been summarised as under :

A. EDUCATIONAL DEVELOPMENT :

a. Computer Training for Minorities and Weaker Section

- A 6-months Computer Training Program for 160 adult unemployed, educated youth of minorities and other weaker section's was organized at Jais, District Rae Bareli (UP).

➤ **Computer Training for BPL Families :**

- One Year Computer Training Program was organized for 25 BPL candidates of Chaka village, District Tehri during the year.
 - 6 Months Computer Training Program has been organised for 100 BPL and weaker section Women & Girls in Okhalakhal ,Tehri Distt during the year.
- **Computer Training for Disabled People :**
- Six months Computer Training Program for the welfare of 20 poor Disabled /Handicapped Students was organized at Tehri. This Program included Tally Accounting,MS Word, Power Point, MS Excel, Corel Draw, Page maker, etc. so that they could become self-employed.

b. Hotel Management Diploma Program for BPL Students

One year Diploma Program organised for 20 students from BPL Families belonging to Tehri Dam Affected Areas through KIHM Academy running under Kukreja Institute of Hotel Management, Dehradun. They will be provided job opportunities by the Institute after successful completion of the Diploma Program.

The main objectives of this project was to upgrade skills, and to enable the attendees to start Income Generation Activities on their own or get gainful Employment.

c. Computer Hardware and Software Program

- Computer Hardware and Software Training Program has been organised in the Project-Affected Area of Dharmandal, Jakni Dhar Block, Tehri.



Tri-cycle provided to physically challenged persons by SEWA-THDC



Distribution of Study Material to Govt. School Children, Rishikesh by SEWA-THDC

d. Program for Improving English Language amongst rural students

Six months English Speaking program was organized for the development of communication skills of 100 poor students in Jais Raebareli during the year.

- To improve English Language amongst the Rural Students of Hilly Region of Garhwal Distt, where our Projects are located, English Relay Program has been started with the help of IL&FS Education & Technology Services Ltd., New Delhi. Nearly, 2000 students have been benefitted in Primary Schools run by Government and Private Institutions in Thouldar and Jhaknidhar Blocks of Tehri Garhwal District. Cost of the Program was ₹10 lac.

e. Promotion of Girl Children of Remote Village Areas

- THDC has adopted few Girls Students belonging to BPL Families from Remote Village Areas, for providing them Quality Education up to class 12th at Him Jyoti School, Dehradun.

B. ENVIRONMENTAL INITIATIVES

a. Plantation Program

- Tree Plantation Program has been organized during the year through Nager Palika at New Tehri Town. Many saplings were planted on barren lands of the City.
- Around 2500 Nos. Plants of different kinds were distributed to local public for plantation in Bhaniawala Area, near Jolly Grant Airport, District-Dehradun and at Rishikesh.
- Total 3500 Plants have been distributed in various villages of Raika Patti Pratapnagar, around the Tehri Project Area.



- Herbal and Medicinal Plantation Program was undertaken at Rishikesh during the year.

b. Environment Awareness Program

- A Session was organized on Social & Environment awareness in June, 2010.
- 1000 Rain Coats were distributed to pilgrims visiting Badrinath & Hemkund to replace use of Polythene as a measure to protect the Environment.
- For the protection of plants from Straw Animals, Tree Guards were distributed in Tehri and VPHEP Project Areas during the year.

C. CONSERVATION OF WATER

- For Conservation & Management of Water SEWA-THDC has taken several Initiatives. Digging of water pits (Tal-Talaiyan), Program was undertaken in remote villages of Tehri Project. In hills, rural women bear the burden of bringing water and fire wood from far off places. 200 Rain Water Harvesting Tanks have been provided to conserve rain water for use according to their needs.

SEWA-THDC has taken initiatives for Dry Stream Treatment (Gadhera) and Vegetation Regeneration Program in the remote villages of Tehri Garhwal, with the guidance of renowned conservationist Shri Sachidanad Bharti, and few experts from Delhi University.

D. HEALTH CARE INITIATIVES

a. Establishment of Homeopathic Dispensaries

- Homeopathic Dispensaries have been established at 02 remote locations of Pratapnagar Block of Tehri



Free Medical Camp organised by SEWA-THDC, at Pratap Nagar Block, Tehri, Garhwal

District to provide Health and Hygiene specially amongst woman and children of the area through Swami Narayan Mission, Rishikesh. Neary 6000 rural people benefitted during the year.

- Free Homeopathic Medicines have been distributed to the needy patients from remote areas of Hills around Tehri Distt., through Swamy Narayan Mission, Rishikesh. Neary 5000 people benefitted during the year.

b. Medical Camps and Facilities

- Eye Check-up Camp was organized at Madan Negi, Distt Tehri, through Nirmal Ashram Eye Institute, Rishikesh for the people residing in the remote area of Pratapnagar Block, Tehri. Nearly 150 people were benefitted through this program.
- A Medical Camp was organized with Gokul Society (NGO) for the Handicapped, at Bhaniawala, Dehradun in September 2010. Leading Doctors from Fortis Hospital, Delhi and Indian Medical Association, Dehradun were in the team for this Program. Aids like Walking Sticks, Crutches, and Hearing Aids were provided to the disabled persons. Nearly 1000 Physically Challenged People benefitted during the year.
- Free Medical Camp has been organised at Govt. Inter College Badkot (Jakhnidhar, Distt. Tehri Garhwal) associated with Meto Heart Institute on 25.11.2010. During the Camp various Medical Specialists examined the patients offering free Medicines, Pathology Test, ECG etc. Another Free medical health check-up Camp has been organized at Bhagirahipuram in November, 2010. Around 135 peoples were benefitted.
- Free Cancer Detection Camp was organized at Bhagirathipuram Hospital, Tehri in December, 2010. Around 113 patients were benefitted.
- Free Medical Camp was organized at Dun Public School, Bhaniyawala in December, 2010 with the help of Gokul Kendra Dehradun. In this camp, Eye, ENT, Orthopaedic and Neuro Specialists of Fortis Hospital NOIDA examined the patients. During the Program, four handicapped patients have been provided artificial limbs.
- A facility of Qualified Doctor was provided for free Medical Health Checkup and Medicines at the door step of villagers of remote areas at Tehri Project.

About 3600 people belonging to Project Affected People got benefitted during the year.

c. Provision for Supporting Medical Staff to Govt. Hospital

- One Doctor, One Staff Nurse and One Lab Technician were posted at Additional Primary Health Center Madan Negi, Tehri for improving the health facilities of the people Pratapnager Block, Tehri Garhwal. 5 Remote Villages of Tehri Reservoir Area Rim Area have become the direct beneficiaries under this Program.

d. Medical Awareness Program

- Awareness Program on World AIDS Day was organized by SEWA-THDC at Sri Poornanand Inter College, Rishikesh on 01.12.2010 to make them aware about the deadly disease. Around 446 Students and School Teachers attended the Program.

E. VETERINARY SERVICES

- During the year free Veterinary Camps were organized in Tehri Project Area. Free Medical Check-Ups done by Veterinary Doctor and Free Medicines were distributed to the owners of the Domestic Animals. About 1700 Animals were examined and treated in these camps.

F. PROMOTION OF AGRICULTURE

a. Program on Commercial Crops

- A Mushroom Cultivation Program on Sustainable Basis has been started as a Pilot Project for villagers at Chamba, Tehri Garhwal during the year. After



Plantation of Saplings by women of hill areas organized jointly by SEWA-THDC & HNB University, Garhwal

successful result, the Program shall be extended to other Remote Village Areas of Tehri Project.

- To improve Agriculture Produce, Quality Seeds have been distributed amongst the farmers of Villages Tipri and Chapradhar, Distt Tehri Garhwal. Formers of that area got benefitted and the quality of their crops improved during the year. This Program shall continue in the next year also.

b. Agriculture Awareness Program and Krishak Gosthi

- Four Days Agriculture Awareness Program and Exposure Visit was organized at Vivekananda Institute of Hill Agriculture (VPKAS), Almora, in September, 2010 for 15 Progressive Farmers from Pratapnager Block, District Tehri. The Program focused on assessment of possibilities and adoption of modern technology in food crops, off-season vegetables, white grubs management, water harvesting techniques developed by the Institute etc. It also included an exposure visit to Bhagartola Model Village, where these techniques was demonstrated at community level.
- Regular "Krishak Gosthi" have been organized for providing latest information regarding diversified farming in remote villages of Tehri Garhwal during the year.

c. Free Distribution of Agriculture Seeds

- To promote vegetable farming "High yield Variety of Seeds" have been provided to the farmers belonging to remote villages in the State of Uttarakhand and UP. This has enhanced their income from cash crops.



Plantation of Saplings at Rishikesh on the occasion of World Environment Day



d. Organic Farming

- To promote Organic Farming, 63 Vermi Compost Plts have been constructed in 5 villages in Uttarakhand

G. INITIATIVES ON WOMEN EMPOWERMENT

- Sewing Machines have been distributed among 25 BPL unemployed rural women belonging to Tehri Project Area in April, 2010. This has resulted into self employment amongst rural women and increased their income.
- Six months Cutting, Tailoring & Knitting Training Program have been organised at Distt. Ambedkar Nagar, Jais, Raebareli, Barabanki, Sultanpur, Lucknow in Uttar Pradesh during the year. Total 600 families belonging to BPL and Minorities and other weaker sections got benefitted. This has resulted into enhancement of self confidence amongst Women belonging the depressed class. This Program aims to upgrade their skills to enable them generate income through gainful employment.
- Special Medical Check up Camps and Counselling Program for women were also organized in the centres for these women.
- Six month Training Program in Cutting & Tailoring/Knitting were organized for unemployed women belonging to poor, minorities and other weaker section at remote villages of Tehri. Total 300 families were got benefitted through this training and increased their income. Similar Program were also organized in Rishikesh and nearby areas in Dehradun Distt.



SEWA-THDC Women Empowerment Centre at Jais, (U.P.)

H. DEVELOPMENT OF INFRASTRUCTURE IN THE REMOTE VILLAGES

Some of the Infrastructure Development Works undertaken during the year are as under :

a. Construction of Boys Hostel

- Construction of Boys Hostel at ITI Chamba with an estimated cost of ₹ 75.00 Lakh through UPRNN New Tehri.
- Construction of SC / ST Hostel at New Tehri Town with an estimated cost of ₹ 150.00 Lakh through UPRNN New Tehri as a welfare measure for SC/ST Students of remote area villages at Tehri.

b. Paye Jal Yojna (Drinking Water Scheme)

- Construction of Paye Jal Yojna at Village Pathlyana, Pratapnagar Block District Tehri, through CDO, Tehri Garhwal to extend Drinking Water Facility in the Area.
- To solve the water scarcity 28 Nos. handpumps were provided in 7 remote villages of Tehri Project.

c. Retaining Wall and Pathways

- Retaining Wall around Shiv Mandir and Pathway in Haat village at VPHEP Project District Chamoli was constructed to meet the demand of local people.
- Total 60 Nos. of pathways were constructed during the year in 30 remote villages belonging Tehri and VPHEP project areas.

d. Footpath

- 210 meter long footpath constructed to remove the hardship of Villagers at Helong in District Chamoli, Uttarakhand.

e. Community Centre

- A Community Centre was constructed at Zero Bridge, Samshan Ghat at Jakhnidhar Block through BDO, Tehri.
- Constructed 13 Nos. Community Halls in villages of Tehri Project.

f. Additional classrooms in Government schools

During the year additional classrooms were constructed in 32 Govt. Schools located in 18 remote villages of Tehri District.

I. OTHER WELFARE ACTIVITIES

a. Hospital Infrastructure

- Provided 100 patient beds to Jyoti Peethad-haeswar Jagat Guru Sankracharaya Swami Madhavashram Charitable Trust Hospital at Rudraprayag near VPHEP Project.
- Constructed 3 Nos. delivery rooms in public health centres (PHC) located in remote village areas of Tehri District.

b. Natural Disaster Relief Work

- As a relief measure against natural calamity, assistance in kind of food, blankets and tent etc. provided to flood-affected areas of Tehri Garhwal in the months of September, 2010 with an estimated cost of ₹15.00 lakh. Total 24 Villages were got benefited.



Flood Relief Initiatives at remote hill areas of Tehri Distt.

c. For Solving Water Scarcity

- For solving water scarcity in New Tehri Town Water Tanker was provided during summers.
- To solve the water scarcity in 10 Remote villages belonging to Tehri project 16 Schemes of water supply were implemented during the year

d. For Promotion of Sports Activities

- To promote sports activities in remote villages of Project Areas, Cricket and other Sports kits have been distributed during the year.

e. Community Needs and Services Provided

- Tents, Chairs, Utensils etc. were distributed to 100 Villages of Gram Panchayats of Tehri and Koteshwar



Distribution of uniform to school children by SEWA-THDC

Project Areas. These items would be made available to villagers for their Marriage and other community functions at nominal hire charges by Gram Panchayats. This has increased the income of Gram Panchayats to run other community based activities and villagers got the facility at a very nominal cost.

- School Dresses and Track Suits, Table, Chairs etc. were distributed in Govt. Schools and Colleges in Tehri Distt., as welfare measures.
- Free Bus Services have been provided to the remote villages of Districts Chamoli and Tehri Garhwal.
- Bus Shelters were constructed to facilitate the local villagers, at various places in remote villages in Tehri Distt.
- Quilts, Blanket & Domestic Articles etc. were distributed to "Kushtha Colonies" in Rishikesh as a welfare measure.
- Three Number of Public Toilets were constructed on the demand of villagers in Tehri District

f. Training for Youth

- One month Stewardship Course and one month Industrial Training course has been organized for 15 unemployed youths belonging the Tehri Project Area with a view to upgrade their skills and enable them to start income generation on their own and to get gainful employment.
- Financial assistance provided to establish Entrepreneurship Development Unit by Krishi Vigyan Kendra, Dhakrani. About 176 students of BPL Families have got benefited.



g. SEWA –THDC Wing at Roorkee School of Deaf and Dump

- A building was constructed at Roorkee School of the Deaf & Dump at a Cost of ₹ 40 lac for the Physical Challenged Children belonging to BPL families. The School is managed by IIT Roorkee for Physically Challenged Children of nearby areas. The Building is nearing completion. Other welfare activity for their mothers is proposed to be started in the next year.

J. LONG TERM SUSTAINABLE CSR PROGRAMS

THDC is working on the Long Term Concept of Holistic Development in the Rural Areas of Tehri Region - **"For the People By the People"**. Some of the Programs are as under:

a. Holistic Development Program for the 30 villages of Rim Area of Tehri Reservoir conducted by HNB Garhwal University.

- For Sustainable Livelihood of villages along the Rim Area of Tehri Reservoir, a Holistic Program on, **"Natural Resource Management and Livelihood Promotion Program for the Rim Area 30 Villages of Pratapnagar & Jhkhaniidhar Block in Distt. Tehri Garhwal"** is in progress since last 02 years, through Department of Geography, HNB University, Srinagar, Pauri Garhwal.

Initially the Program was started for 20 remote villages of Tehri Reservoir Rim Area in the year 2009-10. This year 10 more villages added keeping in view the good response. Now Total 30 villages are being covered for various Socio-Economic Activities. The program mainly focused on reducing drudgery and stress among



CSR Meet-2011 organised by SEWA-THDC



Awareness Programme on "World AIDS Day" organized in a School at Rishikesh

women through Regeneration and Management of Natural Resources. This will also help to organize Capacity Building Programs for the community and village level organization and empowering them. Local people have been involved in conducting various livelihood Programs on the theme of **"For the People by the People"** concept.

b. Development of Research Centre at DEEN GAON at Tehri

- A Program on Ecological Restoration and Socio-Economic Empowerment of Rural Community for Sustainable Livelihood and Resource Management in Uprli Ramoli of Pratap Nagar Block in Uttarakhand has been started through Department of Geography, Kirori Mal College, University of Delhi.

The Program started in January, 2011. This Centre will work as Nodal Centre for Pratap Nagar Block. In the initial stage it will cover 8 remote villages of the area and will be extended to cover 20 surrounding villages.

The Centre would carry out activities of Ecological and Socio-economic Empowerment. The Research and Development Centre will coordinate all Developmental Activities undertaken by SEWA-THDC in Pratap Nagar Block. The Centre will also carry out Awareness Camps, Training Programs, Awarding Progressive Farmers etc from time to time. The Infrastructure created would help/ strengthen the local communities/Panchyati Raj Institution through E-Governance Program. The First Phase of the Program is for 5 years.



REPORT ON CORPORATE GOVERNANCE

ANNEXURE-II

Your Directors are pleased to present the Company's Report on Corporate Governance. Your Company is a Joint Venture of Government of India and Government of Uttar Pradesh. It is a Mini Ratna Company with Schedule-A status. The Company is not a listed company and Clause-49 on Corporate Governance is not applicable. However, Guidelines on Corporate Governance issued by Department of Public Enterprises are applicable to Your Company. The Company has strived and aspired to adopt good practices of Corporate Governance required under Companies Act, 1956 and DPE Guidelines.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Your Company adheres to good Corporate Governance practices by ensuring Transparency, Empowerment and decentralized Delegation of Powers to its officers coupled with accountability and responsibility. Your Company is committed to accord fair treatment to its Shareholders and other Stakeholders.

The Corporate Governance mechanism in your Company is based on following parameters.

1.1 Transparency and fairness

Your company believes in Transparency and Fairness as necessary condition for ensuring success. The Board of Directors have formulated and adopted a comprehensive policy on Corporate Governance in line with DPE Guidelines.

1.2 Compliances

The Company is taking adequate steps to ensure compliance with Guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India including mandatory and Non-Mandatory Clauses

1.3 Interest of Stakeholders

All actions and decisions in the company are taken after considering the interest of Stakeholders including Customers, Shareholders, Employees, Lenders, Vendors and Society as a whole.

1.4 Obligations towards Environment

The company has strong commitment towards Environment Protection and has taken various measures in this direction

2. BOARD OF DIRECTORS

2.1 Size of the Board

Your Company is a Government Company within the meaning of Section 617 of Companies Act, 1956 with Equity Share Holding of 75% by President of India and 25% by Governor of Uttar Pradesh. The business of the company is superintended by the Board of Directors. As per the Articles of Association of the Company, the President of India shall from time to time determine the number of Directors of the Company, which shall not be less than seven and not more than fifteen. Out of this, not less than two shall be nominated by Governor of UP being the 25% Equity Holder.

2.2 Composition of the Board

As on 31st March, 2011, the Board of Directors of the Company comprises of twelve Directors, out of which four Directors are full time Functional Directors, five Directors are the nominees of Government and three Directors are Independent Directors. The Directors bring to the Board wide range of experience and skills. Brief profile of the Directors is set out in the Annual Report.

2.3 Age Limit and Tenure of Directors

The age limit of Chairman & Managing Director and Whole Time Directors is 60 years. The Chairman & Managing Director and other Whole Time Directors are appointed for a period of five years from the date of assumption of the charge till the date of superannuation or until further orders from the Government of India, whichever event occurs the earliest.

Part-time Govt. Nominee Directors are serving in ex-officio capacity as representative of the Ministry/ Administrative Department of Govt. of India/ Govt. of Uttar Pradesh and retire on his ceasing to be an official of that Ministry/Administrative Department. Independent Directors are appointed by Government of India usually for a tenure of three years.

2.4 Board Meetings and Attendance

The Board meetings are convened by giving appropriate advance notice after obtaining approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated well in



advance for facilitating meaningful, informed and focused decisions at the meetings.

Five Board Meetings were held during the financial year 2010-11 as under :

Sr.No.	Date of Board Meetings	Strength of Board	No. of Directors Present
1.	April 30, 2010	10	7
2.	August 12, 2010	12	8
3.	August 31, 2010	12	9
4.	November 22 , 2010	12	8
5.	March 29, 2011	12	8

Details of number of Board Meetings attended by Directors, attendance at last AGM, number of other Directorship/Committee Membership during the year 2010-11 are tabulated below :

Sr.No.	Directors	Number of Board meetings attended	Attendance at last AGM	Other Directorships held	Other Committee(s) Positions	
					Chairman	Member
FUNCTIONAL DIRECTORS						
1.	Shri. R.S.T. Sai (Chairman & Managing Director)	5	Attended	1	-	1
2.	Shri A. S. Bisht Director (Personnel)	5	Attended	Nil	-	-
3.	Shri. C. P. Singh, Director (Finance)	5	Attended	Nil	-	-
4.	Shri D.V Singh Director (Technical)	5	Attended	Nil	-	-
GOVERNMENT NOMINEE DIRECTORS						
5.	Shri A. K. Bajaj, Chairman, Central Water Commission, Govt. of India, New Delhi.	5	Attended	Nil	-	-
6.	Shri Gurdial Singh, Chairman, Central Electricity Authority, Govt. of India, New Delhi.	0	Not Attended	1	-	-
7.	Shri. Navneet Kumar Sehgal, Chairman & Managing Director, UPPCL, Lucknow.	0	Attended through Proxy	13	-	-
8.	Shri. Sudhir Kumar, Joint Secretary(H), Ministry of Power, Govt. of India, NewDelhi.	1	Attended	6	-	-
9.	Shri. Kishan Singh Atoria, Principal Secretary, Govt. of U.P. Lucknow	1	Attended through Proxy	Nil	-	-
INDEPENDENT DIRECTORS						
10.	Dr. Sudhir S Bloeria, former Chief Secretary, J&K	5	Attended	Nil	-	-
11.	Dr. K. Aprameyan, Former CMD, Bharat Earth Movers, Bangalore.	5	Attended	1	-	-
12.	Prof.(Dr.) S.C. Saxena, Director, IIT Roorkee.	5	Attended	Nil	-	-

BRIEF PROFILES OF OUR PRESENT DIRECTORS



Shri R.S.T. Sai
Chairman &
Managing Director
DIN: 00171920

Shri R.S.T. Sai, took over as the Chairman & Managing Director of THDC India Limited on 08.03.2007. An Electrical Engineering Graduate, Shri Sai is a fellow of Institution of Engineers. He obtained PGDM from IIM, Bangalore. He holds, the Degree in Law from Delhi University. Prior to this, he held the position of Director(Finance) in THDCIL from 05.05.2005 to 07.03.2007

He has 33 years of varied experience in Banking, Finance, Commercial, EPC Contracting and Project Management. Before joining THDCIL as Director(Finance), Shri Sai had worked in SBI, NTPC, POWERGRID and Delhi Metro in various capacities.



Shri A.S. Bisht
Director (Personnel)
DIN: 00184943

Shri. Ashok Singh Bisht took over as Director(Personnel) on 08.09.2004. Prior to this, he held the position of General Manager(Personnel & Administration). He joined THDCIL in 1989 and served the organization in various capacities. He has to his credit 35 years professional experience in various areas of Human Resource Management. Before joining THDCIL, Shri. Bisht served BHEL.

He inter alia contributed immensely in evolving Personnel Policies facilitating absorption of erstwhile UPID employees in THDCIL. He has contributed effectively in transforming the organisation from Construction Stage to Power Generation Stage. He has been keenly involved in developing Human Resources by enabling them sufficient Training & Learning Opportunities to strengthen them to accept current and future challenges.



Shri C.P. Singh
Director (Finance)
DIN: 01880648

Shri C.P. Singh took over as Director(Finance), in THDCIL India Limited on 18.10.2007. He is a Fellow Chartered Accountant (FCA) and a Law Graduate from Delhi University. Prior to this, Shri Singh was General Manager (Finance)/Financial Controller in the Corporation. Shri Singh has more than 28 years executive experience in the Finance & Accounts department of various Public Sector Undertakings.

Shri Singh has been associated with THDC since 1990 in various capacities and has vast experience in the field of Financial Management of large Projects. He has expertise in Fund management, besides Commercial and Legal matters. He has been dealing with various Government Organizations and Financial Institutions on important financial matters. Prior to THDCIL, he has worked in NTPC Ltd., Bharat Coaking Coal Ltd. and Directorate of Sugar, Department of Food, Govt. of India.



Shri D.V. Singh
Director (Technical)
DIN: 03107819

Shri D.V. Singh, has taken over as the Director (Technical) of THDC India Ltd on 12.05.2010. Shri. Singh, is a B.Sc. Engg. (Civil) with Honours from NIT, Rourkela, Orissa. Prior to this, he was holding the charge of Chief Project Officer of Koteswar Hydro Electric Project in THDCIL since March, 2007. Under his supervision enormous volume of Civil /Elect/ Mech works have been got executed with record progress in 3 years time in Koteswar HEP.

Shri Singh has 25 years varied experience in Civil Building Construction, Rehabilitation, Under Ground works, Power House works, Contract and Procurement. He has worked in THDCIL in various capacities since last eighteen years. He was also the Engineer-In-Charge of Tehri Power House during the commissioning of all the four units of 250 MW. Before joining the THDCIL, Shri Singh has worked in L&T.



Shri Sudhir Kumar
JS(H), MOP, GOI
Govt. Nominee Director
DIN: 02669103

Shri. Sudhir Kumar was appointed Govt. Nominee Director in THDC India Limited by Government of India w.e.f. 24.09.2009. He graduated from Delhi School of Economics, University of Delhi. He is an officer from Indian Administrative Service (1982 - Batch Bihar cadre).

As Deputy Development Commissioner, Ranchi and Deputy Commissioner, Dumka, he started 'Jal Hai Jaan Hai' scheme for the poor tribals under Million Well Programme. In November 1992, he was sent as District Magistrate, Sitamarhi in the wake of communal riots in the district.

He was conferred Public Service Excellence Award for the year 2008 by All India Management Association. He was also conferred Director's Special Award for the year 2007 for the historic turn around of Indian Railways by Indian Institute of Public Administration, New Delhi.



Sh. Navneet Kumar Sehgal
CMD, UPPCL
Govt. Nominee Director
DIN: 02508634

Shri. Navneet Kumar Sehgal was appointed Govt. Nominee Director in THDC India Limited by Government of UP w.e.f. 13.10.2009. Shri. Sehgal is a qualified Chartered Accountant and Company Secretary and is a 1988 batch IAS Officer of the UP Cadre.

Presently he holds the charge of Secretary to the Chief Minister of UP and Secretary Energy, Government of UP. In addition to this he is Chairman cum Managing Director of UP Power Corporation Ltd. and is a Director on the Board of 15 Power Sector Companies including THDCIL. Shri. Sehgal in his career has held various senior positions in the Government of UP.



Shri Kishan Singh Atoria
Principal Secretary
(Irrigation), GoUP
Govt. Nominee Director
DIN: 03272172

Shri. Kishan Singh Atoria was appointed Govt. Nominee Director in THDC India Limited by Government of UP w.e.f. 01.07.2010. He is an IAS Officer of 1984 Batch of UP Cadre.

Presently he is holding the Post of Principal Secretary (Irrigation), GOUP. Shri Atoria in his career has held various senior positions in the Government of UP like Commissioner Rural Development Department, Commissioner Food Department, M.D. (UPSRTC).





2.5 Independent Directors' Compensation & Disclosures

Your Company, being a Government Company under administrative control of Ministry of Power, Govt. of India, the appointment tenure and remuneration of Directors are decided by the President of India. Hence, the Board does not decide remuneration of Whole-time Directors. Part-time Directors nominated by Government in Ex-officio capacity are not paid any kind of remuneration. Independent Directors are paid sitting fees of ₹ 10,000/- per meeting of Board as well as Committee meetings as decided by the Board within the ceiling fixed under Govt. of India Notification - 580(E) dated 24.07.2003.

The Details of payments made towards sitting fees to Independent Directors during the year 2010-11 are given below:

Name of Independent Directors	Sitting Fees (in ₹)				
	AGM	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Total (in ₹)
Dr. Sudhir S. Bloeria	10,000	50,000	70,000	60,000	1,90,000
Dr. K. Aprameyan	10,000	50,000	70,000	60,000	1,90,000
Prof(Dr.) S.C Saxena	10,000	50,000	70,000	60,000	1,90,000

2.6 Information Placed Before The Board During 2010-11

The Board has complete access to all information within the company. Various items are placed during the year before the Board from time to time as required under the Statute and Governance Policy. The items placed for deliberation include:

- Annual Operating Plans and Budgets and any updates.
- Capital Budgets and any updates.
- Award of Major Contracts.
- Review of progress of ongoing projects including critical issues and areas needing management attention.
- Annual Accounts, Directors' Report, etc.
- Quarterly financial results for the company.
- Minutes of meetings of Audit Committee and other Committees of the Board.
- Disclosure of Interest by Directors about Directorship and Committee positions occupied by them in other companies.

- Amendment in Memorandum and Articles of the Company and other policy matters.
- Quarterly Report on foreign exchange Exposures.
- Any significant development in Human Resources/ Industrial Relations like signing of wage agreement, implementation of Voluntary Retirement Scheme, etc.
- Highlights of important events from last meeting to the current meeting.
- Joint ventures and collaboration agreements.
- Implementation and status of New Projects.
- Raising of Long/Short Term Loans and other financing issues.
- Payment if Interim and Declaration of Final Dividend.

- Fixation of remuneration of Statutory Auditors.
- Issues relating to Human resource development and Industrial Developments.
- And Material issues requiring consideration of Board etc.

3. COMMITTEES OF BOARD OF DIRECTORS

Presently, the Company has two Sub-Committees of Board as under:

- (i) Audit Committee.
- (ii) Remuneration Committee.

The Company Secretary serves as the Secretary to Sub-Committees of the Board.

3.1 Audit Committee

The Constitution, Quorum, Scope, etc. of the Audit Committee is in line with the Companies Act, 1956 and Guidelines on Corporate Governance, as issued by Department of Public Enterprises, Govt. of India. The powers and terms of reference of the audit committee are as specified in Clause 4.2 and 4.3 of the DPE Guidelines on



Corporate Governance and Section 292 A of the Companies Act, 1956.

3.1.1 Composition of Audit Committee

As per DPE Guidelines on Corporate Governance, the Audit Committee shall have minimum three Directors as members. Two-thirds of the members of audit committee shall be Independent Directors and the Chairman of Audit Committee shall be Independent Director. In line with DPE Guidelines the Audit Committee has been constituted as under :

S.No.	Name of Members	Category of Members
1.	Dr. Sudhir S. Bloeria (up to 01.05.2011)	Independent Director - Chairman
2.	Dr. K. Aprameyan (up to 01.05.2011)	Independent Director - Member
3.	Prof. (Dr.) S. C. Saxena (Up to 22.05.2011)	Independent Director - Member

All the Independent Directors ceased to be the Members of the Board as on date. The Government of India have already initiated action to fill the vacancies.

3.1.2 Terms of Reference of Audit Committee

The Terms of Reference of Audit Committee include following :

- Overseeing the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statements are True and Fair.
- Recommending to the Board, the appointment, re-appointment of the Statutory Auditors, fixation of audit fees and fees for other services.
- Reviewing, with the management, the Annual Financial Statements before submission to the Board for approval, with particular reference to:
 - (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956;
 - (b) Changes, if any, in accounting policies and practices and reasons for the same;
 - (c) Major accounting entries involving estimates based on the exercise of judgment by management.
 - (d) Significant adjustments made in the financial statements arising out of auditor's findings;

- (e) Compliance with other legal requirements relating to financial statements;
- (f) Disclosure of any related party transactions;
- (g) Audit Related Matters Such as :
 - Reviewing the adequacy of Internal Control Systems and Internal Audit Function, including the structure of the Internal Audit Department, Staffing and Seniority of the official heading the department, reporting structure coverage and frequency of Internal Audit.
 - Discussing with Internal Auditors any significant findings and follow up there on.
 - Reviewing the findings of any internal investigations by the Internal Auditors into matters where there is suspected fraud or irregularity or a failure of Internal Control systems of a material nature and reporting the matter to the Board.
 - Discussion with the Statutory Auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- (h) To look into the reasons, if any, for substantial defaults in the payments to the shareholders (in case of non-payment of declared dividend) and creditors.
- (i) Adequacy of the Enterprise Risk Management Process and adequacy and reliability of the Internal Control System.

3.1.3 Meetings and Attendance

Number of Audit Committee Meetings held during the year 2010-11 and number of members present in the meeting is detailed below :

S.No.	Date of Audit Committee Meetings	Members Strength	No. of Members Present
1.	April 31, 2010	3	3
2.	June 02 & 03, 2010	3	3
3.	August 11 & 12, 2010	3	3
4.	August 30, 2010	3	3
5.	November 21, 2010	3	3
6.	January 23, 2011	3	3
7.	March 28, 2011	3	3

The details of the meetings of Audit-Committee attended by the members for the year 2010-11 are as under :



S.No	Member of Audit Committee	No. of Meetings held during his tenure	No. of Meetings attended
1.	Dr. Sudhir S. Bloeria, Independent Director	7	7
2.	Dr. K. Aprameyan, Independent Director	7	7
3.	Prof.(Dr.) S. C. Saxena, Independent Director	7	7

The Director(Finance) and Chief Audit Officer invariably attended the Audit Committee meetings as Special Invitees. Several other officers as well as Auditors also were called to assist the Audit Committee from time to time.

3.2 REMUNERATION COMMITTEE

As per the provisions of the DPE Guidelines, a Remuneration Committee was reconstituted to consider and decide the Pay & Allowances, Annual Bonus/Variable Pay Pool, and policy Annual Bonus/Variable Pay Pool and its policy for its distribution within the prescribed limits as under :

3.2.1 Composition : The Remuneration Committee comprised the following Members :

S.No.	Name of Members	Category of Member
1.	Dr. Sudhir S. Bloeria	Independent Director-Chairman
2.	Dr.(Prof.)S.C. Saxena	Independent Director-Member
3.	Dr.K.Aprameyan	Independent Director-Member

3.2.2 Meetings and Attendance

Six meetings of the Remuneration Committee were held during the financial year 2010-11 on April 30 , August 12, August 31, November 21, 2010, January 23, March 28, 2011. The details of the meetings of Remuneration Committee attended by the members are as under :

S.No	Member of Remuneration Committee	Position held	Meeting held during his tenure	Meeting attended
1.	Dr. Sudhir S. Bloeria	Chairman	6	6
2.	Shri. A.S Bisht (upto 12.08.2010)	Member	2	2
3.	Dr.(Prof.) S.C. Saxena (from 12.08.2010)	Member	4	4
4.	Dr.K. Aprameyan (from 12.08.2010)	Member	4	4

4. GENERAL BODY MEETINGS

Date, time and location where the last three Annual General Meetings were held are as under :

Annual General Meetings	22 nd Annual Meeting held on 31 st Aug. 2010	21 st Annual General Meeting held on 29 th Sept. 2009	20 th Annual General Meeting held on 26 th Sept. 2008
Time	05:00 P.M	07:00 P.M	12:00 NOON
Venue	Bhagirathi Bhawan, Bhagirathi Puram Top Terrace, Tehri Gharwal, 249001 (Uttarakhand)	THDC Office A-10, Sector -1 KRIBHCO Bhawan, 4 th Floor, NOIDA	THDC Office A-10, Sector-1 (KRIBHCO Bhawan) 4 th Floor, NOIDA
Special Resolutions	<ul style="list-style-type: none"> Amendment in Memorandum & Articles of Association Approving Power of Board to Borrow in Excess of Paid up Capital and Free Reserves 	<ul style="list-style-type: none"> Change in Name of the company Amendment in Memorandum & Articles of Association 	Nil

Annual General Meeting for the Financial Year 2010-11

5. DISCLOSURES

5.1 Related Party Transactions

There was no transaction of material nature with Promoters, Directors or Management, having potential conflict with the interest of company at large . The details of related party disclosures are included in Notes on Accounts as per AS-18 .

6. WHISTLE BLOWER POLICY

The Board of Directors in the 154th Meeting held on 25.04.2010 have adopted Whistle Blower Policy to establish a mechanism for employees to report to the management, concerns about unethical behavior, actual or suspected fraud, or violation of the company's General Guidelines on conduct or ethics policy. This mechanism could also provide for adequate safeguards against victimization of employees who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases.



- It provides necessary safeguards for protection of employees from victimization, for whistle blowing in good faith
- An employee who knowingly makes false allegations shall be subject to Disciplinary Action.
- The Copy of Whistle Blower Policy is also available on the Official Website of the company for ensuring transparency.

7. GRIEVANCE REDRESSAL MECHANISM

A grievance can be defined as any sort of dissatisfaction, which needs to be redressed in order to bring about the smooth functioning of the individual in the organization. Broadly, a grievance can be defined as any discontent of dissatisfaction with any aspect of the organization. It can be real or imaginary, legitimate or ridiculous, rated or unvoiced, written or oral. It must be however, find expression in some form of the other. The Company has adopted a Grievance Redressal Mechanism for employees.

8. RISK MANAGEMENT

Your Company has adopted Risk Management Policy duly approved by the Board of Directors for dealing with various aspects of risks in managing its business activity. It is a structured approach to managing risk resulting from all kinds of threats and involves a sequence of human activities including risk identification, risk quantification, development and implementation of risk response/mitigation of risk using managerial resources.

The objective of Risk Management is to mitigate risk caused by Environment, Technology, Humans, Organization and Politics. Risk Management makes an effective contribution to the achievement of corporate objectives and Constitutes an integral part of various functional management areas. The Scope of Risk Management covers the well defined system for risk analysis, risk responses & risk control ,so as to minimize the risks to an acceptable level.

9. RECORD MANAGEMENT SYSTEM

Your Company has adopted Record Management Manual in line with the Guidelines of National Archives of India with the following objectives :

- To facilitate proper preservation and storage of records.
- To facilitate quick retrieval of records.

- To exercise control on growth of records at its inception itself.
- To identify records for timely weeding so as to optimize the cost of maintenance of records.
- To comply with statutory obligations for retention of records.
- To optimize office space utilization, etc.

10 . MEANS OF COMMUNICATION – Official Website

The Company communicates with its shareholders through its Annual Report, General Meetings and disclosures through web site. Information and latest updates and announcement regarding the company can be accessed at company's website: www.thdc.gov.in.

11. COMPTROLLER AND AUDITOR GENERAL OF INDIA

As a Government Company, Your Company, comes under jurisdiction of Comptroller and Auditor General of India and is also subject to Parliamentary oversight under section 619 of Companies Act 1956. There is a special arrangement for the audit of companies where the equity participation by Government is 51% or more. The Statutory Auditors of the company are appointed by the Comptroller and Auditor General of India, who gives the directions to the auditors on the manner in which the audit should be conducted by them. The Comptroller and Auditor General of India is also empowered to comment upon the audit reports of the Statutory Auditors. In addition, the Comptroller and Auditor General of India conducts a test audit of the accounts of the company and reports the results of his audit to Parliament and State Legislatures. The Resident Audit Party from the office of C&AG of India is permanently stationed and conducts propriety audit as an ongoing activity.

12. CHIEF VIGILANCE OFFICER

The appointment of CVO in PSU's is an important component of Good Corporate Governance. The Chief Vigilance Officers are senior level officers with responsibility to handle all complaints involving vigilance angle. The Chief Vigilance Officers act as extended hand of CVC and the Ministry of Power. The CVO constitutes an important link between the organization concerned and the Central Vigilance Commission(CVC). The CVO is generally appointed from outside the organization to maintain his



independence. His functions are broadly divided into two parts, namely, Preventive and Punitive.

Govt. of India have appointed Chief Vigilance Officer(CVO) of your company to look after the matters related to Vigilance in line with CVC Guidelines. The CVO functionally reports to CVC for all vigilance relates matters. The investigation reports of CVO, in respect of complaints against CMD and Directors are directly submitted to CVC. Investigation reports in respect of below Board Level Executives are submitted to CMD and the Disciplinary Authority. Present CVO of the Company is Class-I Officer of Govt. of India on deputation from Indian Railways.

A separate paragraph on the vigilance activities undertaken during the year has been added in the Directors' Report.

13 . BOARD'S CODE OF CONDUCT

The Board of Directors has laid down separate Code of Conduct & Ethics for Board Members and Senior Management in alignment with Company's Vision and Values to achieve the Mission & Objectives. It aims at enhancing ethical and transparent process in managing the affairs of the Company.

Declaration as required under clause 3.4.2 of DPE Guidelines

All the members of the Board have affirmed the compliance of the Code of Conduct for the financial year ended on March 31, 2011

(R.S.T Sai)

Chairman & Managing Director

14. ADDRESS FOR CORRESPONDENCE

THDC INDIA LIMITED
Pragatipuram By Pass Road
Rishikesh - 249201
Uttarakhand

The phone numbers and e-mail reference for communication are given below:

Company Secretary	Mr. S.Q. Ahmad
Office Contact Nos.	Phone : 0135-2439309 Fax No. : 0135-2439442
E-Mail	thdccc@yahoo.co.in
For Public Grievances	Sh. A.C. Joshi, AGM(P&A), Director of Public Grievances
Contact	Phone : 0135-2437856, Fax No. : 0135-2430292
E-Mail	acjoshi@thdc.gov.in

COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
THDC India Limited

1. We have examined the compliance of conditions of Corporate Governance by THDC India Limited, for the year ended on 31.03.2011 as stipulated in Guidelines of Corporate Governance for CPSs issued by Department of Public Enterprises.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statement of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance
4. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or the effectiveness with which the Management has conducted the affairs of the Company.

Sd/-

(Sumbul Masood)

Practising Company Secretary

Sumbul Masood & Associates

Mem. No. ACS24512 COP No. 8840

40A, Mirza Ghalib Road, Allahabad - 211003

Dated : 31.08.2011

Place : Allahabad



ANNEXURE-III

THDC INDIA LIMITED

ANNEXURE TO THE DIRECTOR'S REPORT

Particulars of Employees Under Section 217 (2a) of The Companies Act, 1956 for the Year Ending 31.03.2011

(A) Employment throughout the year and in receipt of remuneration which, in the aggregate was not less than ₹ 24,00,000 Per Annum

Name	Designation / Nature of Duties	Remuneration (₹)	Qualification	Exp. (yrs)	Date of Commencement of Employment	Age	Last Employment Held
Nil							

(B) Employment for part of the year and in respect of remuneration which, in the aggregate, was not less than ₹ 2,00,000 Per Month

Name	Designation / Nature of Duties	Remuneration (₹)	Qualification	Exp. (yrs)	Date of Commencement of Employment	Age	Last Employment Held	Remarks
Sh. T.K.KHOSA	GM	25.25 Lac	BE	28	07/01/1991	60	PWD, J&K	Retired
Sh. R.K.CHAWLA	GM (CP)	28.31Lac	BSC(Civil Engg.)	34.06	10/01/1992	60	NPCC	Retired
Sh. H.SINHA.ROY	GM (Finance)	31.68 Lac	Chartered Accountant	30.6	22/04/1992	60	Triveni Structures	Retired
Sh. A.K.JAIN	AGM (Finance)	31.51 Lac	Chartered Accountant	32.11	25/06/1990	60	National Textile Corporation	Retired

1. Persons named above are full time Directors / Employees of the Company.
2. Remuneration includes Salary, Leave Encashment, Leave Travel Concession, Lease rent less HRR, Employees' and Employer's Contribution to Provident Fund and Gratuity . None of the Employees listed above is related to any of the Directors of the Company.



THDC INDIA LIMITED



ANNUAL ACCOUNTS FOR THE YEAR 2010-11



SIGNIFICANT ACCOUNTING POLICIES 2010-2011

1. General

The accompanying financial statements have been prepared on the historical cost basis in conformity with the statutory provisions of the Companies Act, 1956 and the Statements, Standards and Guidance Notes issued by the Institute of Chartered Accountants of India.

2. Use of Estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates and assumptions. Such differences are recognized in the period in which the actual results are crystallized.

3. Grants-in-Aid

Grants-in-Aid received from the Central/State Government or other authorities towards capital expenditure as well as Contribution received from the Consumer i.e Government of Uttar Pradesh towards irrigation component of the project cost of Tehri H.E.P stage-I is treated initially as capital reserve and subsequently adjusted as income in the same proportion as the depreciation written off on the assets acquired out of such contribution/grants-in-aid.

4. Fixed Assets

- i. Fixed Assets including intangible assets are stated at their cost of acquisition/construction. Assets and systems common to more than one generating Unit are capitalized on the basis of engineering estimates/assessments. However, Fixed assets acquired/ constructed especially for construction purposes which would get merged with the main fixed assets or cease to be of use after construction period, are carried as part of Capital Work-in-Progress of the main item of Fixed Asset to be capitalized therewith.
- ii. Fixed assets created on land not belonging to the Company are included in Fixed Assets.
- iii. In respect of land acquired through Special Land Acquisition Officer (SLAO)/ on lease, those portions

of land are capitalized which are utilized / intended to be utilized for construction of buildings and infrastructural facilities of the Company. Cost of land acquired through SLAO is capitalized on the basis of compensation paid through SLAO or directly by the Company. Expenditure on rehabilitation of the oustees of such land is not considered in arriving at the cost. Leasehold land is capitalized on the basis of lease amount paid.

- iv. In case where the final settlement of bills with contractors is yet to be effected, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustment in the year of final settlement.
- v. Capital expenditure on assets not owned by the company is reflected as a distinct item in Capital work in progress till the period of completion and thereafter in the Fixed Assets.

5. Capital Work-in-Progress

- i. Cost Incurred towards lease amount and rent on lease hold land and compensation for land and properties etc. used for submergence and other purposes (such as re-settlement of oustees, construction of new Township, afforestation, expenses on maintenance and other facilities in the re-settlement colonies until takeover of the same by the local authorities etc) and where construction of such alternative facilities is a specific precondition for the acquisition of the land for the purpose of the project, is carried forward in the Capital Work in Progress of Rehabilitation. On the commercial operation of the project the same shall be capitalized as Land-unclassified.
- ii. Deposit works are accounted for on the basis of statements of account received from the Agencies concerned.
- iii. In respect of supply-cum-erection contracts, the value of supplies received at site is treated as Capital-Work-in-Progress.
- iv. Claims for price variation in case of contracts are accounted for on acceptance.



- v. Administration and General overhead expenses of Corporate office / Service centers attributable to Construction of Fixed assets are identified and allocated on a systematic basis to Construction projects.

Expenditure during Construction (net) including attributable administration and General overhead expenses of Corporate Office / Service centers for the year, is apportioned to Capital Work-in-Progress on the basis of accretions thereto and included in the cost of related assets till they are ready for their intended use.

- vi. Expenditure during Construction relating to rehabilitation Works of Projects is carried forward and is to be dealt in line with Policy No.5(i)

6. Borrowing Costs

- Borrowing costs directly relatable to acquisition and construction of specific qualifying assets are capitalized as a part of the cost of such asset upto the date when such asset is ready for its intended use.
- Borrowing costs in respect of funds borrowed generally and used for the purpose of obtaining a qualified asset but not directly relatable to specific Fixed Assets during their construction are capitalized. Such borrowing costs are apportioned on the average balance of capital work in progress for the year. Other borrowing costs are recognized as expenses in the period in which they are incurred.

7. Foreign Currency Transactions

- Transactions dealt with in foreign currency are recorded at the rates at which transacted.
- At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
- Exchange differences in respect of loans / deposits / liabilities relating to fixed assets/ capital work-in-progress arising out of transaction entered into prior to 01/04/2004 is adjusted to the carrying cost of respective fixed asset/capital work-in-progress. However, Exchange differences arising out of transaction contracted on or after 01/04/2004 shall be accounted for in accordance with AS – 11

(Revised 2003) 'The Effects of Changes in Foreign Exchange Rates'.

- Other exchange differences are recognized as income & expenses in the period in which they arise.

8. Depreciation

- Depreciation is charged on straight-line method following the rates notified by the Central Electricity Regulatory Commission (CERC) for the purpose of fixation of tariff. In respect of assets, where rate has not been notified by CERC, depreciation is provided on straight line method as per rates prescribed under the Companies Act, 1956.

In case of change in cost of asset due to increase/decrease in long-term liability on account of exchange fluctuations, award of Courts, etc, revised unamortized depreciable amount is provided prospectively over the residual useful life of the asset.

- Low value items costing up to ₹ 1500/-, which are in the nature of assets are not capitalized and charged to revenue.
- In respect of Assets costing up to ₹ 5000/- but more than ₹ 1500/- (excluding immovable assets) 100% depreciation is provided in the year of purchase.
- Depreciation is charged from the date the asset becomes 'ready for use'.
- Cost of Leasehold Land is amortized over the lease period.
- Capital expenditure on assets not owned by the company incurred during construction period of the Project is amortized over a period of five years from the year in which first unit of project concerned comes into commercial operation and there after from the year in which the relevant asset has been completed and becomes available for use.
- In case of diversion tunnel of Koteshwar Hydro Electric Project, the depreciation has been charged on Straight line method over the expected useful life of the Tunnel.
- Cost of computer Software is recognized as intangible asset and amortised on straight line method over a period of legal right to use or 5 years, whichever is earlier.

Machinery spares which can be used only in connection with an item of fixed asset and whose



use is expected to be irregular are capitalized and depreciated over the residual useful life of the related plant and machinery.

9. Stores & Spares

- i. Stores and spares are carried at cost determined on weighted average basis.
- ii. Diminution in value of obsolete and unserviceable stores and spares is ascertained on review and provided for.

10. Income & Expenditure

Income Recognition

- i. Sale of energy is accounted for as per final tariff notified by Central Electricity Regulatory Commission (CERC). In case of Power Station where final tariff is not notified, recognition of revenue is based on the parameters and method provided in the applicable Regulations framed by the appropriate authority i.e CERC. The recognition of Revenue would be independent of the Provisional Rate adopted for the purpose of collection pending notification of 'Annual Fixed Charges' by CERC. Recovery/refund towards foreign currency variation in respect of foreign currency loans are accounted for on year to year basis.
- ii. Incentive / disincentives are accounted for based on the applicable norms notified / approved by the Central Electricity Regulatory Commission or agreements with the beneficiaries. In case of Power Station where the same have not been notified/ approved/agreed with beneficiaries, incentives/ disincentives are accounted for on provisional basis.
- iii. Surcharge recoverable from sundry debtors for sale of energy is not treated as accrued due to uncertainty of its realization, and is therefore, accounted for on the basis of receipt/ certainty of receipt.
- iv. Interest earned on advances to contractors as per the terms of contract, are reduced from the cost incurred on construction of the respective asset by credit to related Capital Work-in-Progress Account.
- v. Value of scrap is accounted at the time of sale.
- vi. Insurance claims are Accounted for in the year of receipt/acceptance by the insurer/certainty of realization.

- vii. Income from consultancy work is accounted for on the basis of actual progress/ technical assessment of work executed or cost reimbursable in line with terms of respective consultancy contracts.

Expenditure

- viii. Cost of stores and spares used on repairs and maintenance are charged to the Repairs and Maintenance Account.
- ix. Prepaid expenses and prior period expenses/ income of items of ₹ 10,000/- or below in each case, are charged off to the natural heads of accounts.
- x. Net income/expenditure prior to Commercial operation is adjusted directly in the cost of related assets and systems.
- xi. Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.
- xii. A specified percentage of Net Profit Before Tax of previous year is set aside for creation of non-lapsable fund for incurring expenditure towards Corporate Social Responsibility. The unspent amount is carried forward.

11. Employees' Benefits

- i. Liability for retirement benefits to employees in respect of gratuity, leave encashment and post retirement medical benefits, baggage allowance, memento to retiring employees, financial package for dependent of deceased employees and funeral expenses etc is accounted for on accrual basis based on actuarial valuation determined as at the year end.
- ii. The company has established a separate Trust for administration of Provident Fund and the company's contribution to the Fund is charged to expenditure every year. The liability of the company in respect of shortfall (if any) in interest on investments is ascertained and provided annually on actuarial valuation at the year end.

12. Miscellaneous Expenditure

Deferred revenue expenditure upto 31.3.04 is written off over a period of 10 years from the year of expenditure. However, thereafter the same is being fully charged in the year of expenditure.



13. Taxes on income

Taxes on income for the current period is determined on the basis of taxable income under the Income Tax Act, 1961.

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to

the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Recovery Adjustment Account is credited/debited to the extent tax expense is chargeable from the Beneficiaries in future years on actual payment basis.

14. Cash Flow Statement

Cash flow statement is prepared in accordance with the indirect method prescribed in Accounting Standard (AS) 3 on 'Cash Flow Statement'.





THDC INDIA LIMITED
Balance Sheet as at 31 March, 2011

Particulars	Schedule No.	Amount In Thousand ₹			
		As at 31-Mar-2011		As at 31-Mar-2010	
SOURCES OF FUNDS					
SHARE HOLDERS FUNDS	1				
a) Share Capital		3,29,75,817		3,29,75,817	
b) Share Capital Contribution					
Pending Allotment		0	3,29,75,817	0	3,29,75,817
RESERVE & SURPLUS	2		2,47,53,030		2,15,29,823
DEFERRED REVENUE - ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION	3		28,33,089		28,33,089
LOAN FUNDS	4				
Secured Loans		4,60,19,444		4,52,60,173	
Unsecured Loans		28,86,468	4,89,05,912	8,17,326	4,60,77,499
TOTAL			10,94,67,848		10,34,16,228
APPLICATION OF FUNDS					
FIXED CAPITAL EXPENDITURE					
FIXED ASSETS	5				
Gross Block		10,42,83,349		8,52,27,799	
Less: Depreciation		1,32,85,661		97,70,864	
Net Block			9,09,97,688		7,54,56,935
CAPITAL WORK IN PROGRESS	6		83,47,135		2,05,33,633
CONSTRUCTION STORES & CAPITAL ADVANCES	7		26,82,613		25,38,094
INVESTMENTS			0		0
DEFERRED TAX ASSET(NET)		19,60,546		13,81,563	
LESS:- REFUNDABLE		6,31,296	13,29,250	6,31,296	7,50,267
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	8	1,76,814		1,70,206	
Sundry Debtors	9	1,11,49,513		75,76,681	
Cash and Bank Balances	10	5,24,392		2,30,870	
Other Current Assets	11	15,424		16,188	
Loans and Advances	12	13,01,896		12,99,989	
(A)		1,31,68,039		92,93,934	



Particulars	Schedule No.	Amount in Thousand ₹	
		As at 31-Mar-2011	As at 31-Mar-2010
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	13	35,43,295	14,80,365
Provisions	14	35,15,866	36,79,870
(B)		70,59,161	51,60,235
NET CURRENT ASSETS (A-B)		61,08,878	41,33,699
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15	2,284	3,600
NOTES ON THE ACCOUNTS	27		
TOTAL		10,94,67,848	10,34,16,228

Schedules 1 to 27 and Statement of Significant Accounting Policies form an integral part of the accounts.

(S.Q.Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

(R.S.T.Sai)
Chairman & Managing Director

As Per Our Report Of Even Date Attached
For H.D.S.G. & Associates
Chartered Accountants

(Harbir Singh Gulati)
Partner
Membership No.:- 84072

Date : 31.08.2011
Place : New Delhi



Profit & Loss Account for the Year Ended 31 March, 2011

Amount in Thousand ₹

Particulars	Schedule No.	Year Ended 31-Mar-2011		Year Ended 31-Mar-2010	
INCOME					
Energy Sales	16		1,67,00,417		1,41,67,032
Other Income	17		61,019		72,034
Income from Consultancy Work	18		1,31,276		
TOTAL INCOME A			1,68,92,712		1,42,39,066
EXPENDITURE					
Employee's Remuneration & Benefits	19		15,05,262		7,75,349
Generation, Administration & Other Expenses	20		10,55,247		8,80,358
Interest And Financing Charges	21		39,13,302		41,83,911
Depreciation	5		34,95,155		34,58,339
Provisions	22		7,905		22,107
Expenditure on Consultancy Work	25		1,43,922		
TOTAL EXPENDITURE B			1,01,20,793		93,20,064
PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENT A-B			67,71,919		49,19,002
LESS:- PRIOR PERIOD INCOME/ EXPENDITURE (NET)	23		(20,085)		12,393
NET PROFIT BEFORE TAXATION			67,92,004		49,06,609
PROVISION FOR TAXATION	24				
Income Tax		13,63,120		8,55,572	
Wealth Tax		3,080	13,66,200	1,792	8,57,364
Deferred Tax Asset		(5,78,983)		(7,50,267)	
LESS: Refundable		0	(5,78,983)	0	(7,50,267)
PROFIT AFTER CURRENT YEAR'S TAX			60,04,787		47,99,512
Surplus Balance in Profit & Loss Account B/F			84,78,464		53,75,380
BALANCE AVAILABLE FOR APPROPRIATION			1,44,83,251		1,01,74,892



Particulars	Schedule No.	Amount in Thousand ₹			
		Year Ended 31-Mar-2011		Year Ended 31-Mar-2010	
DIVIDEND					
Interim Dividend		12,50,000		6,00,000	
Proposed Dividend		5,60,000	18,10,000	8,50,000	14,50,000
TAX ON DIVIDEND					
Dividend Distribution Tax-Interim		2,07,609		1,01,970	
Dividend Distribution Tax-Proposed		93,009	3,00,618	1,44,458	2,46,428
BALANCE CARRIED TO BALANCE SHEET			1,23,72,633		84,78,464
Expenditure During Construction:-	26				
Earning Per Share (Equity Share of ₹ 1000 each)					
Basic (₹)			182.10		145.55
Diluted (₹)			182.10		145.55

Schedules 1 to 27 and Statement of Significant Accounting Policies form an integral part of the accounts.

(S.Q.Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

(R.S.T.Sai)
Chairman & Managing Director

As Per Our Report Of Even Date Attached
For H.D.S.G. & Associates
Chartered Accountants

(Harbir Singh Gulati)
Partner
Membership No.:- 84072

Date : 31.08.2011

Place : New Delhi



SCHEDULES - ANNEXED TO THE ACCOUNTS

SCHEDULE - 1

SHARE CAPITAL

Amount In Thousand ₹

Particulars	Schedule No	As at 31-Mar-2011		As at 31-Mar-2010	
Authorised Capital 40000000 Equity Shares of ₹ 1000 /= each			4,00,00,000		4,00,00,000
Issued, Subscribed & Paidup Capital 32975817 [(Previous Year 32975817) Fully Paid up Equity Shares of ₹ 1000/= Each. Out of the above shares 7078600 shares (Previous year 7078600) are allotted as fully paid for consideration other than cash]			3,29,75,817		3,29,75,817
TOTAL			3,29,75,817		3,29,75,817

SCHEDULE - 2

RESERVE & SURPLUS

Amount In Thousand ₹

Particulars	Schedule No.	As at 31-Mar-2011		As at 31-Mar-2010	
CAPITAL RESERVE					
Contribution Due From Government of Uttar Pradesh Towards Irrigation Sector		1,44,13,380		1,44,13,380	
LESS:- Contribution In Arrear		1,542		1,542	
Contribution Received		1,44,11,838		1,44,11,838	
LESS:- Adjustment Towards Depreciation		20,78,634	1,23,33,204	14,03,603	1,30,08,235
Other Capital Reserve					
PHRD Grant from World Bank (For VPHEP Projects)			47,193		43,124
Surplus In Profit & Loss Account					
Surplus Balance of Profit & Loss Account			1,23,72,633		84,78,464
TOTAL			2,47,53,030		2,15,29,823



SCHEDULE - 3

DEFERRED REVENUE-ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION

Amount In Thousand ₹

Particulars	Schedule No.	As at 31-Mar-2011		As at 31-Mar-2010	
As Per Last Balance Sheet		28,33,089		24,41,592	
Revenue Deferred During The Year		0		3,91,497	
LESS:- Revenue Recognised During The Year		0	28,33,089	0	28,33,089
TOTAL			28,33,089		28,33,089

SCHEDULE - 4

LOAN FUNDS

Amount In Thousand ₹

Particulars	Schedule No.	As at 31-Mar-2011		As at 31-Mar-2010	
Secured Loans*					
Long term Loans					
(i) Loans From Financial Institutions			4,49,77,777		4,37,22,586
Cash Credit With Bank			0		15,37,587
Short term Loans					
(ii) Loans from Banks			10,41,667		0
Sub Total			4,60,19,444		4,52,60,173
Unsecured loans					
Short term Loans From Bank \$			22,50,000		0
Foreign Currency Loans: (Guaranteed By Govt. Of India)					
Term Loans From Financial Institution- KFW, Germany @			6,36,468		8,17,326
Sub Total			28,86,468		8,17,326
Grand Total			4,89,05,912		4,60,77,499
Loans Due For Repayment Within Next One Year			71,73,632		38,77,640

* Secured Loans includes the following:-

- ₹ 2860.65 Crore Long Term Loan and ₹ 104.16 Crore Short Term Loan Secured by first Charge on Pari Passu basis on Assets of Tehri Stage-I i.e. Dam, Power House civil construction, Power house Electrical & Mechanical equipments not covered under other borrowings and Project township of Tehri Dam and HPP together with all rights on loan and interest appertaining there on.
- ₹ 1637.13 Crore for Koteshwar Project is secured by first charge on assets of Koteshwar HEP.

Unsecured Loans:-

- \$ Short Term Loan of ₹ 225 Crore availed by issue of promisory notes.
- @With negative lien on the equipments financed under the respective loan ranking pari-passu.



**SCHEDULE - 5
FIXED ASSETS**

Particulars	Gross Block				Depreciation			Net Block		
	As at 01-Apr-2010	Additions During 01-Apr-2010 to 31-Mar-2011	Sales/ Adjustment 01-Apr-2010 to 31-Mar-2011	As at 31-Mar-2011	As at 01-Apr-2010 to 31-Mar-2011	For the Period from 01-Apr-2010 to 31-Mar-2011	Adjustment 01-Apr-2010 to 31-Mar-2011	As at 31-Mar-2011	As at 31-Mar-2010	
1. Land Free Hold	1,88,665	27,804	(294)	2,16,175	-	-	-	2,16,175	1,88,665	
2. Land Lease Hold	26,319	-	(1,866)	24,453	2,789	878	(1,866)	1,801	23,530	
3. Land Unclassified	1,31,32,272	7,27,746	-	1,38,60,018	12,78,846	4,45,191	-	17,24,037	1,21,35,981	
4. Buildings	11,13,840	53,14,426	(47,153)	63,81,113	1,32,400	47,829	(40,258)	1,39,971	62,41,142	
5. Building Temp Structures	40,389	19,757	(8,676)	51,470	40,389	19,672	(8,676)	51,385	85	
6. Road, Bridge & Culverts	3,87,246	1,64,794	(24,008)	5,28,032	36,081	18,494	(23,882)	30,693	4,97,339	
7. Drainage, Sewerage & Water Supply	1,37,464	9,575	(22,400)	1,24,639	30,515	6,450	(21,146)	15,819	1,08,820	
8. Construction Plant & Machinery	1,66,692	10,186	(31,964)	1,44,914	1,24,917	4,346	(31,955)	97,308	47,606	
9. Generation Plant & Machinery	1,58,12,925	35,58,074	(63,655)	1,93,07,344	18,18,025	8,35,609	3,298	26,56,932	1,66,50,412	
10. EDP Machines	83,620	43,762	(9,847)	1,17,535	50,578	12,482	(8,645)	54,415	63,120	
11. Electrical Installations	74,871	6,258	(15,185)	65,944	16,176	4,185	(15,008)	5,353	60,591	
12. Transmission Lines	1,35,398	20,346	(12,616)	1,43,128	27,398	7,959	(10,790)	24,567	1,18,561	
13. Office & Other Equipment	2,51,007	90,076	(15,161)	3,25,922	72,927	19,018	(12,342)	79,603	2,46,319	
14. Furniture & Fixtures	93,739	50,579	(8,082)	1,36,236	30,569	7,801	(7,740)	30,630	1,05,606	
15. Vehicles	88,345	1,575	(19,955)	69,965	54,157	4,215	(19,805)	38,567	31,398	
16. Railway Sidings	12,189	-	-	12,189	801	408	-	1,209	10,980	
17. Intangible Assets-Software	20,133	6,850	(290)	26,693	10,567	3,510	(289)	13,788	12,905	
18. Hydraulic Works Dam & Spillways	4,00,74,878	93,48,073	(78,633)	4,93,44,318	39,03,119	21,11,981	(5,923)	60,09,177	4,33,35,141	
19. Hydraulic Works-Tunnel, Penstock Canals etc.	1,31,34,396	5,64,017	(5,74,439)	1,31,23,974	19,80,058	6,97,104	(5,73,734)	21,03,428	1,10,20,546	
20. Unservisable/Obsolete Assets at net book value or net realizable value whichever is lower	16,462	90	1,200	17,752	-	-	-	-	17,752	
21. Capital Expenditure on Assets not owned by the company.	2,36,949	24,586	-	2,61,535	1,60,552	46,426	-	2,06,978	54,557	
Total	8,52,27,799	1,99,88,574	(9,33,024)	10,42,83,349	97,70,864	42,93,558	(7,78,761)	1,32,85,661	9,09,97,688	7,54,56,935
Figures For Previous Year	8,44,58,659	10,99,656	(3,30,516)	8,52,27,799	54,97,339	42,94,555	(21,030)	97,70,864	7,54,56,935	7,89,61,320
Detail Of Depreciation					Current year		Previous year			
Depreciation transferred to EDC					1,22,359		1,28,449			
Depreciation transferred to P&L account					34,95,155		34,58,339			
Depreciation adjusted in Capital Reserve -Irrigation Contribution from GOUP					6,75,031		7,07,767			
Depreciation Transferred to Consultancy Service					1,013		-			
Fixed Assets Costing More than ₹ 1500.00 But Less than ₹ 5000.00 Procured and depreciated fully during the year					42,93,558		42,94,555			
					3,447		3,296			



SCHEDULE - 6

CAPITAL WORK IN PROGRESS

Particulars	Schedule No.	Amount in Thousand ₹			
		As at 31-Mar-2011		As at 31-Mar-2010	
Construction Work In Progress					
Building & Other Civil Works		3,53,188		3,84,514	
Roads, Bridges & Culverts		3,89,447		2,75,072	
Water Supply, Sewerage & Drainage		8,001		9,112	
Generation Plant And Machinery		32,87,035		49,44,564	
Hydraulic Works, Dam, Spillway, Water Channels, Weirs, Service Gate & Other Hydraulic Works		35,96,729		1,37,55,078	
Afforestation Catchment Area		750		80,025	
Electrical Installation & Sub-Station Equipments		27,869		30,898	
Intangible Assets-Software		0		0	
Capital Expenditure On Assets Not Owned By Company		0		23,853	
Others		27,117	76,90,136	8,381	1,95,11,497
Generation Plant And Machinery In Transit			51,102		70,916
Expenditure Pending Allocation					
Survey & Development Expenses		4,53,260		5,18,664	
Expenditure During Construction	26	54,637	5,07,897	17,691	5,36,355
Rehabilitation					
Rehabilitation Expenses (Net Of Recoveries Towards Token Cost And Rent)			98,000		4,14,865
TOTAL			83,47,135		2,05,33,633



SCHEDULE - 7

CONSTRUCTION STORES & CAPITAL ADVANCES

Particulars	Schedule No.	Amount In Thousand ₹			
		As at 31-Mar-2011		As at 31-Mar-2010	
Construction Stores(At Cost, As Certified By Management)					
Other civil and building material		3,013		6,725	
Others		29,698		39,008	
Material in Transit (Valued At Cost)		0		211	
Material Under inspection (Valued At Cost)		132		2,431	
		32,843		48,375	
Less: Provision For Stores And Spares		0	32,843	25,246	23,129
Capital Advances					
For Capital Expenditure					
Unsecured					
i) Against Bank Guarantee		1,00,309		1,46,339	
ii) Rehabilitation & Resettlement (Govt. of Uttarakhand/SLAO)		1,88,609		4,12,189	
iii) Others		19,02,976		16,61,827	
iv) Accrued Interest On Advances		4,57,876		2,94,610	
		26,49,770		25,14,965	
Less:- Provision For Bad & Doubtful Advances		0		0	
			26,49,770		25,14,965
TOTAL			26,82,613		25,38,094
Capital Advances					
Considered Good (Unsecured)			26,49,770		25,14,965
Considered Doubtful And Provided For			0		0
Total Capital Advances			26,49,770		25,14,965

SCHEDULE - 8

INVENTORIES

Particulars	Schedule No.	Amount In Thousand ₹			
		As at 31-Mar-2011		As at 31-Mar-2010	
(At Cost, As Certified By Management)					
Other Civil And Building Material		29,456		21,932	
Others		1,93,850		1,59,205	
Material In Transit (Valued At Cost)		0		367	
Material Under Inspection (Valued At Cost)		0		4,157	
		2,23,306		1,85,661	
Less: Provision For Inventories		46,492	1,76,814	15,455	1,70,206
TOTAL			1,76,814		1,70,206



SCHEDULE - 9

SUNDRY DEBTORS

<i>Particulars</i>	<i>Schedule No.</i>	<i>Amount in Thousand ₹</i>			
		<i>As at 31-Mar-2011</i>		<i>As at 31-Mar-2010</i>	
Debts Outstanding Over Six Months					
Unsecured, Considered Good		66,11,917		22,84,807	
Considered Doubtful		2,081	66,13,998	6,595	22,91,402
Other Debts					
Unsecured, Considered Good		45,37,596		52,91,874	
Considered Doubtful		0	45,37,596	0	52,91,874
less:- Provision For Bad And Doubtful Debts			2,081		6,595
TOTAL			1,11,49,513		75,76,681

SCHEDULE - 10

CASH AND BANK BALANCES

<i>Particulars</i>	<i>Schedule No.</i>	<i>Amount in Thousand ₹</i>			
		<i>As at 31-Mar-2011</i>		<i>As at 31-Mar-2010</i>	
Cash And Bank Balances					
Cash, Cheques, Demand Draft & Stamps In hand			430		571
Balances With Scheduled Banks :-					
Current Account (Including Auto-Sweep, Flexi Deposits With Scheduled Banks)		5,23,962		2,30,299	
			5,23,962		2,30,299
TOTAL			5,24,392		2,30,870

SCHEDULE - 11

OTHER CURRENT ASSETS

<i>Particulars</i>	<i>Schedule No.</i>	<i>Amount in Thousand ₹</i>			
		<i>As at 31-Mar-2011</i>		<i>As at 31-Mar-2010</i>	
Other Current Assets					
Interest Accrued			195		60
Prepaid Expenses			15,229		16,128
TOTAL			15,424		16,188



**SCHEDULE - 12
LOANS AND ADVANCES**

Particulars	Schedule No.	Amount in Thousand ₹			
		As at 31-Mar-2011		As at 31-Mar-2010	
Loans					
To Employees					
Secured		2,49,090		2,57,077	
Un secured		10,597	2,59,687	27,068	2,84,145
Interest Accrued On Loans To Employees					
Secured		1,73,200		1,50,161	
Un secured		10,865	1,84,065	18,788	1,68,949
Others			2,423		0
			4,46,175		4,53,094
Advances (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees					
Un secured		27,448		15,911	
For Purchases		30,349		16,009	
To Others		6,89,664	7,47,461	7,41,421	7,73,341
Deposits					
Security Deposits		22,288		19,798	
Tax Deposited		35,138		4,950	
Deposits With Govt./ Court		51,234		50,177	
Other Deposits		487	1,09,147	114	75,039
SUB-TOTAL			13,02,783		13,01,474
LESS:- Provision For Bad & Doubtful Advances			887		1,485
TOTAL			13,01,896		12,99,989
Note :- Due From Directors [Maximum Amount Due During The Year ₹ 663458.00 (Previous Year ₹ 64932.00)]					
Principal			169		0
Interest			401		0
TOTAL			570		0
Note :- Due From Officers [Maximum Amount Due During The Year ₹ 859172.00 (Previous Year ₹ 915908.00)]					
Principal			250		324
Interest			535		516
TOTAL			785		840
Particulars Of Loans & Advances					
Considered Good					
Loans & Advances (Secured)		4,22,290		4,07,238	
Loans & Advances (Unsecured)		8,79,606	13,01,896	8,92,751	12,99,989
Considered Bad & Doubtful and Provided For			887		1,485
TOTAL			13,02,783		13,01,474



SCHEDULE - 13
CURRENT LIABILITIES

Particulars	Schedule No.	Amount in Thousand ₹			
		As at 31-Mar-2011		As at 31-Mar-2010	
Sundry Creditors					
For Capital Expenditure		9,80,826		4,14,714	
For Micro And Small Enterprises.		0		0	
For Others		14,58,388	24,39,214	1,16,941	5,31,655
Deposits, Retention Money From Contractor etc.			2,66,464		1,39,852
Interest Accrued But Not Due Financial Institutions		7,22,701		7,30,961	
			7,22,701		7,30,961
Other Liabilities			1,14,916		77,897
Total			35,43,295		14,80,365

SCHEDULE - 14
PROVISIONS

Particulars	Schedule No.	Amount in Thousand ₹			
		As at 31-Mar-2011		As at 31-Mar-2010	
I. Works					
Opening Balance		3,70,291		3,99,032	
Addition During The Year		2,04,807		3,26,484	
Used / Adjusted During The Year		(3,70,160)	2,04,938	(3,55,225)	3,70,291
II. Employee Related					
Opening Balance		19,93,684		16,68,374	
Addition During The Year		5,13,680		4,35,811	
Used / Adjusted During The Year		(2,31,990)	22,75,374	(1,10,501)	19,93,684
III. Proposed Dividend					
Opening Balance		8,50,000		2,80,000	
Addition During The Year		5,60,000		8,50,000	
Used / Adjusted During The Year		(8,50,000)	5,60,000	(2,80,000)	8,50,000
IV. Tax on Interim Dividend					
Opening Balance		0		0	
Addition During The Year		2,07,609		1,01,970	
Used / Adjusted During The Year		0	2,07,609	(1,01,970)	0
V. Tax on Proposed Dividend					
Opening Balance		1,44,458		47,586	
Addition During The Year		93,009		1,44,458	
Used / Adjusted During The Year		(1,44,458)	93,009	(47,586)	1,44,458
VI. Others					
Opening Balance		3,21,437		41,746	
Addition During The Year		14,48,862		3,68,919	
Used / Adjusted During The Year		(15,95,363)	1,74,936	(89,228)	3,21,437
TOTAL			35,15,866		36,79,870



SCHEDULE - 15

MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)

Amount In Thousand ₹

Particulars	Schedule No.	As at 31-Mar-2011		As at 31-Mar-2010	
Deferred Revenue Expenditure		2,195		3,415	
Shortage Pending Investigation		89	2,284	185	3600
TOTAL			2,284		3,600

SCHEDULE - 16

ENERGY SALES

Amount In Thousand ₹

Particulars	Schedule No.	Year Ended 31-Mar-2011		Year Ended 31-Mar-2010	
Energy Sales		1,65,50,886		1,43,29,193	
LESS:-					
Advance Against Depreciation- Deferred		0	1,65,50,886	3,91,497	1,39,37,696
FERV Recovery From Beneficiaries			14,484		47,550
U.I. / Congestion Charges			1,35,047		1,81,786
TOTAL			1,67,00,417		1,41,67,032

SCHEDULE - 17

OTHER INCOME

Amount In Thousand ₹

Particulars	Schedule No.	Year Ended 31-Mar-2011		Year Ended 31-Mar-2010	
Interest					
On Bank Deposits (Includes TDS ₹ 48420.00)		5,722		5,660	
Previous year ₹ 90495.00					
From Employees		22,336		23,229	
Others		916	28,974	3,028	31,917
Machine Hire Charges			9,820		373
Rent Receipts			5,561		2,946
Sundry Receipts			21,117		16,729
Excess Provision Written Back			1,879		321
Profit On Sale Of Assets			23,322		36,278
Late Payment Surcharge			2,347		6,247
TOTAL			93,020		94,811
LESS:-					
Transferred To EDC	26		31,350		22,777
Transferred To Consultancy Services	18		651		
TOTAL			61,019		72,034



**SCHEDULE - 18
INCOME FROM CONSULTANCY WORKS**

Amount in Thousand ₹

Particulars	Schedule No.	Year Ended 31-Mar-2011	Year Ended 31-Mar-2010
Income from Consultancy work		130,625	0
Other Income	17	651	
TOTAL		1,31,276	

**SCHEDULE - 19
EMPLOYEE'S REMUNERATION & BENEFITS**

Amount in Thousand ₹

Particulars	Schedule No.	Year Ended 31-Mar-2011	Year Ended 31-Mar-2010
Salaries, Wages, Allowances & Benefits		25,23,689	13,87,012
Contribution to Provident & Other Funds		5,19,251	1,68,500
Gratuity		77,810	1,50,978
Welfare		36,883	27,651
TOTAL		31,57,633	17,34,141
LESS:-			
Transferred To EDC	26	16,05,262	9,58,792
Transferred To Consultancy Services	25	47,109	
Total		15,05,262	7,75,349

**SCHEDULE - 20
GENERATION ADMINISTRATION & OTHER EXPENSES**

Amount in Thousand ₹

Particulars	Schedule No.	Year Ended 31-Mar-2011	Year Ended 31-Mar-2010
Rent, Rates & Taxes			
Rent for office		18,654	14,849
Rent For Employee Residence		59,806	26,537
Rates & Taxes		36,860	13,670
Power & Fuel		1,30,307	97,457
Insurance		37,559	39,039
Communication		23,910	16,701
Repair & Maintenance			
Plant & Machinery		2,08,104	83,672
Buildings		84,322	85,941
Others		3,30,847	1,35,030
Travelling & Conveyance		88,814	92,959
Vehicle Hire & Running		1,04,223	79,074
Security		1,37,510	1,23,718
Publicity & Public relation		30,533	30,913
Other General Expenses		2,22,050	1,69,623
Loss On Sale of Assets		2,715	1,27,245
Survey And Investigation Expenses		59,576	30,636
Expenses on Consultancy Project/Contract		80,246	0
Deferred Revenue Expenditure Written Off		1,220	1,219
Expenditure On Corporate Social Activities		98,132	1,26,030
TOTAL		17,55,388	12,94,313
LESS:-			
Transferred To EDC	26	6,04,341	4,13,955
Transferred To Consultancy Services	25	95,800	0
TOTAL		10,55,247	8,80,358



SCHEDULE - 21

INTEREST AND FINANCING CHARGES

Amount In Thousand ₹

<i>Particulars</i>	<i>Schedule No.</i>	<i>Year Ended 31-Mar-2011</i>		<i>Year Ended 31-Mar-2010</i>	
Interest On Loans			53,28,582		50,70,875
Rebate To Customers			1,33,638		1,14,701
TOTAL			54,62,220		51,85,576
LESS:-					
Transferred And Capitalised With CWIP Account			15,48,918		10,01,665
TOTAL			39,13,302		41,83,911

SCHEDULE - 22

PROVISIONS

Amount In Thousand ₹

<i>Particulars</i>	<i>Schedule No.</i>	<i>Year Ended 31-Mar-2011</i>		<i>Year Ended 31-Mar-2010</i>	
Provisions For Doubtful Debts, Loans & Advances			2,114		6,652
Provisions For Stores & Spares			5,791		15,455
TOTAL			7,905		22,107
LESS:-					
Transferred To EDC	26		0		0
Transferred To Consultancy Services	25		0		0
TOTAL			7,905		22,107

SCHEDULE - 23

PRIOR PERIOD INCOME/EXPENDITURE (NET)

Amount In Thousand ₹

<i>Particulars</i>	<i>Schedule No.</i>	<i>Year Ended 31-Mar-2011</i>		<i>Year Ended 31-Mar-2010</i>	
INCOME					
Other			1,15,258		2,945
Misc. Receipt			0	1,15,258	0
EXPENDITURE					
Personnel Expenses			(6,417)		1,282
Power & Fuel			0		886
Repair and Maintenance			9,621		0
Other General Expenses			70,254		414
Depreciation			(2,655)		617
Security			0		17,667
Rent Rate & Taxes			25,030		55
Misc- Others			0	95,833	917
TOTAL			(19,425)		18,893
LESS:-					
Transferred To EDC	26		660		6,500
TOTAL			(20,085)		12,393



SCHEDULE - 24

PROVISION FOR TAXATION

Amount In Thousand ₹

<i>Particulars</i>	<i>Schedule No.</i>	<i>Year Ended 31-Mar-2011</i>	<i>Year Ended 31-Mar-2010</i>
INCOME TAX			
Current Year		13,63,120	8,55,572
TOTAL		13,63,120	8,55,572
LESS:-			
Transferred To EDC	26	0	0
TOTAL		13,63,120	8,55,572
Wealth Tax			
Current Year		5,038	3,879
TOTAL		5,038	3,879
LESS:-			
Transferred To EDC	26	1,958	2,087
TOTAL		3,080	1,792

SCHEDULE - 25

EXPENDITURE - CONSULTANCY SERVICES

Amount In Thousand ₹

<i>Particulars</i>	<i>Schedule No.</i>	<i>Year Ended 31-Mar-2011</i>	<i>Year Ended 31-Mar-2010</i>
Employee's Remuneration & Benefits	19	47,109	0
Administration & Other Expenses	20	95,800	0
Interest and Financing Charges	21	0	0
Depreciation	5	1,013	0
Provisions	22	0	0
Total		1,43,922	0



SCHEDULE - 26

EXPENDITURE DURING CONSTRUCTION

Amount In Thousand ₹

<i>Particulars</i>	<i>Schedule No.</i>	<i>Year Ended 31-Mar-2011</i>		<i>Year Ended 31-Mar-2010</i>	
EXPENDITURE					
EMPLOYEE'S REMUNERATION & BENEFITS	19				
Salaries, Wages, Allowances & Benefits		12,76,028		7,80,618	
Contribution to Provident & Other Funds		2,67,389		86,495	
Gratuity		44,391		76,897	
Welfare		17,454	16,05,262	14,782	9,58,792
ADMINISTRATION & OTHER EXPENSES	20				
Rent, Rates & Taxes					
Rent For Office		15,195		13,396	
Rent for Employee Residence		37,935		19,489	
Rates & Taxes		1,798	54,928	1,290	34,175
Power & Fuel			51,885		30,819
Insurance			1,160		1,169
Communication			15,095		9,796
Repair & Maintenance					
Plant & Machinery		1,059		396	
Buildings		30,101		20,271	
Others		1,68,224	1,99,384	46,680	67,347
Traveling & Conveyance			51,860		63,048
Vehicle Hire & Running			56,430		43,771
Security			42,714		37,787
Publicity & Public Relation			13,029		15,508
Other General Expenses			1,07,867		1,04,659
Loss On Sale of Assets			407		81
Survey and Investigation Exp			9,364		144
Deffered Revenue Expenditure Written Off			218		258
Expenditure On Corporate Social Activities			0		5,393
DEPRECIATION	5		1,22,359		1,28,449
TOTAL EXPENDITURE (A)			23,31,962		15,01,196



Amount in Thousand ₹

Particulars	Schedule No.	Year Ended 31-Mar-2011		Year Ended 31-Mar-2010	
RECEIPTS					
OTHER INCOME	17				
Interest		2,577		3,432	
From Employees		10,422		11,626	
Others		108	13,107	1,800	16,858
Machine Hire Charges			8,628		215
Rent Receipts			3,756		1,994
Sundry Receipts			3,845		3,270
Excess Provision Written Back			823		73
Profit On Sale of Assets			1,191		367
TOTAL RECEIPTS (B)			31,350		22,777
PRIOR PERIOD ADJUSTMENTS	23		660		6,500
NET EXPENDITURE BEFORE TAXATION			23,01,272		14,84,919
PROVISION FOR TAXATION	24				
Income Tax		0		0	
Wealth Tax		1,958	1,958	2,087	2,087
NET EXPENDITURE INCLUDING TAXATION			23,03,230		14,87,006
Balance Brought Forward From Last Year			17,691		17,789
TOTAL EDC			23,20,921		15,04,795
LESS:-					
EDC Allocated To CWIP / Asset			22,24,002		14,67,389
EDC Of Projects Under Approval Charged To Profit & Loss Account			42,282		19,715
Balance Carried Forward TO CWIP			54,637		17,691



SCHEDULE-27

NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 15854.17 lac [Previous year (P.Y.) ₹ 21969.79 lac].

2. CONTINGENT LIABILITIES

	(₹ Lac)	
	2010-11	2009-10
(i) Claims against the Company, not Acknowledged as debts Arbitration/Court cases [Includes ₹ 233.04 Lac (P.Y. ₹ 219.22 lac) decreed against the Company in different arbitration/Labour court cases and deposited by the Company but disputed in appeals.]	151706.23	124046.16
(ii) Disputed Income Tax, Trade Tax, Commercial Tax, Entry tax includes ₹ 250.42 lac (P.Y. ₹ 254.96 lac) deposited by Company but disputed in appeal	777.36	746.46
(iii) Others (Contractors claims etc.)	6603.78	12977.95
(iv) Amount of liability, if any, in respect of claims/court cases filed by the employees/oustees and others is not ascertainable.		

3. Company has also accepted EMD/Security Deposit in the shape of FDR/CDR amounting to ₹ 899.17 lac (P.Y. ₹ 739.28 lac) besides the "Deposits, Retention money from Contractors" amounting to ₹ 2664.64 lac (P.Y. ₹ 1398.52 lac) as disclosed in Schedule 13.

4. The Company is holding confirmed letters of credit (LCs) from various beneficiaries of power as backup security for payment amounting to ₹ 2069.50 lac (P.Y. ₹ 1907.38 Lac).

5. An amount of ₹ 7800.00 lac was spent for providing extra space to Govt./Semi Govt. Deptt. in New Tehri Town

and the same was recoverable from Government of Uttarakhand (GOUK). As per the approval of Government of India (GOI), the term loan of ₹ 7800.00 lac was raised from Punjab National Bank in the year 2005-06 on behalf of GOUK. The amount along with interest is to be recovered from GOUK from their share of 12% free power from Tehri HEP Stage-I.

In the meeting held on 27.03.2009 under chairmanship of secretary (power), MOP it was mutually settled that GOUK shall reimburse the expenditure of ₹ 7800.00 lac due on account of extra space provided by THDC for residential/non-residential buildings after adjusting the amount due from THDC towards royalty on clay/shell material used in construction of Dam. Further it was agreed that being a mutual settlement neither GOUK nor THDC shall charge interest on the amounts due to each other. Accordingly, interest of ₹ 1857.42 lac recoverable from GOUK has been adjusted. It was further decided that the amount of royalty charges shall be worked out on the basis of actual quantities as provided by THDC. Royalty has been calculated which comes to ₹ 3820.00 lac. The balance amount of ₹ 1920.00 lac after deducting deposited amount of ₹ 1900.00 lac with D.M. has been adjusted against ₹ 7800.00 lac and balance amount of ₹ 5880.00 lac has been shown as recoverable from GOUK in Schedule-12. The matter was further discussed in the meeting held on 11.05.2010 Chaired by JS(Hydro) wherein representative of GOUK assured that the matter will be taken up with the State Finance Department for early release of amount.

The Company had filed a writ petition in High Court, Nainital to stay the recovery of royalty & interest amounting to ₹ 6448.58 lac. However subsequent to the joint meeting held on 27.03.2009 as referred above, the matter for withdrawal of writ petition in the Nainital High Court has been taken up with District Magistrate (D.M.) Tehri. Further, Company has requested vide letters dated 25.05.2009, 21.07.2009 & 04.03.2010 to the Chief Secretary, GOUK to take necessary action as per the Minutes of meeting dated 27.03.2009. GOUK has not raised any objection to the companies affidavit filed as per the minutes. The decision of Hon'able High Court Nainital on this matter is still awaited. However, necessary adjustments stand incorporated in the Books of Accounts.



6. (i) The total interest on Borrowed funds for the year is ₹ 51675.35 lac (P.Y. ₹ 50114.46 lac). The amount of borrowing cost capitalized during the year is ₹ 15489.18 lac (P.Y. ₹ 10016.65 lac) after adjustment of an amount of ₹ 25.01 lac (P.Y. ₹ 9.06 lac) towards interest earned on short term deposit of surplus borrowed funds during the year.

(ii) The amount of foreign exchange fluctuation during the year ₹ 213.36 lac (P.Y. ₹ 963.89 lac) is adjusted to the Capital Work In Progress/Assets.

7. (i) Diversion Tunnel in Koteshwar Project was capitalized on 28th December, 2003. The amortization of Diversion Tunnel has been charged on straight line method over the expected useful life of the Tunnel since its use shall cease after the commercial operation of 1st Unit of the Project. Since 1st Unit of Koteshwar project has been put into commercial operation on 24.00 hours of 31.03.2011, therefore balance unamortized amount has been charged to depreciation during 2010-11.

(ii) Synchronisation of Unit -I & Unit -II of Koteshwar HEP has been successfully completed in the month of March 2011 and Unit -I of Koteshwar HEP has been declared into commercial operation at 24.00 hours on 31.03.2011 or 00.00 hours on 01.04.2011. Therefore the Unit-I of Koteshwar HEP has been capitalized on 31st March 2011 after adjusting infirm energy. The gross block of fixed assets used in construction of Koteshwar Project has been reduced to WDV of these assets as on 31.03.2011.

8. (i) Management has revised pay scale w.e.f., 01.01.2007 in respect of executives, supervisors & workmen and introduced cafeteria based perquisites from 26.11.2008. Also Management has introduced performance related pay (PRP) for the year 2009-2010 & 2010-2011. Accordingly liability/provision after adjusting the earlier provision has been made in the books.

(ii) As per Corporate Personnel circular no. 05/2011, employer contribution towards superannuation benefit shall be 30% of basic pay & dearness allowance of the employees w.e.f., 01.01.2007. This shall include Employees Provident Fund (EPF), Gratuity, Pension and Contributory Scheme of Post Retirement Medical Facilities. Pending finalization of pension scheme,

provision in pension fund for approx 10% of basic pay & DA has been made in accounts.

9. Pending completion of legal formalities, title deeds of freehold land measuring 114.218 acres amounting to ₹ 70.18 lac (P.Y. 114.218 acres amounting to ₹ 70.18 lac) are yet to be registered in the name of the Company.

10. (i) Rehabilitation Expenses under Capital-Work-in-Progress include ₹ 536.18 lac (P.Y. ₹ 460.63 lac) towards cost of 609.04 acres (P.Y. 608.77 acres) of land acquired for rehabilitation of oustees / execution of project works.

Further, Rehabilitation CWIP and EDC thereon relating to Tehri HPP stage-I & Koteshwar amounting to ₹ 7277.46 lac (P.Y. ₹ 3467.34 lac) have been capitalized during the year 2010-2011 which include ₹ 1237.33 lac (P.Y. ₹ 177.84 lac) towards cost of 754.245 acres (P.Y. NIL acres) of land acquired for rehabilitation.

(ii) Registration of property allotted to the oustees at the new locations for resettlement is in process and is being looked after by Govt. of Uttarakhand who has been assigned the responsibility of rehabilitation & resettlement of Dam Ousteers.

(iii) Pursuant to the Government of India, MOE&F, New Deih's order no. F.No.8-3/89-FC dated 17/23rd October, 2002- the Government of Uttarakhand vide its office order no. GI-186/7-1-2002-300(459)/88 dated 30th October, 2002 has issued order for diversion of 338.932 hectare Civil Soyam and Forest land on lease for a period of 30 years in favour of the Company, for the purpose of construction of Koteshwar Dam Project (4 × 100 MW). The lease deed for 337.057 hectare land has been executed w.e.f. 01.01.2003 with Govt. of Uttarakhand. The lease deed for 1.875 hectare Forest land, for which payment has been made, is pending for completion of legal formalities and has been shown as lease hold Land. Out of 338.932 hectare, 218.307 hectare is below submergence area and is shown under rehabilitation has been capitalized on completion of Dam. The amount of ₹ 67.84 lac against 120.625 hectare land above submergence area is being amortized in 30 years.

(iv) The Land measuring 14.37 acres transferred free of cost by Govt. of Uttarakhand for construction of Koteshwar Dam Project (4 × 100 MW) to the Company has been accounted for at notional value of ₹ 1/-.



(v) MOE&F, Government of India vide order no 08B/UCP/06/312/2006/FC/144 dated 29.04.08 has sanctioned 5.75 hectare of forest land on lease for a period of 30 years in favour of the Company for construction of roads at Vishnugad Pipalkoti project for which lease premium has been paid. The same has been shown as leasehold land. However, legal formalities are yet to be completed.

11. (i) Discrepancies found during physical verification of fixed assets, which are not significant in nature are being examined and reconciled. Necessary adjustment shall be made on final reconciliation.

(ii) In the absence of actual cost, certain assets, found in excess during physical verification, have been recorded at a notional value of ₹1/- each.

12. Balances shown under advances, debtors, creditors and materials in transit / lying with contractors are subject to confirmation/reconciliation and consequent adjustments, if any.

13. Balance with banks includes ₹ 136.78 lac (P.Y. ₹ 136.78 lac) on which lien has been exercised by the concerned Authorities for recovery on account of Royalty, Spillway Escalation.

14. Losses/Shortages pending investigation ₹ 0.89 lac (Previous year ₹ 1.85 lac) represents shortages. Pending the approval of the competent authority, adjustment for the same is yet to be made.

15. The Company has received the confirmation of the Ministry of Corporate Affairs, Government of India vide no. 40/2/2008-CL-III dated 17.12.2008 for reduction of share capital by ₹ 277.87 lac by cancellation of 27787 equity shares of ₹ 1000/- each allotted to the Govt. of India. Necessary entry for the same has been passed in the year 2008-09. The reduction represents the part purchase consideration towards the transfer of Transmission Lines and associated sub stations to Power Grid Corporation of India Limited, Thus total reduction in share capital on this account comes to ₹ 1118.87 lac including earlier reduction of ₹ 841.00 lac done in 1998-99.

16. (i) 90 flats (P.Y. 35 flats) on the land acquired by the Company are in the un-authorized occupation of various persons. The Government of India has appointed Estate

Officers for necessary action in the matter. Further, the possibilities of legal action are being explored.

(ii) Transit camp constructed in THDC complex at 26, E.C. Road, Dehradun having value of ₹ 20.10 lac is being used by THDC and various departments of Govt. of Uttarakhand who are responsible for Rehabilitation works of Tehri Dam Project. However, after completion of rehabilitation activities such assets will remain in the possession of the Company.

(iii) Freehold land includes 0.458 hectares, located at Sautiyal Village encroached by unauthorized occupants.

17. As per the Articles of Association, the cost of Irrigation Component of the 1000 MW Tehri HPP Project which is 20% of the total cost has to be borne by GOUP as Consumer's contribution. Total cost incurred on the project upto 31.03,2011 works out to ₹ 839245.05 lac (P.Y. ₹ 839245.05 lac) out of which, as per the formula, cost of Irrigation Component works out to ₹ 144133.80 lac (P.Y. ₹ 144133.80 lac). The Government of Uttar Pradesh has contributed ₹ 144118.38lac as on 31.03.2011 (P.Y. ₹ 144118.38 lac).

18. As per clause no 61(B) of the Articles of Association, maintenance charges payable by GOUP towards the maintenance of irrigation sector are to be mutually agreed by the Company and Govt. of U.P. Pending mutual agreement, the same has not been shown as recoverable from Govt. of U.P.

19. Commercial operation of Tehri HPP-1, Generating Station has been declared during the year 2007-08. The management is of the opinion that in respect of Cash Generating Unit (CGU) represented by Tehri HPP-1, there has been no impairment in the value of assets during the year in terms of Accounting Standard (AS) 28 "Impairment of Assets".

20. (i) Electricity generation is the principal business activity of the Company. Other Operations viz., Consultancy works do not form a reportable segment as per the Accounting Standard - 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.

(ii) The Company has power stations located within the country and therefore, geographical segments are not applicable.



21. Related Party Disclosure:

As required by Accounting Standard -18 "Related Party Disclosures" details of transaction with Related Parties are:-

a) **Related Parties - Key Management Personnel:**

Whole time Directors:

1. Shri R. S. T. Sai Chairman & Managing Director
2. Shri A. S. Bisht Director (Personnel)
3. Shri C. P. Singh Director (Finance)
4. Shri D.V.Singh Director (Technical)

b) **Summary of transactions with related parties (other than for contractual obligations) - Nil.**

c) **Remuneration to whole time Directors including Chairman & Managing Director is disclosed in Note No.42.**

d) **THDCIL, NPCIL Joint Venture to be formed as disclosed in note No 28.**

22. Earning per share (EPS) - Basic & Diluted

The elements considered for calculation of earning per share (Basic & Diluted) are as under:

	2010-11	2009-10
Net profit after tax used as numerator ₹ In lac),	60047.87	47995.12
Weighted average no. of equity shares used as denominator	32975817	32975817
Earning per share ₹ Basic	182.10	145.55
Diluted	182.10	145.55
Face Value per share in ₹	1000	1000

23. In compliance to the Accounting Standard 22 on "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India, The net increase in the deferred tax assets of ₹ 5789.83 lac (P.Y. increase in Deferred tax liability ₹ 7502.67 lac) has been booked to Profit and loss Account. The deferred tax assets pertaining to the period upto 31st March 2009 is refundable to the beneficiaries, thereafter, it is a part of the current tax as per CERC regulation 2009-2014 and not refundable. The item-wise detail of cumulative Deferred Tax liability/ Assets is as under:

₹ in lac

Sl.No.		31.03.2011	31.03.2010
	Deferred Tax Liability (A)		
(i)	Difference of Book Depreciation and Tax Depreciation	0	0
	Deferred Tax Assets (B)		
(ii)	Difference of Book Depreciation and Tax Depreciation	6867.55	1410.32
(iii)	Advance against Depreciation to be considered as income in tax computation	9625.04	9625.04
(iv)	Provision for doubtful debts	107.39	81.14
(v)	Provision for employee benefit schemes	3005.48	2699.13
	Net Deferred Tax Liability/(Assets) (A-B)	(19605.46)	(13815.63)

24. In line with the Guidelines issued by Govt. of India, Company is required to incur expenditure on Corporate Social Responsibility (CSR) activities @ 2% of Profit Before Tax for the year 2009-2010 during the year 2010-2011. Provision for unspent amount has been made by way of non-lapsable CSR fund.

25. In the opinion of the Management, the value of Fixed Assets, construction stores loans & Advances on realisation will not be less than the value at which these are stated in the Balance-Sheet.

26. (a) Based on the information available with the company, there are no suppliers/service providers who are registered as micro, small or medium enterprises under "The Micro, Small and Medium Enterprises Development Act, 2006" as on 31st March 2011.

(b) No payment is due for more than 30 days as at 31st March, 2011 in respect of purchases/services made from small scale/ancillary industries.

27. (i) The Govt. of Maharashtra vide letter no. MIS-1207/(126/2007)/HP dated 21.04.2008 has entrusted two Pumped Storage Schemes (PSS) for Survey & Investigation of Malshej Ghat (600 MW) on river Kalu (Distt. Pune) and Humbarli (400 MW) on upstream of Koyna Project (Distt. Satara) in Maharashtra State to the Joint Venture of THDC and NPCIL which is to be incorporated. An agreement has been signed between



THDCIL & NPCIL in August, 2008 and the works of Survey and Investigation have been taken up and an amount of ₹ 623.21 lac (P.Y. ₹ 253.52 lac) has been spent by THDCIL upto 31st March 2011 which is shown as recoverable from Joint Venture.

(ii) Govt. of India vide D.O. no.11/01/2008-BBMB dated 22.07.2008 has entrusted the updation work of the DPRs of Sankosh Project (4060 MW) and Bunakha HEP (180 MW) in Bhutan to THDCIL on consultancy basis. The agreements for the same have been signed between THDC India Ltd. and Royal Govt. of Bhutan on 23.03.10 for ₹ 1682.075 lac and 24.06.10 for ₹ 1378.75lac respectively. Accordingly, work of updation of DPR has been taken up by THDC India Ltd.

(iii) MOU has been signed between THDCIL, GOUP and UPPCL for establishing 1320 MW coal based super thermal power station at Khurja, District- Bulandshahar. UP. subject to establishment of its techno- economic viability, tie up for fuel, funding, commitment for off take of power, signing of PPAs & obtaining of necessary clearances/approvals. Accordingly initial work for preliminary feasibility report (PFR) has been taken up by THDC India Ltd.

28. The Company is assisting the Govt. of Uttarakhand in the work of stabilization of Varunavat Parvat as per instructions of Govt. of India as a social responsibility. The expenditure incurred is to be reimbursed by the Govt. of Uttarakhand. Against an expenditure of ₹ 787.17 lac (P.Y. ₹ 677.37 lac) a sum of ₹ 566.36 Lac (Previous years ₹ 239.77 Lac) has been reimbursed to the Company.

29. As decided by the Govt. of India in December 1998, the State Govt of U.P./Uttarakhand (GOUP/ GOUK) have been entrusted with the responsibilities of rehabilitation activities of the Project, to be handled directly by them out of the funds to be made available by the Company. The expenditure incurred has been accounted for in the books of accounts of the Company as per consolidated expenditure details provided by GOUK which is compiled based on the monthly account rendered by the respective divisions of the GO UK to the AG, Uttarakhand. Establishment expenses of the Personnel of the GOUK engaged in the rehabilitation work have been booked to the extent reflected in the account statements received.

Reimbursement of charges met directly by GOUK to be accounted for on receipt of claim for the same.

30. Liquidated damages are accounted for on settlement of final bills/delivery schedule.

31. Cost of land & building constructed at Kederpuram for rehabilitation of Tehri Dam oustees is included in unclassified land. Some of the buildings and appurtenant land not allotted to oustees is being used by Company. The title deed of the same is yet to be transferred in the favour of the Company. Pending linking of details of cost from Rehabilitation record, the same is not transferred to land & building.

32. (i) Recoveries from M/s. KCT & Bros C.S. Ltd (KCT) towards rebate against quantity variation as per Contract provision of Power House has been contested by the Company in the Nainital High Court. As per court order these cases were referred to Arbitration. The matter is still pending before Arbitral Tribunal. The value of assets created under these contracts will vary depending upon finalization of case.

(ii) Advance to contractors include ₹ 20478.75 lac (Principal ₹ 15899.99 lac and interest @ 16% ₹ 4578.76 lac) [P.Y. ₹ 15610.07 lac (Principal ₹ 12663.97 lac & interest @ 16% ₹ 2946.10 lac)] towards amount recoverable from contractor (M/s. PCL) of the KHEP on account of risk & cost account, mobilisation advance & equipment advance. The value of security (performance guarantee/ cash) available with THDCIL upto 31.03.2011 is amounting to ₹ 5628.71 lac (P.Y. ₹ 5628.71 lac) only.

In case of arbitration in respect of M/s. PCL, THDCIL has filed counter claim before Arbitrator in this matter. The Arbitrators have disallowed interest on advance recoverable from contractor (M/s. PCL) in arbitration award. THDCIL has filed petition before High Court against the Arbitration award. Pending court decision no provision for interest has been made in the books.

33. During the year 2010-11 due to very heavy rains flooding occurred in KHEP project and resulted in damages to some equipments in the works of Koteshwar Project which was in construction stage and damage was estimated amounting to ₹ 30.00 Crore approx. Insurance claim for damages has been lodged by the contractor i.e. M/s BHEL. The expenditure incurred on restoration/



resumption of works have been shown under CWIP. On receipt of insurance claim amount the same shall be adjusted from CWIP.

34. The Central Electricity Regulatory Commission (CERC) had notified in March, 2004 the regulations called the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004. These regulations came into force on 01.04.2004, and remained in force for a period of 5 years. Company filed the petition before CERC for fixation of provisional tariff following the principles enunciated by the CERC in Regulations, 2004. CERC had issued provisional Tariff Order dated 28th December 2006 stating that the tariff approved is an interim measure, and is in derogation of Annual Fixed Charges claimed in the petition and accordingly, there shall not be any computation of secondary energy & capacity index for the period upto 31.03.2007. Aggrieved by the impugned order, Company filed appeal before the Hon'ble Appellate Tribunal for Electricity which in its Order dated 02.07.2007 stated that Commission while determining the final tariff will consider all the relevant contentions of the parties involved.

During the year 2007-08 last Unit i.e. Unit-1 of Tehri Stage-1 Generating Station had been declared under commercial operation on 08.07.2007 and the petition was updated based on audited and certified expenditure upto 07.07.2007 later on CERC vide its order dated 14.03.2008 communicated that the date of commercial operation of the last Unit i.e. Unit-1 of the Generating Station shall be reckoned w.e.f 00.00 hours of 09.07.2007 and accordingly Company shall be entitled for IDC and associated costs upto 08.07.2007.

Govt. of India has accorded approval of Revised Cost Estimate of Tehri HPP (stage-I) vide MOP's letter no. 11/6/2010-11 dated 11.11.2010 for ₹ 8392.45 crore & THDCIL has filed the petition for tariff period 2006-2009 before CERC accordingly. Considering the date of commercial operation of the last unit i.e., Unit - I of Tehri HPP stage-I as on 09.07.2007, the audited, & certified AFC has been considered in the Accounts for FY 2010-2011. Further AFC for the year 2010-2011 has been worked out following the principles enunciated in CERC tariff, Regulations, 2009 and got certified from the statutory

auditors. Accordingly, Company has billed sales for ₹ 165508.86 lac. (Previous Year ₹ 143291.92 lac including secondary energy and charges due to revision of AFC of earlier years as ₹ 2250.99 lac and ₹ 5221.42 lac respectively). The revenue for the year 2010-2011 has been provisionally recognised pending determination of tariff by CERC. Debtors include ₹ 92457.69 lac (P.Y. ₹ 56825.35 lac) on account of differential billing between AFC calculated as per CERC regulation and provisional tariff allowed by CERC pending finalization of tariff. Further THDCIL has also earned ₹ 12.10 lac against infirm energy generated through Unit-I & II of Koteswar HEP.

35. During the year the company has provided depreciation at the rates notified by Central Electricity Regulatory Commission (A body constituted under erstwhile Electricity Regulatory Commission Act, 1998 and recognized under the Electricity Act, 2003) for the purposes of tariff, which are different from the rates specified under Companies Act, 1956. The MOP - GOI had notified Tariff policy which provides that the rates of depreciation notified by CERC would be applicable for the purpose of tariff as well as accounting. Pending formalization of norms by CERC in accordance with the Tariff Policy, the rates notified under present Tariff Regulation 2009-2014 are considered appropriate for charging depreciation for the year.

36. Advance against Depreciation allowed as component of tariff under CERC Regulation 2004-2009 was reduced from sales and considered as deferred revenue to be adjusted in sales of subsequent years. As per CERC Regulation 2009-2014 the same has been abolished w.e.f. 01.04.2009.

37. (i) The Company has taken on lease/rent premises for employees/offices/Guest Houses/Transit camps & vehicles. These lease arrangements are usually renewable on mutually agreed terms but are not cancellable. Rent rate and taxes include ₹ 774.77 lac (P.Y. ₹ 402.72 lac) towards lease payment (net off recoveries).

(ii) THDCIL has taken office on lease covering 2270 sq. ft. area from Delhi Metro Railway Corporation Ltd. at NBCC Building, Lodhi Road, New Delhi on 1st July 2010 for a 6 years period @ ₹ 212 per sq. ft, totaling to ₹ 481240.00 plus service tax. The portion of leased office



accommodation has been sub leased to Ministry of Environment & Forest for a period of 09 months starting from February 2011 covering 1870 sq. ft. area @ ₹ 212 per sq. ft totaling to ₹ 3,96,440.00.

38. The Company has made provision as below.

Sl.No.	Particulars	2010-2011			₹ in Lac
		Opening Balance	Additions	Used/ Adjusted	Closing Balance
1	Works	3702.91	2048.07	3701.60	2049.38
2	Employees Related	19936.84	5136.80	2319.90	22753.74
3	Proposed Dividend	8500.00	5600.00	8500.00	5600.00
4	Tax on Interim Dividend	-	2076.09	-	2076.09
5	Tax on proposed Dividend	1444.58	930.09	1444.58	930.09
6	Others	3214.37	-	1465.01	1749.36
	Total	36798.70	15791.05	17431.09	35158.66

The above table shows that provisions have been made for works, employees, proposed dividend, tax on interim dividend, tax on proposed dividend and others. Works include mainly for un-measured works as on 31.3.2011. Employee's provision includes leave encashment, gratuity, post retirement medical benefits, funeral, baggage allowance in line with the Accounting Policy No. 11(i) and pay arrear etc. Others includes provision for Income tax, Wealth tax, Rehabilitation & Resettlement, Corporate Social Responsibility etc.

39. (i) Company pays fixed contribution to provident fund at pre-determined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to profit & loss account. The trust is required to pay a minimum rate of interest on contributions to the members as specified by Ministry of Labour, GOI However, the obligation of the company is limited to such fixed contribution and shortfall in meeting the interest obligation by the trust. Accordingly, as per Actuarial valuation the liability due to statutory interest rates guaranteed for provident fund as on 31.03.2011 as per

AS-15(Revised) comes to ₹ 323.03 lac (P.Y. ₹ 320.00 lac) as against the revenue surplus of ₹ 20.35 lac (P.Y. ₹ 219.97 lac) available with the trust as on the Balance Sheet date. Therefore, an amount of ₹ 302.68 lac (P.Y. ₹ 100.03 lac) is shown as liability for CPF. During the year ₹ 202.65 lac (P.Y. ₹ 100.03 Lac) has been provided in the accounts.

ii) Disclosure under the provisions of AS-15 on "Employees Benefits",

Provision for employee benefits has been made for the current period using the Actuarial Valuation done as at 31.03.2011. Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits for the Financial Year ended 31.03.2011 is given below:

Table 1: Key Actuarial assumption for Actuarial Valuation as at

Particulars	31.03.2011	31.03.2010
Mortality Table	LIC (1994-96) Duly modified	LIC (1994-96) Duly modified
Discount Rate	8%	7.5%
Future Salary Increase	5.5%	5%

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

₹ in Lac

Particulars	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage Allowance Retirement award/FBS
PVO at Beginning of year	6911.35	2729.64	1513.99	2980.27	495.85
Interest cost	552.91	218.37	121.12	238.42	39.67
Past service cost	-	-	-	-	-
Current service cost	395.17	198.19	59.20	195.76	36.30
Benefit paid	(130.79)	(375.57)	(19.42)	(63.23)	(33.91)
Actuarial (Gain)/loss	(757.40)	359.55	(105.14)	(8.40)	(32.29)
PVO at end of year	6971.24	3130.17	1569.75	3342.82	505.62



Table 3: Amount Recognised in Balance Sheet

₹ in Lac

Particulars	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage Allowance/ Retirement award/FBS
PVO at end of year	6971.24	3130.17	1569.75	3342.82	505.62
Fair Value of Plan Assets at the end of year	-	-	-	-	-
Funded Status	(6971.24)	(3130.17)	(1569.75)	(3342.82)	(505.62)
Unrecognised actuarial gain/loss	-	-	-	-	-
Net liability recognized in Balance Sheet	6971.24	3130.17	1569.75	3342.82	505.62

Table 4: Amount Recognised in profit & loss Account/EDC Account

₹ in Lac

Particulars	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage Allowance Retirement award/FBS
Current Service Cost	395.17	198.19	59.20	195.76	36.30
Interest Cost	552.91	218.37	121.12	238.42	39.67
Past Service Cost	-	-	-	-	-
Expected return on Plan Assets	-	-	-	-	-
Net Actuarial (gain)/loss recognized for the year	(757.40)	359.55	(105.14)	(8.40)	(32.29)
Expense recognized in Profit & Loss/EDC for the year	190.67	776.11	75.18	425.78	43.68

40. The Central Government has not notified the rate of cess payable under section 441A of Companies Act 1956. Therefore Company has not provided for any cess on turnover.

41. Change in Accounting Policy:-

Sl.	Policy	Impact
1.	New accounting policy no 10(vii) relating to recognition of revenue from consultancy works has been introduced	Decrease in loans & advance ₹ 602.15 lac correspondently increase in prior period expenses of ₹ 602.15 lac
2	Modification in accounting policy NO.11 (i) relating to employees benefit has been made by deleting the word LTC.	Decrease in Provision relating to employees ₹ 256.47 Lac and increase in Income-excess provision written back ₹ 256.47 Lac.

42. Remuneration paid /payable to Directors:-

(₹ in lac)

	2010-11	2009-10
i) Salaries and allowances	141.59	46.38
ii) Contribution to Provident Fund	6.87	5.32
iii) Other Benefits	72.45	28.74
IV) Independent Directors Fee & Expenses	14.64	11.19
v) Directors Traveling Expenses	16.09	7.21
vi) Pension Fund	19.44	0.00

In addition to the above remuneration, the whole-time Directors have been allowed the use of staff car including for private journey on payment of ₹ 780/- p.m.(as applicable in accordance with the provisions of the Ministry of Industry, Deptt. of Public Enterprises Circular No. 2(53)/90-DPE (WC)-GIV dated 26th March 1999).



43. Payment to Auditors

	(₹ in lac)	
	2010-2011	2009-2010
Audit Fee (including service tax)	4.13*	4.13
In other capacity	7.06	8.16
Out of pocket expenses	2.62	4.48

*Subject to approval in Annual General Meeting

44. Additional information required as per Part- II Schedule VI of the Companies Act 1956 is as under

	(₹ in lac)	
Particulars	2010-2011	2009-2010
A Expenditure in Foreign Currency (on cash basis)		
Travelling	21.08	36.30
Consultancy & Professional Expenditures	611.19	230.80
Repayment of loan & Interest	2196.90	2660.36
Import of goods	74.61	66.77
Others (Handling Charges)	3.40	6.68
Total	2907.18	3000.91
B Earnings in Foreign Currency (on cash Basis)	1851.65	0.00
C Value of Imports calculated on CIF basis		
(i) Capital Goods	13.13	180.37
(ii) Spare parts	0.00	0.00
Total	13.13	180.37
D Value of Components, Stores & Spare parts Consumed		
(i) Imported (in ₹)	0.30	0.00
(%)	0.27%	0.00%
(ii) Indigenous (in ₹)	110.84	33.81
(%)	99.73%	100.00%
E Value of Export	0.00	0.00

(S.Q. Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

(R.S.T. Sai)
Chairman & Managing Director

As Per Our Report Of Even Date Attached
For HDSG & Associates
Chartered Accountants

(Harbir S. Gulati)
Partner
M.No. : 084072

Date: 31.08.2011
Place: New Delhi

45. licensed and Installed Capacities:-

Sl. Particulars	2010-2011	2009-2010
(i) licensed Capacity (M.W)	N/A**	N/A**
(ii) Installed Capacity (M.W)	1200MW	1000MW
(iii) Approved Capacity(M.W)- Based on investment approval by CCEA)	2844 MW	2844 MW
(iv) Quantitative information in respect of Generation and sale of Electricity (In Million Units)		
(a) Pre-Commercial period		
Generation	0.4338 MU	NIL
Sales	0.4295MU	NIL
(b) Commercial period		
Generation	3116.0253 MU	2116.7918 MU
Sales (net of free power to home state, auxiliary consumption and transformation losses)	2730.5833 MU	1840.4124 MU

** As per Section 7 of Electricity Act 2003 any generating company may establish, operate and maintain a generating station without obtaining license under this act. Therefore, Licensed capacity is not applicable.

46. Previous year figures have been regrouped / reclassified wherever necessary to make the figures comparable with the figures of the current year.

47. Schedule '1' to '27' form an integral part of the accounts.



ANNUAL REPORT

Additional Information as required under Part IV of Schedule VI of the Companies Act, 1956

Amount in Thousand ₹

Balance Sheet Abstract and Company's General Business Profile	
(i) Registration Details	
Registration No.	0 0 0 0 9 8 2 2
State Code	0 0 0 0 0 2 0
Balance Sheet Date	31-MAR-2011
(ii) Capital raised during the year	
Public issue	N I L
Right issue	N I L
Private Placement:-	
(i) Shares issued to Government of India (Nos.)[Net]	N I L
(ii) Shares issued to Government of Uttar Pradesh (Nos)	N I L
Share Capital Contribution Pending Allotment to	
Government of India	N I L
Government of Uttar Pradesh	N I L
Bonus issue	N I L
(iii) Position of mobilisation and deployment of funds	
Total Liabilities	11,65,27,009
Total Assets	11,65,27,009
Source of funds	
Paid up capital	3,29,75,817
Capital Pending Allotment	N I L
Reserves And Surplus Including Contribution From GOUP	2,47,53,030
Secured Loans	4,60,19,444
Unsecured Loans	28,86,468
Deferred Revenue -on Account of Advance against Depreciation	28,33,089
Application of Funds	
Net Fixed Assets	9,09,97,688
Capital Work-In-Progress Including Construction Stores And Advances	1,10,29,748
Investments	-
Deferred Tax Asset [Net]	13,29,250
Net Current Assets	61,08,878
Miscellaneous Expenditure	2,284
(iv) Performance of Company	
Turnover (Including Other Income)	1,68,92,712
Total Expenditure	1,01,00,708
Profit / loss before Tax	67,92,004
Profit / loss after tax	60,04,787
Earning per share (₹)	182.10
Dividend Rate (%)	5.489
(v) Generic names of Principal product / Service of company	
Item Code No	NOT APPLICABLE
Product Description	Generation of Electricity

(S.Q. Ahmad)
Company Secretary

(C.P. Singh)
Director (Finance)

(R.S.T. Sai)
Chairman & Managing Director

Date: 31.08.2011
Place: New Delhi



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2011

Amount In Thousand ₹
(Figures in Parenthesis Represent Deduction)

Particulars	Year Ended 31-Mar-2011		Year Ended 31-Mar-2010	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Prior Period adjustments		67,71,919		49,19,002
Adjustments for:-				
Depreciation	34,93,263		34,58,440	
Provisions	7,905		22,107	
Advance Against Depreciation- Deferred	-		3,91,497	
Interest on loans	37,79,664		40,69,210	
Rebate to Customers	1,33,638		1,14,701	
Prior Period Adjustments	20,085	74,34,555	(12,393)	80,43,562
Operating profit Before Working Capital Changes		1,42,06,474		1,29,62,564
Adjustment For Change In Working Capital				
Inventories	(6,608)		(33,896)	
Sundry Debtors	(35,72,832)		(38,32,500)	
Other Current Assets	764		2,990	
Loans and Advances	(4,021)		(52,337)	
Current Liabilities	20,62,930		(1,75,324)	
Provisions	(1,64,004)	(16,83,771)	12,43,132	(28,47,935)
Cash Generated From Operations		1,25,22,703		1,01,14,629
Direct Tax Paid		(13,66,200)		(8,57,364)
Net Cash From Operations (A)		1,11,56,503		92,57,265
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in:-				
Fixed Assets and CWIP	(75,22,549)		(64,94,495)	
Construction Stores	(15,505)		291	
Capital Advances	(1,34,805)		(3,29,848)	
Miscellaneous Expenditure (To the extent not adjusted)	1,316		1,226	
Net Cash Flow From Investing Activities (B)		(76,71,543)		(68,22,826)



Amount In Thousand ₹
(Figures in Parenthesis Represent Deduction)

Particulars	Year Ended 31-Mar-2011	Year Ended 31-Mar-2010
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital	–	–
Irrigation Contribution	–	4,53,400
Other Capital Reserve	4,069	124
Loans	28,28,413	26,35,129
Interest on loans	(37,79,664)	(40,69,210)
Rebate to Customers	(1,33,638)	(1,14,701)
Dividend & Tax on Dividend	(21,10,618)	(16,96,428)
Net Cash Flow From Financing Activities (C)	(31,91,438)	(27,91,686)
D. NET CASH FLOW DURING THE YEAR (A+B+C)	2,93,522	(3,57,247)
E. OPENING CASH & CASH EQUIVALENTS	2,30,870	5,88,117
F. CLOSING CASH & CASH EQUIVALENTS(D+E)	5,24,392	2,30,870

1. Cash and Cash Equivalents includes Balance with Banks of ₹136.78 lac (Previous year ₹ 136.78 lac) which is not available for use by the Corporation.
2. Previous year's figures have been Regrouped / Rearranged / Recast wherever necessary.

(S.Q. Ahmad)
Company Secretary

(C.P. Singh)
Director (Finance)

(R.S.T. Sai)
Chairman & Managing Director

As Per Our Report Of Even Date Attached
For HDSG & Associates
Chartered Accountants

(Harbir S. Gulati)
Partner
M.No. : 084072

Date: 31.08.2011

Place: New Delhi



AUDITORS' REPORT

To,
The Members,
THDC India Limited

1. We have audited the attached Balance Sheet of THDC India Limited as at March 31, 2011, and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

3. As required by the Companies (Auditor's Report) Order, 2003, read with Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.

4. Attention is invited to the following:

- (a) Note No.5 of Schedule 27-Regarding balance amount due from Govt. of Uttarakhand amounting to ₹ 5880.00 Lacs on account of extra space as remaining due on 31.03.2011, after adjustment of dues towards Royalty, are yet to be recovered.
- (b) Note No.10 (i) of Schedule 27-Rehabilitation expenditure of ₹ 7277.46 Lacs capitalized in

accounts under the head 'Unclassified Land' has been booked in accounts on the basis of account statements received from Uttarakhand Government/ Govt. Authorities and thus not subject to verification by us.

- (c) Note No. 12 of Schedule 27 – The balances for Sundry Debtors, Sundry Creditors, Security Deposits/ Earnest Money Deposits, Loans & Advances are subject to confirmation and reconciliation.
- (d) Note No.16 (i) of Schedule 27 - Relating to unauthorized occupation of 90 flats (previous year 35 flats) by various persons on the land acquired by the Company.
- (e) Note No. 32(ii) of schedule 27 – Advance to contractors includes ₹ 20478.75 Lacs towards the works executed at the risk and cost of the KHEP contractor (M/s PCL) against the security of ₹ 5628.71 Lacs.
- (f) Note No.34 of Schedule 27 – Accounting of sales is being done on provisional basis pending final fixation of tariff by CERC.

5. Further to our comments in the annexure referred to in paragraph no. 3, and read with other items on which attention is drawn vide paragraph no. 4 above we report that:

- (a) We have 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 appears from our examination of the books.
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.



(e) In pursuance to the notification No. GSR 829(E) dated 17.7.2003, issued by the Department of Company Affairs; clause (g) of sub-section (1) of section 274 of Companies Act, 1956 pertaining to disqualification of Directors is not applicable to a Government Company.

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon attached thereto, give the information required by the Companies Act 1956, in the manner so required, and give a true & fair view in conformity with the Accounting principles generally accepted in India:

(a) in the case of Balance Sheet, of the state of affairs of the company as at 31st March 2011,

(b) in the case of Profit and Loss Account, of the profit for the year ended on that date, and
(c) in the case of the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For HDSG & Associates
Chartered Accountants
Reg. No. 002871N

(Harbir Singh Gulati)
Partner, FCA
Membership No.:84072

Place : New Delhi

Date : 31st August, 2011





ANNEXURE TO THE AUDITORS' REPORT

(Annexure referred to in Paragraph 3 of our Report of Even Date)

1. In respect of its Fixed Assets :

- (a) The Company has generally maintained records of Fixed Assets, showing full particulars including quantitative details and situation of Fixed Assets. However, putting of identification numbers on the Fixed Assets is under process. The records for movement of the assets have been properly maintained, except in a few cases.
- (b) The assets have been physically verified by Independent Firm of Chartered Accountants during the year and discrepancies, though not material, noticed on such verification, have been dealt properly in the books of account. In our opinion, frequency of verification is reasonable having regard to the size.
- (c) During the year the company has not disposed off substantial part of its Fixed Assets.

2. In respect of its Inventories:

- (a) Physical verification of inventory has been conducted by Independent Firm of Chartered Accountants, except for the material lying with the contractors. In our opinion frequency of verification is reasonable.
- (b) The procedures of physical verification of inventory, followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company has maintained proper records of inventory.

3. The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, Clause (iii) of paragraph 4 of the Order is not applicable.

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems, commensurate with the size of company and nature of its business, with regard to purchase of inventory and fixed assets. During the course of our audit we have neither come across nor have been informed of

any continuing failure to correct major weaknesses in the underlying internal control systems.

5. Based on the audit process applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need be entered in the register required to be maintained under that Section. The question of reasonableness of transactions ₹ 500000/- or more during the year does not arise.

6. Since the Company has not accepted any deposit from the public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58-A, 58-AA and other relevant provisions of Companies Act, 1956, and rules framed there under, does not arise.

7. The Company has an Internal Audit system wherein external Chartered Accountant Firms are appointed to carry out periodic audits of different units of the Company. In our opinion, the scope and coverage of internal Audit are commensurate with the size and nature of its business.

8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956. The company is maintaining the required Cost Records. However, the Cost Audit for the year 2010-11 has not been conducted.

9. (a) According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, custom duty, excise duty and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as on 31.3.2011 for a period of more than six months from the date they became payable. As informed, the provisions of the Employees State Insurance Act are not applicable to the Company.

- (b) According to information and explanation given to us, following disputed income tax / trade tax/entry tax dues have not been deposited.



Assessment Year	Amount (₹ in Lacs)	Nature of Dues	Present Status
1986-87	45.30	Trade Tax	Against the amount of the interest imposed by Assessing authority, the case had been remanded back by Dy. Commissioner (Appeal), Dehradun and re-assessed by Assessing Authority with the same amount. THDC filed an appeal with JC (Appeal) against the order of A.O. and JC (Appeal) has granted the stay order. During FY 10-11, 1 st appeal decided in favour of THDC and against this order State has filed appeal before tribunal vides appeal No. 69-11.
1989-90	0.36	Trade Tax	Commercial Tax deptt. has filed an Appeal before High Court Nainital against the decision of Tribunal for relief of tax on Right to use.
1993-94	0.33	Trade Tax	The Trade/Commercial Tax deptt. has filed an appeal before High Court Nanital against decision of Tribunal for the interest amount imposed by Assessing Authority.
1993-94	0.39	Trade Tax	Commercial Tax deptt has filed an Appeal before High Court Nanital against the decision of Tribunal for relief of Tax on Right to use.
1994-95	0.88	Trade Tax	The Trade/ Commercial Tax deptt has filed an appeal before High Court Nanital against decision of Tribunal for the interest amount imposed by Assessing Authority.
1994-95	1.10	Trade Tax	Commercial Tax deptt has filed an Appeal before High Court Nanital against the decision of Tribunal for relief of Tax on Right to use.
1997-98	0.60	Trade Tax	Commercial Tax deptt has filed an Appeal before High Court Nanital against the decision of Tribunal for relief of Tax on Right to use.
2000-01 Interest for 125 months	136.35 340.88	Entry Tax	The Entry Tax case is pending before Addl. Commissioner (Appeal), Dehradun.
2007-08	0.75	Trade Tax	THDCIL has filed appeal against the demand raised in assessment order dated 28.02.2011.

10.(a) The Company does not have accumulated losses at the end of financial year and has not incurred any cash loss in the financial year under audit, and also in the immediately preceding financial year.

(b) In the case of ongoing projects of the company which are under construction stage, this clause of accumulated losses is not applicable.

11. On the basis of audit procedures adopted by us and according to the records, the Company has not defaulted in repayment of dues to any Financial Institution or bank.

12. According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. The company is not a chit fund or nidhi/mutual benefit fund/society. Accordingly, Clause xiii of paragraph 4 of the Order is not applicable.

14. In our opinion and as per the information and explanations given to us, the Company is not dealing in or trading in shares, debentures, and other investments. Accordingly, Clause xiv of paragraph 4 of the Order is not applicable.

15. As informed to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.

16. In our opinion, and according to the information and explanations given to us, the company has applied the term loans for the purpose, they were raised during the year.



टीएचडीसी इंडिया लिमिटेड THDC INDIA LIMITED

17. In our opinion, on an overall basis, and according to the information and explanation given to us, the company has not used the funds raised on short term basis for long term investment.

18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act during the year.

19. The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect, therefore does not arise.

20. The Company has not made any public issue of any securities during the year and therefore the question of disclosing the end use of money raised by any public issues does not rise.

21. During the course of our examination of books and records of the company for the year, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instances of fraud on or by the company, nor have we been informed of such cases by the Management.

For **HDSG & Associates**
Chartered Accountants
Reg. No. 002871N

(Harbir Singh Gulati)
Partner, FCA
Membership No.:84072

Place: New Delhi
Date: 31st August, 2011



गोपनीय

सं. No. RAP/THDC/3rd PHASE/ACCOUNTS/2001-12/675

भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक, वाणिज्यिक लेखापरीक्षा,

एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-III

नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL

AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-III

NEW DELHI

दिनांक / Dated: 15/9/2011

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
टीएचडीसी इण्डिया लिमिटेड,
ऋषिकेश

विषय: 31 मार्च 2011 को समाप्त वर्ष के लिए टीएचडीसी इण्डिया लिमिटेड, ऋषिकेश, के वार्षिक लेखों पर कम्पनी अधिनियम 1956 की धारा 619(4) के अन्तर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं टीएचडीसी इण्डिया लिमिटेड, ऋषिकेश, के वर्ष 2010-11 की समाप्ति हेतु कम्पनी अधिनियम 1956 की धारा 619(4) के अधीन लेखों पर भारत के नियंत्रक-महालेखापरीक्षा की टिप्पणियाँ अग्रेषित करता हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

भवदीय,

(एम.के. विश्वास)

प्रधान निदेशक

संलग्न : यथोपरि।

छठा एवं सातवाँ तल, एनेक्सी बिल्डिंग, 10, बहादुर शाह जफर मार्ग, नई दिल्ली-110002
6th & 7th floor, Annexe Building, 10, Bahadurshah Zafar Marg, New Delhi - 110002
Ph.: 2329227; Fax: 23239211; e-mail: mabnewdelhi3@cag.gov.in



COMMENTS OF THE COMPTROLLER AND
AUDITOR GENERAL OF INDIA UNDER SECTION 619(4)
OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF
THDC INDIA LIMITED, RISHIKESH, FOR
THE YEAR ENDED 31 MARCH, 2011

The preparation of financial statements of THDC India Limited, Rishikesh, for the year ended 31 March 2011 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the company. The statutory auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 31 August 2011.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 619(3) (b) of the Companies Act, 1956 of the financial statements of THDC India Limited, Rishikesh, for the year ended 31 March 2011. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to Statutory Auditors' report under Section 619(4) of the Companies Act, 1956.

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

(M.K. Biswas)
Principal Director of Commercial Audit &
Ex-officio Member Audit Board - III,
New Delhi

Place: New Delhi

Dated: 15th September, 2011

न्यू टिहरी टाउन का विहंगम दृश्य
A panoramic view of New Tehri Town

