



2011-12

24<sup>वीं</sup> वार्षिक रिपोर्ट  
24<sup>th</sup> Annual Report



टीएचडीसी इंडिया लिमिटेड  
THDC INDIA LIMITED



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## NOTICE

NOTICE is hereby given that the 24<sup>th</sup> Annual General Meeting of the Members of THDC India Limited will be held on 27.09.2012 at 6:00 PM at THDC INDIA LIMITED, NCR Office, Plot No. 20, Sector - 14, Kaushambi, Ghaziabad (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 Auditor's Report and Directors' Report of the Corporation for the year ended March 31, 2012.
2. To fix the remuneration of the Statutory Auditors for the year ended March 31, 2012.
3. To declare Final Dividend for the year 2011-12.

By order of the Board of Directors of  
THDC INDIA LIMITED

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

PLACE : RISHIKESH

DATE : 20.09.2012

To :

- All the Members of THDCIL.
- All Directors of THDCIL.
- Statutory Auditors - M/s BHATIA & BHATIA, Chartered Accountants  
12, Central Lane, Bengali Market, New Delhi -110001.



**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)

**PUNE**

Arun Plaza, 2<sup>nd</sup> Floor, S. No. 19/3, Hinjewadi Road,  
Dange Chowk, Thergaon, Pune-411033 (Maharashtra)

**VPHEP**

Alaknanda Puram, Siyasain, Pipalkoti, Distt. Chamoli (Uttarakhand)

**BHUTAN**

1<sup>st</sup> Floor, Pelkhi Centre, Pelkhill Lam, Phuentsholing, Bhutan

**Company Secretary**

Shri S.Q. Ahmad

**Statutory Auditors**

M/s BHATIA & BHATIA

Chartered Accountant

12, Central Lane, Bengali Market, New Delhi-110001

**Bankers**

Punjab National Bank  
Union Bank of India  
State Bank of India  
State Bank of Hyderabad

This report was adopted at  
24<sup>th</sup> Annual General Meeting of the Corporation held on 27.09.2012

**BOARD OF DIRECTORS**  
AS ON 27.09.2012



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



**Shri A. S. Bisht**  
Director (Personnel)



**Shri C.P. Singh**  
Director (Finance)



**Shri D.V. Singh**  
Director (Technical)



**Shri G. Sai Prasad**  
Joint Secretary, Ministry of Power, GoI,  
Government Nominee Director



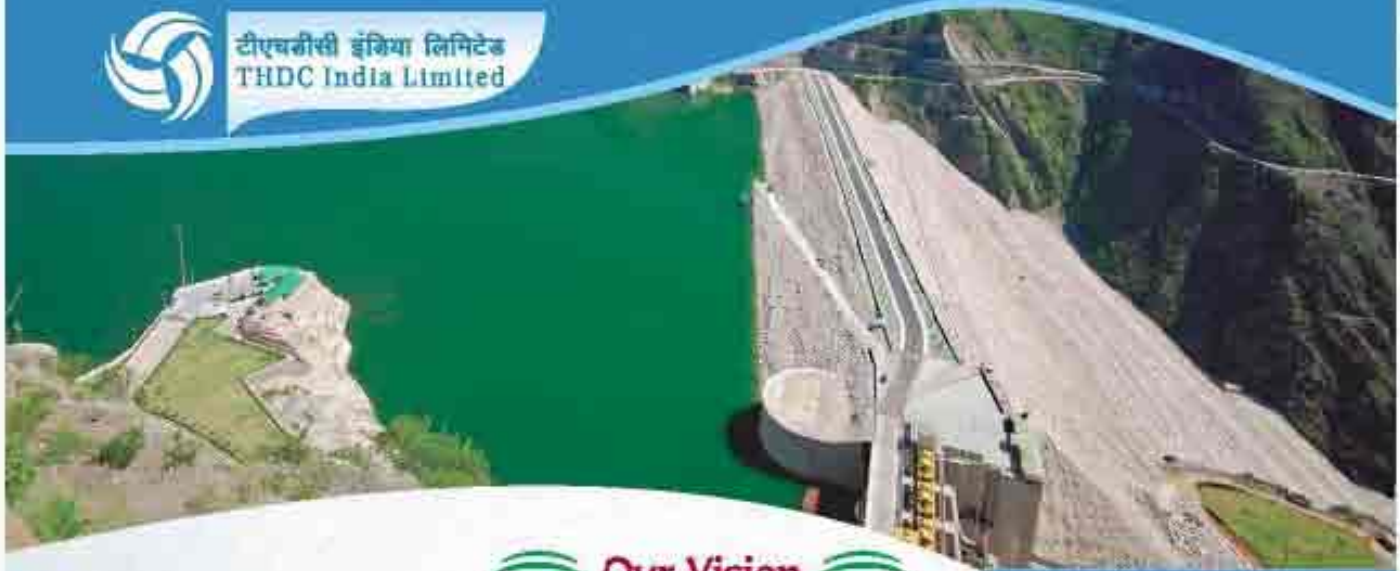
**Professor (Dr.) S. C. Saxena**  
Former Director, IIT, Roorkee  
Independent Director



**Shri Rajib Sekhar Sahoo, FCA**  
Practising Chartered Accountant  
Independent Director



**Shri O. P. Gahrotra**  
Former Additional Chief Secretary, Govt. of Maharashtra  
Independent Director



## 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

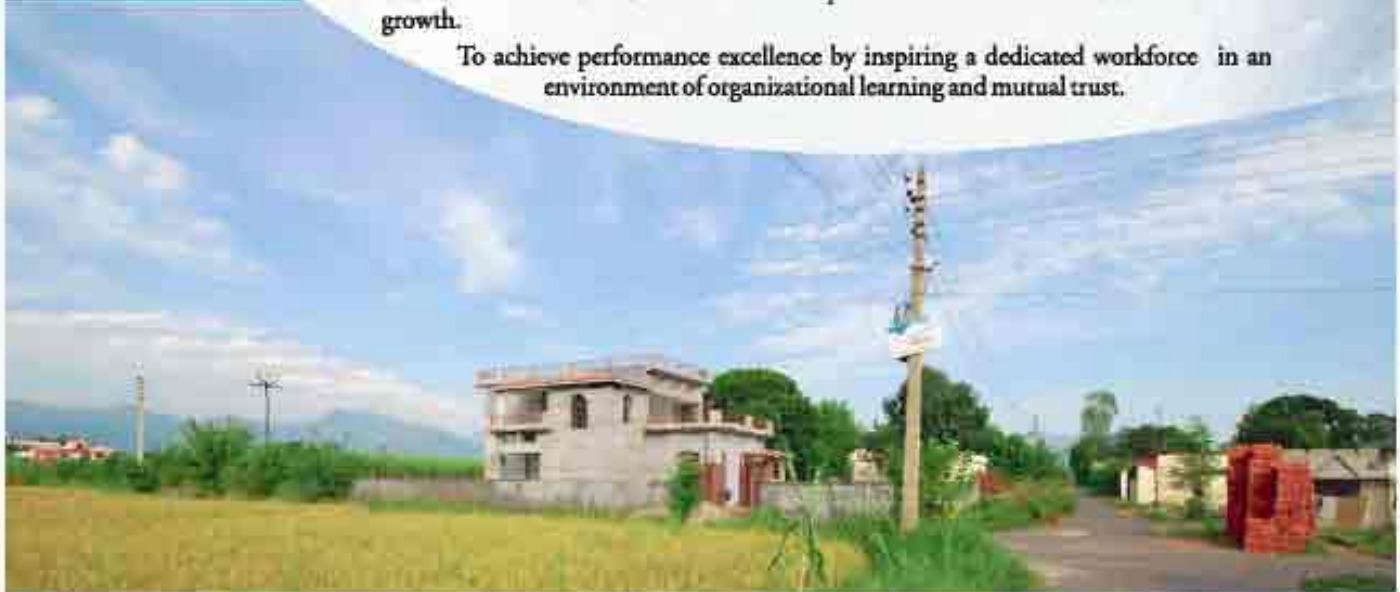
To plan, promote, develop hydro as well as other energy resources from concept to commissioning and operate power stations to meet the growing energy demand, ensuring environment and ecological balance, contributing to national prosperity.

To accept Corporate Social Responsibility (CSR), including Rehabilitation and Resettlement of Project Affected Persons (PAPs) 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.





## *Chairman's Address*

**Ladies & Gentlemen,**

I welcome you all to the 24<sup>th</sup> Annual General Meeting of your Company. The annual Audited Accounts along with the Report of the Auditors and Directors' Report for the year 2011-12 are already with you and with your permission; I would take them as read.

### **Indian Economic Scenario- Challenges and Opportunities**

The Indian economy has been experiencing slowdown. The GDP growth in 2011-12 was subdued at about 6.5% as compared to 8.4% in previous year. The depreciation of Indian Rupee and increase in fiscal deficit affected the investment climate. The growth in gross capital formation decelerated to 5.5% as compared to 7.5% in the previous year. The size and diversity of Indian economy offers adequate cushion to absorb fluctuations in global markets. The demographic profile, marginal propensity of its aspiring people for consumption and the strong tradition of its burgeoning middle class for savings remain the fundamental strengths. The late Prime Minister Mrs.

Indira Gandhi used to say 'hard work coupled with iron will is the key to success'. The Indian working class is known and appreciated for its skill, discipline and hard work. If only the iron will gets manifested in India's institutions, the late Prime Minister's vision would become reality and hard work of Indians could be channelized for their own benefit. The translation of Investment Plans into implementation could be speeded up, if a qualitative improvement in the decision making culture could be brought about. It is natural that there would be conflict between sectoral perspectives. At some level one has to decide on priorities and optimally resolve the conflicting objectives.

Access to affordable and reliable electricity is critical to the growth and prosperity of the Nation. Power is basic necessity for sustaining civilized society. The growth of the economy and its global competitiveness hinges on the availability of reliable and quality power at competitive rates. There is great responsibility on your Company to contribute to the capacity addition in Power Sector, while addressing environmental concerns.



### Past Year Review

The year gone by has been eventful for your Company. Overcoming several adversities, your Company successfully commissioned the 400 MW Koteswar HEP, increasing the installed generating capacity of THDCIL to 1,400 MW. I am happy to report, that Gross sales of your Company increased to ₹ 2017.53 crore as compared to ₹ 1689.27 crore in the previous year. There has been an encouraging rise in the Net Profit also which has increased to ₹ 703.83 crore as compared to ₹ 600.48 crore during the previous year. As per the evaluation submitted by THDCIL, MoU performance rating of the Company



Sh. R.S.T. Nai, CMD, THDCIL receiving Indira Gandhi Rajbhaa Shield from Sh. Pranab Mukherjee, Hon'ble President of India, in the presence of Sh. Sushilkumar Shinde, Hon'ble Home Minister & Sh. Jitendra Singh, Hon'ble State Minister for Home, GoI

is anticipated as 'Excellent' for the year 2011-12, improving the previous year's 'Very Good' rating.

I am glad to share with you that your Company has recently been conferred the prestigious Power Line Award in the category of 'Best Performing Generation Company (in Hydro Sector)'.

It is also my pleasure to report that work on the 1,000 MW Tehri Pumped Storage Plant commenced during the year, with the turnkey (EPC) Contract becoming effective in July 2011. With the coming up of Tehri PSP, benefits from the Corporation's flagship 2,400

MW Tehri Hydro Power Complex would be fully realised, as was originally conceived.

Another notable milestone for your Company was the signing of loan agreement with World Bank for the US\$ 648 million IBRD loan for the 444 MW Vishnugad Pipalkoti HE Project. Apart from financing from multilateral agencies, THDCIL is endeavoring to minimize its cost of borrowings, by adopting measures such as credit rating and competitive bids for domestic term loans; Export Credit for off-shore portion etc.

I may inform you that though financial closure has been achieved for the 444 MW Vishnugad HE Project, and necessary infrastructure established, your Corporation has not been able to take up the main works of the Project due to non-availability of necessary forest land. Your Corporation, as well as the Ministry of Power are pursuing with the concerned authorities for early transfer of forest land. I may add here that environmental clearance was accorded to the Project in the year 2007, and Investment approval sanctioned thereafter in the year 2008. The forest transfer case is

held up on account of subsequent review of the environmental clearances. As is well known, the gestation period of Hydro Power Projects is inherently long. Mid course changes in decisions could be fatal to investments undertaken by developers. Some of the contemporary episodes are a cause for concern and call for serious introspection.

In order to mitigate exposure to various risks like long gestation period, environmental and social issues involved in development of Hydro Projects, your Company had taken a step forward to diversify into



Thermal Power projects. The Feasibility Report for the 1,320 MW Khurja STPP has been prepared and investment approval for advance expenditure on land acquisition has been sought from the Government of India.

Notwithstanding inherent risks inherent in development of Hydro Power Projects, there are significant advantages. The Hydro Power is environment friendly. Also the Long Run Marginal Cost of Hydro Power is much lower as compared to alternatives based on fossil fuel. It has distinct advantages over other sources of power and helps in early restoration of Grid in the event of disturbance. Hydro Generating Units have shorter start up time; quick and easily flexible power output; part loading capacity; better handling capacity of voltage fluctuation and higher line charging capacity. They have versatile capability in management of reactive power.

I would like to briefly share with you, the contribution of Tehri HEP and Koteshwar HEP in mitigating the impact of recent grid failures that occurred on July 30<sup>th</sup> and 31<sup>st</sup> this year. There was a major grid disturbance on 30<sup>th</sup> July 2012 in Northern Region (NR) Grid causing massive power interruptions in Northern India. Before collapse, the NR Grid was delivering about 36,000 MW load. Tehri HEP (4x250 MW), equipped with black start capability, was one of the earliest to be brought back to operation and helped in grid restoration.

The above episode was followed by a more severe grid disturbance on 31<sup>st</sup> July 2012, involving collapse of

Northern, North Eastern and Eastern Regional Grids, which occurred due to internal power swings, under frequency and overvoltage at different nodes. Total load of about 48,000 MW was affected in this black out. During this major incident, Tehri HEP contributed in quick revival of the Northern Region Grid. The power generated from Tehri Units was successfully injected in less than half an hour time to the "Island System" created by NRLDC for Tehri HEP. This delicate exercise of power injection was accomplished in graduated steps in close coordination with NRLDC. The successful loading of "Island



Sh. R.S.T. Sai, CMD, THDCIL (Left) shaking hands with Sh. P. Umashankar Secretary (Power), GoI after signing of MoU documents

System" by Tehri HEP paved the way for synchronization of other Generating Stations and thereafter restoration of NR Grid by NRLDC.

Your Corporation is committed to Sustainable Development as enshrined in the Vision and Mission of the Company. THDCIL was conferred the SCOPE Meritorious Award for Corporate Social Responsibility and Responsiveness by the Hon'ble President of India. The initiatives in Sustainable Development, Corporate Social Responsibility, Corporate Governance and R & D are detailed in the Directors' Report.



A view of 24<sup>th</sup> Annual General Meeting held on September 27, 2012

#### Future Outlook and Roadmap

Today, your Corporation has a diverse portfolio of Projects. In the Hydro Sector, there are Projects in generation stage, implementation stage as well as in investigation / DPR stage. A proposed Joint Venture with Chhattisgarh State for the integrated development of the Indravati Basin is at an advance stage of finalization. The Thermal Power Project is also slated to commence during the current Plan period. Considering the Projects in hand and the financial resource availability, your Company has finalized its Corporate and Financial Plan, covering the XII and XIII Plans upto 2022. The total investment envisaged during the ten year period is around Rs 24,000 crores, to be funded through debt and equity, with equity coming largely from internal resources and JV partners. Apart from existing Projects, your Corporation intends to diversify into renewable sources of energy, viz. Solar and Wind Power. In its core business of Hydropower, your Company envisages development of Projects through Joint Ventures and strategic investments as some of the options for future growth.

#### Acknowledgment

Ladies & Gentlemen, The hard work and commitment of 2,200 highly dedicated employees of

your Company is the back bone of the performance of your Company. I am grateful to all our employees for their sustained efforts. I thank the customer utilities, financial institutions, banks, contractors and suppliers and all other stakeholders for their contribution and support to the growth of your Company.

I express my deep gratitude for the assistance and co-operation received from all the Members of the Board, the CEA, CWC, the Ministry of Power and other Ministries of Govt. of India; the Govt. of UP; the Government of Utrakhand, the Government of Maharashtra, the Royal Government of Bhutan and all other Governmental and Non-Governmental agencies, which has helped shape the contours of a highly professional and growth oriented Company.

(R.S.T. Sai)

Chairman & Managing Director

Place : Kaushambi, Ghaziabad (U.P.)

Date : 27.09.2012

## DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present the 24<sup>th</sup> 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, 2012.

### FINANCIAL RESULTS

The Financial Results of the operations during the year ending 31<sup>st</sup> March 2012 are summarized as under :

(₹ in Millions)

PARTICULARS	2011-12	2010-11
<b>Income</b>		
Revenue from Operations	20456	16831
Other Income	95	62
<b>Gross Income (a)</b>	<b>20551</b>	<b>16893</b>
<b>Expenditure</b>		
Employee Benefit Expenses	1500	1552
Finance Costs	5317	3780
Depreciation	4508	3496
Generation, Administration & Other Expenses	1177	1285
Provisions	16	8
Prior Period Adjustment	10	(20)
<b>Total Expenditure (b)</b>	<b>12528</b>	<b>10101</b>

<b>Profit before Tax (a-b)</b>	<b>8023</b>	<b>6792</b>
Tax	985	787
<b>Profit After Tax</b>	<b>7038</b>	<b>6005</b>
Add : Surplus balance of previous year b/f	12373	8478
<b>BALANCE AVAILABLE FOR APPROPRIATION</b>	<b>19411</b>	<b>14483</b>
<b>APPROPRIATIONS :</b>		
<b>Dividend</b>		
Interim	0	1250
Proposed Final	2120	560
<b>Tax on Dividend</b>		
Interim	0	207
Proposed Final	344	93
<b>BALANCE CARRIED TO BALANCE SHEET</b>	<b>16947</b>	<b>12373</b>

### FINANCIAL PERFORMANCE

#### Revenue

The Total Income during the Financial Year 2011-12 is ₹ 20551.00 Million (Previous Year ₹ 16893.00 Million). The income has gone up by 21.65%.

#### Profit

It is a pleasure to inform that Your Company has earned a Net Profit of ₹ 7038.00 Million during the

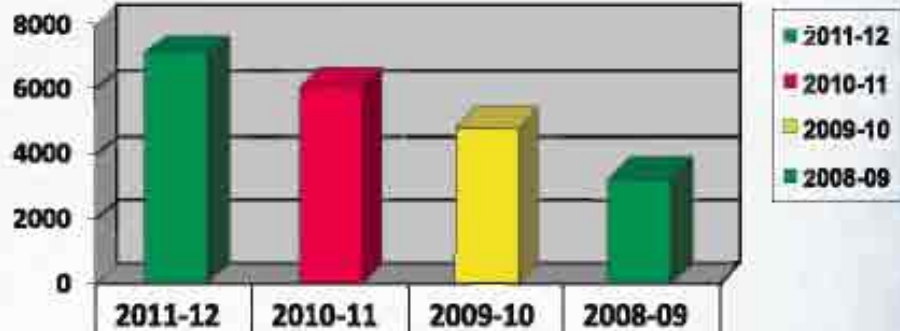


A view of Underground Power House of 1000 MW, Tehri HPP.



year 2011-12 (PY ₹ 6005 Million). The Profit After Tax(PAT) increased by 17.20%. The Earning Per Equity Share (EPS) of the Current Year 2011-12 is ₹ 213.44 (PY ₹ 182.10).

HEP have been commissioned in Jan-12 & Mar-12 respectively. With this, 200 MW of fresh capacity has been added to the Northern Grid during the year and installed capacity of the Corporation stands increased to 1400 MW.



Year	2011-12	2010-11	2009-10	2008-09
NET PROFIT(In Million)	7038	6005	4799	3252

#### Dividend

Your Directors have recommended Dividend of ₹ 64.29 per Equity Share for the year 2011-12. The Dividend Pay Out for the year is ₹ 2120.00 Million which represents 6.42% of Paid Up Capital and 30.12% of Profit After Tax (PAT). The Dividend shall be paid after approval in the Annual General Meeting (AGM).

#### Capital Structure

The Authorised Share Capital of the Company is ₹ 4000.00 Cr. The Paid-up Share Capital of the Company is ₹ 3297.58 Cr. The Company has received ₹ 45.00 Cr from GOI towards equity of the PSP Project, which is shown as Share Capital Application Money pending allotment as on date of Balance Sheet.

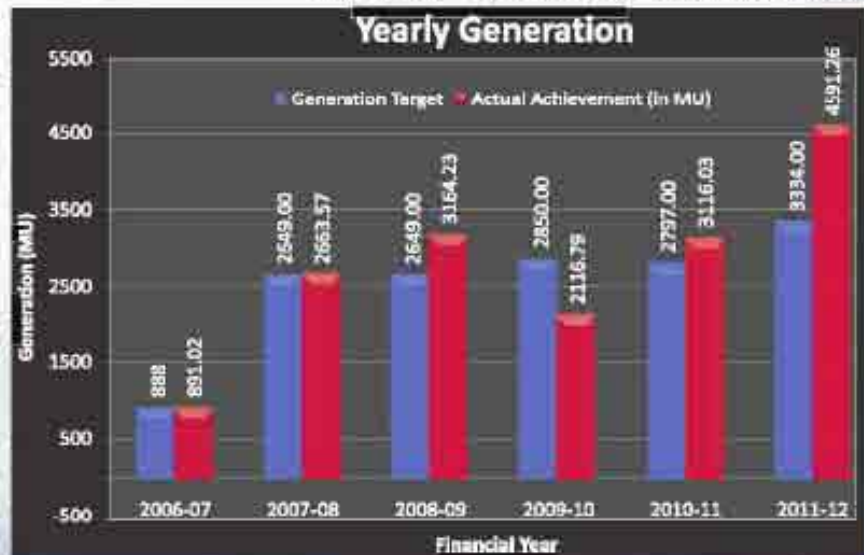
#### OPERATIONAL PERFORMANCE

**Koteshwar Hydro Electric Project (400 MW) - Fully Commissioned**

Your Directors are pleased to inform that two units (Unit 3 & Unit 4) of 100 MW each of Koteshwar

Koteshwar Power Plant has become fully operative and Unit-1, 2, 3 and 4 of the Project were declared under commercial operation w.e.f. 1<sup>st</sup> April-11, 26<sup>th</sup> Oct-11, 13<sup>th</sup> Feb-12 and 1<sup>st</sup> April-12 respectively.

During the financial year 2011-12 THDCIL has generated 4591.26 MU of energy (3983.66 MU generated from Tehri HPP and 607.6 MU generated from Koteshwar HEP) against target of 3334 MU (PY Actual generation was 3116.03 MU against the target of 2797.00 MU). Both Tehri HEP and Koteshwar HEP achieved 'Excellent' rating by generating 3983.66 MU and 607.6 Million respectively. The Tehri HPP and Koteshwar HEP



achieved the 'Plant Availability Factor(PAF)' of 85.64% and 77.00% respectively.

In addition to Energy Management System(EMS), computerized control system and Information management system(IMS) have been operationalised during the year. Also Maintenance Management module of OMS has been operationalised at Tehri Power House for efficient maintenance planning and monitoring of the Power plant.

#### COMMERCIAL PERFORMANCE

During the financial year 2011-12, based on the Provisional Tariff notified by Hon'ble Central Electricity Regulatory Commission (CERC), Revenue of ₹ 11475.68 million (PY ₹ 11139.19 million) has been realised from the beneficiaries against the billing of ₹ 16765.09 million towards sale of energy (68.45% collection).

Hon'ble CERC held hearing on 15.03.2012 for determination of tariff of Tehri HEP for the period 2006-09 and the tariff is likely to be approved shortly by Hon'ble CERC. Tariff petitions for the period 2009-2014 for Tehri HEP & Koteshwar HEP have also been submitted during the year.

All the customers of your company have given their feedback expressing their satisfaction with excellent rating for the services provided by the Corporation

#### PROGRESS OF PROJECTS UNDER CONSTRUCTION :

##### Tehri PSP (1000 MW)



Spillway of Tehri Dam



An overview of Tehri Dam & Reservoir

Major works of the Project are being executed through a single EPC contract. Letter of Award for execution of the Project on EPC/Turnkey has been issued to consortium of M/s Alstom Hydro France and Hindustan Construction Company on 23<sup>rd</sup> June, 2011. Work on the project commenced w.e.f. 27<sup>th</sup> July, 2011. Excavation of four approach adits has been completed. Excavation of six access adits is in progress. Crown slashing of Power house cavern has been commenced. Design and drawings of Power House Cavern are under finalization. Model testing of Pump Turbines has been successfully completed in July-12. Progress of initial activities of the Project is slow and Contractor is being pursued regularly to improve the progress of works. Project is scheduled to be commissioned by Feb-16.

##### Vishnugad Pipalkoti HEP (444 MW)

Stage-I clearance for transfer of 80.507 Ha. of forest land for the project works was accorded by MOEF on 3<sup>rd</sup> June'11 with fulfillment of certain conditions. After compliance of all 27 conditions, GoUK forwarded their recommendations to MoEF in March, 2012 for according Stage-II forest Clearance. An amount of ₹ 48 Cr. towards Compensatory afforestation and CAT plan also stands deposited. State Wildlife Board has already recommended the case of VPHEP in Feb, 2012. The recommendations of National Board for Wildlife (NBWL), New Delhi are awaited. Thereafter, diversion of forest land/ Stage – II clearance shall be considered by MOEF.



Agreement for loan amount of US \$ 648 Million has been signed with World Bank in Aug. 2011. Evaluation of Bids for the EPC Contract of Civil and FM package completed and World bank has forwarded their NoC in March' 12. Award of contract shall be possible after Stage-II clearance is accorded by MOEF. Pre Qualification bids for Electro-Mech Package have been re-invited following recommendations of World Bank. Specific Procurement Notice (SPN) has been published on 5<sup>th</sup> Mar-12. Last date for submission of PQ applications has been extended upto 26<sup>th</sup> Oct' 12 on the request of bidders. Project is planned to be commissioned within 54 months after award of works. Construction of infrastructure works for the Project is in progress.

The Revised Cost Estimate (RCE) amounting to ₹ 3745.08 Cr. (including IDC & FC of ₹ 309.53 Cr.) at Oct-11 PL has been submitted to MOP on 28<sup>th</sup> Mar-12 and is under checking in CEA/CWC.

#### Dhukwa Small Hydro Project (24 MW)

Investment approval of the project has been accorded by your Board in Mar-11 at estimated cost of ₹ 195.42 Cr. including ₹ 12.89 Cr. IDC at April-2010 PL. Equity portion i.e. 30% of the project cost shall be funded by the corporation from its internal resources. Proposal for Stage-1 clearance for 39 Ha. of forest land is under consideration of MoEF, Govt. The Project shall be completed within 30 months of award of contracts for the main works.



Up Stream view of Koshiwa Dam

### PROJECTS UNDER INVESTIGATION IN THE STATE OF UTTARAKHAND

#### • Jhelum Tamak HEP

DPR of Jhelum Tamak HEP was prepared and submitted to CEA in Dec, 2010. Draft EIA / EMP report was also prepared and comments incorporated. In view of the enhancement of the installed capacity from 60 MW (PFR stage) to 128 MW (DPR stage) and change in the height of the structures, Environment Appraisal Committee (EAC) of MOEF approved the revised ToR of the EIA study in its meeting held on 27<sup>th</sup> April' 12. It was stipulated that a free flow stretch of 200 M between Jelum Tamak HEP & Tamak Lata HEP be maintained and 1 Km be maintained between Jelum Tamak HEP & Malari Jhelum HEP. The environment flow during monsoon has been revised to 5 Cumecs. Accordingly the installed capacity of the project has been revised to 108 MW and DPR of the project is being updated.

#### • Malari Jhelum HEP

In view of the recommendations of the EAC revising ToR, to keep 1 Km free flow stretch between TRT outlet of Malari Jelum HEP and FRL of Jelum Tamak HEP, the viability of the project is being appraised. The DPR preparation shall be taken up accordingly.

#### • Bokang Bailing, Karmoli and Jadganga HEP's

Bokang Bailing (330 MW), Karmoli (140 MW) and Jadganga (50 MW) HEP's come under protected wild life areas. An



Down Stream view of Koshiwa Dam

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 / MoEF for granting permission for allowing drilling and drifting.

On the insistence of Chief Wildlife Warden, one season EIA / EMP studies for Karmoli and Jadganga projects were completed and report of the study was forwarded to Chief Wild Life Warden, GoUK for recommendation of the case. The Director, Gangotri National Park has communicated the views not favoring the grant of permission for survey & investigation works. Matter has again been taken up with forest authorities afresh for according permission for taking up Survey & investigations.

#### IN THE STATE OF MAHARASHTRA

##### •Malshej Ghat PSS (700 MW)

DPR of Malshej Ghat PSS with enhanced installed capacity of 700 MW has already been completed and submitted to Govt of Maharashtra (GoM). In a high level meeting held on 29<sup>th</sup> April-11, representatives of GoM have agreed for implementation of the Malshej Ghat PSS through a joint venture of THDCIL and NPCIL, subject to approval of the state cabinet. The



Sh. R.S.T. Sai, CMD, (Right) receiving the award 'Best Performing Generation Company (Hydro Sector)' from Sh. Sushilkumar Shinde, Hon'ble Power Minister, GoI alongwith Sh. B.A. Dhar, MD, SPDC, J&K (Left)

formal approval is awaited.

##### •Humbarli PSS (400 MW)

The Humbarli PSS is located on the fringe area of Koyna Wildlife Sanctuary (KWS). Proposal for taking up survey & investigation work of the Project has been forwarded by GoM to MoEF, New Delhi for consideration of NBWL in August, 2011. Permission of MOEF is awaited.

#### 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.

##### •Sankosh HEP

Your company had initially completed updation of DPR of Sankosh HEP (4060 MW) based on the original scheme of rockfill dam in April-2009. CWC suggested that the possibility of Concrete Dam be explored for better handling of sediment and also keeping in view longevity of Dam. Accordingly, DPR of Sankosh HEP (4060MW) with Concrete Dam option was prepared and submitted to CEA and CWC in May, 2011. In view of high tariff of ₹ 7.29 (levelised) at Sankosh HEP, Govt. of India and Royal Govt. of Bhutan decided that viability of Sankosh be further improved by optimizing the height of the dam.



Sh. R.S.T. Sai, CMD with the Parliamentary Standing Committee



Optimization Studies with alternate options of dam height were carried out by your company and the revised scheme has been finalized and presented to Empowered Joint Group (EJG) in the meeting held on 3rd Feb-12. The 'go ahead' for preparation of DPR of Optimized Sankosh HEP (2560 MW) was given by EJG. Accordingly, DPR of optimized Sankosh project (2560 MW) has been prepared and submitted to CEA and CWC on 27<sup>th</sup> Aug-12.

#### • **Bunakha HEP**

After obtaining clearance on viability of Bunakha HEP in Mar-10, your company took up the DPR preparation work. DPR of Bunakha HEP (180 MW) has been completed and submitted to CEA and CWC in Aug, 2011. Examination of DPR of Bunakha HEP is under progress in CEA/CWC. Meanwhile, discussions with Druk Green Power Corporation, Bhutan & SJVNL are under way for cost sharing modalities of Bunakha HEP with D/s Projects.

#### DIVERSIFICATION INTO OTHER ENERGY AREAS

##### • **Khurja Super Thermal Power Station-1320 MW:**

PFR of the Project and ToR for EIA study were prepared and submitted to MoEF in Aug, 2011. The ToR for EIA studies have been approved by MoEF. Accordingly, work for preparation of Detailed Project Report (DPR) has been taken up and work of Consultancy Services for the same has been awarded to NTPC in Dec, 2011. Various investigations viz: topographical survey, Site Seismic Study, Water Drawl Study, Hydrological Area Drainage Study, Coal

Transport and Railway Siding Study and Market Study on Ash utilization, Geo-technical investigations and EIA study are in progress. Proposal for incurring advance expenditure upto ₹ 400 crore on land acquisition for the Project has been submitted to Govt, pending coal linkage and environment clearance.

#### • **NEW & RENEWABLE ENERGY PROGRAMME**

##### ➤ **Wind Power Generation**

Your company has been exploring the possibility of diversifying into the field of wind power generation. 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 viz: Rajasthan/M.P/ Gujarat/Maharashtra has been initiated. Your company has also taken up Wind Resource Assessment Study in Shahjahanpur District of Uttar Pradesh.

##### ➤ **Solar Power Generation**

Your company has taken initiative for establishing grid connected Solar Power Project in UP. The State Nodal Agencies have been requested to allot the required land for the Solar Power Project. Your company is also planning to venture in the field of Solar Power Generation by setting up Solar Farm of 200 MW capacity in Uttar Pradesh.

#### ENERGY CONSERVATION

Your company believes in efficient use of electricity as a way to reduce demand. The company has engaged National Productivity Council, New Delhi for conducting energy conservation studies in plant areas.

NPC has recommended few measures which will eventually save energy on implementation. Similar exercise is being done for the energy efficiency in Rishikesh Complex. Energy audit of residential and office complex was got conducted through M/s Petroleum Conservation Research Association.



Sh. C. P. Singh, Director (Finance), THDCIL (Right) exchanging Power Purchase Agreement with Sh. Gopal Saxena, (Left) CEO, BRPL





Sh. D. V. Singh, Director (Technical) in centre, holding award 'PMI India Project Management Award-2012' for Koteswar, HEP with Sr. Officers of TRDCL.

Implementation of various measures by way of energy efficient equipments has caused the Consumption of units reduce to 2070850 units in the year 2011-12 (PY 2149506 units). Thus electricity consumption has reduced by 3.66% in the year 2011-12 in comparison to the year 2010-11.

#### Use of Solar Energy at Rishikesh Complex

As per the recommendation of energy auditor, Solar water heaters have been installed in all hostels and guest houses. Solar system has been established for lighting of park area and electrical fence around the Rishikesh complex. All the new buildings are equipped with day light provision to use day light properly. Automatic Power factor controller has been installed to improve Power supply system and to reduce the losses. A 100 KW solar Standalone Power Plant is planned to be installed to cater the street lighting requirement in the Rishikesh Complex.

#### TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Your company has taken many steps in the Technology Absorption and adaption of innovations.

##### ► Use of Roller Compacted Concrete Technology

Your company has proposed the use of eco-friendly 'Roller Compacted Concrete' technology for the two high dams in Bhutan i.e. Sankosh (220m) and Bunakha (188m). The technology elaborated in DPRs of the aforesaid two dams, would not only reduce the cost of the project substantially, but also help conserve the environment by utilizing fly-ash in very large quantities.

##### ► Use of Modern Technology of Metallic Rockfall Barriers for Slope Stabilization

The Company has detailed the scheme and has written specifications for the use of metallic rockfall protection barriers at one of the consultancy projects at Mata Vaishnodevi Trek. Rockfall barriers are the flexible systems which absorb the impact energy from a falling rock by virtue of their energy absorption characteristics and thereby successfully prevent the rocks from further sliding. This system mainly consists of Interception structure, support structure and connection components made up of metallic cables, wires and / or bars of high tensile strength (>1770 N/mm<sup>2</sup>).

Connection components include connecting ropes, steel cables, wires and / or bars of different types and materials, junctions, clamps, energy dissipating devices that transmit the stresses to the foundation structure during impact and/or maintain the interception structure in position.

##### ► In-house Capacity Building in all Terrestrial Surveys of Project Area

Your company has taken an initiative to establish its own centralized 'Survey' group. The group has been trained in using the latest technology (such as LiDAR terrestrial etc) in acquiring and processing the large topographical data apart from monitoring the behavior of existing structures. The Group has already satisfactorily completed around 10 such projects saving substantial expense for the Corporation, which otherwise would have been spent on outsourcing these activities.

##### ► Enhanced Dam Safety by Seepage Protection through Concrete Lift Joint

To address the problem of seepage through the concrete lift joints, innovative use of a special V-groove in concrete joints of the upstream face of water borne structures and epoxy treatment has been carried out at Koteswar HEP. The Hydrophobic Epoxy V-groove treatment was implemented at site in pursuance of the recommendations of Technical Advisory Committee, which proved to be effective.

#### RESEARCH & DEVELOPMENT

R&D Centre has been established at Rishikesh to



undertake the R&D activities in a systematic manner. R&D Policy has been prepared and approved by Board of Directors.

Two study reports have been prepared during the year these are :

- Development of competent high strength concrete using low heat cement.
- Evaluation of sediment gradient in live storage for large reservoir

#### ENGINEERING CONSULTANCY

Your company established an Engineering Consultancy Department for providing consultancy and advisory services in the field of Hydro Engineering. National Water Development Agency (NWDA) has awarded Power Potential Studies and E&M Studies of 2 Nos. Small Hydro Projects under DAMAN GANGA - PINJAL LINK Project to your company. The Power Potential Study for Bhugad and Khargihill dam project has been completed.

Odisha Hydro Power Corporation Ltd. (OHPC Ltd.) has entrusted consultancy assignment for preparation of Pre-feasibility reports for Pumped Storage Power Houses at Upper Indravati Hydro Electric Project (600MW), Upper Kolab Hydro Electric Project (320MW) and Balimeia Hydro Electric Project (510MW) at a total price of about ₹ 81.00 lac. The draft of Prefeasibility Report of Upper Kolab Hydro Electric Project (320MW) has been submitted to Odisha Hydro Power Corporation Ltd.

National Water Development Agency (NWDA) has selected your company for awarding Power Potential Studies and E&M Studies of 6 Nos. Small Hydro Projects under PAR - TAPI - NARMADA LINK Project. National Water Development Agency (NWDA) is in process to issue Letter of Intent (LOI) shortly.

After successful completion of the stabilization works of Varunavat Parvat landslide in Uttarakhand, your company has signed an MOU for "Design and Engineering measures for stabilization of vulnerable zones between Katra and Shri Mata Vaishno Deviji Shrine" with Shri Mata Vaishno Devi Shrine Board

(SMVDSB) on 6th June, 2011.

#### QUALITY ASSURANCE

Your Company has been awarded ISO 9001:2008 (Quality Management System) and ISO 14001:2004 (Environmental Management System) for Tehri HPP, Tehri PSP and VPHER, Pipalkoti in March 2012 for a period of three years. Also re-certification of corporate office, Rishikesh was obtained for ISO 9001:2008.

The Company is now implementing ISO 9001 (Quality Management System) & ISO 14001 (Environmental Management System) at KHER, Koteshwar and ISO 14001 (Environmental Management System) & OHSAS 18001: 2007



Sh. D. V. Singh Director (Technical) with Sh. Nalson Taki, Hon'ble Chief Minister & Sh. Vinod H. Pali, State Minister, Water Resources, Govt. of Arunachal Pradesh on their visit to Udagruonand Talai Power House.

(Occupational Health & Safety Assessment System) at Corporate office, Rishikesh. The submission of documents to the certification body for the above is expected by Feb./ March, 2013.

#### PROJECT FINANCING

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

#### HUMAN RESOURCE MANAGEMENT

Your company has a strong human resource base of 2167 personnel as on 01.06.2012 comprising of 803 Executives, 155 Supervisors and 1209 Workmen. The Manpower Megawatt ratio is 1.54. The company has always considered its human capital as its biggest asset.

It has all along endeavoured to create congenial environment and adapted wage policies on par with the other power sector organizations. The attrition rate has been negligible.

Your company has introduced 'Award and Reward Scheme', to induce team spirit and promote a sense of fair competitiveness amongst employees at individual level and also at team level. There are six Awards at team level for productivity, Housekeeping of Plant, Safety, Housekeeping of residential colony, Housekeeping of offices and Housekeeping of Guest Houses. At individual level there would be six Awards- two each in the category of executives, Supervisors and workmen.

A 'Centre for Sustained Livelihood and Community Development' has been established at Rishikesh. It is now functional to promote sustainable livelihood to PAFs. The premises is also used for in house training of THDCIL employees from time to time.

The training programmes are designed and conducted on both existing and upcoming technologies in the power sector to revitalize the vision for developing strategic orientation and sustainable leadership practices in the organization. An investment of ₹ 3.56 Cr. approx has been made for organising HRD programs for the year 2011-12. Your company inducted 39 young trainee officers in Engineering/HR disciplines to infuse vigour.

During the year 2011-12, 6459 mandays of training



A Group Photo of the participants at the end of Leadership Development Programme with Sh. S. K. Biswas, Director (Personnel)

have been imparted and learning opportunities afforded to 2101 employees against MOU target of 5848 mandays kept for excellent rating. Altogether, 77 No. of In-house dedicated training & Learning programs were conducted during the year. IT literacy has been emphasized through series of computer programs throughout the year. Besides this, external nominations to reputed agencies including foreign training has been imparted to our executives.

TNA study by ASCI was got completed in the year. The inputs from the study are being considered for designing the training modules.

Board Members were given orientation and training in order to expose them to issues, concepts and framework to functioning of Boards and Corporate Governance Ethics & Practices. During the Vigilance Awareness week-2011 a talk on "Understanding Black

Economy in India" was held in order to sensitize employees about the sensitive points and Do's and Don'ts in work areas & their role in preventing corruptions.

Your company has implemented a robust and transparent and fair Performance Management System (PMS) to reward talented and meritorious employees. Your company has also adopted a new policy of Reward & Recognition for its employees.

#### SUCCESSION PLAN

During the year, your company has come out with its Succession Plan, enabling identification and grooming successors to



A Group Photo of ET-2012 Batch



the key positions so that focus on leadership continuity is maintained. In this way your company will also be able to develop and nurture its human capital for their professional commitment.

#### EMPLOYEE RELATIONS

During the year, industrial relations were cordial and harmonious at all THDCIL projects/stations/units. There was no report of any strike or lockout during the period. There have been regular interactions between the management and the unions. Structured meetings were organized during the year wherein issues relating to performance and productivity were discussed. Representatives of workmen were allowed to participate in joint management council where equal number of employees and Management representatives participated in constructive discussion.

Your company organized several welfare activities during the year ranging from organizing summer sports, winter sports etc. Community festivals like Durga Puja, Dipawali Mela were organized to create bondage among the members of THDCIL family. A number of other cultural activities were organized to de stress the employees, as well as to create better relationship among each other. A new building for housing officers club building has been constructed at Rishikesh, equipped with gym and other recreational facilities.

#### INITIATIVES FOR SC/ST AND PHYSICALLY CHALLENGED PERSONS

Your Company endeavors to comply with the guidelines issued by Govt. of India from time to time on implementation of reservation policy on Direct Recruitment, Promotion etc. for SC/ST/OBC and Physically challenged candidate. This year one candidate was offered appointment in Executive Cadre through Special Recruitment Drive to fill up the backlog vacancy reserved for SC. Efforts are on to fill up remaining vacancies through Special Recruitment Drive. Your company implemented Govt. guidelines on Welfare of SC/ST/OBC and Physically Challenged personnel and redressal of their grievances in letter and spirits.

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. Your company has been nominating employees belonging to Physically Handicapped category to attend special training programmes.

#### RIGHT TO INFORMATION ACT, 2005

Your company has been very prompt 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 information, 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 2011-12, 153 applications from citizens of India seeking information of various nature has been received and information made available to them on time.

Regarding Appeals, during the year 21 appeals have been received by the 1<sup>st</sup> Appellate Authority, after examination, all the appeals have been disposed off by the Appellate Authority. Also, 3 Appeals have been taken up by Central Information Commission and in all the three cases, the decision of the CPIO/1<sup>st</sup> Appellate Authority is upheld by the Commission.

#### IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has made vigorous efforts for the



Sh. R.S.T. Sai, CMD, Director (Finance), Director (Technical) & Director (Personnel) with poets during the 'Kavi Sammelan'

propagation and successful implementation of the official Language Policy of the Government of India. Several Hindi workshops and competitions were conducted at projects, and corporate during the year to encourage the employees to maximize the use of Hindi in official work. All office orders, formats and circulars were issued in Hindi as well. Important advertisements and house journals were released in bilingual form- in Hindi and in English.

Your company has won third prize under the "Indira Gandhi Rajbhasha Shield Yojna" by the Government of India for the year 2009-10. The award was received by CMD on 14<sup>th</sup> September, 2011 from his Excellency Smt. Pratibha Devi Singh Patil. Your company also won same prize for the year 2010-11. The award was received by CMD on 14<sup>th</sup> September, 2012 from his Excellency Shri pranab Mukherjee.

Your company was also conferred prize by TOLIC Haridwar to corporate office for excellent work done in the field of Official Language implementation.

During the year 18 numbers of workshops were organized by Rajbhasha section where 540 numbers of employees were imparted training in workshop and different Hindi training programmes. Hindi books were purchased to increase Hindi readership. To provide bi-lingual working facility in Computers/Laptops, Hindi Software/Fonts have been installed. A Hindi typing/Stenography Incentive Scheme has also been introduced. Quarterly meetings of Official Language Implementation Committee were organized in all subordinate offices/ units. Hindi "Kavya Sammelan" was organized during the year commensurating anniversary of Ravindra Nath Tagore together with introduction of a Hindi in house journal "PAHEL"

#### REHABILITATION & RESETTLEMENT

Your Company has set a benchmark in the Rehabilitation and Resettlement of the Project Affected Families of Tehri HEP. Additional measures such as Road Connectivity, Relocation of Public Facilities, arrangement of Cable Car and Ferry Boat etc. have been implemented for providing better connectivity to areas around the rim of Tehri reservoir.

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 THDCIL/GOI at a total revised cost of ₹ 154 Cr. in order to improve connectivity of Cut off Areas from Distt. Headquarter i.e. NTT.

In addition, one light Motor vehicle bridge across Bhagirathi River at Chinyalisaur and another across Bhilangana at Ghonti are also being constructed in order to further improve connectivity of cut off areas from Distt. Headquarter i.e. NTT with 50:50 funding by the State Govt. and THDCIL/GOI at a total cost of ₹ 35.00 Cr. and ₹ 22.40 Cr. respectively. THDCIL's share of fund has already been provided to State Govt.

A Grievance Redressal Mechanism for settling representations of the project affected families of Tehri Dam Project is in place as per orders of Hon'ble Supreme Court.

Your Company has formulated an attractive Resettlement and Rehabilitation Policy for upcoming projects including VPHEP, 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.

While formulating R&R policy, the provisions of NPPRR-2007 have been taken into account and some of the provisions have 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



A Dance performance by the Students of THDC Education Society School on the occasion of Republic Day Celebration



the Project Cost Estimate for meeting expenditure towards community welfare of PAFs and Neighbourhood Communities under R&R head of upcoming projects.

#### ENVIRONMENT MANAGEMENT

Environment is one of the top priorities of your company. Measures to address various environmental concerns have been implemented by your company. Studies were got conducted through premier institutes like Botanical Survey of India, Zoological Survey of India, NEERI etc. to assess negative impact of project. On the basis of these studies, detailed mitigation plans were formulated to minimize the negative impact. Post impoundment studies were also got conducted to monitor the impact.

Your company undertakes exhaustive Environment Impact Assessment (EIA) studies for all its new Projects, to identify possible adverse impacts on environment. Environment Management Plans (EMP) are prepared to compensate negative impacts.

Apart from fulfilling mandatory requirement stipulated by various government authorities, your company has taken up additional studies as per state of art international practices for the Vishnugad Pipalkoti HEP (VPHEP). A separate holistic environmental assessment & management report has been prepared. The third party monitoring for catchment area treatment and environment management plan is proposed.

#### SUSTAINABLE DEVELOPMENT (SD)

The Board of Directors of your company approved SD Policy, in line with DPE guidelines for implementation of Sustainable Development (SD) Programmes. As per the SD Policy, specific plans categorized as long term, medium term and short term are drawn up. The annual plans are formulated accordingly.

As per the SD policy the company earmarks every year non-lapsable fund for the SD Projects. A minimum provision of ₹ 50 lacs plus 0.1% of Profit After Tax exceeding ₹100 Cr. is set aside. The un-utilised funds are being carry forwarded to the next year for implementation of SD programmes. An Apex Advisory Committee has been formed to steer the



Smt. R. Padmawati Sai & Smt. Sunita Singh alongwith members of THDCIL Ladies Club

#### Sustainable Development Projects at Apex Level.

During 2011-12, Five Projects/Activities were implemented involving total expenditure of ₹ 53.55 lac against the financial target of ₹ 50 lac. The MoU targets for Sustainable Development were achieved in "Excellent MoU Rating" for the year 2011-12. The SD projects/activities implemented in the year 2011-12 include:

- Planting of 15,000 Saplings in Pratapnagar Block of Tehri Garhwal, through HNB Garhwal University
- Slope Stabilisation of 2 nos. "Nallahas" in Pratapnagar block for restoration of water and soil erosion implemented through HNB Garhwal University
- Modernisation of "Panchakki" in Upli Ramoli of Tehri Garhwal to help in energy conservation implemented through Jan Jeevan Paryavaran Vikas Samiti
- Implementation through HNB Garhwal University the programme of Empowerment and Enhancement of Livelihood of 30 villages around Reservoir Rim Area through integrated development and Self Help Groups.

The Project covered construction of Bermi Compost Pit, distribution of High Yield Variety of seeds for the seasonal vegetables and conducting awareness programmes among the villagers.

- Establishment of a Research Centre by Kirorimal College, University of Delhi for Ecological Restoration and Socio-economic Empowerment of



Sh. R.S.T. Jai, CMD receiving SCOPE Gold Trophy for CSR from Former Hon'ble President of India Shri. Pratibha Devi Singh Patel

Rural Community for Sustainable Livelihood and Resource Management in Upli Ramoli of Pratapnagar Block.

The SD Plan for the year 2012-13, involves a financial outlay of ₹ 98.0 Lac. The plan includes Projects relating to Modernization of Water Mills (Gharats) in Pratapnagar area of District Tehri Garhwal ; Implementation of 2 nos. Community Solar Power Projects of 10KW capacity each in UP/UK; Treatment of Nallahas in Tehri District of Garhwal region; Upkeep of Natural Water Bodies in the State of UP; Training on sustainable development and Tree Plantations etc.

#### CORPORATE SOCIAL RESPONSIBILITY(CSR)

Your Company has put in place CSR-CS Policy-2010 in line with DPE Guidelines duly approved by Board of Directors. Due care has been taken in implementing CSR Schemes in line with the CSR Policy. As per approved CSR-CD Policy, a non-lapsable fund of 2% of Net Profit before Tax is earmarked for implementation of THDC CSR-CD Schemes. The CSR projects are implemented through company sponsored societies(CONGO) namely SEWA-THDC and THDC Education Society (TES). Up to 65% of CSR Budget is being utilized in the neighbourhood villages of operational business locations and balance fund is being utilized in the broad geographical areas, where business extends.

A Detailed Report on CSR Activities is enclosed as Annexure-I. Your Company was conferred with highly prestigious SCOPE Meritorious Award for Corporate Social Responsibility and Responsiveness

by the Hon'ble President of India in a function at Vigyan Bhawan, New Delhi on 13.04.2012. This award was given in recognition of Holistic Development of Rural Areas in Tehri Distt. and Women Empowerment Activities in Tehri Distt and four Districts of UP.

#### VIGILANCE

During the year 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 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. On line registration system of vendors for participation in e-tendering has been introduced by THDCIL. Earlier the vendors had to wait for weeks for confirmation of their registration for participation in e-tendering. Now with new system on line payment facility has been developed and vendors can get themselves registered online. The contracts awarded are published in website in each month. E-payment practice has been introduced and is being followed. Contractors are being asked for option for e-payments. From March, 2011 almost 100% contractual payments are being made electronically (except a few exceptions due to some unresolved issues which are being resolved between Purchase and Finance Department). Conditions are accordingly being put in tender documents. IT Road Map was finalized in which roadmap for each department was conceived. Implementation of IT Road Map has now started in corporation.

System for quarterly structured meeting between CMD and CVO has been developed. Minutes of the meeting are being recorded and copy being circulated to all concerned. 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 an 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.

Online complaints handling system is operative and the complaints are to be submitted on GOI web portal having url <http://pgportal.gov.in>. THDCIL got registered into this site and had an account. This is to be handled by public Grievances Officer from Personnel Department at Corporate Office, Rishikesh. Separate complaint handling software alongwith MIS for Vigilance department is being developed with the help of IT department.

The Vigilance Awareness Week-2011 was conducted from 31<sup>st</sup> October to 5<sup>th</sup> November, 2011. On the occasion the Vigilance Department published a booklet "Chetna" covering case studies of the matter investigated by the Vigilance Department, letters on Systemic Improvement issued by Vigilance Department. Articles/Poems submitted by the employees and circulars issued by CVC during 2011. All stakeholders were involved as per the theme of "Participative Vigilance" Civil society. NGOs in project affected area at Tehri were also requested to participate in various activities and spread awareness amongst masses.

Introduction of the new system of issuing vigilance clearance has helped in bringing transparency and speeded up the managerial decision making. Vigilance Deptt. issues clearance by way of exception report, which is available to P&A Department on real time basis.

During the year, system improvement was undertaken in different areas including Public Procurement, CSR, Personnel Matters etc.

Due to the efforts of the Vigilance Department, Corporation was able to make a recovery of ₹ 10.45 crores on various works during the year 2011-2012.

#### CORPORATE COMMUNICATION

Your Company participated in IITF-2011 with the thrust theme of showcasing the model of the working of reversible pumps of PSP and it was well attended and appreciated. The company has organised State Level Painting Competition on Energy Conservation under National Campaign on Energy Conservation-2011 of Ministry of Power, Govt. of India as a nodal agency for Uttarakhand State. Corporate

Communication Department has made continuous efforts to give wide publicity to various achievements of your company.

House Journal Gangavatarznam is regularly being published as a tool of communication within the organisation. It covers various locations of your Company's business. The department also facilitated timely publication of various important documents like THDC Sustainability Report 2009-10 & 2010-11, MOU between MOP & THDCIL and THDC Hydro-Tech, the in-house technical journal etc.



A view of Workshop during Vigilance Awareness Week

#### 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. A transparent document on Delegation of Powers has been issued and amended 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. 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.

The company has also established Record Management System in line with the Guidelines of National Archive Department, Govt of India, for effective maintenance of records. Whistle Blower Policy has been used as a good corporate governance to



give the opportunity to the employees to whistle for the wrong doing in the company. Risk Management Policy has been issued to find out the probable risks and appropriate means of its mitigation. Ethics policy has been framed as a guide to promote good conduct.

Sustainability of business is a key ingredient of the Corporate Governance. Annual Sustainability Report as per Global Reporting Initiatives is being published.

Though your Company is not a 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 Independent Directors. The Company has adapted Business Code of Conduct & Ethics for Board Members and Senior Management.

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.

#### DISINVESTMENT PROCESS

Preliminary steps for enabling the process of Disinvestment have been initiated. As per the directions of the Deptt. of Disinvestment, the Road Map of Disinvestment has already been approved by your Board. Action for re-structuring your Board is underway, in line with Corporate Governance norms, Listing Agreement and IPO requirements. The Company has already initiated action for the amendment in Memorandum & Articles of

Association of THDCIL, incorporating all necessary Clauses necessary for the IPO.

#### 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 31<sup>st</sup> March, 2012 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 Sh. Navneet K. Sehgal EX-CMD, UPPCL, Sh. Kishan Singh Atoria EX-Principal Secretary (Irrigation), GoUP and Sh. Sudhir Kumar Ex-JS(H), MOP ceased to be the Govt. Nominee Part-time Director of the Company and Shri G. Sai Prasad, Joint Secretary (H), MOP, Govt. of India is now appointed as Nominee of Government of India.

During the above period three independent directors were appointed in the company Prof.(Dr.) S.C. Saxena, Vice Chancellor (Actg.), JIIT, Noida, Shri Rajib Sekhar Sahoo, Practising Chartered Accountant, Bhubaneswar and Shri O.P. Gahotra, Ex-IAS Officer, Mumbai.

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



A Group Photo of Sh. C. P. Singh, Director (Finance) & Sh. S. K. Biema, Director (Personnel) with the winning BBMB, Kabaddi Team



### **COST AUDITORS**

M/s R.J.Goel & Company, Cost & Management Accountants, New Delhi and M/s Ramnathiyer & Company, Cost & Management Accountants, New Delhi have been approved by Government of India as Cost Auditors to conduct the Audit of Cost Accounting Records for Tehri Unit and Koteswar Unit respectively for the Financial Year 2011-12 under Section 233-B of the Companies Act, 1956.

### **STATUTORY AUDITORS**

Your Company being 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 Bhatia & Bhatia, Chartered Accountants, 12 Central Lane, Bengali Market, New Delhi-110 001 were appointed as Statutory Auditor of the Company by C&AG vide their letter No. CA.V/CO/Central Government, Tehri H (1)/42 Dated 17/08/2011 under Section 619(2) of the Companies Act, 1956.

As required under Section 224(8) (aa) of the said Act, 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 the Accounts of the Company for the financial year 2011-12. Hence the comments of the Company is Nil.

#### **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, 2012 are enclosed.

Since the C&AG has no comments on the Annual Accounts the Management Reply is Nil.

#### **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 as amended

upto date, for the year ended 31<sup>st</sup> March 2012, drawing emolument more than the specified remuneration is enclosed as **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, Comptroller & Auditor General of India, the Chairman, the Principal Director of Commercial Audit and Ex-Officio Member, Audit Board-II 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

Place : Kaushambi, Ghaziabad (U.P.)

Date : 27.09.2012

**A. CONSERVATION OF ENERGY**

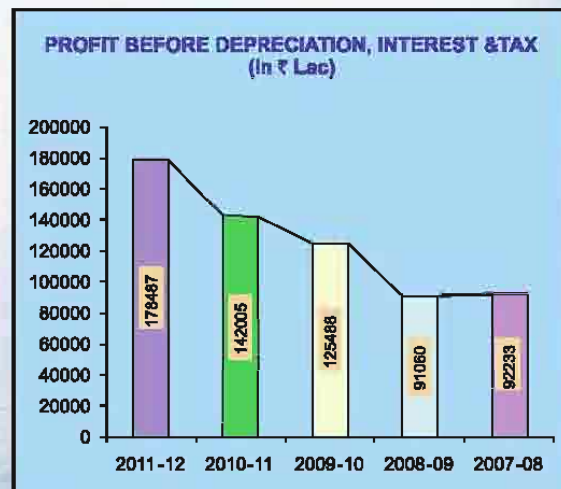
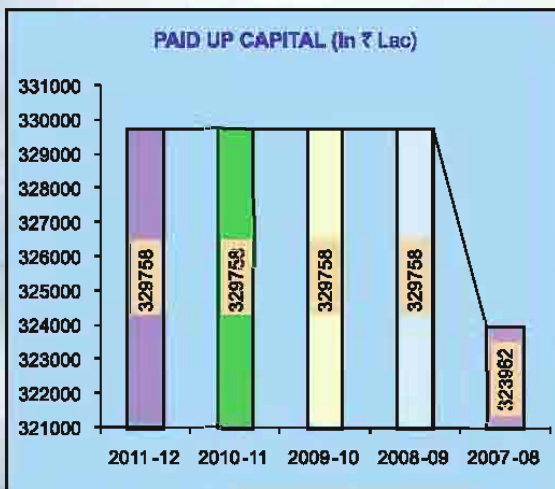
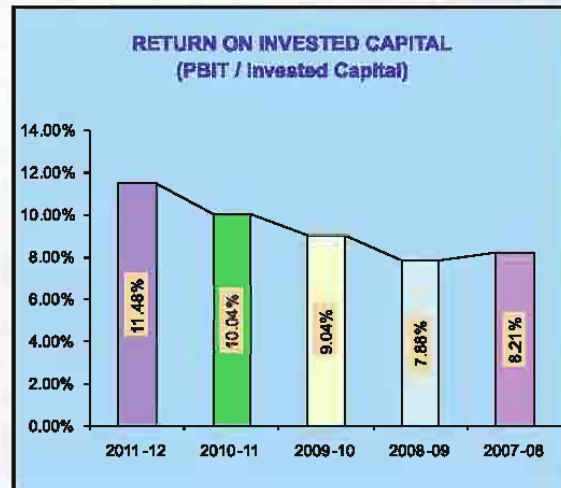
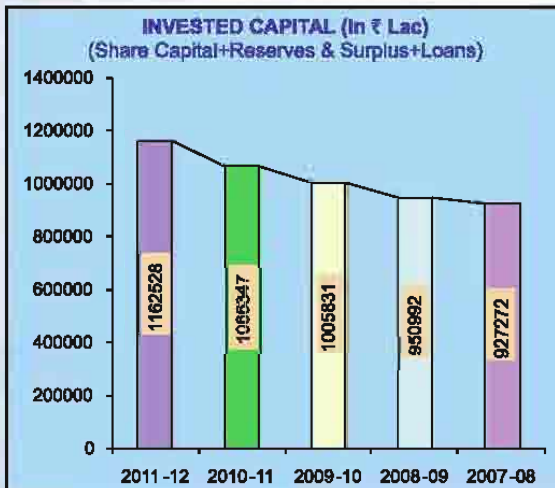
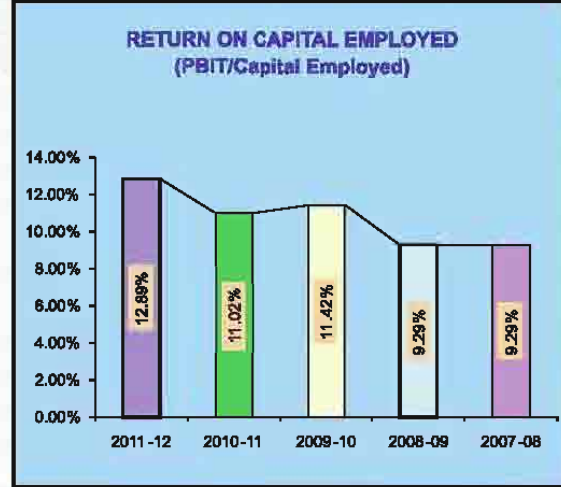
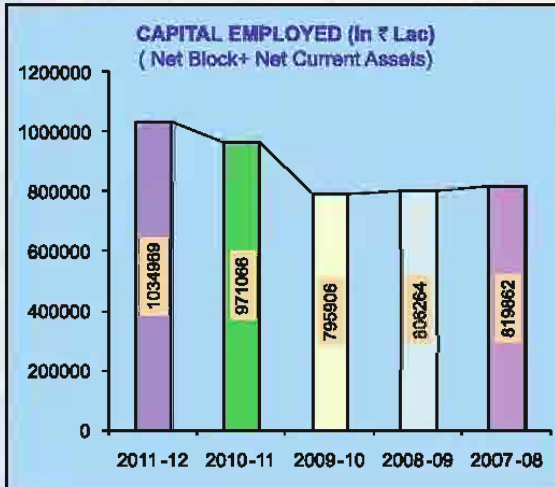
Energy conservation measures taken	<ul style="list-style-type: none"> <li>▪ Continuous reduction in use of energy requirement for pumping water for irrigation.</li> <li>▪ Reduction in consumption of diesel and electricity and reduced carbon emission.</li> <li>▪ Focus on energy efficiency Programme within the Company.</li> <li>▪ Engagement of National Productivity Council, New Delhi for conducting Energy Conservation Studies.</li> <li>▪ Energy Audit of residential and office complex conducted through M/s Petroleum Conservation Research Association.</li> <li>▪ All the new buildings are equipped with day light provision.</li> </ul>
Additional investment and proposal ,if any being implemented for reduction of consumption of energy	<ul style="list-style-type: none"> <li>▪ Solar Water Heaters have been installed in all Hostels and guest houses.</li> <li>▪ Automatic Power Factor controller has been installed to improve Power supply System and to reduce the losses.</li> <li>▪ A 100 KW solar standalone Power Plant is planned to be installed.</li> </ul>
Impact of measures taken	<ul style="list-style-type: none"> <li>▪ Consumption of units reduced to 2070850 units in 2011-12 in comparison to consumption of units in 2010-11 which was 2149506.</li> <li>▪ Electricity consumption reduced by 3.66% in the year 2011-12 in comparison to the year 2010-11.</li> </ul>
Energy efficient devices	<ul style="list-style-type: none"> <li>▪ 126 old ACs have been replaced with star rated ACs.</li> <li>▪ Balance ACs are also planned to be placed with star rated ACs.</li> <li>▪ Ceiling fans are planned to be replaced with star rated fans.</li> <li>▪ Street lights are planned to be replaced with LED/CFL.</li> <li>▪ Compact Lamps are being used by the Company in all business installations.</li> </ul>

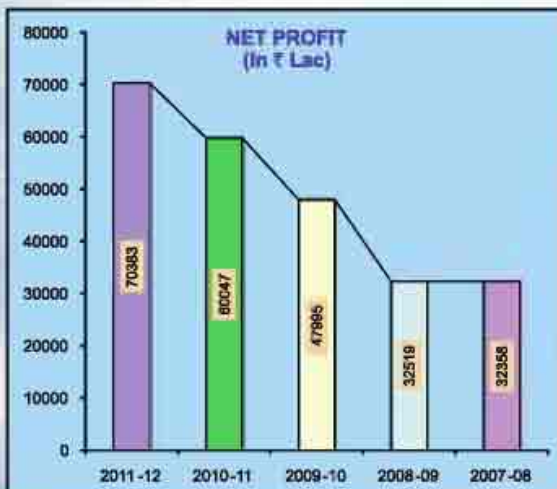
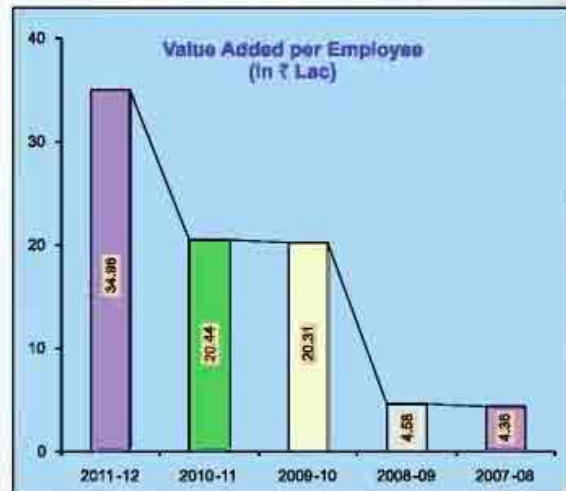
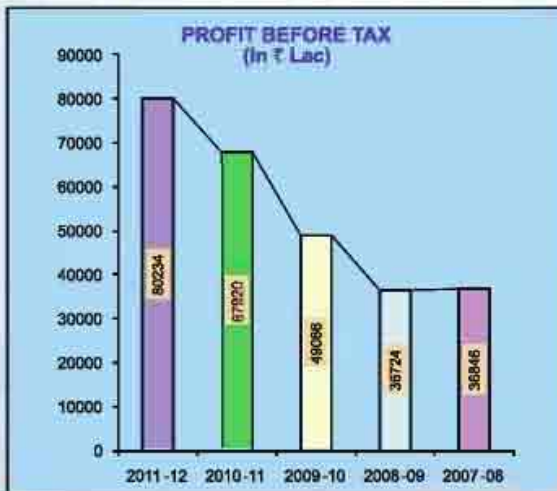
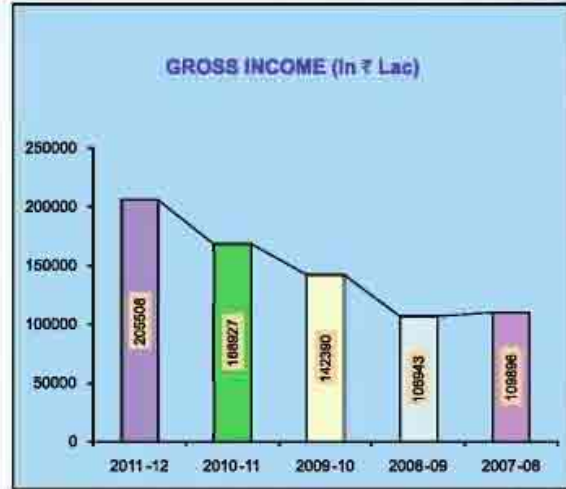
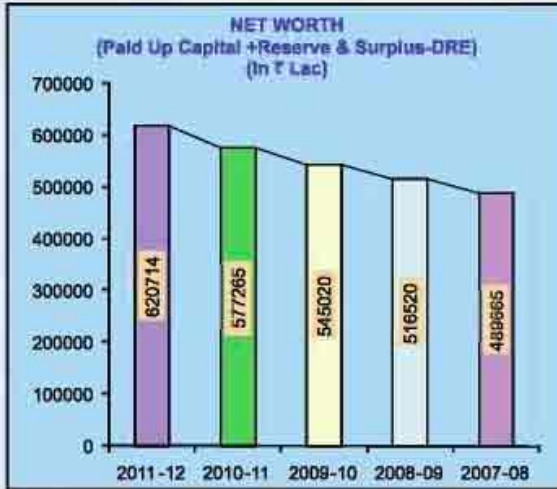
**B. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Sl. No.	Information sought	Reply
1.	Activities relating to exports; initiatives taken to increase export; development of new export markets for products and services; and export plans.	N.A.
2.	Total foreign exchange earning	Nil
	Total foreign exchange outgo.	Nil



## FINANCIAL HIGHLIGHTS







## REPORT ON CORPORATE SOCIAL RESPONSIBILITY

Your Company had been dealing with social issues in the course of land acquisition for Tehri Dam Project. A very liberal R&R policy was evolved and implemented. Your Company's vision statement includes "Commitment to Environment, Ecology and Social Values" with a human face. Under Triple Bottom Line Approach (People, Planet & Profit) in terms of Social, Environmental and Economic impacts in sustainable manner, while recognizing the interests of its Stakeholder. Your Company is truly committed to the welfare and development of Project Affected Persons (PAPs) and community at large in a sustainable and efficient manner.



A group photo of Swastha Distribution Programme by Ladies Club of THDCIL at TES School, Raibikush

Your Company has started taking up CSR-CD activities since 2007. The scheme addresses the issue of "Community Development" in the neighbourhood area of Operating Power Generating Stations where construction has been completed and other business area of Corporation. The Department of Public Enterprises, Government of India formulated CSR-CD policy for Central PSUs, which has been mandatory from April, 2010. Your Company adopted the said guidelines.

### Concept and Scope of CSR Practices

As per World Business Council for Sustainable Development:

*"Corporate Social Responsibility is the continuing commitment by business to behave ethically and contribute to economic development while improving the quality of life of the workforce and their families as well as of the local community and society at large"*

The Concept of CSR aims both to examine the role of business in society, and to maximize the positive societal outcomes of business activity. CSR is one such effective tool that synergizes the efforts of Corporate and the Social Sector Agencies towards sustainable growth and development of societal objectives at large.

Scope of CSR practices covers the extent to which tangible benefits to companies are demonstrable.

Secondly, the extent to which governments and organisations are seen to have a role in framing the agenda — and how? A minimum standard for CSR might be that businesses fulfill their legal obligations or, if laws or enforcement are lacking, that they 'do no harm'.

### Planning CSR Initiatives

Planning plays a vital role in success of any project. Planning for CSR initiatives starts with the base line survey and need assessment, prioritizing/ identification of needs in the periphery where a company is based and operates and preparation of a



Students of GIC, Kori, Bhansiyawala Studying on the Pamphure provided by SEWA-THDC

development plan for the area covering all domains. Company specific CSR strategies are developed, that mandates the design of CSR Action Plan (Long-Term, Medium-Term and Short-Term). It has shifted from a random approach to a sustainable approach.

#### CSR-CD 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;
- Outcome and impact assessment;

#### Thrust areas for CSR in THDCIL

THDCIL has taken up CSR initiatives in various domains as under :

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

#### Institutional and Financial Mechanism

THDCIL has earmarked 2% of Net Profit before Tax (PBT), subject to minimum of ₹ 3.00 Crore. The budget shall be allocated and transferred every year to Non-Lapsable CSR Fund for implementation of CSR-CD Schemes. THDCIL implements CSR schemes mainly through Company Promoted NGOs (CONGOs), which are registered as Societies: "SEWA-THDC" and "THDC Education Society" (TES). The CSR budget is being utilised as per the Board approved THDC CSR-CD Scheme-2010 at Operational Business Locations and Broad Geographical Areas.

#### CSR Implementation Mechanism & Monitoring

##### ➤ Procedure Hand Book

For implementation mechanism a Hand Book on CSR has been formulated within the frame work of CSR Policy. The Hand Book lays down procedures/ practices to be followed for preparation of CSR Budget, Accounting of Expenditure on approved CSR Projects, submission of periodical MIR on implementation of CSR Projects, documentation of executed Projects. This ensures transparent implementation of CSR Schemes.

##### ➤ Funds Allocation and Utilization

The Budget Proposals of each Unit for CSR activities of the next financial year under CSR-CD Scheme, duly approved by the Head of the Unit, are forwarded to the Head of S&E Group at Corporate Office. As per the Handbook the CSR Projects the proposals are considered by a Standing Committee comprising of CSR, Technical and Finance representatives headed by GM (CSR), within the overall budget and appropriation for specific CSR Projects approved. The projects as approved by the Standing Committee are implemented by Project Units or through SEWA/TES.

##### ➤ Audit of CSR Projects :

The Annual Accounts of SEWA and TES, the implementing agencies, are audited by Practicing Chartered Accountants as per Bye-laws of the respective Societies. After approval of the Management Committee, the Accounts are placed before AGM. The Annual Accounts are finally filed with the



Plantation of Saplings by Sh. S. K. Biswas, Director (Personnel) at THDCIL Campus, Rishikesh



Registrar of Societies and Income Tax Returns are filed.

The final Audited Annual Accounts of SEWA/ TES with Receipt and Payment A/c, is submitted to THDC Finance for final adjustment of Advance A/c. A copy of the same is also uploaded to THDC Website providing access to General Public.

#### > Monitoring, Control & Impact Assessment

On approval/ acceptance of the Project, a unique project Code, followed by Activity Code and Unit Code is designated for the purpose of monitoring and control. Each Unit submits Impact Assessment Report, after completion of the Project. The time limit for submission of Impact Assessment Report is stipulated, while communicating approval of the specific Project by Head of S&E Group.

The Quarterly information on implementation of CSR-CD Schemes is placed before the Board of THDCIL for information. Information on CSR activities is also submitted to the Ministry of Power and Department of Public Enterprises from time to time for information.

All Projects in the nature of promoting sustainable livelihood in the long term and Project costing more than ₹ 5.0 lakh are evaluated by an Independent External Agency and the evaluation report included in the Dossier.

#### Expenditure on CSR Activities

During the Financial Year 2011-12, total expenditure on CSR activities was ₹ 1504 lac, as detailed below:



Plantation of Saplings by women of Hill Area organized jointly by SEWA-THDC & HNB University, Garhwal

#### Details of CSR Expenditure for the FY. 2011-12

Sl. No.	Description	No. of approved proposals	Total expenditure in FY. 2011-12 (₹ in Lac.)
	SEWA-THDC		
1	Educational Development	17	30.43
2	Environment Management	12	18.34
3	Health & Veterinary care	13	18.16
4	Income Generation & Women Empowerment	40	187.46
5	Infrastructure Development	16	397.77
6	Other Welfare Activities	16	71.60
7	Miscellaneous	23	16.09
	<b>Total</b>	<b>137</b>	<b>739.85</b>
	Construction of THDC Institute of Hydro Power Engineering & Technology		485.63
	THDC Education Society (TES)		279.04
	<b>Total CSR Expenditure</b>		<b>1504.52</b>

#### CONTRIBUTION TO THE SOCIETY THROUGH VARIOUS CSR ACTIVITIES DURING THE YEAR 2011 - 12.

Some of the major CSR Initiatives undertaken by THDCIL during the year 2011-12 have been summarized as under :

##### A-EDUCATIONAL DEVELOPMENT

> Computer Training Program of 06-months duration in two phases for 160 Adult Unemployed Educated Youth of minorities and other weaker sections was organized at Jais, District Raebareli (UP) and Okla khal at Tehri District (Uttarakhand). The main objective of this program was to upgrade the computer skills to make them employable.

> Provided a 15 months diploma in Computer Course (CIA+) to 15 Nos. Poor Students of Project Affected





Building for Deaf and Dumb School at IIT Roorkee Campus developed by SEWA-THDC

Families through the recognized institution "DATA COMPUTER" Rishikesh for professional skills and to get the gainful employment.

- One Year Computer Training Programme was organized for 25 BPL candidates of Chaka village of District Tehri Garhwal (Uttarakhand) through GCTC Education, New Tehri in 2<sup>nd</sup> phase program.
- Six months computer training program for the welfare of 23 poor girls was organized at New Tehri. This program included Tally accounting, MS Word, Power Point, MS Excel, Corel Draw, Page Maker etc. so that they could become self-employed.
- Some of the trainees have got the employment and some of them have started their own business.
- Scholarship was provided to poor Students of Different schools of Partapnager Block in Tehri district for their up-liftment.
- Provided benches & other misc items to the Primary Schools of four villages at Malshej Ghat, Pune in Maharashtra to provide better facilities for students.
- Reimbursement of Tuition fee to the students of PAPs at Malari Jalam and Jhelam Tamak Project to motivate them for education.
- English Speaking program was commenced in two batches of 06 month duration, for the development

of communication skills and English knowledge of 200 Students of Poor and minorities families at Jais, district Raebareli (UP).

- Provided furniture to the 15 Schools of District Tehri and Sarswati Sahu Mandir school Chinka, district Chamoli for their better seating facilities.

## B-ENVIRONMENTAL INITIATIVES

- Developments of Horticultural work & Herbal Plantation program have been taken up during the year near SEWA-THDC office at Rishikesh.
- Total 1000 nos. of different plants have been planted at IIT Roorkee Township through Bhartiya Sanskriti Prasar Samiti Roorkee.
- Plantation Programme has been organized at Pratap Nagar block, district Tehri Garhwal through HNB Garhwal University, Srinagar Garhwal for Environment Development.
- Plantation works has been done at Rishikesh area and distribution of plants at various schools of Rishikesh.
- A session on World Environment day organized on June 5, 2011 at Rajpur Road, Dehradun.
- For cleanliness of environment 60 Nos. of Garbage bins provided and installed in different schools and colony at 14 Bigha, Dhalwala and Rishikesh.
- For development of green field 1000 Nos. tree plants have been provided to Gayatri Parivat,



Building of Dr. Ambedkar SC/ST Hostel at New Tehri



Rain Water Harvesting Tanks for water conservation at nearby Village of Tehri Dam Reservoir

New Tehri and 30 Nos. of Tree Guard provided for the protection of trees from stray animals at road side.

- Organized Environment Day at Tehri through HNB Garhwal University, Srinagar Garhwal.
- Promoting Conservation of Water

For Conservation & Management of Water SEWA-THDC has taken several Initiatives.

- Digging of Water Pits (Tal – Talaiyan) to recharge the ground water and ambient humidity and regeneration of vegetation around the remote villages at Tehri.
- Rain Water Harvesting Tanks were provided for water conservation at Tehri Reservoir Villages.
- Based on the experimental model of Sachidanand Bharti at Uffrainkhal, Pauri initiatives have been taken for Dry Stream Treatment (Gadhera) and vegetation regeneration program in the remote villages of Tehri Garhwal implemented through HNB Garhwal University Srinagar Garhwal. Two nos. Gadhera at Kopad and Pochiyala Pani were treated by making Tal Talaiyan and check dams during the year.

#### C- HEALTH & VETERINARY CARE

- Medical facilities provided during the year especially amongst woman and children by establishing Homeopathic Dispensaries at Galiyakhet and Dhontri, 02 remote locations of Pratapnagar Block of Tehri District through Swami Narayan Mission, Rishikesh.

- Free Homeopathic Medicines have been distributed to the needy patients from remote areas of Hills, nearby area of Rishikesh through Swami Narayan Mission, at Rishikesh clinic. About 11000 people benefitted during the year 2011-12.

- Free Medical Checkup Camps for Cancer were organized from time to time through Ganga Prem Hospital, New Delhi at Rishikesh. A team of cancer specialist examined the patients and provides treatment at various locations in Tehri and Rishikesh. Several patients took benefits from this Programme.

- Financial assistance provided to needy poor people having chronic disease for operation and treatment during the year.
- Free Medical Camp has been organized at MJ-JT projects in District Chamoli through Himalayan Institute Hospital Trust Jolly Grant, Dehradun to facilitate better medical specialist service to project affected families.
- Assistance provided to Diviya Sewa Sansthan to organize Free Medical Camp at Bakshi Ka Talab, Lucknow.

#### D- PROMOTION OF AGRICULTURE

- Programme on Commercial Crops

To promote vegetable farming "High Yield Variety of Seeds" have been provided to the farmers in the state of Uttarakhand and UP. Tissue Culture Banana Farming has been



Preservation of Environment through Plantation Work

promoted for enhancing of income of farmers at District Barabanki, U.P. Programme are successful and the Farmers were motivated by this programme.

By the help of PDFSR Modipuram, a variety of high yield crops has been cultivated in different villages of Narendra Nagar, Thauldhar and Jakhanidhar block of Tehri District Farmers took much benefits of crops and gained knowledge of scientific farming.

➤ **Agriculture Awareness programme and Krishi Gosthi**

Four days exposure visit of 120 farmers was organized at Purola, Badkot in Uttarkashi Distt. and Dhopad dhar in Tehri Distt in April 2011. Farmers were benefitted by modern technology of food processing, preservation of apple in cold storage, oil extraction machine, production off season vegetables etc. Some processing work and packaging has been done by farmers and improved their skill for entrepreneurship. Farmers learnt about the grafting work in apple plantation.

A four day exposure visit was organized at Srinagar, District Pauri Garhwal. Programme focused on assessment of possibilities and adaptation of modern techniques in off season vegetables, white grubs, water conservation and harvesting system etc.

Regular Krishak Gosthi were organized for providing latest information of new modern technology of harvesting, HYV Crops, Diversified Farming, Off Season Vegetables

Yielding, market exploration, seed production and use of latest insecticide for protection of crops.

➤ **Organic Farming**

- Concept of organic farming introduced in the area for the production of good quality and income enhancing crops. Approximate 100 nos. vermi compost pits for demonstration have been constructed in 10 villages of Pratapnagar block Tehri District.

- To produce the vermi compost for organic farming, technical knowledge was given to the farmers of various villages of district Barabanki and District Sultanpur in UP. Nadev Project was successful in these areas.

**E- WOMEN EMPOWERMENT INITIATIVES**

➤ Six months Cutting, Tailoring & Knitting training programme have been organised at Villages/Towns of Ambedkar Nager, Raebareli, Sultanpur, Barabanki and Lucknow Districts in UP for 500 unemployed poor, minorities and other weaker sections women, with a view to upgrade skills and enable them to start income generation on their own or get gainful employment. This has created confidence among them. The results have been very encouraging and about 2500 families have directly got benefitted with this programme in the last 3 years. These 2500 families have started on an average earning of ₹ 1500/- PM. Now the efforts are on to organize them and provide market for their products to make this programme sustainable.

➤ Six month Training Program in cutting & Tailoring / knitting was organized for youth and educated unemployed from poor, minorities and other weaker section at Kandiyalgaun, Lambgaon, Bhetlawala & Semdhar in District Tehri Gathwal. Approx. 120 families were benefitted by this programme.

➤ Six months training programme on Cutting, Tailoring & Knitting were conducted in phases for 300 Nos. poor, minorities and other weaker sections women & girls at Rishikesh and nearby areas of district Dehradun, to upgrade skills and enable them to start income generation and gainful employment.

स्कुल टीएचडीसी कालोनी



Fancy Dress Competition organized in YES School at THDCIL Campus, Rishikesh



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

- SEWA-THDC established different training units viz. Tailoring, Bakery, Post harvesting training, Candle making for women at Krishi Vigyan Kendra, Dhaktani, district Dehradun for skill development, value addition and motivated them for development of Entrepreneurship. 906 women were benefitted through 63 different trainings organized at the Center.
- A two days workshop on knitting and craft has been organized at MJ-JT projects for the women of PAF. They are already working in the manufacturing of mat, blanket and woolen craft material. By the help of workshop SEWA-THDC upgraded their skill with modern schemes of knitting.

#### F- DEVELOPMENT OF INFRASTRUCTURE

Some of the infrastructure development works undertaken during the year are as under:

- **Construction of Boys/SC&ST Hostel**
  - Construction of Dr. Ambedkar SC/ST hostel at New Tehri Town for 48 students have been completed at a cost of ₹ 204.00 lac.
  - A Boys Hostel is being constructed at ITI, Chamba, District Tehri to facilitate students from interior area of the region.
- **Peysa Jal Yojna (Drinking Water Scheme)**
  - Water Supply Scheme from Shallesh Pani Source to Dhar Toke and Palla Helong (2nd Phase) have been

constructed at Block Joshimath, district Chamoli for project affected families.

- Water Supply line from Khand Village to Talla Village has been constructed at Koteshwar district - Tehri for villagers of project affected area.
- Water Supply Scheme (Part-1) has been constructed for Kosa Village, district Chamoli.
- **Pathways at remote Villages in the Project Areas**

Total 20 no. pathways were constructed during the year 2011-12 in various project affected areas of District Tehri and Chamoli (Uttarakhand).

#### ➤ **Community Center**

A Community Center has been constructed at Kaddukhal, block Chamba, district Tehri Garhwal for the benefit of local people.

#### ➤ **Additional Class Rooms**

To provide the better education facility to the villagers extra class rooms were constructed in The existing school buildings in 09 remote villages of District Tehri Garhwal.

#### ➤ **Modernisation of Water Mills**

Total 05 nos. Gharat (Water Flour Mill) at Upri Ramoli Pratap Nagar Block, District Tehri Garhwal were modified to make them operational. Approximate 500 no. Villagers have been benefitted by this project.



Free Homeopathic Dispensary at Dhantary Village in Tehri Garhwal District

#### G- OTHER WELFARE ACTIVITIES

Other welfare activities includes :

- Scholarship for poor Students at Different schools of Partapnager Block, Tehri
- Hiring of 25 seater bus for villagers form Joshimath to Tamak/Jelam/ Malari.
- Providing Furniture to different 16 nos. School at Thauldhar/Pratapnagar/ Jakhnidhar Block (Tehri)
- During the year a pickup VAN was provided to the Nagar Palika, New Tehri Town for sanitary use.
- In UP sweaters (pullover) were distributed to the students of Maharaj Tikanath Shiksha Niketan school in the area of Bakshi ka talab in Lucknow district.
- Natural Disaster relief work such as providing the blankets, food, tent etc in the area of flood affected areas in district Tehri.
- To solve the water scarcity in New Tehri Town water is provided through water tanker in the summer season.
- To solve the water scarcity in the remote area of Tehri district water supply scheme were implemented during the year.
- Tents, chairs, utensils etc, were distributed to the 16 villages of Tehri district and 01 village of Pauri Garhwal.
- To promote the sports in the remote area and the project affected villages cricket and other sports kits were distributed.



Protection of Commercial Fruit Plants in remote villages in U.P.

#### H- LONG TERM SUSTAINABLE CSR PROGRAMMES

The Company is working on the long term concept of holistic development in the Rural Areas of Tehri Region and various places of Uttar Pradesh. Various academic and research bodies of the Government have been engaged in the holistic development of the project affected area. The main programmes are as under:

##### Holistic Development Programme through HNB Garhwal University

- SEWA-THDC and Deptt. of Geography, HNB Garhwal University jointly started a project before two years on "Empowerment and Enhancement of Livelihood of Rim Area Villages of Tehri Dam Reservoir through Integrated Development Approach".

The basic mandate of the project activities were to ensure sustainable livelihoods, empowering of women, increase incomes of the rural poor and enhance the food security of the villagers of Rim Area through Natural Resource Management. To achieve this SEWA-THDC and HNBGU are committed and working on Six Strategic Objectives: Improved access to, and use by, the poor villagers of natural resources ; Empowering women; Improved Technologies and Production Support Services; Input and Agricultural Produce Markets; Development of off-farm Enterprises



Promotion of Fisheries Business in remote villages in U.P.



Free Dental Camp for the Students of TES School at Rabikesh

and Rural Employment; and Ensure Active Participation of the villagers in the Government Programmes.

- Under this Programme 30 Villages of the Rim Area of Pratapnagar Block in District Tehri Garhwal have been covered and initial focus is on reducing drudgery and stress among women through Regeneration and Management of Natural Resources.
- Over 40 Self Help Groups (SHGs) in the Pratapnagar block have already been formed with minimum of 10 women in a group. Various livelihood activities have been taken for the villagers' viz. Goat Rearing, Poultry Farming etc. with the focus on developing sustainable source of income.
- Revolving funds provided to the male/female farmers; has played a vital role in their livelihood and increase in crop production and has raised the self confidence.

#### Livelihood Security Programme through PDFSR, Modipuram

- Project Directorate for Farming System Research (PDFSR), Modipuram is working towards ensuring livelihood security through farming system approach in Tehri district

Ten (10) villages have been adopted in clusters in each Koteshwar Dam Area and Kandisaur. During Need Assessment Studies it was found that both the clusters were having the same issues viz. lack of latest information and

techniques in crops/vegetable, low crop production, livestock, goat rearing, poultry etc.

- To increase crop production, improved variety of wheat seed (VLW-89) was given to around 200 farmers and the result is approximately 19% increase in production of wheat. Besides to control insect, pest and diseases in crops and fruit plants pesticides were distributed yielding good results as confirmed by the villagers. Kitchen Gardening has been promoted among villagers to meet day to day requirement.

➤ In animal husbandry activities various interventions were carried out for economic upliftment of the farmers. These are de-worming, medicine for heat inductions, fodder nutrients analysis, vermi composting, and mineral mixtures for balance nutrition of milching animals.

- Programme on Ecological Restoration and Socio-economic Empowerment of Rural Communities for Sustainable Livelihood and Resource Management at Deen Gaon through Kirori Mal College, Delhi

The Company in association with Kirorimal College, Delhi University a programme on Ecological Restoration and Socio-economic Empowerment of Rural Communities for Sustainable Livelihood and Resource Management in Naguara Watershed of Upali Ramoli in Pratap Nagar Block of Tehri Garhwal



Distribution of Milk Drums to the villagers at Chamba, NTT



Initiatives for Production of High Yield Variety of Paddy Seeds

District in Uttarakhand is being undertaken since 2011. This is a long term programme for rural based holistic development of 20 remote villages of Tehri Region. The theme is to work for the people by the people and of the people of that area.

Before the initiation of the CSR Programme at Deen Gaon the situation of unrest in the society existed because of the construction of dam and their remoteness. To understand their problem a baseline survey was conducted to find out the difficulties so as to come out with long term development plans. Based on the need assessment various activities in the area of Education, Agriculture, Women Empowerment, Environment etc. are being undertaken.

The activities at Deen Gaon Centre include:

- Distribution of High Yielding Varieties of Seeds to increase crop production.
- For women empowerment, Stitching Centre opened to make them self sufficient.
- One Computer Training Centre opened for imparting training to the local youth.
- Eco Huts as model were constructed to promote village Tourism among villagers.
- Experts in various fields were invited time to time to address the issues of the villagers. Awareness programme for promotion of cash crop in villages was

taken up.

- Farmers visits for training were conducted.
- Efforts were made to promote Local product as forward linkage.
- For welfare of the community regular Medical camps were organized
- Plantation of fodder and fruit plants are added dimensions for rural development.
- Nearly, 25 to 30 major and minor programmes were initiated in the field of Education, Agriculture, Health, Horticulture, Culture, Energy etc.

Now the results are encouraging and we have been able to build the confidence among the local population. More activities shall be included in the years to come and the efforts shall be made to have linkage with various Government Schemes. For future we want to prepare the communities to take up responsibilities by themselves through the formation of SHG and NGOs.

### Seed Production Programme

- Through Seed Production Programme SEWA-THDC has intervened in the villages of district Barabanki and District Sultanpur. Free hybrid yield Variety (HYV) seed of Mustard, Garlic and tissue of bananas were provided to the villagers to get more production and thus to enhance the present income.
- In Barabanki and Sultanpur fish hatcheries were



Distribution of study materials to the School Students at Mahesh Chhat Project, Maharashtra



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

developed with the help of SHGs formed by THDCIL for their development and income generation. Technical training and capacity building programmes were organized for them. This project will enhance the livelihood and living standard of the villagers.

#### **I- EDUCATION THROUGH THDC EDUCATION SOCIETY (TES)**

- The company is running two schools under the auspices of TES - one school at Bhagirathi Puram, Tehri offering instruction from Class 6<sup>th</sup> to 12<sup>th</sup> standard and another school at Pragathi Puram, offering instruction from Class 1<sup>st</sup> to 10<sup>th</sup>. In both the schools children of nearby areas belongs to economically weaker sections including Backward and SC/ST are being provided education. The fee charged is very nominal keeping in view the economic conditions of the parents. Dress, Books and Transport are also provided to the pupils. During the year many initiatives have been taken up to improve the Quality Education. Experienced Principals with army/central school background have been appointed on contract basis for both the Schools to provide better management in school administration. The School building is being renovated at Tehri with all necessary amenities for the students. TES also provides free sports goods and other facilities to encourage sports amongst the students. Apart from above, free school bus facility is also provided to all students. Extra curricular activities are organized from time to time like Summer Camps,

Excursion Tour etc. The Students are being trained for cultural programmes and National Festivals.

- The steps taken by THDC Education Society resulted in significant increase in the strength of students at Rishikesh and Tehri. As compared to a strength of about 100 pupils in the year 2011-12, the strength at the TES High School, Rishikesh increased to about 450 this year. The strength of the students has also increased in TES Inter College at Tehri. Teachers are being provided training from time to time to improve their skills.

#### **J-THDC INSTITUTE OF HYDROPOWER ENGINEERING & TECHNOLOGY**

- THDCIL has established Institute of Hydropower Engineering & Technology at Tehri in the state of Uttarakhand. The Institute is spread over 20 Acres of land with state of the art infrastructural facilities such as Administrative Block, Academic Blocks, Laboratories, Workshop, Library Canteen etc. The Institute is being set up in a phased manner. The infrastructure and furnishing has already been provided for running 1<sup>st</sup> & 2<sup>nd</sup> year classes in four core discipline of Civil, Mechanical, Electrical and Electronics. The new Session commenced in August, 2011. This shall help in spreading technical education at affordable cost in Tehri Region. This shall also contribute to the development of local talent for manning Hydro Projects in the hill state of Uttarakhand.

#### **K- PRIZES AND ACCOLADES**

In the Recognition of CSR activities of your Company the Hon'ble President of India have conferred highly prestigious SCOPE Meritorious Award for Corporate Social Responsibility and Responsiveness (FY 2010-11) to Sh. R.S.T. Sai, CMD, THDCIL at Vigyan Bhawan, New Delhi on 13.04.2012. The Gold Trophy and Certificate was given to the company for direct engagement in meaningful CSR Activities to generate sustainable livelihood with conservation of nature in the remote villages of Tehri Region and other places.



## REPORT ON CORPORATE GOVERNANCE

Your Directors are pleased to present the Company's Report on Corporate Governance. The Company is a Joint Venture promoted by Government of India and Government of Uttar Pradesh. The Company is not a listed company. The Guidelines on Corporate Governance issued by Department of Public Enterprises are mandatorily 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

Corporate Governance is about commitment to values, about conducting business ethically and with transparency. The Guidelines on Corporate Governance issued by the Department of Public Enterprises, Government of India are adhered to. The management tries to act in the best interest of all stakeholders and has adopted good corporate governance practices to benefit its stakeholders

The management team is fully empowered to take the Company forward within the framework of effective accountability, which in turn enables the conversion of opportunities into achievements for the betterment of the Company and its stakeholders. Systems are in place for strategic planning, risk management, financial plans and budgets, integrity of internal controls and reporting, communications policy with emphasis on transparency and full disclosure on the various facets of the Company's operations, its functioning and its financials and total compliance with all statutory/ regulatory requirements not only in the letter of the law but also in its spirit.

The Corporate governance mechanism in Company is based on following parameters :

- i. Transparency and fairness
- ii. Timely and Balanced Disclosures
- iii. Role and responsibilities of the Board
- iv. Structure of Board to Add value
- v. Integrity in Financial reporting
- vi. Promote ethical and responsible decision

making

- vii. Obligations towards Environment
- viii. Rights and Interests of stakeholders
- ix. Compliances

### 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

#### 2.2 COMPOSITION OF BOARD

Presently, the Board comprises of the Chairman and Managing Director, Functional Directors, Government Nominee Directors and Independent Directors. As on 31<sup>st</sup> March, 2012, the Board of Directors of the Company comprises of Nine Directors, out of which Four Directors are Functional Directors including Chairman, Two Directors are the Nominee 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.

#### Restructuring of Composition of Board of Directors.

Keeping in view of Corporate Governance Guidelines the Ministry of Power vide its letter No.11/10/2012-H.1 dated.27.06.2012 has approved re-structuring of the composition of Board of Directors of THDCIL as under :

Functional Director	04
Govt. Nominee Director, GoI	01
Govt. Nominee Director, GoUP	01
Independent Director	06
<b>Total</b>	<b>12</b>



### 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 Directors and other Whole Time Directors are appointed for a period of five years from the date of assumption of the charge or till the date of superannuation 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 normally 7 days for facilitating meaningful, informed and focused decisions at the meetings.

Six Board meetings were held during the financial year 2011-12 as under:

Sl. No.	Date of Board Meetings	Strength of Board	No. of Directors Present
1.	April 25, 2011	12	9
2.	June 6, 2011	9	4
3.	August 30, 2011	8	5
4.	September 26, 2011	7	4
5.	December 16, 2011	8	6
6.	March 29, 2012	10	8

Details of number of Board meetings attended by Directors, attendance at last AGM, number of other Directorship/ Committee Membership during the year 2011-12 are tabulated below:

Sl. No.	Directors	Number of board meetings attended	Attendance at last AGM	Other Directorships held	Other Committee(s) Positions	
					Chairman	Member
<b>FUNCTIONAL DIRECTORS</b>						
1.	Shri. R.S.T. Sai (Chairman & Managing Director)	6	Attended	1	—	1
2.	Shri A. S. Bisht, Director (Personnel)	6	Attended	Nil	—	—
3.	Shri. C. P. Singh, Director (Finance)	5	Attended	Nil	—	—
4.	Shri D.V Singh Director (Technical)	5	Attended	Nil	—	—
<b>GOVERNMENT NOMINEE DIRECTORS</b>						
5.	Shri G. Sai Prasad, Joint Secretary(H), MOP, Govt. of India, New Delhi (from 16.12.2011)	1	Not Attended	4	—	1

6.	Shri. Kishan Singh Atoria, Principal Secretary, Govt. of U.P. Lucknow (Ceased on 31/05/2012)	Not Attended	Not Attended	Nil	—	—
<b>INDEPENDENT DIRECTORS</b>						
7.	Shri O.P. Gahrotra, 12, Praneet, Dr. J. Palkar Road, Worli, Mumbai (from 16.3.2012)	1	Not Attended	8	—	—
8.	Shri Rajib Sekhar Sahoo, Practising Chartered Accountant, Bhubaneswar (from 09.11.2011)	2	Not Attended	3	—	—
9.	Prof (Dr.) S.C. Saxena, Director, IIT Roorkee. (till 22.05.2012) (from 17.11.2011)	3	Not Attended	Nil	—	—

## 2.5 INDEPENDENT DIRECTORS' COMPENSATION & DISCLOSURES:

Your Company, being a Government Company under the 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 for meetings of Board as well as Committee meetings. Board has increased Sitting fees from ₹ 10,000 to ₹ 20,000 Per sitting in its 158<sup>th</sup> Meeting within the ceiling fixed under Govt. of India Notification - 580(E) DT 24.07.2003.

The Details of payments made towards sitting fees to Independent Directors during the year 2011-12 are given below:

Name of Independent Directors	Sitting Fees (in Rupees)				Total (in Rupees)
	AGM	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	
Dr. Sudhir S. Bloeria (upto 22-05-2011)		10,000	20000	10,000	40,000
Dr. K. Aprameyan (upto 1-05-2011)		10,000	20,000	10,000	40,000
Prof(Dr.) S.C Saxena (upto 22-05-2011)(from 17-11-2011)		50000	60,000	50,000	1,60,000
Shri O.P. Gahrotra (from 16-03-2012)		20000	20000	20000	60,000
Shri Rajib Sekhar Sahoo (from 9-11-2011)		40000	40000	40000	1,20,000

## 2.6 BOARD MEETINGS PROCEDURES :

(A) **Decision making Process:** The Company has laid down a set of guidelines and follow secretarial standard for the meetings of the Board of Directors with a view to professionalizing all corporate affairs. These guidelines seeks to systematize the decision making process in Board meetings in an informed and efficient manner.

(B) **Scheduling and selection of agenda items for Board meetings:**

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



advance normally before 7 days among the members to facilitate meaningful, informed and focused decisions during the meeting.

- When urgent issues need to be addressed, meetings are called at shorter notice or resolutions are passed by circulation.
- Wherever it is not practical to attach any document to the agenda such papers are placed on the table in the meeting.
- The agenda papers are circulated after obtaining the approval of the functional Director/CMD.
- The meetings are generally held in New Delhi keeping in view the availability and convenience of the Directors.
- Presentations are made in the Board meetings on Agenda matters to enable members to take informed decisions.
- The members of the Board have complete access to all information of the Company. The Board is also free to recommend any issue that it may consider important for inclusion in the agenda. Senior management officials are called to provide additional inputs to the items being discussed by the Board, as and when necessary.

**(C) Recording of minutes of the Board/Committee meetings:**

Minutes of the proceedings of each Board/Committee meetings are duly recorded in the minutes book. The Draft minutes of each Board meeting are circulated within 7 days for inviting advise if any giving 7 days time. After that the Minutes are finalized incorporating the suggestions/advise of the Directors. The finalised minutes are again put up in the next BOD meeting for confirmation.

**(D) Follow-up mechanism :**

System of submission of action-taken report(ATR) on the decisions of the Board/Committee members has been introduced from the financial year 2012-13. This acts as an effective follow-up, review and report process of Board matters.

**(E) Compliance:**

It is our endeavour to ensure that all applicable

provisions of law, rules and guidelines are adhered to while preparing the agenda notes.

The following information is regularly provided to the Board:

- 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.

## BRIEF PROFILES OF OUR PRESENT DIRECTORS



Shri R.S.T. Sai, took over as the Chairman & Managing Director of THDC India Limited on 08.03.2007. Prior to this, he held the position of Director (Finance) in THDCIL from 05.05.2005 to 07.03.2007. An Electrical Engineering Graduate, Shri Sai is a fellow of Institution of Engineers. He obtained Post Graduate Diploma in Management (PGDM) from IIM, Bangalore. He also holds, the Degree in Law from Delhi University. He has over 34 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 DMRC in various capacities.



Shri A.S. Bisht took over as Director (Personnel) of THDC India Ltd. on 08.09.2004. Prior to this, he held the position of General Manager (Personnel & Administration) in the Corporation. He joined THDCIL in 1989 and served the organization in various capacities. He has to his credit over 35 years of 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 and facilitating smooth absorption of erstwhile work-charge employees of UPID 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 took over as Director (Finance), in THDC 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 THDCIL 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 Deptt. of Food, Govt. of India.



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 of varied experience in Civil Building Construction, Rehabilitation, Under Ground works, Power House works, Contracts and Procurements. 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 each. Before joining the THDCIL, Shri Singh has worked in L&T.



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



Prof. S. C. Saxena was appointed Independent Director in THDC India limited by Government of India for a period of 3 years w.e.f 17.11.2011. Dr. Saxena is a renowned academician and obtained his B.E. in Electrical (1970) from Allahabad University. M.E. in Electrical (Meas. & Inst.) (1973). and Ph.D. in Electrical (Biomedical Engg.) (1977) from IIT Roorkee (erstwhile University of Roorkee). He joined on the faculty of Electrical Engg. Deptt. of IIT Roorkee in 1973 and rose upto the level of Professor, Head of Deptt. and Dean. Presently he is serving as Vice chancellor (Actg) in JNITT, NOIDA. He also served as the Director, IIT, Roorkee. Prof. Saxena has established his Engineering Excellence in management, technical and financial growth of the institutions of excellence and National importance. He has guided 24 Ph.D. and published over 200 research papers. He has received various prestigious National Awards in the field of Education. He is also holding positions in various autonomous Education Institutions and Commissions.



Shri Rajib Sekhar Sahoo was appointed in THDC India Ltd. by Govt. of India for a period of 3 years w.e.f. 09.11.2011. Shri Rajib Sekhar Sahoo is a practising Chartered Accountant born on 1<sup>st</sup> July, 1962. He qualified as CA in the year 1987. He is one of the Principal partners of M/s.SRB & Associates, Chartered Accountants.

At present he is a Director in NTPC Limited a Maharatna Company of Govt. of India, Hindustan Zinc Limited and THDC India Limited.

He is a member of Task Force on MoU Deptt. of Public Enterprise Govt. of India for the year 2011-12 and 2012-13. He is a member of Sri Jagannath Temple Managing Committee, Puri appointed by Govt. of Odisha as an Independent Member. He is an Independent Trustee of Odisha Urban Infrastructure Development Fund (OUIDF) appointed by Govt. of Odisha. He is a member of Fee Structure Committee for Professional Educational Institutions of Odisha appointed as per the direction of Supreme Court of India chaired by a Retd. High Court Judge since 2007. He is the Treasure of Indus Entrepreneur (IIE) having head quarter in Silicon Valley, USA.

He was Trustee in Paradip Port Trust from the year 2008-10. He was Director in Andhra Bank from July, 2008 to July, 2011. During his Tenure in Andhra Bank he was Chairman of the

Audit Committee and Member of Risk Management Committee. He was the chairman of Indo-American Chamber of Commerce for the year 2008-10.



Shri O. P. Gahrotra was appointed Independent Director in THDC India Ltd. for a period of 3 years w.e.f. 16.03.2012. Shri Gahrotra borne on September 21, 1946, holds Masters in Financial Management from Jammalal Bajaj Institute of Management and from Birmingham University, United Kingdom.

He belongs to the 1969 batch of Indian Administrative Service. After his retirement, he was associated with Rewas Ports Limited as the Chief Executive Officer and Managing Director where he was responsible for overall management and setting up of a green-field port project. He is presently working as the Managing Director of Synergy Li Power Resources India Pvt. Ltd., where he is assisting in setting up a 2000 MW gas based Power Plant in Maharashtra.

He held several responsible positions in the Government. During the period from September 2004 to December 2006, he was designated as an Additional Chief Secretary of the Finance Department of the Government of Maharashtra where he was responsible for the overall budgeting, planning and fiscal management of the State of Maharashtra. Shri, Gahrotra was an Additional Chief Secretary and Managing Director of the Maharashtra State Textile Corporation, a state government undertaking, from May 2001 to November 2004.

He was a Senior Executive Director in SEBI from February 1996 to April 2001 where he was responsible for regulating Foreign Institutional Investors, corporate takeovers, technology, overseas coordination and interacting with the International Organization of Securities Commission ("IOSCO") members as well as regulation of the Primary Markets in India.

Presently, Mr. Gahrotra is the Chairman of the board of Onang Management Advisory Services Private Limited, a director on the boards of Elan Vascular Technologies Pvt. Ltd, Kalpataru Limited, Trimax IT Infrastructure and Services Limited and National Commodity and Derivatives Exchange Limited.





### 3. COMMITTEES OF BOARD OF DIRECTORS :

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

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

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

#### 3.1 AUDIT COMMITTEE

The Composition, Quorum, Scope, etc. of the Audit Committee are 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:

The Audit Committee was reconstituted on 16<sup>th</sup> December 2011. The composition of the Audit Committee as on 31.03.2012 is :

Sil. No.	Name of Member	Category of Member
1.	Prof. (Dr.) S. C. Saxena	Independent Director-Chairman
2.	Shri O.P. Gahrotra	Independent Director-Member
3.	Shri Rajib Sekhar Sahoo	Independent Director-Member

##### 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 2011-12 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 25, 2011	3	3
2.	April 27, 2011 (Adjourned)	3	3
3.	December 17, 2011	3	3
4.	March 28, 2012	3	2

The details of the meetings of Audit-Committee attended by the members for the year 2011-12 are as under

Sl. No.	Member of Audit Committee	No. of Meetings held during his tenure	No. of Meetings attended
1.	Dr. Sudhir S. Bloeria, Independent Director (upto 22-05-2011)	2	2
2.	Dr.K. Aprameyan, Independent Director (upto 1-05-2011)	2	2
3.	Prof.(Dr.) S. C. Saxena, Independent Director	4	4
4.	Shri O.P. Gahrotra, Independent Director (from 16-03-2012)	1	1
5.	Shri Rajib Sekhar Sahoo, Independent Director (from 9-11-2011)	2	2
6.	Shri. Kishan Singh Atoria, Nominee Director Ceased on 31.05.2012)	2	-

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 was reconstituted on 16<sup>th</sup> December 2011. The composition of the Remuneration Committee as on 31.03.2012 is:

Sl. No.	Name of Member	Category of Member
1.	Dr.(Prof.)S.C. Saxena	Independent Director-Chairman
2.	Shri O.P. Gahrotra (from 16-03-2012)	Independent Director-Member
3.	Shri Rajib Sekhar Sahoo (from 9-11-2011)	Independent Director-Member

### 3.2.2 MEETINGS AND ATTENDANCE

Three meetings of the Remuneration Committee were held during the financial year 2011-12 on April 25, December 17, 2011, March 28, 2012. The details of the meetings of Remuneration Committee attended by the members are as under:

Sl. No.	Member of Remuneration Committee	Position held	Meeting held during his tenure	Meeting attended
1.	Dr. Sudhir S. Bloeria (upto 1-05-2011)	Chairman	1	1
2.	Dr.(Prof.) S.C. Saxena	Chairman	3	3
3.	Dr.K. Aprameyan (upto 1-05-2011)	Member	1	1
4.	Sh. O.P. Gahrotra (from 16-03-2012)	Member	1	1
5.	Sh. Rajib Sekhar Sahoo (from 9-11-2011)	Member	2	2
6.	Sh. Kishan Singh Atoria (Ceased on 31.05.2012)	Member	2	0

### 4. GENERAL BODY MEETINGS

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

Annual General Meetings	23 <sup>rd</sup> Annual General Meeting held on 26 <sup>th</sup> September 2011	22 <sup>nd</sup> Annual General Meeting held on 31 <sup>st</sup> August 2010	21 <sup>st</sup> Annual General Meeting held on 29 <sup>th</sup> September 2009
Time	05:30 P.M.	05:00 P.M.	07:00 P.M.
Venue	THDC INDIA LTD Plot No.20, Sector No.14, Kaushambi, Ghaziabad (U.P)	Bhagirathi Bhawan, Bhagirathi Puram Top Terrace, Tehri Gharwal-249001 (Uttarakhand)	THDC Office A-10, Sector -1 KRIBHCO Bhawan, 4 <sup>th</sup> Floor, Noida
Special Resolutions	*Approving the Borrowing Power of Board in excess of Paid up Capital & Free Reserves	*Amendment in Memorandum & Articles of Association *Approving Power of Board to Borrow in Excess of Paid up Capital and Free Reserves	*Change in Name of the company *Amendment in Memorandum & Articles of Association



## 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

Whistle Blower Policy has been adopted 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. Adequate safeguards are provided to employees against victimization 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 discontentment or 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. CORPORATE ETHICS POLICY

The Board of Directors of your company approved Corporate Ethics Policy as a part of Corporate Governance initiative. The purpose of an ethics policy is to address expectations of the employee's and consumer's to be treated to fair business practices. This policy will serve to guide business behaviour to ensure that all those who work for the organization observe the highest standard of professional ethics and have a responsibility to contribute to the good governance of THDCIL and to enhance its reputation of probity,

integrity and impartiality.

This Ethics Policy statement shall apply to all members of the Board of Directors, employees including those on deputation/lien. Annual affirmation is obtained regarding Compliance of Code of Business Conduct and Ethics from Board Members and Senior Management of the Corporation upto the level of DGM.

## 9. RISK MANAGEMENT:

THDCIL has adopted Risk Management Policy duly approved by board 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.

The objective of Risk Management is to reduce risk related threats 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 Risk Management comprises of a well defined system of risk analysis, risk responses and risk control, so as to minimize the risks to an acceptable level.

## 10. RECORD MANAGEMENT SYSTEM:

THDC has adopted Record Management Manual in line with 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.

## 11. MEANS OF COMMUNICATION – Official Website

The Company communicates with its shareholders through its Annual Report, General Meetings and

disclosures, which are also placed in its official web site.

Information and latest updates and announcement regarding the company can be accessed at company's website: [www.thdc.gov.in](http://www.thdc.gov.in) including the following:-

#### 12. 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, 2012.'

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

#### 13. COMPTROLLER AND AUDITOR GENERAL OF INDIA:

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 primary auditors. In addition, the Comptroller and Auditor General of India conducts a test audit of the accounts of your company and reports the results of his audit to Parliament and State Legislatures.

#### 14. ADDRESS FOR CORRESPONDENCE

THDC INDIA LIMITED  
PRAGATIPURAM BYPASS 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.	0135-2439309 , Fax- 0135-2439442
E-Mail	thdccc@yahoo.co.in
For Public Grievances	Sh. A.C. Joshi, AGM (P&A), Director of Public Grievances
Contact	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 31.03.2012.
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-211005

Dated:- 31.08.2012  
Place:- Allahabad



**THDC INDIA LIMITED**  
**ANNEXURE TO THE DIRECTORS' REPORT**  
Particulars of Employees Under Section 217 (2A) of the Companies Act, 1956  
For the Year Ending 31.03.2012

A) Employment throughout the year and in receipt of remuneration which, in the aggregate, was not less than ₹ 60,00,000 Per Annum

(Amount in Lac)

Name	Designation/ Nature of Duties	Remuneration (₹ Lac)	Qualification	Expe- rience (yrs)	Date of Commen- cement of Employment	Age	Last Empl- oyment Held	Remarks
Nil								

B) Employment for part of the year and in respect of remuneration which, in the aggregate, was not less than ₹ 5,00,000 Per Month

Name	Designation/ Nature of Duties	Remuneration (₹ Lac)	Qualification	Expe- rience (yrs)	Date of Commen- cement of Employment	Age	Last Empl- oyment Held	Remarks
Shri. G.M.Prasad	G.M.(D&E)	27.94	B.Sc. (Engineering -Civil), M.Tech (Building Science & Construction Management)	35	31.12.1990	60	NHPC Limited.	Retired on 30.06.2011

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' & Employer's contribution to Provident Fund and Gratuity. None of the employees listed above is related to any of the directors of the Company.



**Annual Accounts**  
**For the Year 2011-12**



## SIGNIFICANT ACCOUNTING POLICIES 2011-2012

### 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 from time to time.

### 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 year 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 (EDC) (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 (EDC), relating to rehabilitation Works of Projects is carried forward and is to be dealt in line with Policy No. 5(i)

#### 6. Borrowing Costs.

- i. 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.
- ii. Borrowing costs in respect of funds borrowed generally and used for the purpose of obtaining a qualifying 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

- i. Transactions dealt with in foreign currency are recorded at the rates at which transacted.
- ii. 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.

- iii. 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 are accounted for in accordance with AS – 11 (Revised 2003) 'The Effects of Changes in Foreign Exchange Rates'.
- iv. Other exchange differences are recognized as income & expenses in the period in which they arise.

#### 8. Depreciation

- i. 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.
- ii. Low value items costing up to ₹ 1500/-, which are in the nature of assets are not capitalized and charged to revenue.
- iii. In respect of Assets costing up to ₹ 5000/- but more than ₹ 1500/-(excluding immovable assets) 100% depreciation is provided in the year of purchase.
- iv. Depreciation is charged from the date the asset becomes 'ready for use'.
- v. Cost of Leasehold Land is amortized over the lease period.



- vi. 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.
- vii. Cost of computer Software is recognized as intangible asset and amortised on straight line method over a period of legal right to use or five 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 valued at cost determined on weighted average basis or net realizable value whichever is lower.
- 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 Stations 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 and liquidated damages/ warranty claims are not treated as accrued due to uncertainty of its realization/acceptance, and are 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 for 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. as defined in AS-15 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'.





## BALANCE SHEET AS AT 31-March-2012

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' Funds</b>					
(a) Share Capital	1	3,29,758		3,29,758	
(b) Reserves And Surplus	2	2,86,456	6,16,214	2,47,507	5,77,265
Share Application Money Pending Allotment			4,500		0
<b>Non-Current Liabilities</b>					
(a) Long Term Borrowings	3	4,48,834		4,17,323	
(b) Other Long Term Liabilities	4	28,754		29,902	
(c) Long Term Provisions	5	18,532	4,96,120	16,788	4,64,013
<b>Current Liabilities</b>					
(a) Short Term Borrowings	6	39,958		32,917	
(b) Trade Payables	7	50		4	
(c) Other Current Liabilities	8	69,445		72,678	
(d) Short Term Provisions	9	39,130	1,48,583	18,370	1,23,969
<b>TOTAL</b>			<b>12,65,417</b>		<b>11,65,247</b>
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
<b>(a) Fixed Assets</b>					
(i) Tangible Assets	10	9,20,291		9,09,848	
(ii) Intangible Assets	10	136		129	
(iii) Capital Work in Progress	11	57,081	9,77,508	83,471	9,93,448
(b) Deferred Tax Assets (Net)	12		19,816		13,292
(c) Long Term Loans and Advances	13		57,475		37,350
(d) Other Non-Current Assets	14		515		369

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Current Assets</b>					
(a) Inventories	15	1,660		1,768	
(b) Trade Receivables	16	1,90,897		1,11,495	
(c) Cash and Cash Equivalents	17	13,787		5,244	
(d) Short Term Loans and Advances	18	3,264		2,168	
(e) Other Current Assets	19	495	2,10,103	113	1,20,788
<b>Total</b>			<b>12,65,417</b>		<b>11,65,247</b>

Significant Accounting Policies and the accompanying notes form an integral part of these Financial Statements.

For and on Behalf of Board of Directors

(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 BHATIA & BHATIA  
Chartered Accountants  
FRN 003202N of ICAI

(Ravinder Bhatia)  
Partner  
Membership No.:- 17572

Date:- 31.08.2012

Place:- New Delhi



## STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED ON 31-MARCH-2012

Amount In lac ₹

Particulars	Note No.	For The Year Ended	
		31 - Mar - 2012	31 - Mar - 2011
<b>INCOME</b>			
Revenue from Operations	20	2,04,558	1,68,310
Other Income	21	950	617
<b>Total Revenue</b>		<b>2,05,508</b>	<b>1,68,927</b>
<b>EXPENSES</b>			
Employee Benefits Expense	22	14,995	15,524
Finance Costs	23	53,173	37,797
Depreciation & Amortisation	10	45,080	34,962
Generation Administration and Other Expenses	24	11,774	12,846
Provisions	25	156	79
<b>Total Expenses</b>		<b>1,25,178</b>	<b>1,01,208</b>
<b>Profit Before Tax</b>		<b>80,330</b>	<b>67,719</b>
Prior Period Income/ (Expenditure) (Net)	26	96	(201)
<b>Profit Before Tax</b>		<b>80,234</b>	<b>67,920</b>
<b>Tax Expenses</b>			
<b>Current Tax</b>			
Income Tax		16,290	13,631
Wealth Tax		85	31
Deferred tax- Asset		(6,524)	(5,789)

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31 - Mar - 2012	For The Year Ended 31 - Mar - 2011
Profit For The Year		70,383	60,047
Earning per Equity Share			
Basic (₹)		213.44	182.10
Diluted (₹)		213.42	182.10

Significant Accounting Policies and the accompanying notes form an integral part of these Financial Statements.

For and on Behalf of Board of Directors

(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 BHATIA & BHATIA  
Chartered Accountants  
FRN 003202N of ICAI

(Ravinder Bhatia)  
Partner  
Membership No.:- 17572

Date:- 31.08.2012

Place:- New Delhi



## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2012

Note :-1

### SHARE CAPITAL

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
		Number of Shares	Amount	Number of Shares	Amount
<b>Authorised</b>					
Equity Shares of 1000 /= each		4,00,00,000	4,00,000.00	4,00,00,000	4,00,000.00
<b>Issued Subscribed &amp; Paidup</b>		3,29,75,800	3,29,758	3,29,75,800	3,29,758
Equity Shares of 1000 /= each Fully Paid up					
<b>TOTAL</b>			3,29,758		3,29,758

Note :-1.1

### RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL OUTSTANDING

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
		Number of Shares	Amount	Number of Shares	Amount
Opening		3,29,75,800	3,29,758	3,29,75,800	3,29,758
Issued		0	0	0	0
Reduction		0	0	0	0
Closing		3,29,75,800	3,29,758	3,29,75,800	3,29,758

Note :-1.2

### DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
		Number of Shares	%	Number of Shares	%
<b>Share holding more than 5 %</b>					
I. GOI		2,37,37,000	71.98	2,37,37,000	71.98
II. GOUP		92,38,800	28.02	92,38,800	28.02
<b>TOTAL</b>		3,29,75,800.00	100.00	3,29,75,800.00	100.00

1.3 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.

Note :-2

**RESERVES & SURPLUS**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Capital Reserve</b>					
Contribution Due From Government of Uttar Pradesh Towards Irrigation Sector		1,44,134		1,44,134	
<b>LESS:-</b>					
Contribution In Arrear		15		15	
Contribution Received		1,44,119		1,44,119	
<b>LESS:-</b>					
Adjustment Towards Depreciation		27,595	1,16,524	20,787	1,23,332
<b>Other Capital Reserve</b>					
<b>PHRD Grant from World Bank (For VPHEP Projects)</b>					
Opening Balance		472		431	
Received during the year		0		41	
Utilised/adjusted during the year		0	472	0	472
<b>Sub Total- "A"</b>		<b>1,16,996</b>			<b>1,23,804</b>
<b>Surplus In Profit &amp; Loss Account</b>					
Opening		1,23,726		84,785	
Add:- Profit for the year as per P&L Statement		70,383		60,047	
<b>TOTAL PROFIT FOR APPROPRIATION</b>			<b>1,94,109</b>		<b>1,44,832</b>
<b>DIVIDEND</b>					
Interim Dividend		0		12,500	
Proposed Dividend		21,200	21,200	5,600	18,100
<b>TAX ON DIVIDEND</b>					
Dividend Distribution Tax-Interim		0		2,076	
Dividend Distribution Tax-Proposed		3,439	3,439	930	3,006
<b>Sub Total- "B"</b>			<b>1,69,470</b>		<b>1,23,726</b>
<b>Sub Total - "C" (A+B)</b>			<b>2,86,466</b>		<b>2,47,530</b>
<b>Misc. Expenditure (To the extent not written off or Adjusted)</b>					
Opening Balance		23		36	
Addition during the year		1		0	
Utilised/adjusted during the year		(14)	10	(13)	23
<b>Sub Total - "D"</b>			<b>10</b>		<b>23</b>
<b>TOTAL (C-D)</b>			<b>2,86,456</b>		<b>2,47,507</b>

2.1 The Company has proposed dividend for the year 2011-12 @ ₹ 64.29 per equity share of par value of ₹ 1000/- each ( Previous year ₹ 54.89 Per equity share).



Note 1-3

## LONG TERM BORROWINGS

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012	As at 31-Mar-2011
<b>A.SECURED</b>			
<b>POWER FINANCE CORPORATION Ltd. (For Tehri HPP) *</b>			
(Repayable upto 10 years on Quarterly instalment from 15 <sup>th</sup> July 2005 to 15 <sup>th</sup> January 2015, carrying floating interest rate presently @11%		0	1,057
(Repayable upto 10 years on Quarterly instalment from 15 <sup>th</sup> July 2005 to 15 <sup>th</sup> January 2015, carrying floating interest rate presently @10.75%		4,535	15,538
(Repayable upto 10 years on Quarterly instalment from 15 <sup>th</sup> July 2005 to 15 <sup>th</sup> January 2015, carrying floating interest rate presently @ 10%		15,700	15,700
(Repayable upto 10 years on Quarterly instalment from 15 <sup>th</sup> July 2005 to 15 <sup>th</sup> January 2015, carrying floating interest rate presently @9.75%		6,900	6,900
<b>POWER FINANCE CORPORATION Ltd. (For Tehri HPP) *</b>			
(Repayable upto 15 years on Quarterly instalment from 15 <sup>th</sup> October 2008 to 15 <sup>th</sup> July 2023, carrying floating interest rate, presently @12.75% previous Year @13.5% payable Quarterly)		94,792	1,03,820
<b>POWER FINANCE CORPORATION Ltd. (For KHEP) #</b>			
(Repayable upto 10 years on Quarterly instalment from 15 <sup>th</sup> January 2012 to 15 <sup>th</sup> October 2021, carrying floating interest rate, presently @12%		8,000	8,000
(Repayable upto 10 years on Quarterly instalment from 15 <sup>th</sup> January 2012 to 15 <sup>th</sup> October 2021, carrying floating interest rate, presently @11.50% payable quarterly)		60,068	71,769
(Repayable upto 10 years on Quarterly instalment from 15 <sup>th</sup> January 2012 to 15 <sup>th</sup> October 2021, carrying floating interest rate, presently @11.25% payable quarterly)		14,113	14,113
(Repayable upto 10 years on Quarterly instalment from 15 <sup>th</sup> January 2012 to 15 <sup>th</sup> October 2021, carrying floating interest rate, presently @ 11%		20,193	20,193



Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012	As at 31-Mar-2011
<b>Rural Electrification Corporation Ltd. (REC) (For KHEP)#</b>			
(Repayable upto 10 years on Quarterly instalment from 30 <sup>th</sup> September 2012 to 30 <sup>th</sup> June 2022, carrying floating interest rate, presently@12.5% payable quarterly)		6,144	0
(Repayable upto 10 years on Quarterly instalment from 30 <sup>th</sup> September 2012 to 30 <sup>th</sup> June 2022, carrying floating interest rate, presently@12.25% payable quarterly)		3,175	0
(Repayable upto 10 years on Quarterly instalment from 30 <sup>th</sup> September 2012 to 30 <sup>th</sup> June 2022, carrying floating interest rate, presently@12% payable quarterly)		8,134	0
(Repayable upto 10 years on Quarterly instalment from 30 <sup>th</sup> September 2012 to 30 <sup>th</sup> June 2022, carrying floating interest rate, presently@11.5% payable quarterly)		1,110	0
(Repayable upto 10 years on Quarterly instalment from 30 <sup>th</sup> September 2012 to 30 <sup>th</sup> June 2022, carrying floating interest rate presently @11.25% payable quarterly)		7,704	5,035
(Repayable upto 10 years on Quarterly instalment from 30 <sup>th</sup> September 2012 to 30 <sup>th</sup> June 2022, carrying floating interest rate, presently@ 11% payable quarterly)		8,757	9,467
(Repayable upto 10 years on Quarterly instalment from 30 <sup>th</sup> September 2012 to 30 <sup>th</sup> June 2022, carrying floating interest rate, presently@10.75% payable quarterly)		29,795	32,210
<b>Rural Electrification Corporation Ltd. (For Tehri HPP)*</b>			
Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate, presently @12.5% payable quarterly)		9,079	22,497
(Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate, presently @ 12% payable quarterly)		11,169	0
(Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate, presently@11.5% payable quarterly)		4,632	5,147
(Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate, presently@11% payable quarterly)		60,784	67,538



Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2012	As at 31-Mar-2011
(Repayable upto 10 years from Nov 2006 to March 2018, carrying floating interest rate, presently @ 11.5% payable as per different dates)		10,929	14,096
<b>Punjab National Bank</b> Cash Credit From Bank, carrying floating Interest rate base rate + 1% presently @ 11.75% **		50,000	0
<b>TOTAL (A)</b>		<b>4,35,713</b>	<b>4,13,080</b>
<b>B.UNSECURED \$ Foreign currency Loans (Guaranteed by Govt. of India )</b>			
<b>For Tehri HPP</b>			
<b>KFW loan -9831</b> (Repayable upto 10 years on half yearly instalment from June 2004 to December 2013, carrying floating interest rate @ EURIBOR plus 0.5% margin p.a, presently @ 2.1875 % Previous Year @ 1.75%)		1,892	3,502
<b>KFW loan -2896</b> (Repayable upto 10 years on half yearly instalment from Sept. 2004 to March 2014, carrying Fixed interest rate @ 5.91% p.a.)		400	741
<b>For VPHEP</b>			
<b>World Bank Loan</b> (Repayable upto 23 years on half yearly instalment from 15th Nov. 2017 to 15th Nov. 2040 , carrying floating interest rate @ LIBOR + variable spread., presently 1.15%)		829	0
<b>Domestic Loans</b>			
<b># # State Bank of India ( Repayable on 10 years on Quarterly Installments from August 2016 to May 2026 Carrying Floating Interest rate presently @ 11.20 % (Base rate + 1.2%) )</b>		10,000	0
<b>TOTAL (B)</b>		<b>13,121</b>	<b>4,243</b>
<b>TOTAL (A+B)</b>		<b>4,48,834</b>	<b>4,17,323</b>

\* Long 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 to.

# Long Term Loan secured by first charge on Pari Passu basis on assets of Koteshwar HEP.

\*\* Over Draft Limit of ₹ 50000/- Lac Secured by 2nd charge on Block of Assets of the Company.

\$ With negative lien on the equipments financed under the respective loan ranking pari-passu.

# # SBI has made Unsecured interim disbursement of ₹ 10000 Lac for short term financing for Tehri PSP on 31.03.2012 on signing of interim loan agreement . As per this agreement, the amount shall be adjusted against the disbursement of SBI share of participation in facility by jointly documentation of common loan Agreement. Since the loan documentation has been signed on 31.07.2012 , The above loan has been shown as Un Secured-Long Term Loan.

There has been no default in repayment of any of the Loans or interest thereon during the year.

Note :-4

**OTHER LONG TERM LIABILITIES**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Deferred Revenue On Account of Advance Against Depreciation</b>					
As Per Last Balance Sheet		28,331		28,331	
Add:-Revenue Deferred During The year		0		0	
Less:- Revenue Recognised During The Year		0	28,331	0	28,331
<b>Liabilities</b>					
For Capital Expenditure		33		767	
For Micro And Small Enterprises.		0		0	
For Others		4	37	17	784
Deposits, Retention Money From Contractor etc.		385		726	
Other Liabilities		1	386	61	787
<b>TOTAL</b>			<b>28,754</b>		<b>29,902</b>

4.1 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.



Note 1-5

## LONG TERM PROVISIONS

Amount in lac ₹  
(Figures in Parenthesis Represent Deduction)

Particulars	Note No.	As at 01-Apr-2011	For The Year 31-Mar-2012			As at 31-Mar-2012
			Addition	Adjustment	Utilisation	
I. Works		1,249	0	(993)	(256)	0
II. Employee Related		14,866	2,661	163	(235)	17,455
III. Others		673	405	(1)	0	1,077
<b>TOTAL</b>		<b>16,788</b>	<b>3,066</b>	<b>(831)</b>	<b>(491)</b>	<b>18,532</b>
<b>Figure for Previous Year</b>		<b>14,468</b>	<b>2,808</b>	<b>(488)</b>	<b>0</b>	<b>16,788</b>

Disclosure required by AS-15 on employee benefit has been made in Note No.61

Note :-6

## SHORT TERM BORROWINGS

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012	As at 31-Mar-2011
<b>A. Secured loans:</b>			
<b>Short term Loan From Banks and Financial Institutions</b>			
Rural Electrification Corporation Ltd. (Carrying Floating rate @ 9.75%)		0	10,417
Power Finance Corporation Ltd. (Carrying Floating rate @13.75%)\$		20,000	0
Cash Credit from Banks**			
Punjab National Bank (Carrying Floating Interest Rate @ 11.75%)		12,381	0
<b>TOTAL (A)</b>		<b>32,381</b>	<b>10,417</b>
<b>B. Unsecured loans:</b>			
Punjab National Bank ( Carrying Floating Interest Rate @ 10.00%)		0	22,500
Power Finance Corporation Ltd. (Carrying Floating Interest Rate @ 12.5%)*		3,808	0
Power Finance Corporation Ltd. (Carrying Floating Interest Rate @ 12.25%)*		3,769	0
<b>TOTAL (B)</b>		<b>7,577</b>	<b>22,500</b>
<b>TOTAL (A+B)</b>		<b>39,958</b>	<b>32,917</b>

\* STL of ₹ 7577/- Lac availed from PFC by way of first charge on pari passu basis on Escrow Account.

\*\* Additional O.D. Limit up to ₹ 15000/- Lac Secured by 2nd Charge on Block of Assets of Company

\$ Secured by way of first charge on book debts to the extent of ₹ 25000/- Lac.

There has been no default in repayment of any of the Loans or interest thereon during the year. These Short Term Loans are to be repaid within a year.

Note :-7

## TRADE PAYABLE

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012	As at 31-Mar-2011
Trade Payable -MSMED		0	0
Trade Payable -Other than MSMED		50	4
<b>Total</b>		<b>50</b>	<b>4</b>



Note :-8

## OTHER CURRENT LIABILITIES

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Current maturity of Long Term debt</b>					
A.SECURED			50,729		36,698
<b>TOTAL (A)</b>			<b>50,729</b>		<b>36,698</b>
<b>B.UNSECURED \$</b>			<b>2,293</b>		<b>2,122</b>
Foreign currency Loans (Guaranteed by Govt. of India )					
<b>TOTAL (B)</b>			<b>2,293</b>		<b>2,122</b>
<b>TOTAL (A+B)</b>			<b>53,022</b>		<b>38,820</b>
<b>Liabilities</b>					
For Capital Expenditure		5,077		9,042	
For Micro And Small Enterprises.		0		0	
For Others		2,063	7,140	14,562	23,604
Deposits, Retention Money From Contractors etc.		2,113		1,939	
Other Liabilities		713	2,826	1,088	3,027
<b>Interest Accrued But Not Due</b>					
Financial Institutions		6,457		7,227	
Other Liabilities		0	6,457	0	7,227
<b>TOTAL</b>			<b>16,423</b>		<b>33,858</b>
<b>TOTAL LIABILITIES</b>			<b>69,445</b>		<b>72,678</b>
Detail in respect of Rate of Interest and Terms of repayment of Current Maturity of Secured and unSecured Long Term debt Indicated above are disclosed in Note-3.					

**Note :-9**  
**SHORT TERM PROVISIONS**

Amount In lac ₹  
(Figures In Parenthesis Represent Deduction)

Particulars	Note No.	As at 01-Apr-2011	For The Year 31-Mar-2012			As at 31-Mar-2012
			Addition	Adjustment	Utilisation	
I. Works		801	435	971	(325)	1,882
II. Employee Related		7,887	7,182	(777)	(5,279)	9,013
III. Dividend (Interim and Final)		5,600	21,200	0	(5,600)	21,200
IV. Dividend Distribution Tax (Interim and Final)		3,006	3,439	0	(3,006)	3,439
V. Others		1,076	14,616	(91)	(12,005)	3,596
<b>TOTAL</b>		<b>18,370</b>	<b>46,872</b>	<b>103</b>	<b>(26,215)</b>	<b>39,130</b>
<b>Figure for Previous Year</b>		<b>22,330</b>	<b>25,748</b>	<b>(2,029)</b>	<b>(27,679)</b>	<b>18,370</b>

Disclosure required by AS-15 on Employee Benefits has been made in Note No. 61.



Note :-10

**FIXED ASSETS**

Amount In lac ₹  
(Figures In Parenthesis Represent Deduction)

Particulars	Gross Block			Depreciation			Net Block		
	As at 01-Apr-2011	Addition During the year	Sales/ Adjustment During the year	As at 31-Mar-2012	As at 01-Apr-2011	For The year	Sales/ Adjustment During the year	As at 31-Mar-2012	As at 31-Mar-2011
<b>Tangible Assets</b>									
<b>Lease Hold Assets</b>									
1. Land Lease Hold	245	-	-	245	18	9	-	27	227
<b>Other Assets</b>									
2. Land Free Hold	2,162	2,436	-	2,162	-	-	-	2,162	2,162
3. Land Unclassified	1,38,600	5,033	-	1,41,036	17,240	4,674	-	21,914	1,19,122
4. Buildings	63,811	424	(15)	68,829	1,400	2,319	(3)	3,716	62,411
5. Building Temp. Structures	515	424	-	939	514	425	-	939	1
6. Road, Bridge & Culverts	5,280	3,934	(4)	9,210	307	292	9	608	8,602
7. Drainage, Sewerage & Water Supply	1,246	19	-	1,265	158	67	-	225	1,040
8. Construction Plant & Machinery	1,449	375	-	1,824	973	57	-	1,030	794
9. Generation Plant & Machinery	1,93,074	38,217	(31)	2,31,260	26,569	10,607	-	37,176	1,94,084
10. EDP Machines	1,176	50	(5)	1,221	544	158	(1)	701	520
11. Electrical Installations	659	152	-	811	54	49	-	103	708
12. Transmission Lines	1,431	367	-	1,798	245	99	-	344	1,454
13. Office & Other Equipment	3,259	374	(17)	3,616	796	220	(1)	1,015	2,601
14. Furniture & Fixtures	1,362	117	(1)	1,478	306	87	-	393	1,085
15. Vehicles	700	351	(24)	1,027	386	60	(17)	429	598
16. Railway Seatings	122	-	-	122	12	4	-	16	106
17. Hydraulic Works- Dam & Spillways	4,93,443	5,737	-	4,99,180	60,092	26,378	1	86,471	4,12,709
18. Hydraulic Works- Tunnel, Penstock, Canals etc.	1,31,240	5,816	-	1,37,056	21,034	7,021	62	28,117	1,08,939
19. Unservicable/ Obsolete Assets at net book value or not realisable value whichever is lower.	177	-	(2)	175	-	-	-	-	175
20. Capital Expenditure on Assets not owned by the company.	2,615	-	-	2,615	2,070	284	-	2,354	261
<b>Sub Total</b>	<b>10,42,566</b>	<b>63,402</b>	<b>(99)</b>	<b>11,05,869</b>	<b>1,32,718</b>	<b>52,810</b>	<b>50</b>	<b>1,85,578</b>	<b>9,20,291</b>
<b>Figures For Previous Year</b>	<b>8,52,078</b>	<b>1,99,818</b>	<b>(9,398)</b>	<b>10,42,566</b>	<b>97,603</b>	<b>42,900</b>	<b>(7,785)</b>	<b>1,32,718</b>	<b>9,09,848</b>
<b>Intangible Assets</b>									
1. Intangible Assets-Software	267	55	-	322	138	48	-	186	136
<b>Sub Total</b>	<b>267</b>	<b>55</b>	<b>-</b>	<b>322</b>	<b>138</b>	<b>48</b>	<b>-</b>	<b>186</b>	<b>136</b>
<b>Figures For Previous Year</b>	<b>201</b>	<b>68</b>	<b>(3)</b>	<b>267</b>	<b>106</b>	<b>35</b>	<b>(3)</b>	<b>138</b>	<b>129</b>
<b>Detail of Depreciation</b>					<b>Current Year</b>		<b>Previous Year</b>		
Depreciation transferred to EDC					970		1,223		
Depreciation transferred to P&L account					45,080		34,962		
Depreciation adjusted in Capital Reserve					6,808	52,858	6,750	42,935	
Amplification Contribution from GCUF									
Fixed Assets Costing More Than ₹1500.00 But Less Than ₹5000.00 Procured and Depreciated Fully During The Year					18		35		

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

10.2 Report Auditing Committee (EAC) of the ICAI has given an opinion that Capital Expenditure on assets not owned by the Company are to be charged to statement of Profit and Loss as and when incurred. It has been represented by other PSUs that such expenditure being essential for setting up of a project, the same be accounted in line with the existing accounting practices. Pending receipt of communication from ICAI regarding the review of opinion, existing treatment has been continued as per the relevant accounting practice.



Note :-11

**CAPITAL WORK IN PROGRESS**

Amount In lac ₹

Particulars	Note No.	For The Year 31-Mar-2012				As at 31-Mar-2012
		As at 01-Apr-2011	Addition During The Year	Adjustment During the Year	Capitalisation During The Year	
<b>Construction Work In Progress</b>						
Building & Other Civil Works		3,532	2,757	(1,951)	(258)	4,080
Roads, Bridges & Culverts		3,894	2,615	(4,225)	(12)	2,272
Water Supply, Sewerage & Drainage		80	47	4	-	131
Generation Plant And Machinery		32,870	9,026	(3,486)	(38,347)	63
Hydraulic Works, Dam, Spillway, Water Channels, Weirs, Service Gate & Other Hydraulic Works		35,967	21,139	109	(15,677)	41,538
Afforestation Catchment Area		8	-	-	-	8
Electrical Installation & Sub-Station Equipments		279	281	(545)	-	15
Capital Expenditure On Assets Not Owned By Company		-	-	-	-	-
Others		271	61	(12)	(6)	314
<b>Generation Plant And Machinery In Transit</b>		511	387	(681)	-	217
<b>Generation Plant And Machinery Under Inspection</b>		-	-	-	-	-
<b>Expenditure Pending Allocation</b>						
Survey & Development Expenses		4,533	1,096	(31)	(63)	5,535
Exchange Variation		-	-	-	-	-
Interest Pending Allocation		-	19,307	(19,307)	-	-
Expenditure During Construction	11.1	546	613	-	-	1,159
<b>Rehabilitation</b>						
Rehabilitation Expenses (Net Of Recoveries Towards Token Cost And Rent)		980	774	(5)	-	1,749
<b>Sub Total</b>		<b>83,471</b>	<b>58,103</b>	<b>(30,130)</b>	<b>(54,363)</b>	<b>57,081</b>
<b>Previous Year Figure</b>		<b>2,05,336</b>	<b>87,036</b>	<b>(17,666)</b>	<b>(1,91,235)</b>	<b>83,471</b>



Note -11.1

EXPENDITURE DURING CONSTRUCTION

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012		For The Year Ended 31-Mar-2011	
<b>EXPENDITURE</b>					
<b>EMPLOYEE BENEFITS EXPENSES</b>	22				
Salaries, Wages, Allowances & Benefits		9,347		12,760	
Contribution to Provident & Other Funds		1,169		2,674	
Gratuity		805		444	
Welfare		182	11,503	175	16,053
<b>OTHER EXPENSES</b>	24				
<b>Rent</b>					
Rent for office		90		152	
Rent for Employee Residence		426	516	379	531
Rate and taxes			21		18
Power & Fuel			371		519
Insurance			14		11
Communication			138		151
Repair & Maintenance					
Plant & Machinery		2		11	
Buildings		229		301	
Others		392	623	1,682	1,994
Travelling & Conveyance			403		519
Vehicle Hire & Running			341		564
Security			341		427
Publicity & Public relation			107		130
Other General Expenses			948		1,079
Loss on sale of assets			1		4
Survey And Investigation Expenses			33		94
Research & Development Expenses			61		0
Deferred Revenue Expenditure Written Off			1		2
<b>DEPRECIATION</b>	10		970		1,223
<b>TOTAL EXPENDITURE (A)</b>			16,392		23,319
<b>RECEIPTS:</b>					
<b>OTHER INCOME</b>	21				
<b>Interest</b>					
From Bank deposit		17		26	
From Employees		104		104	
From Others		1	122	1	131
Machine Hire Charges			18		86
Rent Receipts			78		38
Sundry Receipts			65		38
Excess Provision Written Back			428		8
Profit on Sale of Assets			20		12
<b>TOTAL RECEIPTS (B)</b>			731		313
<b>PRIOR PERIOD ADJUSTMENTS</b>	26		10		6
<b>NET EXPENDITURE BEFORE TAXATION</b>			15,671		23,012
<b>PROVISION FOR TAXATION</b>	27				
Wealth Tax		14	14	20	20
<b>NET EXPENDITURE INCLUDING TAXATION</b>			15,685		23,032
Balance Brought Forward From Last Year			546		177
<b>TOTAL EDC</b>			16,231		23,209
<b>Less-</b>					
EDC Allocated To CWIP / Asset		14,476		22,240	
EDC Of Projects Under Approval Charged To Profit & Loss Account		596	15,072	423	22,663
<b>Balance Carried Forward To CWIP</b>			1,159		546

Note :-12

**DEFERRED TAX ASSET**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
Deferred Tax Liability		(2,975)		(2,975)	
Deferred Tax Asset		29,104	26,129	22,580	19,605
Deferred Tax Adjustment			(6,313)		(6,313)
<b>Total</b>			<b>19,816</b>		<b>13,292</b>



Note -13

**LONG TERM LOANS AND ADVANCES**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Capital Advances</b>					
<b>Unsecured</b>					
i) Against Bank Guarantee		4,249		1,003	
ii) Rehabilitation & Resettlement (Govt. of Uttarakhand / SLAO)		13,859		1,886	
iii) Others		20,807		19,030	
iv) Accrued Interest On Advances		6,547	45,462	4,579	26,498
Less: Provision for Doubtful Advances			0		0
<b>SUB TOTAL - CAPITAL ADVANCES</b>			<b>45,462</b>		<b>26,498</b>
<b>Loans To Employees</b>					
Secured		2,834		2,262	
Unsecured		235	3,069	103	2,365
<b>Interest Accrued On Loans To Employees</b>					
Secured		1,599		1,496	
Un secured		12	1,611	23	1,519
<b>Loans To Directors</b>					
Secured		0		1	
Unsecured		0	0	0	1
<b>Interest Accrued On Loans To Directors</b>					
Secured		4		4	
Unsecured		0	4	0	4
<b>Others</b>					
Unsecured, considered good		9	9	0	0
<b>Other Advances (Un Secured)</b> (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees		63		21	
To Directors		0		0	
For Purchases		1		1	
To Others		6,740	6,804	6,512	6,534
<b>Deposits</b>					
Security Deposit		257		204	
Deposit with Govt/Court		267		233	
Other Deposit		1	525	1	438
<b>SUB-TOTAL</b>			<b>12,022</b>		<b>10,861</b>
LESS:- Provision For Bad & Doubtful Advances			9		9
<b>SUB TOTAL - ADVANCES</b>			<b>12,013</b>		<b>10,852</b>
<b>TOTAL LOANS AND ADVANCES</b>			<b>57,475</b>		<b>37,350</b>
<b>Note :- Due From Directors</b>					
Principal			0		1
Interest			4		4
<b>TOTAL</b>			<b>4</b>		<b>5</b>
<b>Note :- Due From Officers</b>					
Principal			1		2
Interest			5		5
<b>TOTAL</b>			<b>6</b>		<b>7</b>

Note :-14

**OTHER NON CURRENT ASSETS**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Construction Stores</b> (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)					
Cement		0		0	
Other Civil And Building Materials		29		30	
Others		438		297	
Material Under Inspection (Valued At Cost)		0	467	1	328
<b>Sub Total</b>			467		328
Prepaid Expenses		48		41	
Interest Accrued but not due		0	48	0	41
<b>Sub Total</b>			48		41
<b>TOTAL</b>			515		369

Note :-15

**INVENTORIES**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Inventories</b> (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)					
Other Civil And Building Material		173		295	
Others		1,802		1,938	
Material Under Inspection (Valued At Cost)		9	1,984	0	2,233
Less: Provision For other stores			324		465
<b>TOTAL</b>			1,660		1,768

Note :-16

**TRADE RECEIVABLES**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Debts Outstanding Over Six Months</b>					
Unsecured, Considered Good		1,00,958		66,119	
Considered Doubtful		10	1,00,968	21	66,140
Less:- Provision For Bad And Doubtful Debts			10		21
<b>Other Debts</b>					
Unsecured, Considered Good		89,939		45,376	
Considered Doubtful		0	89,939	0	45,376
Less:- Provision For Bad And Doubtful Debts			0		0
<b>TOTAL</b>			1,90,897		1,11,495



Note :-17

**CASH AND CASH EQUIVALENTS**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
Balances With Banks (Including Auto sweep, Flexi Deposit with Banks)			13,553		5,103
Cash on Hand			2		4
Others ( Balance with Bank under Lien not available for use by the company)			232		137
<b>TOTAL</b>			<b>13,787</b>		<b>5,244</b>

Note :-18

**SHORT TERM LOANS AND ADVANCES**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012		As at 31-Mar-2011	
<b>Loans To Employees</b>					
Secured		305		227	
Unsecured		24	329	3	230
<b>Interest Accrued On Loans To Employees</b>					
Secured		337		229	
Un secured		3	340	88	317
<b>Loans To Directors</b>					
Secured		1		1	
Unsecured		0	1	0	1
<b>Others</b>					
Secured, considered good					
Unsecured, considered good		0	0	24	24
<b>Other Advances (Un Secured)</b> (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees		234		253	
To Directors		0		1	
For Purchases		501		303	
To Others		1,480	2,215	385	942
<b>Deposits</b>					
Security Deposit		1		19	
Tax Deposit		126		351	
Deposit with Custom deptt		0		0	
Deposit with Govt/Court		252		280	
Other Deposit		0	379	4	654
<b>SUB-TOTAL</b>			<b>3,264</b>		<b>2,168</b>
LESS:- Provision For Bad & Doubtful Advances			0		0
<b>TOTAL ADVANCES</b>			<b>3,264</b>		<b>2,168</b>
<b>TOTAL LOANS AND ADVANCES</b>			<b>3,264</b>		<b>2,168</b>
<b>Note :- Due From Directors</b>					
Principal			1		1
Interest			0		0
<b>TOTAL</b>			<b>1</b>		<b>1</b>
<b>Note :- Due From Officers</b>					
Principal			1		1
Interest			0		0
<b>TOTAL</b>			<b>1</b>		<b>1</b>

Note :-19

**OTHER CURRENT ASSETS**

Amount In lac ₹

Particulars	Note No.	As at 31-Mar-2012	As at 31-Mar-2011
Prepaid Expenses		469	111
Interest Accrued		26	2
<b>TOTAL</b>		<b>495</b>	<b>113</b>

Note :-20

**REVENUE FROM OPERATIONS**

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012	For The Year Ended 31-Mar-2011
Energy Sales		2,02,238	1,65,509
FERV Recovery From Beneficiaries		433	145
U.I. / Congestion Charges		1,660	1,350
Consultancy Income		227	1,306
<b>TOTAL</b>		<b>2,04,558</b>	<b>1,68,310</b>

20.1 (i) The Hon'ble 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 effect 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 Hon'ble CERC in Regulations, 2004.

Hon'ble 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 dt.02.07.2007, stated that the Commission while determining the final tariff will consider all the relevant contentions of the parties involved.

Govt. of India had accorded approval of Revised Cost Estimate of Tehri HPP (stage -I) vide MoP's letter no. 11/6/2010-11-I dated 11.11.2010 for ₹ 8392.45 Crore and THDCIL had filed the petition for tariff period 2006-2009 before Hon'ble CERC accordingly. The tariff for the period 2006-09 is expected to be approved by the Commission shortly.

Meanwhile, the tariff petition for the period 2009-14 has also been submitted before the Hon'ble Commission on 4th November 2011. Accordingly the audited & certified AFC was worked out following the principles enunciated in CERC tariff Regulations, 2009 and has been considered in the Accounts for FY 2011-2012.

Accordingly, Company has billed sales for ₹ 161938.33 Lac. (Previous Year ₹ 165508.86 Lac). The revenue for the year 2011-2012 has been provisionally recognised pending determination of tariff by Hon'ble CERC. Debtors include ₹ 99601.23 Lac (P.Y. ₹ 92457.69 Lac) on account of differential billing between sales as per AFC calculated on the basis of Hon'ble CERC's Regulations and provisional tariff allowed by Hon'ble CERC pending finalisation of tariff.

ii) As per CERC Tariff Regulations, 2009 Company had worked out Annual Fixed Cost (AFC) for Koteshwar Project for the period 2011-14 by considering expected expenditure to be incurred on the Project upto 31.03.2012 and the then expected CODs of the four units of the project. Accordingly, it was decided in the 18th TCC & 20th NRPC meetings held on 28th Feb'2011 & 1st March 2011 that 80% of the AFCs as proposed by THDCIL would be paid by the beneficiaries pending determination of tariff by Hon'ble CERC.

Subsequently, the tariff petition of Koteshwar HEP was prepared for the period 2011-14 considering the actual Dates of Commercial Operation of Unit-1 & Unit-2 as 01.04.2011 & 26.10.2011 and anticipated dates of commercial operation of Unit-3 & Unit-4 as 01.03.2012 & 01.05.2012 respectively. The tariff petition with duly audited & certified tariff filing forms has been submitted to Hon'ble CERC following the principles enunciated in CERC Tariff Regulations, 2009. The revenue has been provisionally recognised in the Accounts for FY 2011-2012 based on the audited & certified AFC submitted to Hon'ble CERC, pending determination of tariff. Accordingly, Company has billed sales for ₹ 40299.80 lac. (Previous Year Nil). Debtors include ₹ 16067.67 Lac (P.Y. Nil) on account of differential billing between sales as per AFC calculated on the basis of CERC Regulations and provisional tariff as decided in 18th TCC & 20th NRPC meetings.

Further, during the year Koteshwar HEP has also earned ₹ 1615.48 lac against infirm energy generated as U.I. Charges & interest on late receipt of U.I.Charges ₹ 34.68 Lac (PY ₹ 12.10 Lac & Interest Nil). This amount has been recognized and the same has been adjusted with Capital Cost of Project.



Note :-21

**OTHER INCOME**

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012	For The Year Ended 31-Mar-2011
<b>Interest</b>			
On Bank Deposits (Includes TDS ₹ 271361.00 Previous year ₹ 48420.00 )		67	57
From Employees		232	224
Others		9	9
Machine Hire Charges		19	98
Rent Receipts		136	56
Sundry Receipts		210	211
Excess Provision Written Back		479	19
Profit on Sale of Assets		56	233
Late Payment Surcharge		473	23
<b>TOTAL</b>		<b>1,681</b>	<b>930</b>
<b>Less :</b>			
Transferred To EDC	11.1	731	313
<b>TOTAL</b>		<b>950</b>	<b>617</b>

Note :-22

**EMPLOYEE BENEFITS EXPENSES**

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012	For The Year Ended 31-Mar-2011
Salaries, Wages, Allowances & Benefits		21,756	25,237
Contribution to Provident & Other Funds		2,654	5,193
Gratuity		1,709	778
Welfare Expense		379	369
<b>TOTAL</b>		<b>26,498</b>	<b>31,577</b>
<b>Less :</b>			
Transferred To EDC	11.1	11,503	16,053
<b>TOTAL</b>		<b>14,995</b>	<b>15,524</b>

Note :-23

**FINANCE COSTS**

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012	For The Year Ended 31-Mar-2011
<b>Finance Costs</b>			
Interest On Loans		61,771	53,286
<b>TOTAL</b>		<b>61,771</b>	<b>53,286</b>
<b>LESS:-</b>			
Transferred And Capitalised With CWIP Account	11.1	8,598	15,489
<b>TOTAL</b>		<b>53,173</b>	<b>37,797</b>



Note :-24

**GENERATION ADMINISTRATION AND OTHER EXPENSES**

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012		For The Year Ended 31-Mar-2011	
<b>Rent</b>					
Rent for office		129		187	
Rent for Employees Residence		648	777	598	785
Rate and taxes			390		369
Power & Fuel			1,338		1,303
Insurance			648		376
Communication			278		239
<b>Repair &amp; Maintenance</b>					
Plant & Machinery		1,270		2,081	
Buildings		845		843	
Others		1,143	3,258	3,309	6,233
Travelling & Conveyance			802		888
Vehicle Hire & Running			927		1,042
Security			1,587		1,375
Publicity & Public relation			180		305
Other General Expenses			1,972		2,220
Loss on sale of assets			12		27
Survey And Investigation Expenses			680		596
Research & Development Expenses			61		0
Expenses on Consultancy Project/ Contract			692		802
Deferred Revenue Expenditure Written Off			12		12
Expenditure On CSR Activities			1,358		981
Rebate to Customers			721		1,336
<b>TOTAL</b>			<b>15,693</b>		<b>18,889</b>
LESS:-					
Transferred To EDC	11.1		3,919		6,043
<b>TOTAL</b>			<b>11,774</b>		<b>12,846</b>

Note :-25

**PROVISIONS**

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012		For The Year Ended 31-Mar-2011	
Provisions For Doubtful Debts, Loans & Advances			0		21
Provisions For Stores & Spares			156		58
<b>TOTAL</b>			<b>156</b>		<b>79</b>
LESS:-					
Transferred To EDC	11.1		0		0
<b>TOTAL</b>			<b>156</b>		<b>79</b>



Note :-26

**PRIOR PERIOD INCOME / EXPENDITURE (NET)**

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012		for The Year Ended 31-Mar-2011	
<b>INCOME</b>					
Misc Receipt		0	0	1,153	1,153
<b>EXPENDITURE</b>					
Personnel Exp		0		(64)	
Repair and maintenance		0		96	
Other General Expenses		30		702	
Depreciation		75		(26)	
Security		1		0	
Rent Rate & Taxes		0		250	
Misc- Others		0	106	0	958
<b>Sub Total</b>			<b>106</b>		<b>(195)</b>
<b>LESS:-</b>					
Transferred To EDC	11.1		10		6
<b>TOTAL</b>			<b>96</b>		<b>(201)</b>

Note :-27

**PROVISION FOR TAXATION**

Amount In lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2012		for The Year Ended 31-Mar-2011	
<b>INCOME TAX</b>					
Current Year			16,290		13,631
<b>Sub Total</b>			<b>16,290</b>		<b>13,631</b>
<b>LESS:-</b>					
Transferred To EDC	11.1		0		0
<b>TOTAL</b>			<b>16,290</b>		<b>13,631</b>
<b>WEALTH TAX</b>					
Current Year			99		51
<b>Sub Total</b>			<b>99</b>		<b>51</b>
<b>LESS:-</b>					
Transferred To EDC	11.1		14		20
<b>TOTAL</b>			<b>85</b>		<b>31</b>

28. The financial statements for the year ended 31st March 2011 were prepared as per the then applicable Schedule VI to the Companies Act, 1956. Consequent to the notification of Revised Schedule VI under the Companies Act, 1956, the financial statements for the year ended 31st March 2012 are prepared as per the Revised Schedule VI. Accordingly, the previous year figures have also been reclassified/regrouped/rearranged wherever necessary to conform to this year's classification. The adoption of revised Schedule VI for previous year figures does not impact recognition and measurement principles followed for preparation of financial statements.
29. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 189581.57 lac [Previous year (P.Y.) ₹ 15854.17 lac.

30. CONTINGENT LIABILITIES

	2011-12	(₹ Lac) 2010-11
(i) Claims against the Company, not Acknowledged as debts:		
Arbitration /Court cases [Includes ₹ 238.62 lac (P.Y. ₹ 233.04 lac) decreed against the Company in different arbitration/ Labour court cases and deposited by the Company but disputed in appeals.]	131696.37	144477.19
(ii) Disputed Income Tax, Trade Tax, Commercial Tax, Entry tax includes ₹ 6.78 lac (P.Y. ₹ 250.42 lac) deposited by Company but disputed in appeal	566.45	777.36
(iii) Others (Contractors claims etc.)	5923.86	6603.78
(iv) Amount of liability, if any, in respect of claims/court cases filed by the employees/oustees and others is not ascertainable.		

31. Company has also accepted EMD/Security Deposit in the shape of FDR/CDR amounting to ₹ 914.00 lac (P.Y. ₹ 899.17 lac) besides the "Deposits, Retention money from Contractors" amounting to ₹ 2498.15 lac (P.Y. ₹ 2664.64 lac) as disclosed in Note 4 & Note 8.

32. The Company is holding confirmed letters of credit (LCs) from various beneficiaries of power as backup security for payment amounting to ₹ 4631.41 lac (P.Y. ₹ 2069.50 Lac).

33. 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 THDCIL for residential / nonresidential buildings after adjusting the amount due from THDCIL towards royalty on clay/shell material used in construction of Dam. Further it was agreed that being a mutual settlement neither GOUK nor THDCIL 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 THDCIL. 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 Note-13. 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 company affidavit filed as per the minutes. The decision of Hon' able High Court Nainital on this matter is still awaited. However, necessary adjustments as stated above stand incorporated in the Books of Accounts.

34. (i) The total interest and other cost incurred on Borrowed funds for the year is ₹ 56072.00 lac (P.Y. ₹ 51675.35 lac). The amount of borrowing cost capitalized during the year is ₹ 8598.32 lac (P.Y. ₹ 15489.18 lac) after adjustment of an amount of ₹ 17.07 lac (P.Y. ₹ 25.01 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 ₹ 467.14 lac (P.Y. ₹ 213.36 lac) is adjusted to the Capital Work In Progress/Assets.

35. Synchronization of Unit –III & Unit –IV of Koteswar HEP have been successfully completed during R.Y. 2011-12 & Unit – II ,III & IV of Koteswar HEP have been declared into commercial operation at 24.00 hours on 25.10.2011, 12.02.2012 & 31.03.2012 respectively. Therefore the Unit – II, III & IV of Koteswar HEP have been capitalized during the year 2011-2012 after adjusting infirm energy.

36. As per Corporate Personnel circular no. 05/2011, dated 05/04/2011, employer's 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.

37. (i) Rehabilitation Expenses under Capital-Work-in-Progress include ₹ 543.13 lac (P.Y. ₹ 536.18 lac) towards cost of 609.04 acres (P.Y. 609.04 acres) of land acquired for rehabilitation of oustees / execution of project works.

Further, Rehabilitation CWIP and EDC thereon relating to Tehri HPP stage-I & Koteswar amounting to ₹ 5976.95 lac (P.Y. ₹ 7277.46 lac) have been capitalized during the year 2011-2012 which include ₹ 766.12 lac (P.Y. ₹ 1237.33 lac) towards cost of 600.09 acres (P.Y. 754.245 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 Delhi's order no. F.No. 8-3/89-FC dated 17/23rd Oct., 2002- the Government of Uttarakhand vide its office order no. GI-186/7-1-2002-300(459)/88 dated 30<sup>th</sup> Oct., 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 Koteswar Dam Project (4x100 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 (4x100 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.
38. i) Discrepancies observed during physical verification of fixed assets by the Physical verifier, which are not significant in nature are being examined and reconciled. Necessary adjustment. If any, 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.
39. Balances shown under advances, debtors, creditors and materials in transit / lying with contractors are subject to confirmation / reconciliation and consequent adjustments, if any.
40. PNB had wrongly debited current account of the Corporation in Dec' 2011 and in January 2012 by ₹ 9.27 Crores. The matter was brought to the notice of PNB Officials and later on it was informed that the same was on account of forged cheques. However, the bank has subsequently credited the total amount of ₹ 9.27 crores on 1st may 2012 alongwith interest amounting to ₹ 3314641.00 in our current account. An FIR was lodged by the bank and the matter is being investigated by CBI as per information given by bank.
41. Losses / Shortages pending investigation ₹ 0.71 lac (Previous year ₹ 0.89 lac) represents shortages. Pending the approval of the competent authority, adjustment for the same is yet to be made.
42. (i) 45 flats (P.Y. 90 flats) on the land acquired by the Company are in the unauthorized occupation of various persons. The Government of India has appointed Estate Officers for necessary action and eviction in the matter. The possibilities of legal action are being looked into by the Company.
- (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 / KHEP. 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.
- (iv) Office building area 380 square meter approx constructed in THDC office Complex, By-Pass Road, Rishikesh, the value of which is yet to be ascertained, is being used by Uttarakhand Irrigation department, Govt. of Uttarakhand, who are handling the Rehabilitation works of Tehri Dam project/ KHEP. However, after completion of Rehabilitation activities such assets will remain in the possession of the Company.
43. 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 31.03.2012 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 ₹ 144118.38 lac as on 31.03.2012 (P.Y. ₹ 144118.38 lac).
44. 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 a written agreement, the same has not been shown as recoverable from Govt. of U.P.
45. Commercial operation of Tehri HPP-1 and KHEP, Generating Stations have been declared during the year 2007-08 and 2011-12 respectively. The management is of the opinion that in respect of Cash Generating Unit (CGU) represented by Tehri HPP-1& KHEP, there have been no impairment in the value of assets during the year in terms of Accounting Standard (AS) 28 "Impairment of Assets".



46. (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.

47. 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 & allowances, Contribution to Provident Fund, Other benefits & expenses to whole time Directors including Chairman & Managing Director are as under:

	(₹ In lac)	
	2011-12	2010-11
i) Salaries and allowances	137.06	141.59
ii) Contribution to Provident Fund	9.72	6.87
iii) Other Benefits	74.53	72.45
IV) Independent Directors Fee & Expenses	12.57	14.64
v) Directors Traveling Expenses.	21.61	16.09
vi) Pension Fund	2.30	19.44

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 dt.26th March 1999).

d. THDCIL, NPCIL Joint Venture is to be formed as disclosed in note No 53(i).

48. Earning per share (EPS) – Basic & Diluted.

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

	2011-12	2010-11
Net profit after tax used as numerator (₹ In lac)	70382.45	60047.87
Weighted average no. of equity shares used as denominator	Basic 32975817 Diluted 32978276	Basic 32975817 Diluted 32975817
Earning per share ₹ Basic	213.44	182.10
Diluted	213.42	182.10
Face Value per share ₹	1000	1000

49. 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 ₹ 6523.58 lac (P.Y. increase in Deferred tax liability ₹ 5789.83 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		31.03.2012	31.03.2011
	<b>Deferred Tax Liability (A)</b>		
i)	Difference of Book Depreciation and Tax Depreciation	0	0
	<b>Deferred Tax Assets (B)</b>		
ii)	Difference of Book Depreciation and Tax Depreciation	13116.56	6867.55
iii)	Advance against Depreciation to be considered as income in tax computation	9625.04	9625.04
iv)	Provision for doubtful debts	157.83	107.39
v)	Provision for employee benefit schemes	3229.61	3005.48
	<b>Net Deferred Tax Liability/(Assets) (A-B)</b>	<b>(26129.04)</b>	<b>(19605.46)</b>

50. 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 2010-2011 during the year 2011-2012. Provision for unspent amount has been made by way of non-lapsable CSR fund.
51. 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.
52. 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 2012.
- b) No payment is due for more than 30 days as at 31st March, 2012 in respect of purchases/services made from small scale/ancillary industries.
53. 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. An agreement has been signed between THDC & NPCIL in August, 2008 and the works of Survey and Investigation have been taken up and an amount of ₹ 856.18 lac (P.Y. ₹ 623.21 lac) has been spent by THDC upto 31st March 2012 which is shown as recoverable from Joint Venture Company which is yet to be incorporated as on 31st March 2012.
- 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 ₹1378.75 lac 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, U.P. 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.
54. 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 ₹ 878.81 lac (P.Y. ₹ 787.17 lac) a sum of ₹ 566.36 Lac (Previous years ₹ 566.36 Lac) has been so far reimbursed to the Company.
55. As decided by the Govt. of India in Dec. 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 GOUK 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.
56. 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 favour of the Company. Pending linking of details of cost from Rehabilitation record, the same is not transferred to land & building.
57. i) Recoveries from KCT towards deduction against quantity variation as per contract provision of power house, the matter was referred to Arbitration as per court order and accordingly, the arbitral proceedings were commenced. Meanwhile, KCT challenged the appointment of Presiding Arbitrator. Thereafter, Tribunal pronounced its order that appointment of Presiding Arbitrator is in order which was challenged by KCT before District court, Tehri. The order of District court, Tehri maintaining the KCT's stand has been stayed by Hon'ble High Court, Nainital and matter is still pending in the Nainital High Court as a result arbitral proceedings are still pending till disposal of case in Nainital High Court. The value of assets created under these contracts will vary depending upon finalization of case.
- (ii) Advance to contractors include ₹ 19051.74 lac (Principal ₹ 12505.18 lac and interest @ 16% ₹ 6546.56 lac) [ P.Y. ₹ 20478.75 lac(Principal ₹ 15899.99 lac & interest @ 16% ₹ 4578.76 lac)] towards amount recoverable from contractor (M/s. PCL) of the KHEP on account of risk & cost clause, mobilisation advance & equipment advance. The value of security (performance guarantee/cash) available with THDC upto 31.03.2012 is amounting to ₹ 5628.71 lac (P.Y. ₹ 5628.71 lac) only. In case of arbitration in respect of PCL, THDCIL had filed counter claim before Tribunal. While awarding the arbitral award, the interest on risk and cost advance has been disallowed by the Tribunal. A writ petition has been filed by THDCIL before High Court against the arbitral award. Pending Court decision no provision for interest has been made in the books.
58. 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 ₹ 3873.71 lac 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. Further, out of total claims lodged by M/s BHEL, claims for ₹ 999.80 lac have been received from the Insurance Company and same has been accounted for in F.Y. 2011-12.
59. 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.



60. (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 generally not cancellable. Rent rate and taxes include ₹ 697.72 lac (P.Y. ₹ 774.77 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 & Forests upto 8<sup>th</sup> Nov. 2012 covering 1870 sq. ft. area @ ₹ 212 per sq. ft totaling to ₹ 396440.00.

61. 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. Accordingly, as per Actuarial valuation the liability due to statutory interest rates guaranteed for provident fund as on 31.03.2012 as per AS-15(Revised) comes to ₹ 589.77 lac (P.Y. ₹ 323.03 lac) as against the revenue surplus of ₹ 43.38 lac (P.Y. ₹ 20.35 lac) available with the trust as on the Balance Sheet date. Therefore, an amount of ₹ 546.39 lac (P.Y. ₹ 302.68 lac) is shown as liability for CPF. During the year ₹ 243.71 lac (P.Y. 202.65 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 31.03.2012. Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits" for the Financial Year ended 31.03.2012 is given below:

Table - 1 : Key Actuarial assumption for Actuarial Valuation as at:

Particular	₹ in Lac	
	31.03.2012	31.03.2011
Mortality Table	LIC (1994-96) Duly modified	LIC (1994-96) Duly modified
Discount Rate	8.5%	8%
Future Salary Increase	6%	5.5%

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

Particular	₹ in Lac				
	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
PVO at Beginning of year	7024.96	3130.17	1565.42	3342.82	503.44
Interest cost	597.12	266.06	133.06	284.14	42.78
Past service cost					
Current service cost	447.54	239.05	62.70	218.06	32.11
Benefit paid	(493.97)	(470.46)	(59.97)	(98.03)	(55.95)
Actuarial (Gain)/loss	743.35	820.07	58.26	188.98	24.90
PVO at end of year	8319.00	3984.89	1759.47	3935.97	497.50



**Table - 3 :**  
**Amount Recognised in Balance Sheet**

₹ in Lac

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
PVO at end of year	8319.00	3984.89	1759.47	3935.97	497.50
Fair Value of Plan Assets at the end of year					
Funded Status	(8319.00)	(3984.89)	(1759.47)	(3935.97)	(497.50)
Unrecognised actuarial gain/loss					
Net liability recognized in Balance Sheet	(8319.00)	(3984.89)	(1759.47)	(3935.97)	(497.50)

**Table - 4: Amount recognized in the Statement of Profit & Loss Account/EDC Account.**

₹ in Lac

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
Current Service Cost	447.54	239.05	62.70	218.06	32.11
Interest Cost	597.12	266.06	133.06	284.14	42.78
Past Service Cost					
Expected return on Plan Assets					
Net Actuarial (gain)/loss recognized for the year	743.35	820.07	58.26	188.98	(24.90)
Expense recognized in Profit & Loss/EDC for the year.	1788.01	1325.18	254.02	691.18	50.00

62. 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.

63. Change in Accounting Policy:-

Sl. No.	Policy	Impact
1	Policy no. 8(vii) - 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 is deleted.	No impact as full depreciation has been charged over the useful life of assets and WDV is nil.
2	Modification in accounting policy no. 9 (i) relating to Stores & spares valuation by adding towards "the net realisable value whichever is lower."	No impact as the change has been done for better clarity and in conformity with AS - 2
3	Modification in accounting policy no. 10 (iii) relating to Surcharge recoverable from sundry debtors by adding the words "liquidated damage/warranty claim after the word sale of energy."	No impact as practice disclosed in note to accounts converted into policy.

64. Payment to Auditors

	(₹ lac)	
	2011-2012	2010-2011
a. Statutory Auditor	4.13	4.13
b. For Taxation matter (Tax Audit)	2.11	2.07
c. For Company Law matter	----	----
d. For Management services	----	----
e. For other Services(Certification)	3.03	4.99
f. For Reimbursement of expenditure	3.72	2.62

\*Subject to approval in Annual General Meeting

65. Additional information required as per Schedule VI of the Companies Act 1956 is as under

		(₹ lac)	
	PARTICULARS	2011-2012	2010-2011
<b>A</b>	<b>Expenditure in Foreign Currency (on cash basis)</b>		
	Travelling	13.31	21.08
	Consultancy & Professional Expenditures	511.27	611.19
	Repayment of loan & Interest	2414.17	2196.90
	Import of goods	30.10	74.61
	Others (Handling Charges)	0.00	3.40
	Nomination for Conference	7.00	0.00
	Purchase of Software	0.47	0.00
	<b>TOTAL</b>	<b>2976.32</b>	<b>2907.18</b>



<b>B</b>	<b>Earnings in Foreign Currency (on cash Basis)</b>	<b>0.00</b>	<b>1851.65</b>
<b>C</b>	<b>Value of Imports calculated on CIF basis</b>		
i)	Capital Goods	30.10	13.13
ii)	Spare parts		
	Total	30.10	13.13
<b>D</b>	<b>Value of Components, Stores &amp; Spare parts Consumed</b>		
i)	Imported (in ₹)	2.44	0.30
	(%)	3.87%	0.27%
ii)	Indigenous (in ₹)	63.37	110.84
	(%)	96.13%	99.73%
<b>E</b>	<b>Value of Export</b>	<b>0.00</b>	<b>0.00</b>

66. Licensed and Installed Capacities:-

SL No	Particulars	2011-2012	2010-2011
(i)	Licensed Capacity (M.W)	Not Applicable**	Not Applicable**
(ii)	Installed Capacity (M.W)	1400 MW	1200MW
(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	45.1769 MU	0.4338 MU
	Sales	44.7251 MU	0.4295MU
(b)	Commercial period		
	Generation	4546.0793 MU	3116.0253 MU
	Sales (net of free power to home state, auxillary consumption and transformation losses)	3983.6996 MU	2730.5833 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.

**For and on Behalf of Board of Directors**

**(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 **BHATIA & BHATIA**  
Chartered Accountants  
FRN 003202N of ICAI

**(Ravinder Bhatia)**  
Partner  
Membership No.:- 17572

Date:- 31.08.2012

Place:- New Delhi



## CASH FLOW STATEMENT FOR THE YEAR 31-March-2012

Amount In lac ₹  
(Figures In Parenthesis Represent Deduction)

Particulars	For The Year Ended 31 - Mar - 2012		For The Year Ended 31 - Mar - 2011	
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>				
Net Profit before tax and Prior Period adjustments		80,330		67,719
Adjustments for:-				
Depreciation	45,143		34,933	
Provisions	156		79	
Interest on loans	53,173		37,797	
Prior Period Adjustments	(96)	98,376	201	73,010
<b>Operating profit Before Working Capital Changes</b>		<b>1,78,706</b>		<b>1,40,729</b>
Adjustment For :-				
Inventories	(48)		(66)	
Trade Receivables	(79,402)		(35,729)	
Other Assets	(389)		8	
Loans and Advances (Current + Non Current)	(2,257)		(40)	
Trade Payable and Liabilities	(18,537)		20,630	
Provisions (Current + Non Current)	22,504	(78,129)	(1,641)	(16,838)
<b>Cash Generated From Operations</b>		<b>1,00,577</b>		<b>1,23,891</b>
Direct Tax Paid		(16,375)		(13,662)
<b>Net Cash From Operations (A)</b>		<b>84,202</b>		<b>1,10,229</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>				
Change in:-				
Fixed Assets and CWIP	(36,011)		(75,226)	
Construction Stores	(139)		(155)	
Capital Advances	(18,964)		(1,349)	
Miscellaneous Expenditure (To the extent adjusted)	13		13	
<b>Net Cash Flow From Investing Activities (B)</b>		<b>(55,101)</b>		<b>(76,717)</b>

Amount In lac ₹  
(Figures In Parenthesis Represent Deduction)

Particulars	For The Year Ended 31 - Mar - 2012	For The Year Ended 31 - Mar - 2011
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Share Capital (Including Pending Allotment)	4,500	-
Other Capital Reserve	-	41
Borrowings	52,754	28,285
Interest on loans	(53,173)	(37,797)
Dividend & Tax on Dividend	(24,639)	(21,106)
<b>Net Cash Flow From Financing Activities ( C )</b>	<b>(20,558)</b>	<b>(30,577)</b>
<b>D. NET CASH FLOW DURING THE YEAR (A+B+C)</b>	<b>8,543</b>	<b>2,935</b>
<b>E. OPENING CASH &amp; CASH EQUIVALENTS</b>	<b>5,244</b>	<b>2,309</b>
<b>F CLOSING CASH &amp; CASH EQUIVALENTS(D+E)</b>	<b>13,787</b>	<b>5,244</b>

**Note:**

1. Cash and Cash Equivalents includes Balance with Banks of ₹ 231.78 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.

For and on Behalf of Board of Directors

(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 BHATIA & BHATIA  
Chartered Accountants  
FRN 003202N of ICAI

(Ravinder Bhatia)  
Partner  
Membership No.:- 17572

Date:- 31.08.2012

Place:- New Delhi



## AUDITOR'S REPORT

To,  
The Members,  
THDC India Limited

1. We have audited the attached Financial Statements of THDC India Limited ( the company) which comprises balance Sheet as at March 31, 2012, and Statement of Profit and Loss Account and Cash Flow Statement for the year ended on that date and significant Accounting Policies and other explanatory information annexed thereto. These financial statement 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 (Auditor's Report) ( Amendment) Order, 2004 issued by the Central Government of India in term 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 paragraph 4 and 5 of the said Order to the extent applicable to the company.

4. Without qualifying our report, we draw attention to the following :-
  - a) Note No. 20.1 (i & ii) - Accounting of sales is being done on provisional basis pending final fixation of tariff by CERC.
  - b) Note No. 33- Regarding balance amount due from Govt. of Uttarakhand amounting to ₹ 5,880.00 Lacs on account of extra space as remaining due on 31.03.2012, after adjustment of dues towards Royalty which are yet to be recovered.
  - c) Note No. 37 (i) - Rehabilitation expenditure of ₹ 5976.95 Lacs capitalized in accounts under the head 'Unclassified Land' which 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.
  - d) Note No. 39 - The balances for Sundry Debtors, Sundry Creditors, Security Deposits / Earnest Money Deposits, Loans & Advances are subject to confirmation and reconciliation.
  - e) Note No. 42 (i) - Relating to unauthorized occupation of 45 flats (previous year 90 flats) by various persons on the land acquired by the Company.
  - f) Note No. 57 (ii)- Advance to contractors includes ₹ 19051.74 Lacs towards the works executed at the risk and cost of the KHEP contractor (M/s PCL) against the security of ₹ 5628.71 Lacs.



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:
- 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.
  - 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.
  - The Balance Sheet, Statement of Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - In our opinion, the Balance Sheet, Statement of Profit and Loss 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
  - In pursuance to the notification No. GSR 829(E) dated 21.10.2003, issued by the Department of Company Affairs; clause (g) of sub-section (1) of section 274 of Companies Act, 1956 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:
- in the case of Balance Sheet, of the state of affairs of the company as at 31st March 2012.
  - in the case of Statement of Profit and Loss Account, of the profit for the year ended on that date, and
  - in the case of the Cash Flow Statement, of the cash flow of the company for the year ended on that date.

For BHATIA & BHATIA  
Chartered Accountants  
FRN 003202N of ICAI

(RAVINDER BHATIA)  
Partner, FCA  
Membership No. : 17572

Place:- New Delhi

Date:- 31<sup>st</sup> August, 2012



## ANNEXURE TO THE AUDITOR'S 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.
- 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, firm 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 weakness 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 2011-12 has not been conducted so far.
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 31.3.2012 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 Lac)	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 <sup>st</sup> 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 Nainital against the 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 Nainital 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 Nainital 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 Nainital 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 Nainital against the decision of Tribunal for relief of Tax on Right to use.
2000-01 Interest for 137 months	136.35 373.60	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.

17. In our opinion, on an overall basis, and according to the information and explanations 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.
20. The Company has not made any public issue of any securities during the year.
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 BHATIA & BHATIA**  
Chartered accountants  
FRN 003202N of ICAI

**(RAVINDER BHATIA)**  
Partner, FCA  
Membership No. : 17572

Place: New Delhi  
Date: 31<sup>st</sup> August, 2012



गोपनीय

स./No RAP/THDC/A/cs/2011-12/2012-13/535

कार्यालय : प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा

एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III

नई दिल्ली

OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL  
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-III,  
NEW DELHI

दिनांक/Dated 11-09-2012

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,  
टी एच डी सी इण्डिया लिमिटेड,  
ऋषिकेश

विषय: 31 मार्च 2012 को समाप्त वर्ष के लिये टी0 एच0 डी0 सी0 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 टी0 एच0 डी0 सी0 इण्डिया लिमिटेड, ऋषिकेश, के वर्ष 2011-12 की समाप्ति हेतु कंपनी अधिनियम 1956 की धारा 619(4) के अधीन लेखों पर भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अंग्रेजित करता हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्त की जावती भेजी जाए।

संलग्न: यथोपरि।

भवदीय,

(प्रवीण कुमार सिंह)

प्रधान निदेशक

छटा एवं सातवाँ तल, एनेक्सी बिल्डिंग, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली-110002  
6<sup>th</sup> & 7<sup>th</sup> 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 FOR THE YEAR ENDED 31 MARCH 2012

The preparation of financial statements of THDC India Limited for the year ended 31st March 2012 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 standards on auditing prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 31 August 2012.

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 for the year ended 31 March 2012. 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

(Praveen Kumar Singh)  
Principal Director of Commercial Audit &  
Ex-officio Member Audit Board-II  
New Delhi

Place: New Delhi  
Dated: 11 September 2012