



26^{वीं} वार्षिक रिपोर्ट
26th ANNUAL REPORT
2013-14



टीएचडीसी इंडिया लिमिटेड
THDC INDIA LIMITED

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NOTICE

NOTICE is hereby given that the 26th Annual General Meeting of the Members of THDC India Limited will be held on 27.09.2014 at 5.00 PM at THDCIL, 1st Floor, East Tower, NBCC Place, Bishma Pitamah Marg, New Delhi - 110003 (Phone-011-24366117), to transact the following Business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Annual Accounts together with Auditors' Report and Directors' Report of the Corporation for the year ended March 31, 2014.
2. To fix the remuneration of the Statutory Auditors for the year ended March 31, 2014.

SPECIAL BUSINESS

3. To fix the remuneration of the Cost Auditors for the year ended March 31, 2015.
4. To approve the Borrowing Power of Board in excess of Paid-up Capital & Free Reserve.

By order of the Board of Directors of
THDC INDIA LIMITED



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

To :

- All the Members of THDCIL
- Smt. Anju Bhalla, Director (Hydel-I), Ministry of Power, Shram Shakti Bhawan, Rafi Marg, New Delhi - 110001, Phone-011-23714168.
- Shri. L.L. Gupta, Chief Engineer (Ganga), Irrigation Deptt., Nikat Jail chungi Chauraha Saket, Meerut (U.P). Phone No. 0121-2642736
- All Directors of THDCIL
- Statutory Auditors - M/s BHATIA & BHATIA, Chartered Accountants, 12, Central Lane, Bengali Market, New Delhi-110001

NOTE : A Member of the Company entitled to attend & vote at the meeting is entitled to appoint a proxy to attend and vote instead of himself and the proxy need not be a Member. A proxy form and Explanatory Statement is enclosed.

PLACE : RISHIKESH

DATE : 27.09.2014



Registered Office

Bhagirathi 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, 2nd Floor, S. No. 19/3 Hinjewadi Road,
Dange Chowk, Thergaon, Pune-411033 (Maharashtra)

VPHEP

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

BHUTAN

1st 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
26th Annual General Meeting of the Company held on 27.09.2014

BOARD OF DIRECTORS
AS ON 27.09.2014



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



Shri Deepak Singhal
Principal Secretary (Irrigation), GoUP
Govt. Nominee Director



Shri Sanjay Agarwal
Principal Secretary (Energy), GoUP
Govt. Nominee Director



Shri Raj Pal
Economic Adviser, MoE, GoI
Govt. Nominee Director



Shri D.V. Singh
Director (Technical)



Shri. S. K. Biswas
Director (Personnel)



Shri Sridhar Patra
Director (Finance)



Prof.(Dr.) S.C. Saxena
Independent Director



Shri Rajib Sekhar Sahoo
Independent Director



Shri O.P. Cahrotra
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.

Creates 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 organisational learning and mutual trust.





Chairman's Address

Ladies & Gentlemen,

Welcome to the 26th Annual General Meeting of Your Company. The Report of the Auditors and Director's Report for the year 2013-14 along with the Annual Audited Accounts are already with you and I would take them as read.

It is my pleasure to apprise you that during the year, the operational Plants of THDCIL, viz. the 1,000 MW Tehri HPP and 400 Koteshwar HPP have performed well. The combined generation from the Plants during the year, at 5,582 MU was the highest generation recorded ever, and exceeded the Excellent Generation Target by nearly 35%. Similarly, the PAF (Plant Availability Factor), which is a measure of the operational efficiency of the generating Plants, was well above the normative figures.

The Tehri Dam played a crucial role in moderating the floods of June, 2013, and mitigated the impact in downstream areas of Devprayag, Rishikesh and Haridwar by impounding major portion of the flood waters in the river Bhagirathi.

Power Sector Scenario and Business Outlook

The year gone by has seen many challenges for the Power Sector. The recent legislation on land acquisition shall affect the cost and viability of Power Projects, apart from the likely difficulties in land acquisition. The Techno-Economic Viability of Hydro Projects has also been affected by the stipulations regarding enhanced ecological flow and condition of free riverine stretch between two successive Hydro Projects. The recent Supreme Court order on environmental clearance for projects in Uttarakhand has further put the fate of many projects in various stages of development in jeopardy. As far as Your Company is concerned, two of its Projects, for which DPR/FR has been prepared, are impacted.

It is also important to note that the Balance Hydro Potential is located in upper reaches of the Himalayan Belt, in High Altitude / Snowbound Zones, where there is limited access. Most of these areas are classified as ecosensitive zones and may never be eligible for clearances under the present dispensations.



A thorough reappraisal of practically feasible Hydro Capacity is therefore required in the backdrop of current perceptions on environment and ecology.

The environmental and social issues, inherently high capital cost and long gestation periods are major factors affecting the Hydro Power Sector. In view of the inherent constraints in the Hydro Sector, Your Company had taken a conscious decision to diversify into Thermal and Non-Conventional Energy sources. The rationale for diversification is also to ensure sustained growth and share valuation for the Company, as well as to utilise its resources – both finances and manpower – effectively.

It is indeed heartening to note from the Government's agenda, that the Government is committed to bring about a transformative change in the Power Sector and

year showing a substantial 32% increase. Gross Sales during the year were ₹ 2043.77 Cr. against ₹ 2026.53 Cr. during the previous year. The Net Profit of Your Company increased by 12 % to ₹ 595.32 Cr. as against ₹ 531.38 Cr. during previous year.

Based on the liquidity position and the need to fund the Equity requirement for the ongoing Projects, viz. the 1,000 MW Tehri PSP and the 444 MW Vishnugad Pipalkoti HEP, Your Company has proposed to deploy retained surplus for funding of the ongoing Projects and skipped the declaration of dividend. It is in long term interest of Your Company.

Based on audited results of Your Company, the MoU rating for this year has been evaluated as Excellent as against Very Good for previous year.



Sh. R.S.T. Sai, CMD, THDCIL receiving first prize of India Gandhi Rajbhusha for the year 2012-13 from Hon'ble President of India in the presence of Hon'ble Home Minister, Govt. of India

ensure affordable 24x7 power for all. While steps are aimed at maximising electricity production from Hydroelectric Power, including expediting of environmental clearances, concerted efforts shall be made for the Coal Sector, with measures such as ramping up coal production and rationalisation of coal linkages. Thrust shall also be placed on development of Solar and Wind Energy.

Business Performance

• Commercial Performance and Profitability

Your Company's Operating Stations generated 5,582 MU as against 4,226 MU during the previous

• Projects

On the 1,000 MW PSP, as you are aware, works were initially affected due to geological conditions encountered during underground excavation, which necessitated major revision in the Powerhouse layout. Most of the fronts for execution of the Project are now available and progress is expected to improve. The delay in grant of permission for operation of quarry continues to be a concern.

For the 444 MW Vishnugad Pipalkoti HEP, Your Company was able to secure the Forest land transfer with concerted efforts.

With the availability of Forest land, the major Civil works package was awarded in January, 2014 and construction work on the project has since commenced.

Implementation of the 24 MW Dhukwan SHP in Jhansi, Uttar Pradesh is expected to commence during the next few months after award of the Civil Works Contract, which is currently under process.

For the Jelan Tamak HEP in Alaknanda Basin, DPR for the Project with reduced capacity on account of conditions of free riverine stretch and enhanced ecological flow was prepared and submitted to CEA.



A view of 26th Annual General Meeting of the Company

The proposal for Environmental clearance was also under consideration of the MoEF. Similarly, viability report of the downsized Malari Jalam HEP was prepared and cleared by CEA. These two projects have however been affected due to the order of the Hon'ble Supreme Court in August, 2013. Your Company is taking steps for filing a petition before the Hon'ble Supreme Court for review of the order regarding the two Projects.

There has been encouraging progress on the 1,320 MW Khurja STPE. An MoU was signed with UPSIDC, setting out various modalities for the transfer of 1,200 acres of land for the Project already acquired by UPSIDC. The District Administration / UPSIDC have also reached an understanding with the farmers on the additional compensation to be paid by way of ex gratia, for taking over physical possession of the land. Approval for re-routing of NH91, passing through the land has also been received from NHAI, which will enable additional availability of land for future augmentation. The long awaited water commitment letter has also been received from CoUP. Proposal for investment approval of the Govt of India for incurring advance expenditure towards land acquisition for the project is now being processed.

Corporate Social Responsibility

Your Company has been striving earnestly to promote sustained livelihood, overall development and well

being of target communities in the operational area of the Company's business. The Company has earmarked 2% of the PAT of previous year for CSR Activities. For effective implementation of CSR Projects, Company Sponsored Non Govt. Organizations (CONGOs) named SEWA-THDC and THDC Education Society (TES), which are registered under Societies Registration Act, 1860 are doing commendable work. In order to make CSR more effective, Your Company has developed a CSR Communication Strategy outlining two way communication with the Stakeholders and an approach of 'do it with us'.

To promote Technical Education in the region, your Company has established the Institute of Hydropower Engineering & Technology at Tehri with modern infrastructure facilities, which is being run by Uttarakhand Technical University. The construction of academic block for Final Year classes has been completed.

During the recent floods in Uttarakhand in June, 2013, Your Company and its employees came forward to render all assistance to the affected people. Camps were set up by the Tehri and Vishnugad Phalkoti Projects to provide food and medical assistance to the stranded people. Employees donated one day's salary to the CM's Relief Fund. Your Company has been nominated as the Nodal Agency on behalf of all Power PSUs by the Ministry of Power for the relief and restoration works in Uttarakhand to be funded by the



PSUs. Under this initiative, Your Company is working closely with the State Government in execution of restoration works in affected areas.

Sustainable Development

Your Company is deeply conscious of the tenets of Sustainable Development. Business and CSR Activities are performed with due commitment to Environment, Ecology and Social Values.

Sustainability reporting is now a periodic exercise and the 5th Sustainability Report was published based on the guidelines issued by the Ministry of Corporate Affairs, encompassing the International GRI Parameters.

The Sustainability Reports are also placed on web site for transparency and feedback to enable continuous improvement. Taking a step forward, Your Company, though not listed as yet, has included a chapter on Business Responsibility Report (BRR) and Management Decision and Analysis Report (MDAR) in the Annual Report as part of Good Corporate Governance.

Corporate Governance

Your Company remains committed to maintaining the highest standards of Corporate Governance and would continue to work in a transparent and professional manner to create value for all its Stakeholders. The trust and welfare of Stakeholders is of prime importance and Your Company is committed to preserve, protect and enhance it.

Future Outlook

In line with the Company's objectives, Your Company is pursuing the action plan set out in its 10 year Corporate and Financial Plan. There are difficulties inherently associated with the Hydro Sector, however the Company is making its best efforts to overcome all odds and to move forward.

Your Company is also taking necessary steps for capacity addition in Non-Conventional Energy Sources. It is planned to set up a 50 MW Wind Farm in any one of the Wind Potential States. Discussions are also on with UPNEDA (State Nodal Agency for UP) for setting up a joint venture for implementation of Solar Plant up to 100 MW capacity in UP.

Acknowledgement

The continuous efforts, commitment, energy and enthusiasm of 2,060 highly dedicated employees is the most important factor in the success of your Company. I am sure, you join me in expressing gratitude to each one of them. I also thank Financial Institutions, Banks, Contractors and Suppliers and all other Stakeholders for their cooperation and contribution to the progress of Your Company.

I am extremely thankful for the assistance and co-operation received from all the Members of the Board, the Ministry of Power and other Ministries of Govt. of India; the Govt. of UP; the Government of Uttarakhand, the Government of Maharashtra, the Royal Government of Bhutan, the CEA, CWC, and all other Governmental and Non-Governmental agencies for extending their support in the development of Your Company. I also take this opportunity to express my gratitude to all our Stakeholders, who have reposed trust in us and extended their constant support.

I thank you all for affording me an opportunity to place my thoughts before you. I seek your continued support and encouragement in this exciting journey, which in the year ahead, will be even more challenging and rewarding.

Jai Hind;

(R.S.T. Sal)

Chairman & Managing Director

Place : New Delhi

Date : 27.09.2014

DIRECTORS' REPORT-2013-14

Dear Members,

Your Directors are pleased to present the 26th 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, 2014.

FINANCIAL RESULTS

The Financial Results of the operations during the year ending 31st March 2014 are summarized as under :

(₹ In Million)

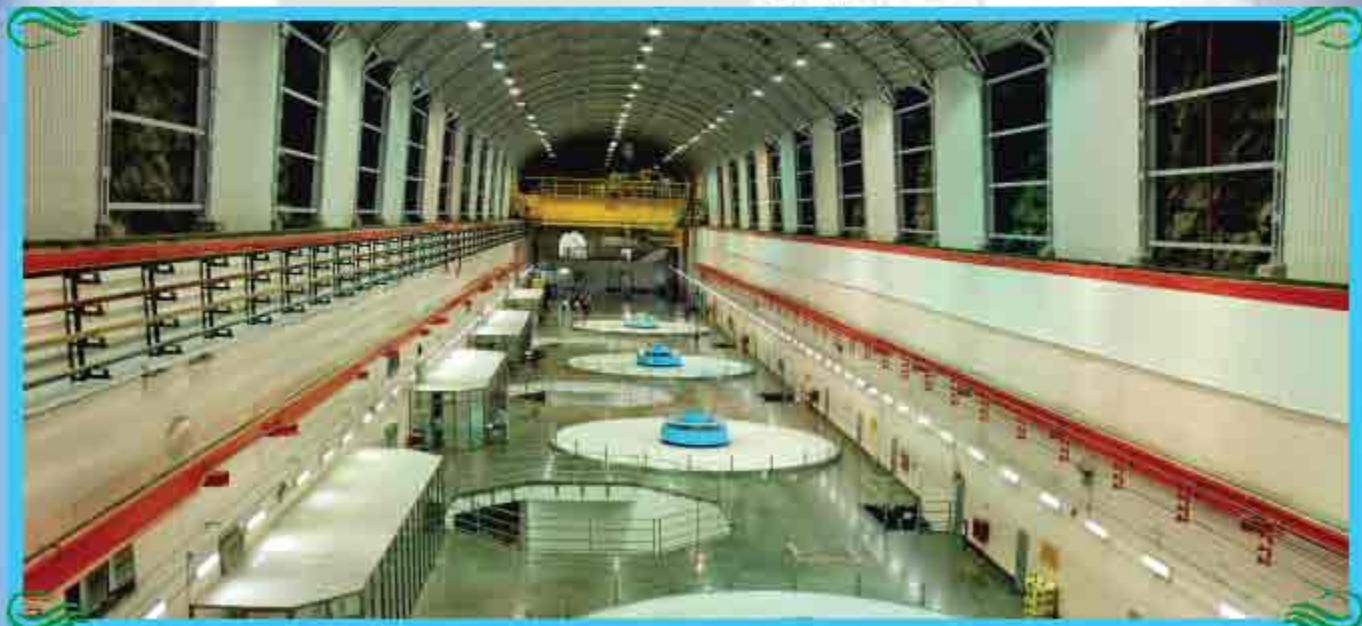
PARTICULARS	2013-14	2012-13
Income		
Revenue from operations	20667	19561
Other Income	1157	704
Gross Income (a)	21824	20265
Expenditure		
Employee Benefit Expenses	1886	1932
Finance Costs	5303	6051
Depreciation	4812	4744
Generation, Administration & other expenses	1537	1519
Provisions	0	2
Tariff Adjustment (Regulatory Liability)	1519	0

Prior period adjustment	107	42
Total Expenditure (b)	15164	14280
Profit before Tax (a-b)	6660	5875
Tax	707	661
Profit after Tax	5953	5314
Add: Surplus balance of previous year b/f	22261	16947
BALANCE AVAILABLE FOR APPROPRIATION	28214	22261
APPROPRIATIONS :		
Dividend		
Interim	0	0
Proposed Final	0	0
Tax on Dividend		
Interim	0	0
Proposed Final	0	0
BALANCE CARRIED TO BALANCE SHEET	28214	22261

FINANCIAL PERFORMANCE

Revenue

The Company has earned income of ₹ 21824 Million during the FY 2013-14 (PY ₹ 20265 Million) which resulted in additional income of ₹ 1559 Million showing a growth rate of 7.69% in income during the year.

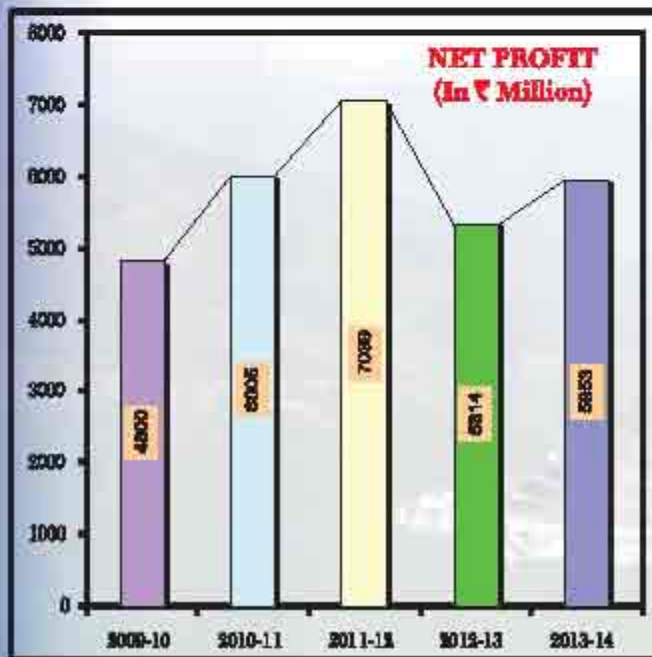


A view of Underground Power House of 1000 MW, Tehri HPP



Profit

The Company has earned Post Tax Profit (PAT) of ₹5953 Million during the FY 2013-14 as against FY of ₹5314 Million. PAT as % of Gross Income has increased from 27.16% (Previous Year) to 28.84% during the current year resulting into increase of 1.68%. Graphical Presentation of Net Profit of last five years is shown below:



Dividend

At present VPHEP and Tehri PSP Projects are under construction involving massive cash outflow. Due to poor liquidity position and the pressing need to plough back the profit for funding the on going projects, your Company accorded priority to retain internal resources which will facilitate increase in Net Worth and Value Per Share. Your Company has accordingly not been able to provide the Dividend for the year 2013-14.

Capital Structure

The Authorised Share Capital of the Company is ₹40000 Million. The Paid-up Share Capital of the Company is ₹34731 Million. During the Year Company has received ₹300 Million from GoI towards Equity of Tehri PSP.

OPERATIONAL PERFORMANCE

• Generation from Tehri and Koteshwar Power Plants

During the financial year 2013-14, Your Company has

achieved record Energy Generation and Plant Availability Factor (PAF) at Tehri and Koteshwar Power Plants. Details are furnished below :

Name of the Plant	Generation In MU's		PAF in %age	
	MoU Target (Excellent)	Achievement	MoU Target (Excellent)	Achievement
Tehri HPP (1000 MW)	2937 MU	4060 MU	82%	87.028%
Koteshwar HEP (400 MW)	1213 MU	1522 MU	67%	70.320%

• Flood Prevention During Monsoon 2013 by Tehri Dam

Due to early onset of monsoon and incessant rainfall in June, 2013 in Uttarakhand, all rivers were in spate. On 16th /17th June, huge discharges were recorded in Bhagirathi to the tune of 7000 cumecs at Tehri. The Tehri Dam stored about 590 Million Cubic Meter water of River Bhagirathi in its reservoir during these two days. Only a controlled discharge of 500 cumecs was released from Tehri Dam in place of 7000 cumecs which did not allow the situation to worsen further in the downstream at Devprayag, Rishikesh and Haridwar. Even with such a meager discharge from Tehri Dam a very high flood discharge of 15,000 cumecs was recorded at Haridwar owing to unrestricted discharge through Alaknanda. The river Ganga was running 1.9m above the danger mark. Had the Bhagirathi flood not been stored in Tehri, the anticipated peak discharge at Haridwar would have caused a rise of 2.5 to 3.0 m in the maximum observed water level. Thus, Tehri Dam played a crucial role in preventing the flood in river Ganga at Devprayag, Rishikesh, Haridwar and Gangetic plains downstream of Haridwar.

COMMERCIAL PERFORMANCE

The Commercial Performance of your Company has considerably improved during the year as compared to the previous year. The details are as under :

(₹ in Million)

Description	2013-14	2012-13
Sales	20667	19561
Late Payment Surcharge	985	162
Unscheduled Interchange	136	177
Cash Realisation	25807	15603

Hon'ble CERC has issued Provisional Tariff order for Koteswar HEP for the period 2013-14. The effect of this order has been considered in the Balance Sheet for FY 2013-14. The Final Tariff Orders for Tehri HPP (1000 MW) for the period 2009-14 and for Koteswar HEP (400 MW) for the period 2011-14 are awaited from Hon'ble CERC.

The Company has rendered best possible services to the beneficiaries. All the beneficiaries have given their feedback expressing their satisfaction with 'Excellent' rating for the services provided by the Company.

PROJECT FINANCING

The Company has tied up loan agreements with World Bank (US\$ 648 m) for Vishnugad Pipalkoti HEP and with SBI Led Consortium (₹1,500 cr) for Tehri PSP. During the year, your Company has drawn loan amounting to ₹450 Million for Tehri PSP and US \$ 13.89 Million for Vishnugad Pipalkoti HEP.

PROGRESS AND STATUS OF PROJECTS UNDER CONSTRUCTION:

• Tehri PSP (1000 MW)

The 1,000 MW Tehri PSP will have 4 Reversible Units of 250 MW each. The Project will utilize the Off Peak Energy in the Grid to pump water from the lower reservoir (Koteswar) to the upper reservoir (Tehri). The stored water will be utilized for generation during peak hours. FPAs are already in place with four States

of Northern Region for supply of off peak power and for purchase of corresponding peak power after adjusting conversion losses. For pumping operation during off-peak hours, the energy requirement will be of the order of 1,712 MU. During peak hours the Project will afford generation of 1,268 MU annually. After award of EPC Contract in July, 2011 the works on the Project are in progress at various fronts.

The Project is expected to be commissioned by May '18.

• Vishnugad Pipalkoti HEP (4x111 MW)

The Project is a Run-of-the-River Project. It envisages construction of a 65 M High Concrete Dam harnessing



An overview of Tehri Dam & Reservoir

a gross head of 237 M on river Alaknanda Distt. Chamoli. It will generate 1,674 MU units every year (90% dependable year). Of the total generation, 12% free power shall be allocated to the Home State Uttarakhand. In addition, 1% of generated power shall be utilized towards local area development. The Contract for Civil and HM Package has been signed with M/s HCC Limited, Mumbai on 17.01.2014. The contractor has mobilized at various fronts the work is in progress.

The project is planned to be commissioned by July 2016.



• **Dhukwan Small Hydro Project (24 MW)**

Dhukwan small Hydro-Electric Project is envisaged to be constructed at the toe of existing Dhukwan masonry cum earthen dam across Betwa River in District Jhansi, U.P. The Project with an installed capacity of 24 MW (3 x 8 MW) is a part of overall development of the power potential of the Betwa River. On completion, the Project will generate 97.82 MU annually. Project is planned to be commissioned by April '17.

DEVELOPMENT OF PROJECTS IN BHUTAN

• **Sankosh HEP (2585 MW):**

The Sankosh HEP envisages construction of two Power Houses (Left bank and Right bank) at the toe of



A view of Spillway of Tehri Dam

Main Dam with installation of (8X312.5 MW) with energy generation of 5,949.05 MU and a regulating dam d/s of Main Dam with installation of (3X28.33 MW) and energy generation of 416.34 MU. The DPR for Sankosh HEP with optimized dam height of 215m of RCC (Roller Compacted Concrete) is under examination in CEA/CWC.

• **Bunakha HEP (180 MW):**

The Bunakha HEP envisages construction of a Storage Dam and Toe Power House with installation of (3X60 MW) vertical Francis Turbines with annual energy generation of 1,612.12 MU. The construction period of the project is 57 months (excluding 1 year for infrastructure development). During Feb '14, the

Bhutan Govt conveyed its approval for implementation of Bunakha HEP. The Inter Governmental Agreement (IGA) for implementation has been signed between GoI and RGoB in April '14.

THERMAL GENERATION

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

An MoU was entered on 31st December, 2010 with GoUP for setting up a coal based 1,320MW Super Thermal Power Plant in District Bulandshahar of Uttar Pradesh. Land for the Project (1200 acres) has already been acquired by UPSIDC. MoU for transfer of land by UPSIDC to THDCIL has also been signed. Due to demand for higher compensation for the land, the State

Authorities / UPSIDC are finalizing the additional compensation payable to the farmers. Your Company proposes to obtain Govt sanction for incurring advance expenditure on land acquisition after finalization of the compensation by State authorities / UPSIDC.

The DPR and EIA/EMP report for the project have been prepared. The plant layout has been revised subsequent to in-principle approval by NHAI for re-routing of NH-91 which is passing through the acquired land, and to keep provision for

additional unit at later stage.

Water commitment letter for release of 53 cusecs water from Govt. of UP has been received. Clearance for the construction of 275m high chimney has also been obtained from Airports Authority of India. THDCIL has applied to Ministry of Coal for getting long term coal linkage in May' 2011. Your Company is also pursuing for allocation of coal block for the Project.

DIVERSIFICATION INTO OTHER ENERGY AREAS

NEW & RENEWABLE ENERGY PROGRAMME

Your Company is making efforts to enter new & renewable sources of energy as part of its diversification objectives.

• **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. The Company has installed 80m wind monitoring mast in Bijouriya Village, Distt. Shahjahanpur, UP. Another 80m mast has been installed in Lakhimpur Kheeri Village District Lakhimpur Kheeri, UP. Efforts are being made for setting up 50 MW Wind Power Project at suitable site in any one of the wind potential states of Rajasthan / MP / Gujarat / Maharashtra with comprehensive operation & maintenance for 20 years.

• **Solar Power Generation:**

Deptt. of New and Renewable Energy, Govt. of M.P. has allotted and issued registration letter for implementation of one Solar Power Project of 20 MW Capacity in Cheetakhera, Distt. Neemuch (M.P) in Sept '2013. Efforts are also being made for formation of Joint Venture Company (JVC) between UPNEDA (State Nodal Agency for UP) and THDCIL for



Up Stream view of Koteswar Dam

implementation of Grid Connected 100 MW Solar Power Project in District Jalaun (U.P).

ENGINEERING CONSULTANCY

Your Company has established an Engineering Consultancy Department for providing consultancy and advisory services in the field of Hydro Engineering. The following assignments were undertaken during the previous year:

- Potential Studies and E&M Studies of two Small Hydro Projects.
- Consultancy works of preparation of Pre - feasibility reports for three Projects for Odisha Hydro Power Corporation Ltd.
- Power Potential Studies and E&M Studies of six Small Hydro Projects under Par - Tapi - Narmada Link Project.
- Design & Engineering Consultancy work of Slope Stabilization works of vulnerable zones between Katra and Shri Mata Vaishno Deviji Shrine assigned by



Down Stream view of Koteswar Dam



Power Evacuation from Tehri HPP

Shri Mata Vaishno Devi Shrine Board (SMVDSB).

- Consultancy for the protection of twenty Chronic land slide zone on the various roads of Uttarakhand under PWD.

TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

Your Company has taken many steps in Technology, Absorption, Adaption and Innovation as enumerated below:

- Indigenization of Generator Spares of Tehri HPP supplied by M/s Power Machines, Russia has been developed. This has resulted in reduction of dependability on foreign manufacturers for spares.
- Protection Co-Ordination Study of Tehri HPP and third party protection audit of Koteshwar HEP has been carried out through M/s ALSTOM T&D India Ltd. to identify deficiencies in the system and proper co-ordination of all protective devices with equipment and to ensure the selectivity, reliability and stability of the system.



Computerised Control System of Underground Power House of Tehri HPP

established to have advance information of the inflow / flood based on the rainfall in the catchment area. This system will enable the Company to take decision in advance for the controlled release of water from the reservoir.

- Adequate measures have been taken to assess the health of the EM-equipment of Power Plants so as to take remedial measures to ensure improvement in availability, reliability and life of machines.
- Condition Monitoring of Generator Transformer and all circuit Breakers of switchyard at Koteshwar HEP were carried out by M/s Central Power Research Institute, Bangalore.
- The Company is providing necessary contingency support for restoration of Grid by periodic Mock Black Start exercise on annual basis at the generating plants.
- Flood Forecasting Network for Tehri HPP is being



Sh. R.S.T. Sati, GMD, THDCIL and Sh. P.K. Sinha, Secretary (Power), GoI exchanging the MoU Document for the year 2014-15

RESEARCH & DEVELOPMENT

Your Company has established a full fledged Research & Development Department at Rishikesh. The Projects carried out by the R&D Department in Year 2013 -14 are as follows:

- Development of self-compacting concrete for Hydro Power Structures- Completion of experimental works.
- Assessment of Sediment Yield from the Catchment Area of Tehri Reservoir - Collection of all data from Imaginaries and verification from field.
- Comprehensive solution for slope stability of road between zero bridge to Koteshwar- Formulation/Identification of problems
- Condition Monitoring of Generator Transformer - 02 of KHEP
- Seismological NETWORKING around Tehri Region.
- Air Gap and Vibration Monitoring System.

The Budget Allocation for the R&D Projects for 2013-14 was proposed as ₹ 3.36 Cr, representing 0.63% of PAT of the year 2012-13. As per DPE Guidelines, the Annual Budget allocation for R&D Projects shall be minimum 0.5% of PAT for the previous year. Actual expenditure incurred during the year on R&D is ₹ 2.49 Cr. i.e. 0.46% of PAT.

QUALITY ASSURANCE

Your Company has established Quality Policy, Environment Policy and occupational Health & Safety Policy. In the current financial year following Management Systems Certifications have been acquired:

- Koteshwar Project has been certified against ISO 9001 (Quality Management Systems) and ISO 14001 (Environmental Management Systems) w.e.f. November 2013 for three years.
- Corporate Office, Rishikesh has acquired certification against ISO 14001 and OHSAS 18001 (Occupational Health & Safety Management Systems) w.e.f. September 2013 for three years.
- Implementation of OHSAS 18001 (Occupational Health & Safety Management Systems) is under process at VPHEP, PSP, Tehri HPP, KHEP and Rishikesh.
- With the acquiring of OHSAS 18001, all the construction Projects, Power Stations and the Corporate Office of your Company will be ISO 9001, ISO 14001 and OHSAS certified.

ENERGY CONSERVATION MEASURES

Your Company believes in efficient use of electricity as a way to reduce demand. Consistent efforts are being made on energy efficiency programmes within the



Company. The Company has engaged the National Productivity Council, New Delhi for conducting energy conservation studies in the plant area.

Energy Audit of Residential And Office Complex was got conducted through M/s Petroleum Conservation Research Association. Following measures have been taken to conserve energy:

- Solar Water Heaters have been installed in all Hostels and Guest Houses.
- Approximately 231 nos. AC's has been changed with Star Rated AC's to increase energy efficiency.
- Conventional Street Lights are being replaced

waste. Gas produced from this system is being utilized in THDCIL Canteen and approximately 7 to 8 Kg LPG gas is saved every day.

- Sewage Treatment Plants of capacity 500KLD have been planned for Township, Rishikesh which is capable of treating the sewage water up to BOD limit < 30. After treatment 100-150KL water shall be utilized in the gardening purpose in THDC campus and balance treated water shall be released to the river. This will ultimately save energy by reducing the pumping hours of the Pumping Stations.



A view of World Environment Day Celebration

with Energy Efficient Light Luminaries to save energy.

- Old Ceiling Fans are being replaced with Five Star Rated Ceiling Fans.
- Pumping Stations at THDCIL Complex, Rishikesh which are very old and having Conventional Starters are being replaced with 55 HP Energy Efficient Motor Pump Set.
- A 100 KW Solar Standalone Power Plant is being installed to cater the street lighting requirement in the Rishikesh Complex which shall generate approximately 1,53,000 units per year and will reduce overall energy consumption by 5.65%.
- Waste System is designed for 500Kg Organic

ENVIRONMENT MANAGEMENT

Your Company is committed towards Protection of environment. The Company had conducted various studies through premier institutes like BSL, NEERI, ZSI etc. to assess negative impact of Tehri Dam Project. On the basis of outcome of these studies, the Company has framed detailed mitigation plans to reduce the negative impact on the environment. Post impoundment studies have been carried out to assess the impact of impoundment on environment.

The Company has undertaken exhaustive Environment Impact Assessment (EIA) Studies to identify all possible adverse impacts on environment by projects. Based on the assessment Environment

Management Plan (EMP) are being prepared to mitigate negative adverse impacts. For Vishnugad Pipalkoti HEP a separate Holistic Environmental Assessment & Management Report has been prepared.

During the year about 17000 plants have been planted in the Catchment Areas of Tehri Project as a measure to protect environment. To sensitize people World Environment Day was celebrated on June, 5 2014 at Rishikesh on the theme of Conservation of Bio Diversity in which reputed NGOs, Scientists, Environmentalist, Educational Institutions and School Children have participated.

Your Company has successfully obtained ISO 14001:2004 (Environmental Management System) certifications for Corporate Office, Rishikesh, Tehri HPP Stage-I, Koteshwar HEP, Tehri PSP & VPHEP

CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABILITY

Your Company is committed to Sustainable Development for all Stakeholders apart from



Sh. R.S.T. Sai, CMD, THDCIL welcomes Hon'ble Minister of MoEA, Royal Govt. of Bhutan at Tehri Project

improvement in Profitability, Competitiveness and Market Share. The Sustainable Development mission of the Company is to address all aspects related to Sustainable Development and promote Environment Management, Social Responsibility and Economic Performance (Triple Bottom Line Approach).

The Company is discharging its Social Responsibilities as a part of Good Corporate Governance Philosophy. The CSR activities of the Company are being implemented as per the CSR & Sustainability Policy-2013 which is framed in line with new DPE Guideline on CSR & Sustainability.

During the year 2013-14 total expenditure of ₹ 10.62 Cr. has been incurred on CSR Activities which is 2% of the PAT for FY 2012-13. As per the Policy, the Board Level Committee and Below Board Level Committee have been constituted for the implementation of CSR & Sustainable Development activities.



Sh. E.K. Sinha, Secretary (Power), GoI exchanging MoU Document with Secretary MoEA, BGoB in the presence of Hon'ble Minister, MoEA, RGoB and Indian Delegation in Bhutan



Inauguration of R & D Centre at Rishikesh

All the CSR activities are being implemented through SEWA-THDC, a Company Sponsored Non Govt. Organization (GONGO) and THDC Education Society (TES) which have been formed under Societies Registration Act, 1860. The CSR Schemes address the issue of Community Development mainly in the neighborhood areas of the Company where it has its core business.

The Company have been implementing various CSR Schemes on Sustainable Basis in the areas of Health & Hygiene, Education Development, Environment, Skill Development, Agriculture & Rural Development mainly for the project affected population. People are being motivated to come forward and take ownership of the CSR Programmes. Local NGOs from project affected areas are also being promoted to become close associates/partners of SEWA-THDC in long run.

The Sustainable Development Measures during the previous year include:

- Development of Research Centre for activities on Ecological Restoration for Sustainable Livelihood for Ten Remote Villages at Deen Gaon, Pratapnagar Block, Tehri.
- Empowerment and Enhancement of Livelihood of 30 Rim Area Villages of Tehri Dam Reservoir through Integrated Development Approach
- Ensuring Livelihood Security by farming system

approach in Tehri District through Directorate for Farming System Research (PDFSR), Modipuram.

Detailed Report on CSR is attached as Annexure-I

DEVELOPMENT & IMPLEMENTATION OF RISK MANAGEMENT POLICY INCLUDING IDENTIFICATION OF RISK.

Your Company being a Hydro Power Developer is subject to significant sector specific and geographical locational specific risks in implementation of Projects. The Company has adapted Risk Management Manual duly approved by the Board. The Manual provides the detailed mechanism for Risk Identification, Risk Avoidance, and Mitigation of various risks associated with business activities including construction and operation on day to day basis.

Risk Management, being a dynamic process, there is a system in place to revisit the Risk Management Process periodically. Committees have been constituted at the Project level for the same.

HUMAN RESOURCE MANAGEMENT

Optimum Utilization of the Human Capital is the Ultimate objective for which Human Resource Team at your Company is striving for the total manpower strength of the Company is 2063 as on 31.03.2014 consisting of 805 Executives, 124 Supervisors and 1134 Workmen. Organizational Development in your Company aims to foster system that maximizes



Celebration of 27th Foundation Day of THDCIL at Rishikesh

Productivity. Managing and Retaining talent is critical to achieve organizational sustainability.

Your Company conducted Employee Satisfaction Survey and is dedicated to take remedial measures. Your Company has implemented a Robust, Transparent and Fair Performance Management System(PMS) to reward talented and meritorious Employees and has adopted a new policy of Reward & Recognition for them.

The Company was awarded Gold Medal for Best HR Strategy in line with Business by World HRD Congress and received SCOPE meritorious commendation letter for Best HR Policies.

HUMAN RESOURCE DEVELOPMENT

During the year, under planned HRD Interventions, the Company organised a series of Learning & Developmental activities based on identified training needs. Competencies Mapping Exercise in terms of Knowledge, Skill and Attitude was undertaken to equip the Management with better insights. Programmes have been organised through a mix of External / Internal faculties through reputed institutions viz IIMs, FORE School of Management, ASCI, PMI, ESCI, CBI, NPTI etc. with main focus on Technical, Managerial and Behavioral aspects. In all, 6,776 man-days training have been imparted against target of 5,700 man-days for attaining Excellent Rating (including Overseas Learning Programme) in line with

MOU targets for the year 2013-14. Some of the significant customised programmes organised through reputed Institutions / Individuals are as under :

- Enhancing Managerial Effectiveness through FORE School of Management, New Delhi.
- Proficiency in Information Technology, IT Security Awareness for developing IT culture within the Company.
- Risk Management & Mitigation Measures.
- Train the Trainers Programme for development of In-house faculty.
- Auto Cad Civil 2D & 3D and Stadd- Pro Software.
- Cluster Change Programme for role change.
- Certificate Course in Project Management.
- Certificate Course in Legal of Contract Management.

Certificate courses have been linked with the Performance Management System to enhance dedication and better performance in the courses.

The average age of employees in your Company is 46 Years. In order to keep pace with organizational growth and diversification aspirations as well as replacing the ageing work force especially in technical field, talent acquisition is being done through transfer of technology and infusion of Gen Y.



Signing of MoU Document with CoUP for Transfer of Land for Kharja STPP
in the presence of CMD, THDCIL and Hon'ble Chief Minister, UP

Your Company shall carryout Skill Gap Analysis and Initial Diagnostic Study for Capacity Building and Institutional Strengthening for VPHEP Project, through an Expert Agency.

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 continuous interactions between the management and the apex fora of workmen and executives.

Structured meeting 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. The Executive and Non-Executive

Club has also increased sphere of its activities. The Club Building has been equipped with Gym and other Recreational Facilities. Community festivals were organized from time to time to create bondage among the members of THDCIL Family.

INITIATIVES FOR SC/ST AND DIFFERENTLY ABLED 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 and Physically Challenged Candidates. Your Company implemented Govt. Guidelines on welfare of SC/ST personnel and redressal of their grievances in letter and spirit. Continuous efforts are made to fill up backlog vacancies through the process of internal promotion and recruitment.

In compliance of implementation of United Nations Convention on the Rights of Persons with Disabilities, the Company has provided easy accessibility by way of erecting ramps in most buildings of the Company. Your Company has been nominating employees belonging



Visit of Delegation of Afghanistan Govt. at Tehri Project

to Physically Handicapped Category to attend special training programmes.

IMPLEMENTATION OF OFFICIAL LANGUAGE

Your Company has made vigorous efforts for the propagation and successful implementation of the Official Language Policy of the Government of India. Hindi Workshops and Competitions were conducted at Projects, and Corporate Office during the year to encourage 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.



'Republic Day Parade' by the students of TES High School at Rishikesh

During the year 24 workshops were organized by Rajbhasha Section where 513 numbers of employees were imparted training. Many Books in Hindi were purchased in the Library to enhance the reading habits of the Employees. To provide bi-lingual working facility in Computers/Laptops, Hindi Software/ Fonts have been installed. To encourage the employees to perform their work in Hindi, a Hindi typing/Stenography Incentive Scheme has also been introduced. Quarterly meetings of Official Language Implementation Committee were organized in subordinate Offices/Units.

Hindi "Kavi Sammelan" was organized on 20th of March 2014. Hindi House Journal "PAHAL" is being

published. Several other events were organized during celebration of Hindi Pakhwara.

RIGHT TO INFORMATION ACT, 2005

Your Company has taken concerted actions to provide information to the Citizens of the Country in accordance with the Right to Information Act, 2005. THDCIL's Official Website contains information as required to be published under Section 4(1)(b) of the Act. Particulars of Appellate Authority, CPIO, PIOs of the Company, and all related formats for seeking information, submission of appeal to the first Appellate Authority are available on the THDCIL Website.

All applications received from the information seekers

are dealt with as per provisions contained in the RTI Act, 2005 and prompt action is taken on them. During the year 2013-14, total 152 applications were received from Citizens across the Country seeking information of various nature and information was made available to them on time. During the year 10 appeals have been received by First Appellate Authority, and after examination, all the appeals have been disposed off by the Appellate Authority. Also, 04 Appeals were taken up by the Central Information Commission (CIC), New Delhi and disposed

off by the Commission.

REHABILITATION & RESETTLEMENT

Your Company has set a benchmark in the Resettlement and Rehabilitation of the Project Affected Families of Tehri HPP. 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 440 m is also being constructed.

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 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 NRR-2007 have been taken into account and some of the provisions have been improved. For third party monitoring and evaluation of RAP implementation of VPHEP earlier a work of Consultancy Services was undertaken for a period of 24 months. As R&R activities are still in progress, process for hiring of a fresh external consultancy agency for a further period of 2 years is under progress.

A provision of 0.5% of Project Cost is being made in

Project Cost Estimate for meeting expenditure towards Community Welfare of PAF's and Neighborhood Communities under R&R head of upcoming projects.

CORPORATE COMMUNICATION

As a responsible Corporate Citizen your Company is a firm believer of using diversified means of communication to reach out to its Stakeholders. The Company has started an official Face Book page and Twitter Account in June, 2013. Production of Corporate Film is also underway which will help in showcasing the achievements of the Company and the future perspective.

House Journal Gangavaranam is effectively serving as a communicator by covering various events that take place throughout Your Company. In recognition of its contribution in the field of promotion of Rajbhasha, Parivartan Jankalyan Samiti conferred "Hindi Prachar Prasar" Shree Award to the magazine on 27.09.2013 at Delhi.

Your Company participated in IITF-2013 with the theme of showcasing "Achievement of 25 Glorious Years of THDCIL". The Company organised State Level Painting Competition on Energy Conservation under National Campaign on Energy Conservation-2013 of Ministry of Power, Govt. of India as a Nodal Agency for Uttarakhand State.



'Kavi Sammelan' organised in Rishikesh

CORPORATE GOVERNANCE

• The Company's Governance Philosophy

Your Company has, endeavored to adopt practices of Good Corporate Governance Practices as required under the Companies Act/DPE Guidelines even though Unlisted and Compliance of Clause 49 of the Listing Agreement is not required.

The Corporate Governance mechanism in your Company is based on parameters like Transparency and Fairness, Timely and Balanced Disclosures, Structure of Board to Add value, Role and responsibilities of the Board, Integrity in Financial Reporting, Promote Ethical and Responsible Decision Making Obligations towards Environment, Rights and Interests of Stakeholders, Compliances etc. The Company has been rated Excellent by DPE for compliance with Guidelines on Corporate Governance for the year 2012-13.

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.

• Management Discussions And Analysis Report

In compliance with DPE Guidelines on Corporate Governance a separate Report on Management Discussions and Analysis is given as Annexure-III.

• Secretarial Audit

Your Company has got done Secretarial Audit for the year 2013-14 by PSR Murthy, a Practicing Company Secretary as a Good Corporate Governance Practice. The Company has complied all the Secretarial Provisions and no case of default is reported. The Report of Secretarial Auditor

is attached as Annexure IV.

• Business Responsibility Report

As a part of Good Corporate Governance Practice a Separate Section on Business Responsibility Report is given at Annexure-V.

VIGILANCE

The thrust of the Vigilance Department is 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. Measures taken during the year include :

- Online registration system of vendors for participation in E-tendering, E-payment practice has been introduced and is being followed.
- The time schedule laid down by the Central Vigilance Commission for conducting enquires and investigations was by and large adhered to.
- Regular and surprise inspections were carried out by the Vigilance Department.
- Online Complaints Handling System is operative.
- Vigilance Awareness Week-2013 was conducted from 28th October to 2nd November, 2013.



Inauguration of 'SEWA-THDC Wing' in the School of Deaf & Dumb at IIT Campus, Roorkee



Group Photograph of 'Train the Trainers Programme' at HRD Centre Rishikesh

DISINVESTMENT PROCESS

GOI proposes to Disinvest 10 percent of its holding in the Share Capital of your Company. Various meetings have been conducted by the Department of Disinvestment (DoD) . The Company has initiated action for amending the MoA and AoA which is pre requisite for Disinvestment.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of Clause 'C' to Section 92(3) of the Companies Act, 2013, your Directors state that :

- i) In the preparation of the Annual Accounts, all the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii) The Company has selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on 31st March, 2014 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.
- v) The proper systems has been devised to ensure compliance with the provision of all applicable laws for effective operation and such system was adequate.

BOARD OF DIRECTORS

Since the last AGM, Shri G. Sai Prasad GoI Nominee Director has ceased to be the Director w.e.f. 31st Oct 2013 , and Shri Raj Pal , Economic Advisor GoI, has been appointed as GoI Nominee Director w.e.f. 1.11.2013 on Board of THDCIL.

Government of UP has nominated Shri. Deepak Singhal Principal Secretary(Irrigation) and Shri Sanjay Agarwal Principal Secretary (Energy), GoUP in the Board of THDCIL.

COST AUDITORS

M/s R.J. Goel & Company, Cost & Management Accountants, New Delhi and M/s Chandra Wadhwa & 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 Koteshwar Unit and Tehri Unit respectively for the Financial Year 2013-14 under Section 233B of the Companies Act, 1956.



An overview of THDC Hydro Engineering College Campus at Tehri

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 / COY / Central Government, Tehri-H (I) /407 Dated 13/08/2013 under Section 619(2) of the Companies Act, 1956.

As required under Section 224(6) (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.

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, 2014 are enclosed. The C&AG has issued Nil Comments on the Annual Accounts.

Management Reply on the Statutory Auditor's report and Comments of C&AG

The Statutory Auditors of the Company have given an unqualified report on the Accounts of the Company for the financial year 2013-14. The

Comments of C&AG is also Nil, hence Comments of the Company is "NIL".

Particulars of Employees under Section 217(2A) of Company's Act, 1956

The particulars of employees under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particular of Employees) Rules 1975 as amended upto date, for the year ended 31st March 2014, drawing emolument more than the specified remuneration is NIL. The employees are paid Terminal Benefits such as



Participants of Uttarakhand State Level Painting Competition on Energy Conservation



Gratuity, Leave Encashment etc. at the time of superannuation. Considering the term remuneration defined U/S 198 of Companies Act, 1956 these terminal benefits relating to entire period of service are not taken into account for the purpose of this section.

FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year Your Company has incurred expenditure in Foreign Currency on cash basis amounting to ₹10.6 Cr. (Previous year ₹ 63.51 Cr.). Earning in Foreign Currency on during the year was Nil. Detailed information has been given on the Notes on Account at Notes No 29(20).

ACKNOWLEDGMENT

The Board of Directors acknowledge with deep sense of appreciation for 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 & Fbrests; 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 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 wish to 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.

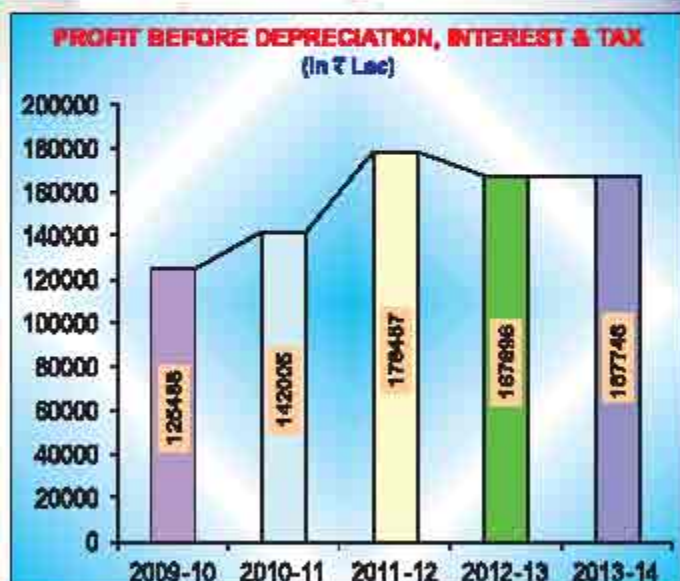
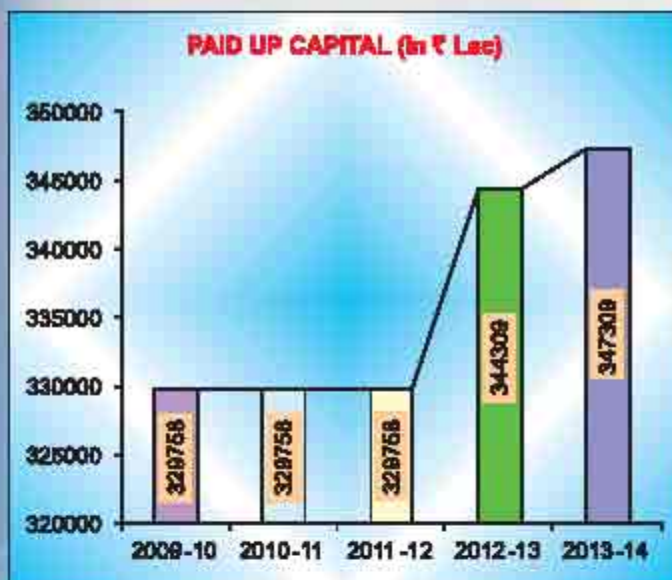
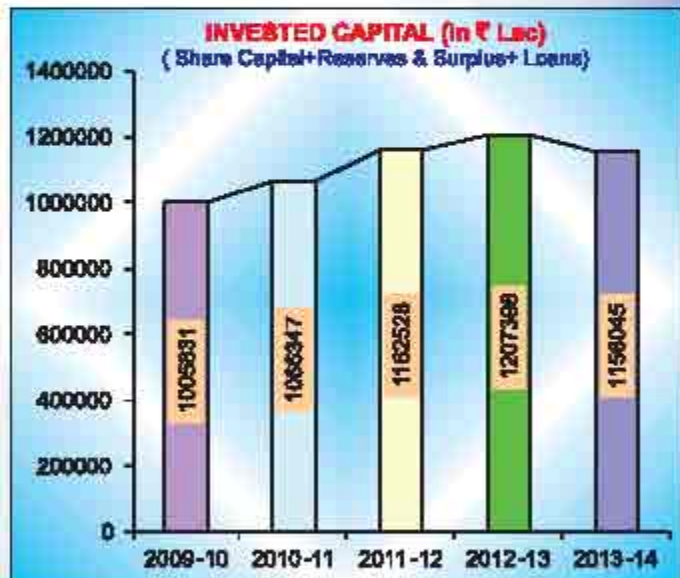
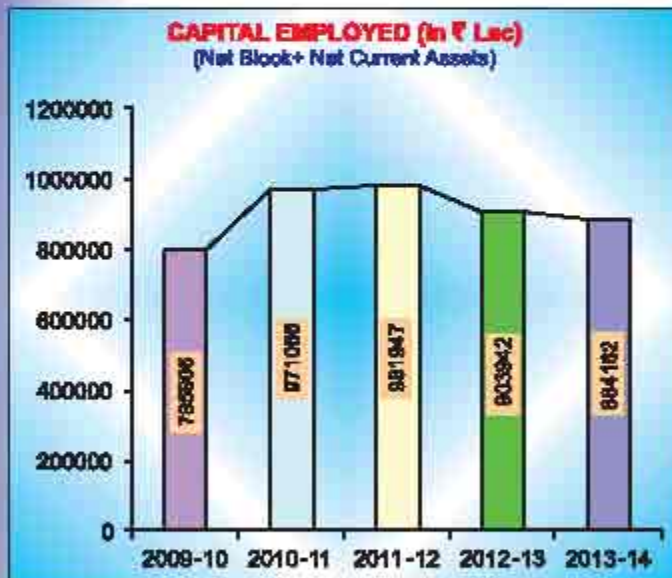
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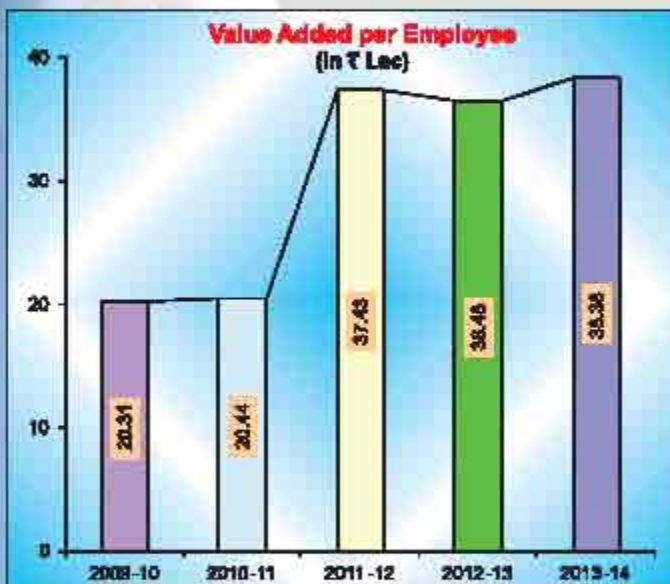
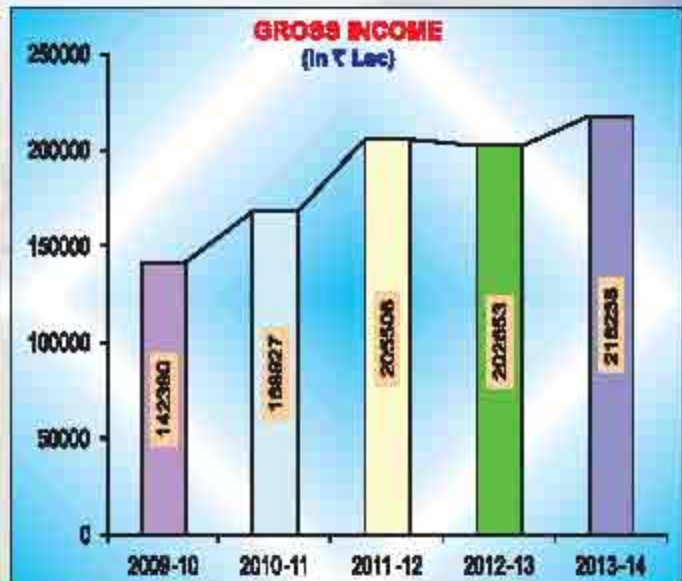
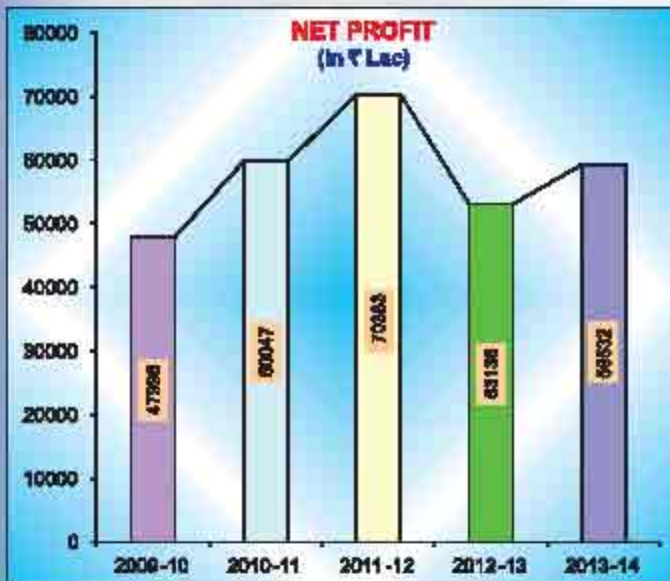
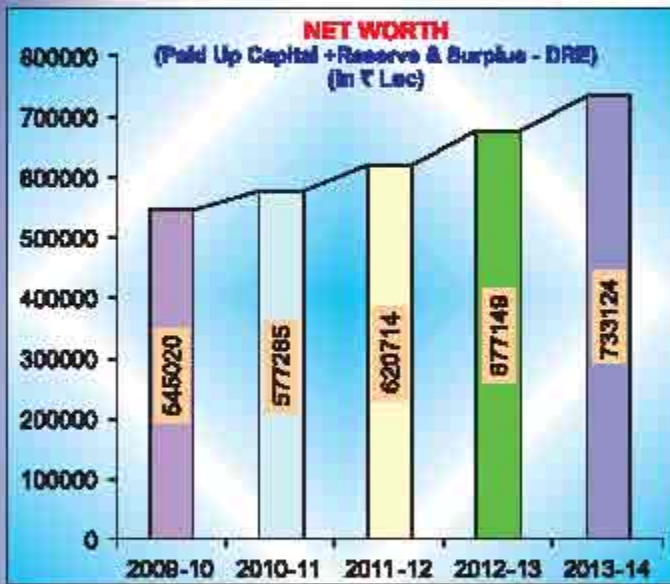
Chairman & Managing Director

Date : 27.09.2014

Place : New Delhi

FINANCIAL HIGHLIGHTS





REPORT ON CORPORATE SOCIAL RESPONSIBILITY & SUSTAINABILITY



Signing of MoU Document with Sulabh International for Toilet Project at Deengoon, Tehri Garhwal

Your Company is truly committed to the welfare and development of Project Affected People (PAPs) and community at large in a sustainable and efficient manner. The 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 Stakeholders. The company is implementing CSR & Sustainability Projects as per the Rules & Directives from GOI through a department with trained dedicated team members headed by the GM (Social & Env). The projects are executed through company sponsored NGO, SEWA-THDC registered under society Act, 1860.

Your Company is undertaking Community Development mainly in the neighborhood area of operating stations & Customer base of THDCIL i.e. specially in Northern India with particular focus on

SC/ST, OBC, women, children, specially able persons & aged persons. Appropriate partnership is also being created with the concerned stakeholders for the effective delivery of community development programs through consultation and participation.

IMPLEMENTATION OF CSR PROJECTS :

CSR & Sustainability Policy 2013

The Company has adopted CSR Policy-2013 framed in line with DPE Guideline on CSR duly approved by Board of Directors for implementation of CSR Project/Activities in its operational and business areas during the financial year 2013-14. From the FY 2014-15 the company shall implement the CSR activities as per the new Company Act-2013 and rules thereof.

Board Level CSR Committee(BLC) and Below Board Level Committee(BBLC) on CSR & Sustainability.

As per the CSR Policy of the company, for effective



implementation of CSR Projects Board Level CSR Committee(BLC) comprising of all the Independent Directors and Director(Technical) and headed by Independent Director has been constituted. The Company has also constituted a Below Board Level Committee(BBLC) comprising of company's official dealing with the CSR and Independent Experts. All the above committees are constituted with the approval of Board. The scope for the BLC and BBLC have been clearly defined in the CSR Policy of the Company.

All the CSR activities are being implemented through a Company Sponsored Non Govt. Organization i.e. SEWA-THDC and THDC Education Society(TES). The Scheme addresses the issue of "Community Development" in the neighborhood area of Operating Power Generating Stations where construction has been completed and other business area of the Company.

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 the company to create value for its business addressing social needs and challenges towards sustainable growth and development of societal objectives. The core concept of CSR is that the competitive strength of a company and the health of communities around it are inter-reliant.



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

Planning CSR Initiatives

Planning plays a vital role in success of any CSR 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 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. The CSR Plan should clearly specify with respect to each project, the time frame for implementation, clear cut responsibilities and authorities, monitoring and evaluation and impact assessment.

Thrust areas for CSR

The company has taken up CSR initiatives during the year in various domains such as, Educational Development, Health & Veterinary Care, Environment Management, Income Generation, Women Empowerment, Infrastructure Development, Welfare Activities etc;

Institutional and Financial Mechanism

Your Company as per the CSR Policy had earmarked 2% of Net Profit After Tax (PAT) amounting to ₹ 10.62.00 Cr for CSR & Sustainability Budget for the year 2013-14. The CSR & Sustainability Budget is being allocated and set aside as Non-lapsable CSR



Furniture provided to Govt. Inter College, Bhatiyawala, Dehradun

fund for implementation of CSR Schemes. However, as per New Companies Act -2013 which has come into force w.e.f. 1.04.2014 every company has to spend atleast @ 2% of Average Net Profits of immediate 3 preceding years. The CSR Rules and Schedule VII had also been notified. The DPE is in the process of revising its Guidelines on CSR in line with the new Companies Act 2013 and Rules/Schedules thereof. After issued the new DPE Guidelines on CSR the CSR Policy of the Company shall be revised.

Various CSR Schemes on Sustainable Basis are being implemented by the Company in the areas of Health & Hygiene, Education Development, Environment, Skill Development, Agriculture & Rural Development mainly for the Project Affected Population. People are being motivated to come forward and take ownership of the CSR Programmes. Local NGOs from project affected areas are also being promoted to become close associates/partners of SEWA-THDC in long run.

Audit of CSR Projects

The Annual Accounts of SEWA-THDC and TES, the implementing agencies, are annually audited by Practicing Chartered Accountant as per Bye-laws of the respective Societies. After approval of the Management Committee the Accounts are placed



Preservation of Environment through Plantation by SEWA-THDC

before AGM for the approval of members. The Audited Annual Accounts are filed with Registrar of Societies and Income Tax Returns are filed.

The final Audited Annual Accounts of SEWA-THDC and TES along with Receipt and Payment A/c, is submitted to Accounts Deptt. of THDC for final adjustment of Advance A/c. A copy of the same is also uploaded to THDC Website thdc.gov.in for free access to General Public.

Monitoring, Evaluation & Impact Assessment

Major projects like engineering college and livelihood projects by University/Experts are regularly monitored by BLC and all Projects costing more than ₹ 5.0 lac are got evaluated by an Independent External Agency/



Work on Watershed Management at Tehri Dam Catchment Area



Experts and the evaluation report is included in the Dossier which is displayed on THDC website thdc.gov.in for public access.

Various CSR activities during the FY 2013-14.

Major CSR Initiatives undertaken by THDCIL during the FY. 2013-14 are as below:

A- Health & Veterinary Care

- 02 regular units of Homeopathic Dispensaries are running at Caliyakhet & Dhontri. Another unit has been introduced during current FY at Koteswar.
- In addition, 19 nos. Multipurpose Medical Health Camps were organized in the Project Affected Areas.
- Apart from above one medical mobile service has been provided for six months to project affected families through qualified Allopathic Doctors.

Health interventions have played significant role in health improvement of project affected population. On an average over 150 patients are availing Consultations and are provided free medicines from our 03 dispensaries. Around 4000 people benefitted during the year Mobile health service has also covered the far flung villages of the project



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

affected area where no doctors are available round the year. Over 3800 patients directly benefitted through 19 medical camps.

B- Economic & Community Development

In order to enhance the income of the project affected population some of the activates were undertaken during the year :

- 310 no. Poultry Units, 30 no. Goatery Units have been established.
- Seasonal Vegetable, Masala Production and Medicinal Plant Cultivation has been promoted for community livelihood development in Tehri.
- Frequent Kishan Goshthi, Farmer Visits and demonstration of agro based activities have been organized for Project Affected Persons of Tehri and Chamoli District.
- One year Hotel Management Training program is running for 42 nos. unemployed youth of Tehri district. Agro based holistic development programmes have been undertaken as a Pilot Project in Hazratpur and Majhwara, villages of District Barabanki and Sultanpur respectively of Uttar Pradesh.

C-Women Empowerment Initiatives

18 no. Tailoring & Knitting / production centers organized in UP and Uttarakhand



Dr. Ambedkar SC/ST Hostel at New Tehri



Promotion of Cash Crops Cultivation in Tehri District

for benefit and empowerment of unemployed / minorities and other weaker section. Through these programmes over 600 Unemployed/Minorities and Other Weaker Section Persons got directly benefited.

D- Educational Development

- Computer Awareness Program of 06-month duration for approx. 200 Unemployed Educated Youth of minorities and other weaker sections was organized at Rajakhet, Ghansali, Padagali, Koteswar Tehri District & Dehrakhas, Dehradun District (Uttarakhand).
- Furniture, Computers & K-Yan Equipment (inbuilt computer cum projector for e-learning) provided to the schools of project affected area.

E- Infrastructure Development

- For improvement of quality of life style and education, SEWA-THDC has constructed Boys Hostel at ITI, Chamba, SC/ST Hostel New Tehri, 03 no. drinking water scheme at Block Chamba, Jakhanidhar in Distt. Tehri and MJ-JT in distt. Chamoli.
- Additional Class Rooms (total 06 nos.) have been added in the existing Govt. Schools at Kandi -(Thauldhar), Kumatchali Kansud (Thauldhar), Gewuli Dewal Khas (Jakhanidhar), villages of District Tehri Garhwal.

- Under Public Welfare Schemes 02 nos. Yatri Shed has been constructed at Rajakhet Tiraha & Bhoniwada Tiraha, Jakhanidhar.
- 50 nos. Solar Light have been installed at Bhaniyawala, Rehabilitation Settlement (Athurwala) Dehradun
- Upgradation of 05 nos Ghraat at Bhilangna Block, Tehri has been done & is made operational.

With the above initiatives the School children of project affected area have got new class rooms. Over 2000 population has been directly benefited by drinking water scheme. The project affected population is directly benefited with the solar lights and ghraat (water flour mills) through energy conservation and livelihood.

F- Environmental Initiatives

Following activities are undertaken under Environmental Initiatives:

- Distribution of 14750 nos of different varieties Fruits Plants to villagers of project affected area Tehri.
- Distribution of 650 nos Fruits Plants to Rehabilitates of Bhaniawala with organization of Kishan Ghoshti.



Promotion of Agriculture in Remote Villages of Tehri Garhwal



G- Relief Measures In Disaster

- As a relief measure against natural calamity, assistance in kind of food, blankets and tent etc. provided to flood-affected areas in Tehri Garhwal & Chamoli District during the month of June/July, 2013.

II- Other Welfare Activities

- Flying of 07 seater Jeep for transportation of villagers from Joshimath to Tamak/Jelam/Malari, District- Chamoli, Provided Chair and Dari etc. to Gram Shabha Athurwala (Visthapit Chhetra), financial aid for Dal-Bhat Scheme for attendants of patients admitted in Civil Hospital, Tehri,
- Financial assistance for promotion of culture and sports at Govt. PG College at New Tehri, project affected villagers at Bhaniyawala Dehradun and MJ-JT HEP District- Chamoli.
- During FY2013-14 total 241 employees sensitized on CSR & Sustainability. Top level management, executives and employees actively participated and benefitted out of this training. External stake holders especially the PAPs were also sensitized at Tehri, Koteshwar & VPHEP (Chamoli). 2400 nos. people were given awareness of CSR policy activities.



Promotion of Commercial Fruit Plants by SEWA-THDC

I- Long Term Sustainable CSR Programmes

The Company is committed to take up Holistic Development in the Rural Areas of Tehri Garhwal District and few other backward regions of Uttar Pradesh. Few projects are taken up with academic and research bodies of the Government on sustainable mode are as under:-

- i) Empowerment and enhancement of livelihood of rim area villages of tehri dam reservoir through integrated development approach”

SEWA-THDC and Deptt. of Geography, HNB Garhwal University are jointly implementing a project “Empowerment and Enhancement of Livelihood of Rim Area Villages of Tehri Dam Reservoir through

Integrated Development Approach”.

Under this Programme 30 Villages of the Rim Area of Pratapnagar Block in District Tehri Garhwal have been covered. Initial focus is on reducing drudgery and stress among women through Regeneration and Management of Natural Resources including various livelihood activities have been taken for the villagers viz Goat Rearing, Poultry Farming, Agriculture Activities through distribution of HYV Seed, Pesticide, Poly House and Technical Guidance etc. with the focus on developing sustainable source of income.



Computer Training Centre at Deengaan, Tehri Garhwal



Women Empowerment Centre promoted by SEWA-THDC

- Efforts were made to promote Local product as forward linkage.
- For welfare of the community regular Medical camps were organized

With the above initiatives there is a remarkable improvement in the over all development of 10 remote villages. 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. In future the communities shall be prepared to take up responsibilities by themselves through the formation of SHG and NGOs.

ii) Programme on Ecological Restoration and Socio-Economic Empowerment of rural communities for Sustainable Livelihood and Resource Management at Deen Gaon, Distt. Tehri through Kirori Mal College, Delhi University.

This is a long term programme for rural based holistic development programme of 10 remote villages of Tehri Region for 5 years. The major activities initiated 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.
- Awareness programme for promotion of cash crop in villages and Farmers visits for training were conducted.
- Plantation of fodder and fruit plants in 08 villages has been taken up.
- Nearly 25 to 30 major and minor programmes were initiated in the field of Education, Agriculture, Health, Horticulture, Culture, Energy etc.
- Eco Huts Model were constructed to promote Village Tourism among Villages.

iii) Ensuring livelihood security through farming system approach in Tehri District.

SEWA-THDC and Project Directorate for Farming System Research (PDFSR), Modipuram, an Institution under Indian Council of Agriculture Research (ICAR) is working towards ensuring livelihood security through farming system approach in Tehri district in 02 clusters (total 20 villages) namely Koteshwar Dam Area and Kandisamr (Thauldhar Block) with Ten (10) villages each.

To increase crop production, awareness through scientists, improved variety of wheat seed



Free Eye Check-up Camp for Villagers of Tehri Project Area



Promotion of Goat Rearing in Remote Villages

(VLW-89) was provided to farmers. Kitchen Gardening has been promoted among villagers. In animal husbandry, various interventions were carried out for economic up-liftment of the farmers. During the year 2013-14, kishan goshti and awareness camps have been organized and distributed HYV seed, fertilizer, insecticide and agriculture equipment / tool to villagers.

J- THDC Education Society (TES)

The Company is running two schools under the auspices of THDC Education Society (TES)-one at Bhagirathipuram, Tehri offering education from 6th to 12th standards and one at Pragatipuram, Rishikesh offering education from 1st to 10th standards. In both the schools children of nearby areas belonging to economically weaker sections including Backward and SC/ST are being provided quality education.

During the year many initiatives have been taken up to improve the Quality of Education. Experienced Principals with army/central school background have been appointed on contract basis at both the schools to ensure effective superintendence and administration. Extra curricular activities are organized from time to time like Summer Camps, Excursion Tours etc. The students are trained for cultural programmes and National Festivals. The

initiatives taken by TES have resulted in increase in the strength of students in both the schools, at Tehri (159 students) and Rishikesh (462 students). Teachers are being provided training from time to time to improve their skills.

K- THDCIL Institute of Hydro Power Engineering & Technology:

Your company sponsored the establishment of 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, Hostels, Canteen etc. The infrastructure and furnishing work has already been completed for running 1st, 2nd & 3rd year classes in five disciplines i.e. Civil, Mechanical, Electrical, Electronics & Communication and Computer Science. Construction of 4th year academic block is in progress and is likely to be ready by August 2014.

MoU has been signed between THDCIL & RECL for construction of Girl's Hostel for THDC-Institute of Hydropower Engineering & Technology. Under the agreement RECL is assisting with ₹400.00 Lakh against total estimated cost of ₹ 524.00 Lakh to SEWA-THDC. The work is under progress by deptt. means and is likely to be completed during April 2015.



Development of Charats (Panchalakt) in Tehri Garhwal

All the infrastructure facilities created by the company so far in use up to 3rd year Engineering Courses.

Total expenditure incurred during the year, 2013-14 (as on 31.03.2014) is about ₹10.05 Cr. Further facilities shall be created in a phased manner for running 4th year classes in the Institute before handing over to state deptt. of Uttarakhand.

L. Relief Measures for affected population of Uttarakhand Disaster, occurred in June, 2013 jointly by Power Sector CPSE's.

Your Corporation was appointed Nodal Agency for the relief work and rehabilitation & reconstruction of Infrastructure facilities post Uttarakhand Disaster of June 2013. It was decided that Power CPSEs will together make a contribution of ₹ 25 Cr. for re-building the infrastructure in Uttarakhand. The project selected for funding the assistance would be decided in consultation with the State Govt. as per their needs, priority and requirement. National Disaster Management



New TES High School Building with Modern Facilities in Rishikesh

GoUK has identified 19 most affected villages for the relief work. Regular meetings are being held in NDMA to monitor the progress and take decisions to award projects being sent by State Govt. Till date total ₹ 12.50 Cr. have been received and balance amount is yet to be remitted by NTPC and PGCIL. Total amount of ₹ 2.23 Cr. has been spent in R&R works.



Distribution of Bags and Study Material in TES High School, Rishikesh

Authority (NDMA) is coordinating the matter between Power CPSEs & State Govt. A Core Committee of Power CPSEs is also formed under the Chairmanship of Secretary, NDMA to take decisions, wherein THDCIL is convener. The execution of the work is assigned to SEWA-THDC.



REPORT ON CORPORATE GOVERNANCE

To

The Members,

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 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, 2013 and DPE Guidelines. Your company is complying all the Corporate Governance Guidelines issued by DPE. The Company has been rated Excellent by DPE for compliance with Guidelines on Corporate Governance for the year 2012-13. Based on the grading reports submitted to DPE the company expects the same, for the year 2013-14 also.

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

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

- Transparency and fairness.
- Timely and Balanced Disclosures.
- Role and responsibilities of the Board to Add value.
- Integrity in Financial Reporting.
- Promote Ethical and Responsible Decision Making.
- Obligations towards Environment.
- Rights and Interests of Stakeholders.
- Compliances.

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.

2. BOARD OF DIRECTORS

2.1 SIZE OF THE BOARD

Your Company is a Government Company within the meaning of Section 2(45) of Companies Act., 2013 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. Board of Directors of the Company comprises of Ten Directors consisting of Four Functional Directors including Chairman, One Nominee Director of Government of India, Two Nominee Directors of GoUP and Three Independent Directors. The Directors brings to the Board wide range of experience and skills. Brief Profile of the Directors is set out in the Annual Report.

2.3 AGE LIMIT AND TENURE OF DIRECTORS

The age limit of Chairman & Managing Director and Whole Time Directors is 60 years. The Chairman & Managing 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 earlier.

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 Company is following Secretarial Standards with respect to meetings issued by ICSI.

Six Board Meetings were held during the FY 2013-14.

Details of Date of Meeting, strength of Board and no. of Directors Present are given in Table 1:

Table 1: Details of Board Meetings during the Year 2013-14

S. No.	Board Meeting No.	Date of Board Meetings	Strength of Board	No. of Directors Present
1.	165	April 18, 2013	8	6
2.	166	July 8, 2013	8	8
3.	167	September 25, 2013	8	8
4.	168	December 24, 2013	8	8
5.	169	March 27, 2014	8	8

Details of Categories of Directors, number of Board meetings attended by Directors, attendance at last AGM, number of other Directorship/ Committee Membership during the year 2013-14 are placed in Table 2 :

Table 2: Categories of Directors and the Directorships and Committee positions held by them

S. No.	Directors	Number of Board meetings attended	Attendance at last AGM	Other Directorships held	Other Positions	
					Chairman	Member
FUNCTIONAL DIRECTORS						
1.	Shri. R.S.T. Sai (Chairman & Mng. Director)	5	Attended	1	—	1
2.	Shri D.V. Singh Director (Technical)	5	Attended	Nil	—	2
3.	Shri S. K. Biswas Director (Personnel) (From 01.11.2012)	5	Attended	Nil	—	—
4.	Shri C. P. Singh Director (Finance) (up to 31.7.2013)	2	Attended			
5.	Shri. Shridhar Patra, Director (Finance) (From 01.8.2013)	3	Attended	Nil	—	—
GOVERNMENT NOMINEE DIRECTORS						
6.	Shri G. Sai Prasad, Joint Secretary (H), MOP, Govt. of India, New Delhi (up to 31.10.2013)	2	Attended	4	—	1
7.	Shri Raj Pal, Economic Adviser MOP Govt. of India, New Delhi (From 01.11.2013)	2	—			
INDEPENDENT DIRECTORS						
8.	Shri O.E. Gahrotra, Ex-Addl. Chief Secty. (Finance) Govt of Maharashtra Mumbai	5	-NA-	7	—	—
9.	Shri Rajib Sekhar Sahoo, Practising Chartered Accountant, Bhubaneswar	4	-NA-	3	—	—
10.	Prof (Dr.)S.C. Saxena, Director, IIT Roorkee	5	-NA-	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 @ ₹ 20000 per sitting for meetings of Board as well as Committee meetings.

The Details of payments made towards sitting fees to Independent Directors during the year 2013-14 are given in Table 3 :

Table 3: Details of payments made as sitting fees to Independent Directors

Name of Independent Directors	Sitting Fees (in ₹)			CSR & Sustainability Development Committee	Total (in ₹)
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings		
Prof (Dr.) S.C. Saxena	1,20,000	1,40,000	40,000	80,000	3,80,000
Shri O.P. Gahrotra	1,20,000	1,40,000	40,000	80,000	3,80,000
Shri Rajib Sekhar Sahoo	1,00,000	1,20,000	40,000	60,000	3,20,000

KMP (KEY MANAGERIAL PERSONNEL)

As per the Section 203(1) of Companies Act, 2013, and Rule 8 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 every company belonging to prescribed class or classes of companies shall have the whole-time Key Managerial Personnel (KMP). Accordingly, the company has designated Following Key Managerial Personnel.

1. Shri R.S.T Sai, Chairman Managing Director
2. Shri Sridhar Patra, Director (Finance) & Chief Financial Officer
3. Shri S. Q. Ahmad, Company Secretary

2.6 BOARD MEETING 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 issued by ICSI with a view to professionalise all corporate affairs. These guidelines seek 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, normally not less than 7 days after obtaining the approval of Chairman of the Board. Detailed agenda notes, management reports and other explanatory statements are circulated well in advance normally before 7 days among the members to facilitate meaningful, informed and focused decisions during the meeting. Soft copy of the Board Agenda are also mailed for convenience and save time.
- Meetings are called at shorter notice or resolutions are passed by circulation in case of urgent items needs approval of Board.

- Wherever it is not practical to attach voluminous documents to the agenda, such papers are placed on the table in the meeting.
- The agenda papers are circulated after obtaining the approval of the concerned functional Director and CMD.
- 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 invariably 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 inviting comments from each member of the Board giving 7 days time. After that the Minutes are finalized incorporating the suggestions/advise of the Directors. The finalized minutes are again put up in the next BOD meeting for confirmation. The Secretarial Standards issued by ICSI with respect to Meetings are being followed.

(D) Follow-Up Mechanism :

System of submission of Action-Taken Report (ATR) on the decisions of the Board/Committee members has been introduced.. This acts as an effective follow-up, review and report process of Board matters.

(E) Matters put up before Board and 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 items are regularly put up to Board for its consideration:

- Status of Commercial Operation And Project Works.

- 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, CSR Committee, Remuneration 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 of Interim and Declaration of Final Dividend.
- Fixation of remuneration of Statutory Auditors.
- Issues relating to Human Resource Development and Industrial Developments.
- Any Material issues requiring consideration of Board etc.

3. COMMITTEES OF BOARD OF DIRECTORS:

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



- i) Audit Committee.
- ii) Remuneration Committee.
- iii) CSR & Sustainability Committee.

All the Independent Directors serve on these Committees and one of them chaired the meeting.

The Company Secretary serves as the Secretary to all 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, 2013 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 177 of the Companies Act, 2013.

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 composition of the Audit Committee as on 31.03.2014 is given in Table 4:

Table 4: Name of Members of Audit Committee and their Categories

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

Director (Finance) and Chief Audit officer are the permanent Special Invitees.

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 Section 134 of the Companies Act, 2013;
 - (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

Six Meetings of Audit Committee were held during the year 2013-14. Details of Meetings held are given in Table 5:

Table 5: Details of Audit Committee meetings held during the year 2013-14

S. No.	Audit Committee Meeting No	Date of Audit Committee Meetings	Members Strength	No. of Members Present
1.	55	April 17, 2013	3	2
2.	56	July 8, 2013	3	3
3.	57	September 24, 2013	3	3
4.	58	December 23, 2013	3	3
5.	59	February 13, 2014	3	3
6.	60	March 27, 2014	3	3

The details of the meetings of Audit-Committee attended by the members for the year 2013-14 are given in Table 6.

Table 6 : Details of Audit Committee meetings attended by the members :

S. No.	Name of Member of Audit Committee	No of Meetings held during his tenure	No of Meetings attended
1.	Prof.(Dr.) S. C. Saxena, Independent Director	7	7
2.	Shri O.P. Gahrotra, Independent Director	7	7
3.	Shri Rajib Sekhar Saboo, Independent Director	7	6

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, within the prescribed limits as under:

As on 31.03.2014 Remuneration Committee comprises of three members. Name of members and their category are placed in Table 7:

Table 7 : Name of members of Remuneration Committee and their Categories:

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

Director(Personnel) is the permanent Special Invitee of the Committee.

3.2.2 Meetings and Attendance

Two meetings of the Remuneration Committee were held during the financial year 2013-14 on December 23, 2013 and March 27, 2014. The details of the meetings of Remuneration Committee attended by the members are as under:

Table 8: Name of members of Remuneration Committee and their attendance :

S. No.	Member of Remuneration Committee	Position held	Meeting held during his tenure	Meeting attended
1.	Dr. (Prof.) S.C. Saxena	Chairman	2	2
2.	Shri O.P. Gahrotra	Member	2	2
3.	Shri Rajib Sekhar Sahoo	Member	2	2

Director(Personnel) and Director (Finance) attended the meetings as Special Invitees.

3.3 CSR & Sustainability Development Committee

As per the new CSR & Sustainability Policy-2013 the Board has constituted the Board Level CSR & Sustainability Committee for effective implementation of CSR Activities of your company. This is also in line with New Companies Act-2013.



3.3.1 Composition

The composition of the CSR & Sustainability Committee as on date is given in Table 9:

Table 9 : Name of members of CSR & Sustainability Committee and their categories:

S. No.	Name of Members	Category of Members
1.	Prof. (Dr.) S. G. Sazona	Independent Director- Chairman
2.	Shri O.E Cahotra	Independent Director – Member
3.	Shri Rajib Sekhar Sahoo	Independent Director – Member
4	Shri D.V. Singh	Functional Director - Member

General Manager, CSR & Sustainability being the Nodal Officer is the permanent Special Invitee to the Committee. The Board Level Committee meets at least once in every three months and four times in a year.

3.3.2 Meetings And Attendance

Five meetings of the CSR & Sustainability Committee was held in the FY 2013-14. Details of Meetings held are given in Table 10:

Table 10: Name of members of CSR & Sustainability Committee and their attendance :

CSR Committee Meeting No.	Date of CSR & Sustainability Committee	Members Strength	No. of Members Present
1	May 31, 2013	4	3
2	September 24, 2013	4	4
3	December 23, 2013	4	4
4	March 27, 2014	4	4

Director (Finance) attended the meetings as Special Invitee.

Functions of CSR & Sustainability Committee

The Board Level CSR & SD Committee steers the Implementation and Monitoring of the CSR-SD Programmes/ Activities of the Company, which include the following :

- Consideration of CSR & Sustainability Projects / Activities and Annual Plan/Budget.

- Consideration of Periodical CSR-SD Progress Report/Status Report.
- Monitoring of CSR-SD Activities.
- Consideration of Impact Assessment Report of CSR-SD Projects.
- Any other tasks as deemed necessary etc.

4. GENERAL BODY MEETINGS

Date, time and location where the last three Annual General Meetings were held are given in Table 11.

Table 11 : Details of Last three Annual General Meetings :

Annual General Meetings	25 th Annual General Meeting held on 25 th September, 2013	24 th Annual General Meeting held on 27 th September, 2012	23 rd Annual General Meeting held on 25 th September, 2011
Time	12.30 P.M.	06:00 P.M.	05:30 P.M.
Venue	THDC INDIA LTD 1 st Floor, East Tower, NBCC, Place, Bhiksha Pitamah Marg, New Delhi	THDC INDIA LTD Plot No.20, Sector No.14, Kausambi, Ghaziabad (U.P.)	THDC INDIA LTD Plot No.20, Sector No.14, Kausambi, Ghaziabad (U.P.)
Special Business	NIL	NIL	*Approving the Borrowing Power of Board in excess of Paid up Capital & Free Reserves

5. DISCLOSURES

5.1 RELATED PARTY TRANSACTIONS

There is no transaction of material nature with Promoters, Directors or Management, having potential conflict with the interest of Company at large.

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

The Company has adopted a Grievance Redressal Mechanism for employees.

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, written or oral, It must be however, find expression in some form or the other.

8. RISK MANAGEMENT

Your company 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 mitigate various risks related to 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.

9. 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.

10. 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 including the following :

- Company's Profile
- Board of Directors & Board Sub-committees.
- Memorandum & Articles of Association.
- Company's Performance & Annual Reports.
- Major Projects.
- Various Policies of Company.
- Information under RTI Act, etc.

11. 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 Company Act, 1956.

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.



12. 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 emphasize the employee's and consumer's expectations 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 the company 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.

13. BOARD'S CODE OF CONDUCT

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

Declaration as required under clause 3.4.2 of DPE Guidelines

'All the members of the Board have affirmed the compliance of the Code of Conduct for the financial year ended on March 31, 2014.'

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

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	Sh. S.Q. Ahmad
Office Contact Nos.	0135-2439309, Fax- 0135-2439442
E-Mail	thdcs@yahoo.co.in
For Public Grievances	Sh. R.N. Singh, AGM(SP) Director-Public Grievances, THDC India Limited, Plot No. 20, Sector 14, Kaushambi, Chaziabad (U.P) - 201010
Contact	0120-2776490 M- 9899280905
E-Mail	rnsingh@thdc.gov.in

BRIEF PROFILES OF OUR PRESENT DIRECTORS



Shri R.S.T.Sai, takeover as the Chairman & Managing Director of THDC India Ltd. (THDCIL) on 08.03.2007. Prior to this, he was holding the charge of Director (Finance) in THDCIL since May, 2005. An Electrical Engineering Graduate, Shri Sai is a fellow of Institution of Engineers. He has done Management Diploma from IIM, Bangalore and also holds Degree in Law from Delhi University. He has 34 years varied experience in Banking, Finance, Commercial, EPC Contracting and Contract Management. He has developed transparent tender documentation for evaluation of Suppliers' Credit and also introduced innovation of Bonus for early completion of Project in Delhi Metro. Before joining THDCIL as Director(Finance), Shri Sai has worked in SBI, NTPC, POWERGRID and Delhi Metro respectively in various capacities. Presently he is also Part-time Director in UJVNL and member of Governing Body of IIT, Roorkee.



Shri Deepak Singhal was appointed as Nominee Director of Govt. of UP in THDC India Ltd. w.e.f. 26 August, 2014. He is an IAS officer of 1982 Batch. He held the several important administrative positions in Uttar Pradesh viz. Managing Director, Garhwal Mandal Vikas Nigam, Administrator and Vice Chairman in Meerut Development Authority, Collector & District Magistrate, Special Secretary under Govt. of UP, Member of Board of Revenue, Allahabad and Commissioner under Bareilly Division from July, 1997 to August, 2000.

He also held office of Chairman & Managing Director of Uttar Pradesh Power Corporation Ltd. and U.P. Jal Vidyut Nigam from February, 2005 to September, 2005. He was the Joint Secretary of Department of Fertilizers, Ministry of Chemicals and Fertilizers, Govt. of India. Presently, he is Principal Secretary (Irrigation) in Govt. of U.P.



Shri Sanjay Agarwal was appointed as Nominee Director of Govt. of UP in THDC India Ltd. w.e.f. 26 August, 2014. He is B.Tech & M.Tech in Electrical Engineering from IIT, Kanpur. He has joined IAS U.P. Cadre of 1984 Batch. He was CDO of Meerut from July, 1988 to July, 1993. He worked as a Collector & District Magistrate of various Districts. He was assigned the important and responsible job of Secretary



to Chief Minister, Govt. of U.P. from May, 2001 to March, 2002. He also held the post of Managing Director of UPSRTC. He went on deputation to Government of India from January, 2005 to August, 2010.

After returning from deputation, he became Principal Secretary to Govt. of U.P. and held the responsibility in various departments of U.P. from August, 2010 to May, 2013. Presently he is holding the charge of Principal Secretary (Energy), in Govt. of U.P. and Chairman, U.P. Power Corporation Ltd. from May, 2013.



Shri Raj Pal, Economic Adviser, Ministry of Power belongs to Indian Economic Service. He has done his Masters & M.Phil in Economics. He has also done Diploma in Development Studies from Institute of Developing Economics, Tokyo, Japan. As a Member of Indian Economic Service, Shri Raj Pal has experience of about 25 years working in different Ministries of Government of India like Ministry of Finance, Planning Commission, Ministry of Industry, Ministry of Labour etc. He has also worked as Adviser, Economic Regulation in Telephone Regulatory Authority of India prior to joining his current posting as Economic Adviser, Ministry of Power. In Ministry of Power Shri Raj Pal is Joint Secretary incharge for Policy & Planning, Training & Research & Coordination division.



Sh. D.V.Singh joined office on 12.05.2010 as Director (Technical) of THDC India Ltd. Prior to this, he was working in the capacity of Chief Project Officer (CPO) of Koteshwar Hydro-Electric Project (4x100 MW) in THDC India Ltd. since March'2007 to bring the ailing and derailed project on track. Enormous volume of Civil/Elect./Mech. works were got executed with record progress in three years time and two units of the project started generation from April 2011. Project won many awards at national level for its fastest implementations and project management. Shri Singh did B.Sc. Engg. (Civil) with honours from NIT Rourkela in 1983. He attended the seminar at California (USA) on "Hydro Vision-2008" to enhance the vision in Hydro Sector and imparted with an exhaustive training in design of Dam and Power House Civil works by Hydro Project Institute (HPI) Moscow through Moscow University Moscow, Russia. Shri Singh has 31 years of varied experience in Under Ground works, Power House works, Spillways, Contracts, Material Management, Rehabilitation and Heavy Civil Construction. He has been working in THDC India Ltd. in various capacities since last 22 years. He was the Engineer-in-

Charge of Tehri Power House also and during this period, units of 250 MW of Tehri HPP (4x250 MW) were commissioned. Before joining THDC India Ltd., Shri Singh worked with Larsen & Toubro in Coal Handling Project, Fertiliser Project and High Rise Building Project at Delhi. Recognizing his overall feat in Civil Engineering & project management and contribution in implementation of Koteswar Hydro-Electric Project, he was conferred with the award of "Eminent Engineer" at national convention of "Institutions of Engineers (India)" in 2012. He has also been conferred with "Chartered Engineer" by Institution of Engineers (India).



Sh. S. K. Biswas has taken over the charge of Director (Personnel) of THDC India Limited (THDCIL) on 01.11.2012. He has vast experience of about 30 years in the field of Human Resource Management. Sh. Biswas had joined THDCIL as General Manager (Personnel & Administration) on 01-11-2007. Over these years he has rendered his valuable services in various other reputed Public Sector Undertakings (PSUs), i.e. Cement Corporation of India (CCI), Satluj Jal Vidyut Nigam Ltd (SJVN) in various capacities. Sh. Biswas is a Graduate in Science Stream, Post Graduate with specialization in Personnel Management & Industrial Relations from XISS, LL.B. from Himachal University and Diploma in Training & Development from Indian Society for Training & Development.



Shri Sridhar Patra has taken over the charge of Director (Finance) of THDC India Ltd on 02.08.2013. He had vast experience of about 27 years covering various Public Sector Undertaking like Odisha Mining Corporation Ltd., Indian Rare Earths Ltd. and Mangalore Refinery & Petrochemicals Ltd.(A subsidiary of ONGC Ltd.) Shri Patra is a graduate in Commerce from Utkal University and a Member of Institute of Chartered Accountants of India. He has done MBA(HRD) from Vidya Sagar University. He has contributed as an academican apart from his professional employment in PSUs.



Prof. S.C. Saxena was appointed Independent Director in THDC India Ltd. by Govt. of India for a period of 3 years w.e.f. 17.11.2011. Dr. Saxena is a renowned academican and obtained his B.E. Electrical (1970) from Allahabad University, M.E. Electrical (Meas. & Inst.) (1973), and Ph.D. Electrical (Biomedical Eng.)(1977) from IIT Roorkee (erstwhile University of Roorkee). He joined on the faculty of



Electrical Eng. Deptt. of IIT Roorkee in 1973 and rose up to the level of Professor, Head of Deptt. and Dean. Presently he is serving as the Vice chancellor (Actg) JIIT, NOIDA. He served as the Director, Thapar University (earlier T.I.E.T) and Thapar Centre for Industrial Research and Development. 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 Independent Director in THDC India Ltd. by Govt. of India for a period of 3 years w.e.f. 09.11.2011. He is a practicing Chartered Accountant. He is one of the Principal partner of M/s SRB & Associates, Chartered Accountants. Apart from THDC India Limited at present, he is also Director in NTPC Limited a Maharatna Company of Govt. of India and Hindustan Zinc 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 The Indus Entrepreneur (TIE) 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. Presently he is Director in NTPC Ltd. Bank of Baroda and Hindustan Zinc Ltd.



Shri O. P. Gahrotra was appointed Independent Director in THDC India Ltd. by Govt. of India for a period of 3 years w.e.f. 16.03.2012. He holds Masters in Financial Management from Jannalal 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. Mr. 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 Director in Onang Management Advisory Services Private Ltd., a director on the boards of Elan Vascular Technologies Pvt. Ltd., Kalpataru Ltd., Trimax IT Infrastructure and Services Ltd and Uttam Galva Steels Ltd.





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 31.03.2014.
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.

Place : New Delhi
Date : 10th July 2014

Sd/-
(E.S.R. Murthy)
Practicing Company Secretary
ACS-5880
C.FNO.13090

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BACKGROUND:

Electric Power is one of the major inputs for the economic and social development of any Country. India ranks sixth in the world in total energy consumption and needs to accelerate the development of the sector to meet its growth aspirations.

It is endeavour of the Government to ensure uninterrupted supply of electricity to Agriculture, Industry, Commercial Establishments and Households at affordable rates. Govt. of India has introduced various reforms and policies to encourage growth of Power Sector in a competitive environment. The target for capacity addition during XIIth Plan is 75785MW (Hydro- 9204MW) and during XIIIth Plan is 93456MW (Hydro-12006MW). In the past Power Sector has seen some success stories but growth is still behind the schedule. As a Mini Ratna CPSE, the Company is committed to play a major role in development of Power Projects with intent to facilitate achievement of Govt. objectives and contribute for the national growth.

With installed Capacity of 1400MW, THDCIL is now a multi project organization with various power projects at different stages of implementation. At Present the Company has 15 Projects which installed capacity of 6211 MW under various stages of development.

The Company has Authorized Capital of ₹ 4000 Cr. and Paid Up Capital of ₹ 3473.09 Cr. as on 31.03.2014 with equity participation of Govt. of India and Govt. of U.P in the ratio of 3:1. The Company has initiated action as a Strategic Business Diversification Plan to commission a Super Thermal Power Plant of 1320 MW at Khurja, in the State of Uttar Pradesh and various Conventional / Non Conventional and Renewable Power Projects.

SWOT ANALYSIS:

Opportunities and Threats have to be studied against strength and weaknesses by analysis. The SWOT analysis of THDCIL is given below:

A) Strengths

• Strong technical skill base:

THDCIL acquired strong technical base in the implementation of technically challenging Tehri Hydro Power Complex (2400 MW) involving the highest Earth & Rockfill Dam (260.5m height) in the Asian Region and the 5th highest in the World.

• Engineering and constructional skills in underground works in complex Himalayan Geology:

The Tehri Project involved 27 tunnels having maximum dia. of 11 m totaling to length of about 18 km and 18 shafts having maximum dia. of 12 m and maximum height on 220 m, with total length of about 2.27 km.

• Capable of handling complex issues relating to Environmental and R&R involved in the implementation of Hydro Electric Generation Plant:

Tehri Project involved successful R&R of around 15,000 families, Catchment Area Treatment from Tehri Dam upto Gangotri, apart from other measures towards ecological improvement.

• Competent and committed workforce:

The Company has a strong and capable Management Team and Team of Support Staff consisting of 805 Executives, 124 Supervisors and 1134 Workmen.

• Sound financial position :

The Company is a consistently earning profit since FY 2006-07 making organization with sound financial base.

B) Weaknesses

• Presently confined to Hydro sector only.

• Predominantly State Specific – Projects mainly concentrated in only one State i.e. Uttarakhand.

• Procedural constraints associated with Public Sector ownership.



C) Opportunities:

• **Untapped Hydro Power potential in India :**

There is huge potential in Hydro Power Sector. The deteriorating Hydro-Thermal Mix, increase in peak power shortages have forced policymakers to turn their attention towards water resources and on developing Hydro Power.

• **Hydro Power Potential in Neighboring Countries :**

There is potential for growth of the business outside of India particularly in the region where Government of India provides bilateral support such as Nepal and Bhutan.

• **Consultancy :**

The Company could also use its expertise and experience to provide consultancy / project implementation services to other CPSUs / States / Private Sector in the implementation of their Hydro Power Projects. Other conventional / non-conventional energy resources provide potential for diversification.

D) Threats :

• **Time in clearances**

Stringent norms and cumbersome procedures for getting environmental and forest clearances and clearances from the National Board for Wild Life (where ever applicable) leads to delays in obtaining clearances for projects, which may affect the capacity addition programmes.

Opposition of Hydro Power Projects on environmental and religious grounds delays the Project clearances and implementation.

• **Land acquisition**

The process of land acquisition for infrastructure work as well as for a project's components including submergence is quite cumbersome and time consuming.

• **Geological uncertainties**

Geological surprises especially in the young Himalayan region result in time and cost over-runs.

• **Natural calamities**

As most of the hydro projects are located in hilly terrains, natural calamities like landslides, hill slope collapses and road blocks, floods and cloud bursts cause

severe setbacks in construction schedules leading to time & cost overruns.

• **Regulatory Risks**

Possibility that the Regulatory Authority may not consider the total cost of the Project for tariff. Further changes in tariff regulations may effect cash flows operational results. Tariff Policy with effect from 2015 permits the distribution entities to procure Power on a competitive basis. Thus, the Company will be deprived of the protection given under the present tariff regulation.

An important benefit of Hydro Power and Pumped Storage Projects is their ability to provide peaking power and ancillary services to the system; these benefits are not well recognized in the current pricing regime particularly since distributors have little incentive to provide service quality.

FUTURE OUTLOOK :

Capacity Addition

The future of human prosperity depends on how successfully we tackle the energy challenges facing us today. The future outlook of the Company is on the Sustainable Development focused on :

- Generation of Green, Renewable Power to protect the environment and safeguard the future;
- Energy Efficiency to reduce demand; and
- Innovation to promote the emergence of efficient, environmentally friendly technologies.

Considering the various stages of development of Projects the likely contribution of the Company would be 24 MW in XIIth plan.

The Company would endeavour to leverage its core competencies in development of Hydro Resources in various States / Countries, on its own or through Joint Ventures with the State Govts. / other PSUs and Organizations in India and Abroad.

The Company further intends to harness other sources of energy like Thermal and Renewable viz. Solar and Wind power. The Company also intends to offer consultancy to other Govt. Departments / PSU's/ Developers in various aspects of Hydropower development, viz., survey and investigation, planning and development, project management, and operation and maintenance.

SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2014

To,
The Members,
THDC India Limited,
Rishkesh - 249201
Uttarakhand

Authorised Share Capital Rs.4000 Crore
CIN No.U45203UR1988COI009822

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by M/s THDC India Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31st March 2014 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2014 according to the provisions of:

1. The Companies Act, 1956 and the Rules made under that Act;
2. The Companies Act, 2013 and the Rules made under that Act to the extent applicable;
3. The Memorandum of Association and the Articles of Association of the company;

4. Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises in May 2010;
5. Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises issued by the Department of Public Enterprises in April 2010;
6. Secretarial Standards issued by The Institute of Company Secretaries of India in respect of Board Meetings and General Meetings;

Based on my examination and verification of the registers, records and documents produced and according to information and explanations given to me by the Company,

I report that:

1. The status of the Company during the Financial year has been that of a Unlisted Public Government Company;
2. The Company has not been a holding or subsidiary of another company. The company has not been a financial company;
3. The Board of Directors of the Company is duly constituted. Changes in the Board of Directors that took place during the period under review were carried out in due compliance with the provisions of the Act.
4. As on 31st March 2014, the shareholding pattern between the government of India and government of UP was 73.08% and 26.92% respectively. The variation in percentages of holding as against the agreed percentages of Holding as per Memorandum and Articles of Association is on account of Subscription to equity by respective partners at different times.
5. The Directors have complied with the requirements as to disclosure of in respect of their eligibility of appointment, their being independent, interests and concerns in contracts and arrangements, shareholdings and



directorships in other companies and interests in other entities.

6. The amount borrowed by the Company from bank(s)/ financial institution(s) and others were within the borrowing limits of the Company. Such borrowings were made by the Company in compliance with applicable laws.
7. The Company has not invited public deposits;
8. The Company has created and modified charges on the assets of the company as per provisions of the Act;
9. The Company has insured all its secured assets;
10. The Company has been regular generally in depositing all its Statutory dues;

I further report that:

- (a) The Company has complied with the provisions as applicable under the Companies Act, 1956 and the Rules made under that Act; the Companies Act, 2013 and the Rules made under that Act to the extent applicable; and the Memorandum of Association and the Articles of Association of the Company;

- (b) The Company has complied with the Guidelines on Corporate Governance for Central Public Sector Enterprises issued by the Department of Public Enterprises in May 2010;
- (c) The Company has complied with the Guidelines on Corporate Social Responsibility for Central Public Sector Enterprises issued by the Department of Public Enterprises in April 2010;
- (d) The Company has generally followed the Secretarial Standards issued by the Institute of Company Secretaries of India in respect of Board Meetings, Annual General Meetings.

Sd/-
(P.S.R. Murthy)
Practicing Company Secretary
ACS-5880
C.PNO.13090

Place : New Delhi
Date : 10th July 2014

THDCIL BUSINESS RESPONSIBILITY REPORT- 2013-14

Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company : U45203UR1988GOI009822
2. Name of the Company : THDC India Limited
3. Registered address : THDC India Limited, Bhagirathi Bhawan,
Bhagirathipuram, Top Terrace, Tehri Garhwal
4. Website : www.thdc.gov.in
5. E-mail id : cmd@thdc.gov.in
6. Financial Year reported : 2013-14
7. Sector(s) that the Company is engaged in (industrial activity code-wise) : Power

*Group	Class	Sub-Class	Description
351	3510	35101	Electric power generation by Hydroelectric Power Plants.

*As per classification under National Industrial Classification, Central Statistical Organisation, Ministry of Statistics and Programme Implementation, Government of India, New Delhi.

8. List three key products/services that the Company manufactures/provides (as in balance sheet)
 - i. Hydro Electricity
 - ii. Engineering Consultancy
9. Total number of locations where business activity is undertaken by the Company
 - i. Number of International Location 01(Bunakha HEP (180 MW), Bhutan).
 - ii. Number of National Locations - 14

Sl. No	Name of Project	Installed Capacity (MW)	District	State
Projects under Operation				
1.	Tehri Dam & HPP	1000	Tehri Garhwal	Uttarakhand
2.	Koteshwar HEP	400	Tehri Garhwal	Uttarakhand
Projects under Construction				
3.	Tehri PSP	1000	Tehri Garhwal	Uttarakhand
4.	Vishnugad Pipalkoti HEP	444	Chamoli	Uttarakhand
5.	Dhukwan SHP	24	Jhansi	Uttar Pradesh



Projects under DPR Preparation / Survey and Investigation				
6.	Jhelam Tamak HEP	108	Chamoli	Uttarakhand
7.	Maleri Jhelam HEP	65	Chamoli	Uttarakhand
8.	Karnoli HEP	140	Uttarkashi	Uttarakhand
9.	Jadhganga HEP	50	Uttarkashi	Uttarakhand
10.	Bokang Bailing HEP	330	Pithoragarh	Uttarakhand
11.	Gohana Tal HEP	50	Chamoli	Uttarakhand
12.	Malshej Ghat PSS	700		Maharashtra
13.	Humberli PSS	400		Maharashtra
14.	Khurja STPP	1320	Bulandshahar	Uttar Pradesh
	Total	6211		

In addition, THDCIL have following Offices:

- i) Corporate Office, Rishikesh
- ii) NCR Office, Kaushambi, Gaziabad.
- iii) Liaison Office, Chandigarh
- iv) Liaison Office, Lucknow, Uttar Pradesh
- v) Liaison Office, Nainital, Uttarakhand

10. Markets served by the Company :

THDCIL provides Electricity to following beneficiary States / UT:

- i) Uttarakhand
- ii) Uttar Pradesh
- iii) Haryana
- iv) Punjab
- v) Himachal Pradesh
- vi) Jammu and Kashmir
- vii) Rajasthan
- viii) Delhi
- ix) Chandigarh

Section B: Financial Details of the Company

1. Paid up Capital	:	₹ 3473.09 Cr.
2. Total Turnover (Gross Income)	:	₹ 2182.40 Cr.
3. Total Profit After Taxes (PAT)	:	₹ 595.30 Cr.

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%):
2% of PAT of 2012-13 as per DPE Guidelines.

5. List of activities in which expenditure in 4 above has been incurred:

The Company has broadly incurred CSR expenditure during the FY 2013-14 on following major heads:

- Education Development
- Economic & community Development
- Health & Veterinary Care
- Environment & Natural Resource Management
- Infrastructure Development
- Women Empowerment and Child care
- Emergency need/ Relief Measures
- Other Social Welfare Activities

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

No

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

NA

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No

Section D: BR Information

1. Details of Director/Directors responsible for BR

a) Details of the Director/Director responsible for implementation of the BR policy/policies:

- DIN Number - 00171920
- Name - Shri R.S.T Sai
- Designation - Chairman & Managing Director

Details of BR head

1. Individual Directors responsible for implementation of the BR policy/policies

Principle No	Description	Policy / Policies	Director(s) Responsible
Principle 1 (PI)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	<ul style="list-style-type: none"> • Conduct Discipline and Appeal Rules • Standing orders for workmen 	Director (Technical) Director (Personnel) Director (Finance)



		<ul style="list-style-type: none"> • Corporate Ethics Policy • Code of Business Conduct and Ethics • Whistle Blower Policy • Integrity Pact 	
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Safety Policy CSR & Sustainability Policy	Director (Technical)
Principle 3 (P3)	Businesses should promote the wellbeing of all employees	HR Policies	Director (Personnel)
Principle 4 (P4)	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	R & R Policy	Director (Technical)
Principle 5 (P5)	Businesses should respect and promote human rights	Vision, Mission & Values	Director (Personnel)
Principle 6 (P6)	Business should respect, protect, and make efforts to restore the environment	Environment Policy	Director (Technical)
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Core Value	Director (Technical) Director (Personnel) Director (Finance)
Principle 8 (P8)	Businesses should support inclusive growth and equitable development	CSR & Sustainability Policy CSR Communication Strategy	Director (Technical)
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner		Director (Technical) Director (Personnel) Director (Finance)

Principle-wise (as per NVGs) BR Policy/Policies (Reply in Y/N)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/policies for....	Y	Y	Y	Y	Y	Y	Y	Y	No
2.	Has the policy been formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	No
3.	Does the policy conform to any national / international standards? if yes, specify?	Y	Y	Y	Y	Y	Y	Y	Y	No
4.	i. Has the policy been approved by the Board?	Y	Y	Y	Y	Y	Y	Y	Y	No
	ii. If yes, has it been signed by MD/Owner/CEO/ Appropriate Board Director?	No	No			No				No

5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	No
6.	Indicate the link for the policy to be viewed online?*	*	*	Not on Web	*	Not on Web	*	Not on Web	*	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders	Y	Y	Y	Y	Y	Y	Y	Y	
8.	Does the company have in-house structure to implement the policy/policies.	Y	Y	Y	Y	Y	Y	Y	Y	
9.	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievance related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	

* Environment Policy is available on thdc.gov.in/English/Scripts/EnvironmentPolicy.aspx

• R&R Policy is available on : thdc.gov.in/English/Scripts/Environment_RandR.aspx

• CSR & Sustainability Policy is available on : thdc.gov.in/writereaddata/English/pdf/CSR

• CSR Communication strategy of THDCIL is available on : http://thdc.gov.in/writereaddata/english/pdf/CSR_CommStrategy.pdf

Corporate Ethics Policy is available on : thdc.gov.in/writereaddata/english/pdf/CorporateETHICSPolicy.pdf

Whistle Blower Policy is available on :

The Stakeholder of the Whistle Blower Policy is only Employees of the Company. Therefore, the Policy on Whistle Blower is made available on Intranet i.e. on Employees Login only.

Code of Business Conduct and Ethics is available on : thdc.gov.in/writereaddata/english/pdf/BusinessConductandEthics.pdf

R & D Policy is available on thdc.gov.in/writereaddata/English/pdf/R&D_Policy-Publish.pdf

Safety Policy is available on thdc.gov.in/writereaddata/English/pdf/safetymanual.pdf.

2a. If answer to S. No. 1 against any principle, is 'No', please explain why (Tick up to 2 options)

Principle 9 : All the core elements identified under Principle-9 are duly followed by THDCIL through its commercial procedures. However, THDCIL feels that a separate policy on Principle 9 is not required because:

- THDCIL supplies to the bulk customers viz. State Electricity Distribution Companies, Majority of which are owned by respective State Government.
- Allocation of Power is made by Ministry of Power based on certain policies and guidelines.
- Power Tariff is determined by Central Electricity regulatory Commission (CREC) engaging all stakeholders.



- Issues, if any, are discussed and resolved in common forums like regional Committees, where customer organisations and generators are members.
- Separate feedback is obtained from Customers (beneficiaries) to understand their needs and expectations.

3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company - Half Yearly
- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

THDCIL is publishing Sustainability Reports annually since 2008-09. The Sustainability Reports of THDCIL are available at:

1. Sustainability Report 2012-13 - thdc.gov.in/writereaddata/SustainabilityReport12-13.pdf
2. Sustainability Report 2011-12 - thdc.gov.in/writereaddata/English/pdf/Sustainability11-12.pdf
3. Sustainability Report 2010-11 - thdc.gov.in/writereaddata/English/pdf/Sustainability10-11.pdf
4. Sustainability Report 2009-10 - thdc.gov.in/writereaddata/English/pdf/Sustainability09-10.pdf

Section E: Principle-wise performance

Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/No. Does it extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

THDCIL's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical, and transparent governance practices. Corporate Governance involves a set of relationship between Company's Management, its Board, its Shareholders and Stakeholders.

THDCIL has endeavored to adopt best practices of Corporate Governance required under Companies Act/DPE Guidelines. Governance calls on the accountability of all the company's personnel and is based on the company policies approved by the Board of Directors. The principles stated in these policies are defined through guidelines and codes of conduct.

Ethics Policy, Whistle Blower Policy, Conduct, Discipline and Appeal rules for the executives and Supervisors and Standing Orders for the workmen are already in vogue which are aimed at mitigating the risks associated with the corruption.

In Hydro Sector, construction of projects include contracts of substantial value considering the nature of the activities. Integrity Pact is mandatorily signed for all major work contracts (estimated value more than ₹ 1000.0 Million) and for supply and services works (estimated value more than ₹ 500.0 Million) awarded by THDCIL. MoU has been signed with Transparency International, India with a view to promote and strengthen transparency in procurement and contract management.

Thus the policy extends to the contractors also.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

There is no opening outstanding complaint from previous year.

Two Complaints were received during the period 01.04.2013 to 31.03.2014 under Whistle Blower Policy.

The Screening Committee constituted under the policy has referred the matter to an Independent Investigator for enquiry/Investigation.

Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

All electricity generation methods have environmental impacts. Being in Hydro Power Sector the impact is least as it is an environment friendly energy source. The company practices careful environmental management to limit the impacts of its operations on the environment.

As a responsible corporate citizen, the company strives to control the environmental impact of its activities. Reduction of atmospheric emissions (especially greenhouse gases), measures for soil and water conservation, biodiversity protection, integration of facilities with their surroundings, reduction at source, reuse, recycling are the efforts extended to all aspects of mitigating adverse impact on environment.

Environment impact studies are conducted for construction projects that are likely to affect the biophysical and human environments. Mitigation, compensation and follow-up measures are also developed. To ensure that its actions are effective, THDCIL counts on sound environmental management systems. ISO 14001:2004 (EMS) has been acquired for three projects namely Tehri HPP, Tehri PSP and Vishnugad Pipalkoti HEP. Third party monitoring is also invoked for effective implementation of the Environment Management Plan.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):
 - i. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
 - ii. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
- Hydroelectric Projects generate Electricity by non-consumptive use of water and the said water is released for drinking and irrigation purpose.
3. Does the company have procedures in place for sustainable sourcing (including transportation)?
 - i. If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

River water as used for generation of Electricity comes from natural sources and its quantity and quality is not affected in the process.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Procurement of goods are being carried out through e-tenders and published on THDCIL tender wizard portal i.e. www.tenderwizard.com/THDC as well as on CPP Portal i.e. www.eprocure.gov.in for wide publicity. All tenders are open for all vendors including local vendors. Tenders are also published in local news papers so that there will be maximum participation from local and small producers.

To encourage local/small vendors/contractors participation, training is imparted to local/small vendors for learning e- tendering procedure. Small works are awarded to local contractors. The main works contractors engaged in specialised works is encouraged to sublet petty works to local contractors/suppliers.

Hiring of vehicle for the Projects / Business Installations is done from local people.



5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Our Product viz. Electricity gets completely consumed and hence there is no scope of its recycling, e-waste is disposed off through Government approved parties.

Principle 3

1. Please indicate the Total number of employees:2063 (as on 31.03.2014)

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

The company does not hire employees on temporary/contractual/casual basis. However business Module of the company provides for outsourcing of various activities viz. Construction, Erection, Specialized Consultancy Services, which generates huge indirect employment opportunities.

3. Please indicate the Number of permanent women employees 121 (as on 31.03.2014)

4. Please indicate the Number of permanent employees with disabilities 28 (as on 31.03.2014) (Executives-9, Supervisors-2, Workmen-17).

5. Do you have an employee association that is recognized by management.

There are following Associations/ Unions in THDCIL recognized by Management:

- THDC Officers Association
- THDC Diploma Engineer Association
- THDC Supervisor Association
- THDC Chalak/Helper Kramchari Union
- THDC Kamgar Union
- THDC Shramik Sangh
- THDC Workers Union
- THDC ITI Taktik Kramchari Sangh
- Tehri Jal Vikas Nigam Limited Kramchari Union
- THDC Employees Union

6. What percentage of your permanent employees is members of this recognized employee association?

At present, 1736 (83.98%) Permanent Employees are member of these Associations /Unions.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No of complaints filed during the financial year	No of complaints pending as an end of the financial year
1.	Child labour/forced labour/involuntary labour	Nil	NA
2.	Sexual harassment	Nil	NA
3.	Discriminatory employment	Nil	NA

9. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

	No. of Employees trained		Percentage of Employees trained	
	Safety Training	Skill Upgradation	Safety Training	Skill Upgradation
Permanent Employees	300	206	14.50%	9.96%
Permanent Women Employees	4/121	6/121	3.31%	4.96%
Casual/Temporary/Contractual Employees	Nil	Nil	Nil	Nil
Employees with Disabilities	-	5/28	-	17.86%

Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.

Yes

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company is concerned for upliftment of disadvantaged, vulnerable and marginalized stakeholders. Their lifestyle and livelihood has improved due to continuous support and assistance provided by way of education, vocational training, formation of self help groups and providing revolving funds. Health awareness and health checkup camps have been organised for them.

Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

All Personnel Policies of THDCIL are applicable to all its employees posted in Units, Offices & Projects. Contracts awarded by the Company includes provisions related to Human Rights and strict compliance of various labour laws and laws of the land.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

No complaint on human rights including sexual harassment has been received during the year. One representation received under Public Grievance Redressal Mechanism which is being addressed.

Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

THDCIL has its Environment Policy that extends to all its employees. There are environment protection related clauses in the contract so that our contractors, sub-contractors, suppliers and consultants follow due diligence in mitigating the impacts of their activities on environment.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.



Yes, The web link of THDCIL Environment Policy is [http:// www.thdc.gov.in/ writersreaddata/ English/PDF/envpolicyeng.pdf](http://www.thdc.gov.in/writersreaddata/English/PDF/envpolicyeng.pdf)

3. Does the company identify and assess potential environmental risks? Y/N

Yes. Detailed Environment Impact assessment is done at Project Preparation Stage and Environment Plan is prepared which is effectively implemented.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?

Currently the company does not have any project registered with Clean Development Mechanism Executive Board.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

The company is involved in Hydro Electric Generation which itself is a clean and renewable energy. However, the company is also taking initiatives to enter into other renewable sources of energy viz. Wind Power and Solar Power.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

Nil

Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

- a. All India Management Association (AIMA)
- b. Standing Conference of Public Enterprises (SCOPE)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

THDCIL, being a responsible CPSE is committed to comply the Law of the Land, Rules, Regulations and Public Policies. The company considers policies and guidelines, and statutory directions issued by the Government of India from time to time in formation of its own policies.

Whenever need for review of the existing Policies and guidelines is felt, views/suggestions are submitted to the Administrative Ministry, i.e., Ministry of Power, Govt. of India for consideration. It is also ensured that the views/suggestions are not based on the consideration of gain to the Company or a particular section of society but for the overall benefit of the larger public and nation as a whole.

Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

The Company is taking up CSR & Sustainability Projects as per the rules & directives from GOI through a department with trained dedicated team members headed by the GM (Social & Env). The company is also undertaking Community Development mainly in the neighbourhood area of operating stations & Customer base of THDGIL i.e. specially in Northern India with particular focus on SC/ST, OBC, women, children, specially able persons & aged persons. Appropriate partnership is also being created with the concerned stakeholders for the effective delivery of community development programs through consultation and participation.

The Company formulated CSR Policy-2013 for implementation of CSR Project/Activities in its operational and business areas during the FY 2013-14. CSR Communication Strategy deals with effective two way ongoing communication with the concerned Stakeholders for selection of CSR & Sustainability Projects / activities and increasing awareness on sustainable Development.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/Government structures/any other organization?

The CSR Projects of the company are executed through company sponsored NGO, SEWA-THDC and THDC Educational Society (TES) which are registered under Society Act, 1860. Reputed Academic Institutions and NGOs are also engaged for performing the CSR Activities.

3. Have you done any impact assessment of your initiative?

Yes

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

- As per government directives, the company had earmarked 2% of Net Profit after Tax (PAT) amounting to ₹ 1062.76 lac, for CSR & Sustainability Budget for the FY 2013-14. The CSR & Sustainability budget is being allocated and set aside as Non-lapsable CSR Fund for implementation of various CSR Schemes. Some of the CSR initiatives are as under :
- Three academic institutions i.e. H.N.B. University Srinagar Garhwal, KM College Delhi University and PDFSR Modipuram are engaged for ecological restoration, socio economic empowerment & sustainable livelihood of population of project affected areas.
- SC/ST Hostel has been constructed at Tehri.
- SEWA-THDC wing constructed in the school for deaf and dumb at IIT Roorkee.
- ITI Hostel at Chamba constructed for students.
- Engineering College constructed by THDC is running through Uttarakhand Technical University at Tehri.
- Three Homeopathy Dispensary and one Allopathic Dispensary have been established in Tehri and Uttarkashi and approx 4,000 people per month are taking benefit from these dispensaries.
- Medical Camps are also organized in the area, approx 3,800 patients have taken benefit.
- Two schools at Tehri and Rishikesh (600 students approx) are also funded by SEWA-THDC.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Yes. Company has taken steps to ensure that community development initiative is successfully adopted by the community. Three academic institutions are engaged for community development. Periodical meetings of stakeholders are organised ensuring the participation of community. Records are maintained in the form of photo graph video graph and write-up. Time to time kishan gosthi and skill development programmes are



organised through experts for delivering latest information and technology to community. Various Training and awareness programmes are organized for external and internal stakeholder at Centre for Sustainable Livelihood and Community Development, Rishikesh and sensitized to community about CSR and different community development programmes.

Principle 9

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

No customer complaint has been received during the reporting period.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./Remarks (additional information)**

Precautionary Measures being taken during operation of Tehri HPP and Koteshwar HEP are as below:

Alarm System : Alarms to warn downstream habitants have been installed at both Tehri and Koteshwar Projects both which are blown before starting machines of power plant or operating the spillways for releasing water during floods.

During Operation of machines at Tehri : 15 minutes before starting any turbine intimation is given to CISF control room established at Dam top as well as outlet of the main access tunnel of the Power plant for blowing sirens to warn people. When more than one turbine is to be started, each consecutive machine is started after a gap of 15 minutes.

During Operation of machines at Koteshwar : If the first unit, out of the four units, is started the siren is blown 15 minutes before starting the unit and thereafter, its operation is repeated twice in 5 minutes interval each.

If any unit is already in operation and next unit is started, then the siren is blown once, 5 minute before its start. When more than one machine is to be started, each consecutive machine is started after a gap of 15 minutes.

During operation of Spillways at Tehri: Before operating Spillways, siren is blown for giving warning to the people in the downstream of dam in the proximity of the river. For public awareness and warning in the downstream of Dam, announcement is also made whenever water is required to be released through Spillways.

During operation of Spillways at Koteshwar: It is ensured before operation of Spillway Radial gates that the siren is blown continuously for one minute and repeated thrice at an interval of 5 minutes each. For public awareness and warning in the downstream of Dam, announcement is also made whenever water is required to be released through Spillways.

Note : While opening of the spillways, every precaution is taken in releasing water. Spillway gates are opened gradually one after the other and at a time, only one gate is opened for about 100mm to avoid any untoward situation in the downstream

3. **Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**

No

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

Yes, Customer Surveys are carried out in the form of feedback surveys. Feedbacks, as received, are being analysed to meet the expectations of the Customers.



Annual Accounts

For the Year 2013-14



SIGNIFICANT ACCOUNTING POLICIES 2013-14

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.

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 pre-condition 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 in force. 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 Rs.1500/-, which are in the nature of assets are not capitalized and charged to revenue.
- iii. In respect of Assets costing up to Rs 5000/- but more than Rs.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. Cost of computer Software is recognized as intangible asset and amortised on straight line method over a period of legal right to use or 5 years, whichever is earlier. Machinery spares which can be used only in connection with an item of fixed asset and whose use is expected to be irregular are capitalized and depreciated over the residual useful life of the related plant and machinery.

9. Stores & Spares.

- i. Stores and spares are 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.
- iv. 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.

- v. 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.
- vi. Value of scrap is accounted for at the time of sale.
- vii. Insurance claims are Accounted for in the year of receipt /acceptance by the insurer/ certainty of realization.

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. Amount at appropriate percentage of profit of previous year as prescribed under DPE guideline is set aside as non lapsable fund for Corporate Social Responsibility, Sustainability Development and Research & Development.

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 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-2014

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
EQUITY AND LIABILITIES					
Shareholders' Funds					
(a) Share Capital	1	3,47,309		3,44,309	
(b) Reserves And Surplus	2	3,85,815	7,33,124	3,32,840	6,77,149
Non-Current Liabilities					
(a) Long Term Borrowings	3	3,07,082		3,46,624	
(b) Other Long Term Liabilities	4	23,302		23,364	
(c) Long Term Provisions	5	22,338	3,52,722	20,305	3,90,293
Current Liabilities					
(a) Short Term Borrowings	6	63,359		1,28,812	
(b) Trade Payables	7	24		34	
(c) Other Current Liabilities	8	69,917		72,086	
(d) Short Term Provisions	9	16,175	1,49,475	13,031	2,13,963
TOTAL			13,35,321		12,81,405
ASSETS					
Non-Current Assets					
(a) Fixed Assets					
(i) Tangible Assets	10	8,43,416		8,79,498	
(ii) Intangible Assets	10	74		109	
(iii) Capital Work in Progress	11	1,11,712	9,55,202	78,519	9,58,126
(b) Deferred Tax Assets (Net)	12		32,108		25,188
(c) Long Term Loans and Advances	13		57,702		59,744
(d) Other Non-Current Assets	14		162		49

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Current Assets					
(a) Inventories	15	3,381		2,558	
(b) Trade Receivables	16	1,72,416		2,30,701	
(c) Cash and Cash Equivalents	17	7,742		1,609	
(d) Short Term Loans and Advances	18	5,437		2,745	
(e) Other Current Assets	19	1,171	1,90,147	685	2,38,298
Total			12,35,321		12,81,405

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

(Sridhar Patra)
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

(Anant Bhatia)
Partner
Membership No.:- 507832

Date : 27.08.2014
Place : New Delhi



STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-March-2014

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31 - Mar - 2014		For The Year Ended 31 - Mar - 2013	
INCOME					
Revenue from Operations	20		2,06,670		1,95,614
Other Income	21		11,588		7,039
Total Revenue			2,18,258		2,02,653
EXPENSES					
Employee Benefits Expense	22		18,854		19,323
Finance Costs	23		53,027		60,510
Depreciation & Amortisation	10		48,122		47,435
Generation Administration and Other Expenses	24		15,370		15,188
Provisions	25		0		24
Tariff Adjustment (Regulatory Liability)			15,192		0
Total Expenses			1,50,565		1,42,490
Profit Before Prior Period Items and Tax			67,693		60,173
Prior Period Expenditure / (Income) -Net	26		1,076		422
Profit Before Tax			66,597		59,751
Tax Expenses	27				
Current Tax					
Income Tax			13,952		11,953
Wealth Tax			33		32
Deferred tax- Asset			(6,920)		(5,372)
Profit For The Year			59,532		53,138

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2013-14

Amount in lac ₹

Particulars	Note No.	For The Year Ended	
		31 - Mar - 2014	31 - Mar - 2013
Earning per Equity Share			
Basic (₹)		172.88	157.86
Diluted (₹)		172.88	157.86

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

(Sridhar Patra)
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

(Anant Bhatia)
Partner
Membership No.:- 507832

Date : 27.08.2014
 Place : New Delhi



CASH FLOW STATEMENT FOR THE YEAR ENDED 31-March-2014

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	For The Year Ended 31 - Mar - 2014		For The Year Ended 31 - Mar - 2013	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Prior Period adjustments		67,673		60,173
Adjustments for:-				
Depreciation	49,028		47,822	
Provisions	-		24	
Advance Against Depreciation- Deferred	(1,619)		(5,441)	
Interest on loans	53,027		60,510	
Prior Period Adjustments	(1,076)	99,360	(422)	1,02,493
Operating profit Before Working Capital Changes		1,67,033		1,62,666
Adjustment For :-				
Inventories	(823)		(920)	
Trade Receivables	58,285		(39,804)	
Other Assets	(586)		(185)	
Loans and Advances (Current + Non Current)	(3,555)		(648)	
Trade Payable and Liabilities	1,711		885	
Provisions (Current + Non Current)	5,177	80,209	(24,326)	(64,996)
Cash Generated From Operations		2,27,248		87,668
Direct Tax Paid		(13,985)		(11,985)
Net Cash From Operations (A)		2,13,257		85,683
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in:-				
Fixed Assets and CWIP	(52,661)		(35,204)	
Construction Stores	(13)		459	
Capital Advances	2,905		(1,102)	
Miscellaneous Expenditure (To the extent adjusted)	-		10	
Net Cash Flow From Investing Activities (B)		(48,769)		(35,837)

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

Particulars	For The Year Ended 31 - Mar - 2014	For The Year Ended 31 - Mar - 2013
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share Capital (Including Pending Allotment)	3,000	10,051
Borrowings	(1,07,328)	(11,565)
Interest on loans	(53,027)	(60,510)
Dividend & Tax on Dividend	0	0
Net Cash Flow From Financing Activities (C)	(1,57,355)	(62,024)
D. NET CASH FLOW DURING THE YEAR (A+B+C)	6,133	(12,178)
E. OPENING CASH & CASH EQUIVALENTS	1,609	13,787
E. CLOSING CASH & CASH EQUIVALENTS(D+E)	7,742	1,609

Note :

1. Cash and Cash Equivalents includes Balance with Banks of ₹50 Lac (Previous year ₹50 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

(Sridhar Patra)
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

(Anant Bhatia)
Partner
Membership No.:- 507832

Date : 27.08.2014
Place : New Delhi



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31-MARCH-2014

Note -1

SHARE CAPITAL

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
		Number of Shares	Amount	Number of Shares	Amount
Authorized					
Equity Shares of ₹ 1000 /= each		4,00,00,000	4,00,000.00	4,00,00,000	4,00,000.00
Issued Subscribed & Paid-up		3,47,30,917	3,47,309	3,44,30,917	3,44,309
Equity Shares of ₹ 1000 /= each Fully Paid up					
TOTAL		3,47,30,917	3,47,309	3,44,30,917	3,44,309

Note -1.1

RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL OUTSTANDING

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
		Number of Shares	Amount	Number of Shares	Amount
Opening		3,44,30,917	3,44,309	3,29,76,817	3,29,768
Issued		3,00,000	3,000	14,55,100	14,551
Reduction		0	0	0	0
Closing		3,47,30,917	3,47,309	3,44,30,917	3,44,309

Note -1.2

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

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
		Number of Shares	%	Number of Shares	%
Share holding more than 5 %					
I. GOI		2,53,81,517	73.06	2,50,81,517	72.85
II. GOUP		93,49,400	26.92	93,49,400	27.15
TOTAL		3,47,30,917	100.00	3,44,30,917	100.00

Note :-2

RESERVES & SURPLUS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Capital Reserve					
Contribution Due From Government of Uttar Pradesh Towards Irrigation Sector		1,44,134		1,44,134	
LESS:-					
Contribution In Arrear		15		15	
Contribution Received		1,44,119		1,44,119	
LESS:-					
Adjustment Towards Depreciation		40,916	1,03,203	34,359	1,09,760
Other Capital Reserve					
PHRD Grant from World Bank (For VPHEP Projects)					
Opening Balance		472		472	
Received during the year		0		0	
Utilised/adjusted during the year		0	472	0	472
Sub Total- "A"			1,03,675		1,10,232
Surplus In Profit & Loss Account					
Opening		2,22,608		1,69,470	
Add:- Profit for the year as per P&L Statement		59,532		53,138	
TOTAL PROFIT FOR APPROPRIATION			2,82,140		2,22,608
Sub Total- "B"			2,82,140		2,22,608
Sub Total - "C" (A+B)			3,85,815		3,32,840
Misc. Expenditure (To the extent not written off or Adjusted)					
Opening Balance		0		10	
Addition during the year		0		0	
Utilised/adjusted during the year		0	0	(10)	0
Sub Total - "D"			0		0
TOTAL (C-D)			3,85,815		3,32,840

2.1 The Company has not proposed/declared and paid any dividend for the FY.2013-14 & 2012-13.



Note :-3

LONG TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014	As at 31-Mar-2013
A. SECURED			
POWER FINANCE CORPORATION Ltd.(PFC) - 78302001 (For Tehri HPP)* (Repayable upto 10 years on Quarterly instalment from 15th July2005 to 15th April 2015, carrying floating interest rate ranging from @ 9.75 % to @ 10.75%)		3,015	15,075
POWER FINANCE CORPORATION Ltd. (PFC) - 78302003 (For Tehri HPP) * (Repayable upto 15 years on Quarterly instalment from 15th october 2008 to 15th July 2023, presently carrying floating interest rate @12.75%)		76,736	85,764
POWER FINANCE CORPORATION Ltd. (PFC) - 78302002 (For KHEP) # (Repayable upto 10 years on Quarterly instalment from 15th January2012 to 15th october 2021, presently carrying floating interest rate @12.75 % p.a.)		78,975	90,675
Rural Electrification Corporation Ltd. (REC) (For KHEP) # (UA-GE-PSU-033-2010-3754) (Repayable upto 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate ranging from @10.75 to @ 12.5% p.a.)		50,804	57,811
Rural Electrification Corporation Ltd. (REC)-330001- (For Tehri HPP)* (Repayable upto 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate ranging from @ 11.5% to @12.5% p.a.)		71,221	83,907

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014	As at 31-Mar-2013
State Bank of India (SBI)-32677052247 (For Tehri PSP) ##			
State Bank of India (Repayable on 10 years on Quarterly Installments from August 2016 to May 2026 Presently carrying Floating Interest rate @ Base rate + 1.2% p.a. i.e. 11.2 %)		17,000	12,500
TOTAL (A)		2,97,751	3,45,732
B. UNSECURED			
Foreign currency Loans (Guaranteed by Govt. of India World Bank Loan -8078-IN (For VPHEP) §			
(repayable upto 23 years on half yearly instalment from 15th Nov. 2017 to 15th May 2040, carrying interest rate @ LIBOR + variable spread, p.a. i.e. 0.83%)		9,331	882
TOTAL (B)		9,331	882
TOTAL (A+B)		3,07,082	3,46,614

- * 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 and interest appertaining there to.
 - # Long Term Loan secured by first charge on Pari Passu basis on assets of Koteshwar HEP.
 - ## Long Term Loan secured by first charge on Pari Passu basis on assets of Tehri PSP.
 - § With negative lien on the equipments financed under the respective loan ranking pari-passu.
- 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-2014		As at 31-Mar-2013	
Deferred Revenue On Account of Advance Against Depreciation					
As Per Last Balance Sheet		22,890		28,331	
Add:-Revenue Deferred During The year		0		0	
Less:- Adjusted During The Year		1,619	21,271	5,441	22,890
Liabilities					
For Capital Expenditure		8		15	
For Micro And Small Enterprises.		0		0	
For Others		4	12	1	16
Deposits, Retention Money From Contractor etc.		2,019		455	
Other Liabilities		0	2,019	3	458
TOTAL			23,302		23,364

4.1 Amount shown under Advance Against Depreciation (AAD) has been collected during the tariff period 2004-09. The provision for AAD has been withdrawn in CERC Tariff Regulation 2009-14. Suitable adjustment for the amount of AAD shall be made in subsequent years accordingly.

Note 1-5

LONG TERM PROVISIONS

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

Particulars	Note No.	As at 01-Apr-2013	For The Year Ended 31-Mar-2014		As at 31-Mar-2014
			Addition	Adjustment Utilisation	
I. Employee Related		20,078	5,624	(3,158)	22,090
II. Others		227	21	0	248
TOTAL		20,305	5,645	(3,158)	22,338
Figures for Previous Year		18,532	4,456	(2,351)	20,305

Disclosure required by AS-15 on employee benefit has been made in Note No 28.16



Note :-6

SHORT TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014	As at 31-Mar-2013
Short term Loan From Banks and Financial Institutions			
A. Secured loans:			
Rural Electrification Corporation Ltd. (Carrying Floating Interest rate @ 13% p.a.)		0	2,500
Over Draft (OD) From Banks * Punjab National Bank (Carrying Floating Interest Rate @ base rate +0.25% p.a. i.e.10.5%)		63,359	71,312
TOTAL (A)		63,359	73,812
B. Unsecured loans:			
Power Finance Corporation Ltd. (Carrying Floating Interest Rate @ 12.75% p.a.)		0	25,000
Canara Bank (Carrying Floating Interest Rate @ base rate p.a i.e. 10.25%)		0	30,000
TOTAL (B)		0	55,000
TOTAL (A+B)		63,359	1,28,812

* O.D. amounting to ₹63359 Lac is secured by way of 2nd Charge on Block of Assets of Company
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-2014	As at 31-Mar-2013
Trade Payable -MSMED		0	0
Trade Payable -Other than MSMED		24	34
TOTAL		24	34

Note -8

OTHER CURRENT LIABILITIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Current maturity of Long Term Debt					
A. SECURED * (Indian Currency Loan)			52,480		52,480
TOTAL (A)			52,480		52,480
B. UNSECURED ** Foreign currency Loans (Guaranteed by Govt. of India)			0		2,333
TOTAL (B)			0		2,333
TOTAL (A+B)			52,480		54,813
Liabilities					
For Capital Expenditure		5,598		6,377	
For Micro And Small Enterprises.		0		0	
For Others		934	6,532	1,147	7,524
Deposits, Retention Money From Contractors etc.		2,871		2,496	
Other Liabilities		2,987	5,858	1,107	3,603
Interest Accrued But Not Due					
Financial Institutions		5,047		6,146	
Other Liabilities		0	5,047	0	6,146
TOTAL			17,437		17,273
TOTAL LIABILITIES			69,917		72,086

* Detail in respect of Rate of Interest and Terms of repayment of Current Maturity of Secured and un Secured Long Term Debt indicated above are disclosed in Note-3.

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

SHORT TERM PROVISIONS

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	Notes No.	As at 01-Apr-2013	For The Year Ended 31-Mar-2014		As at 31-Mar-2014
			Addition	Adjustment Utilisation	
I. Works		1,256	296	(103)	1,294
II. Employee Related		10,009	8,951	(4,301)	13,372
III. Others		1,766	5,853	(22)	1,509
TOTAL		13,031	15,100	(4,426)	16,175
Figure for Previous Year		39,130	15,174	(13,463)	13,031

Disclosure required by AS-15 on Employee Benefits has been made in Note No 29.16





Note :-11

CAPITAL WORK IN PROGRESS

Amount in lac ₹

Particulars	Note No.	As at 01-Apr-2013	For The Year Ended 31-Mar-2014			As at 31-Mar-2014
			Addition During The Year	Adjustment During the Year	Capitalisation During The Year	
Construction Work In Progress						
Building & Other Civil Works		4,563	2,229	(23)	(2,133)	4,636
Roads, Bridges & Culverts		3,089	926	-	(3,091)	924
Water Supply, Sewerage & Drainage		35	9	-	-	44
Generation Plant And Machinery		8,673	16,650	-	(468)	24,855
Hydraulic Works, Dam, Spillway, Water Channels, Weirs, Service Gate & Other Hydraulic Works		47,070	16,669	(3)	-	63,756
Afforestation Catchment Area		8	173	-	-	181
Electrical Installation & Sub-Station Equipments		1,264	1,065	(2)	(57)	2,260
Capital Expenditure On Assets Not Owned By Company		-	-	-	-	-
Others		402	-	-	(19)	383
Expenditure Pending Allocation						
Survey & Development Expenses		9,916	179	-	-	10,095
Exchange Variation		-	-	-	-	-
Interest Pending Allocation	23	-	-	-	-	-
Expenditure During Construction	11.1	977	1,633	(977)	-	1,633
Rehabilitation						
Rehabilitation Expenses (Net of Recoveries Towards Token Cost And Rent)		2,522	706	-	(283)	2,945
Total		78,519	40,249	(1,005)	(6,051)	1,11,712
Previous Year Figure		57,081	25,473	(2,218)	(1,817)	78,519

Note :-11.1

EXPENDITURE DURING CONSTRUCTION

Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2014		For The Year Ended 31-Mar-2013	
EXPENDITURE					
EMPLOYEE BENEFITS EXPENSES	22				
Salaries, Wages, Allowances & Benefits		9,531		7,794	
Contribution to Provident & Other Funds		643		486	
Pension Fund		515		395	
Gratuity		527		520	
Welfare		113	11,329	124	9,319
OTHER EXPENSES	24				
Rent					
Rent for office		91		75	
Rent for Employee Residence		365	456	343	418
Rate and taxes			6		4
Power & Fuel			360		419
Insurance			8		5
Communication			129		98
Repair & Maintenance					
Buildings		141		92	
Others		179	320	146	238
Travelling & Conveyance			374		350
Vehicle Hire & Running			198		157
Security			192		133
Publicity & Public relation			51		64
Other General Expenses			1,719		535
Loss on sale of assets			5		3
Deferred Revenue Expenditure Written Off			0		1
DEPRECIATION	10		602		491
TOTAL EXPENDITURE (A)			15,749		12,235
RECEIPTS					
OTHER INCOME	21				
Interest					
From Bank Deposit		5		10	
From Employees		101		71	
From Others		4	110	3	84



Amount in lac ₹

Particulars	Note No.	For The Year Ended 31-Mar-2014		For The Year Ended 31-Mar-2013	
Machine Hire Charges			1		0
Rent Receipts			64		77
Sundry Receipts			37		143
Excess Provision Written Back			121		160
Profit on Sale of Assets			0		1
TOTAL RECEIPTS (B)			333		465
PRIOR PERIOD ADJUSTMENTS	26		33		4
NET EXPENDITURE BEFORE TAXATION			15,449		11,774
PROVISION FOR TAXATION	27				
Wealth Tax		9	9	6	6
NET EXPENDITURE INCLUDING TAXATION			15,458		11,780
Balance Brought Forward From Last Year			977		1,150
TOTAL EDC			16,435		12,939
Less:-					
EDC Allocated To CWIP / Asset		14,229		11,199	
EDC Of Projects Under Approval Charged To Profit & Loss Account		573	14,802	763	11,962
Balance Carried Forward To CWIP			1,633		977

Note -12

DEFERRED TAX ASSET

Amount in lac ₹

Particulars	Notes No.	As at 31-Mar-2014		As at 31-Mar-2013	
Deferred Tax Liability		(2,976)		(2,976)	
Deferred Tax Asset		41,396	38,421	34,476	31,501
Deferred Tax Adjustment			(6,313)		(6,313)
Total			32,108		25,188

Note :-13

LONG TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Capital Advances					
Unsecured					
i) Against Bank Guarantee		12,430		4,208	
ii) Rehabilitation & Resettlement (Govt. of Uttarakhand / SLAO)		8,054		10,757	
iii) Others		23,173		23,154	
iv) Accrued Interest On Advances		2	43,659	8,445	46,564
SUB TOTAL - CAPITAL ADVANCES			43,659		46,564
Loans To Employees					
Secured		2,313		2,670	
Unsecured		1,542	3,855	812	3,482
Interest Accrued On Loans To Employees					
Secured		2,055		1,968	
Un secured		172	2,227	59	2,047
Loans To Directors					
Secured		2		0	
Unsecured		0	2	0	0
Interest Accrued On Loans To Directors					
Secured		3		4	
Unsecured		0	3	0	4
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees		212		182	
For Purchases		0		1	
To Others		7,161	7,373	6,962	7,165
Deposits					
Security Deposit		191		190	
Deposit with Govt/Court		391		300	
Other Deposit		1	583	1	491
SUB-TOTAL			14,043		13,189
LESS:- Provision For Bad & Doubtful Advances			0		9
SUB TOTAL - ADVANCES			14,043		13,180
TOTAL LOANS AND ADVANCES			57,702		58,744
Note :- Due From Directors					
Principal			2		0
Interest			3		4
TOTAL			5		4
Note :- Due From Officers					
Principal			4		1
Interest			5		5
TOTAL			9		6



Note :-14

OTHER NON CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Construction Stores (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)					
Other Civil And Building Materials		2		0	
Others		17		6	
Material Under Inspection (Valued At Cost)		0	19	0	6
Sub Total			19		6
Prepaid Expenses		143		43	
Interest Accrued but not due		0	143	0	43
Sub Total			143		43
TOTAL			162		49

Note :-15

INVENTORIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Inventories (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)					
Other Civil And Building Material		185		176	
Others (including Stores & Spares)		3,492		2,653	
Material In Transit (Valued At Cost)		8		0	
Material Under Inspection (Valued At Cost)		6	3,691	41	2,870
Less: Provision For other stores			310		312
TOTAL			3,381		2,558

Note :-16

TRADE RECEIVABLES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Debts Outstanding Over Six Months					
Unsecured, Considered Good		1,03,285		1,09,990	
Considered Doubtful		0	1,03,285	0	1,09,990
Other Debts					
Unsecured, Considered Good		69,131		1,20,711	
Considered Doubtful		0	69,131	0	1,20,711
TOTAL			1,72,416		2,30,701

16.1 Trade Receivable includes Regulatory Asset Debtors of ₹109062 Lacs (FY ₹112272 Lacs).

Note :-17

CASH AND BANK BALANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Cash & Cash Equivalents					
Balances With Banks (Including Auto sweep, Flexi Deposit with Banks)			7,690		1,556
Cash on Hand			2		3
Other Bank Balances					
Others (Balance with Bank under Lien not available for use by the company)			50		50
TOTAL			7,742		1,609

Note :-18

SHORT TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Loans To Employees					
Secured		630		553	
Unsecured		158	788	58	611
Interest Accrued On Loans To Employees					
Secured		129		86	
Un secured		2	131	1	87
Loans To Directors					
Secured		3		0	
Unsecured		0	3	0	0
Interest Accrued On Loans To Directors					
Secured		1		1	
Unsecured		0	1	0	1
Others					
Unsecured, considered good		0	0	16	16
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)					
To Employees		351		278	
For Purchases		404		344	
To Others		967	1,722	399	1,021
Deposits					
Security Deposit		145		79	
Tax Deposit		2,446		720	
Deposit with Govt/Court		209		210	
Other Deposit		0	2,800	0	1,009
SUB-TOTAL			5,445		2,745
LESS:- Provision For Bad & Doubtful Advances			8		0
TOTAL ADVANCES			5,437		2,745
TOTAL LOANS AND ADVANCES			5,437		2,745
Note :- Due From Directors					
Principal			3		0
Interest			1		1
TOTAL			4		1
Note :- Due From Officers					
Principal			2		1
Interest			0		0
TOTAL			2		1

Note :-19

OTHER CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2014		As at 31-Mar-2013	
Prepaid Expenses			1,168		664
Interest Accrued			3		1
TOTAL			1,171		665



Note :-20

REVENUE FROM OPERATIONS

Amount in lac ₹

Particulars	Note No.	For The Year Ended	
		31-Mar-2014	31-Mar-2013
Energy Sales		2,02,077	1,87,741
Add:			
Advance Against Depreciation		1,619	5,441
Less :			
Advance Against Depreciation- Deferred		0	0
FERV Recovery From Beneficiaries			934
V.L. / Congestion Charges			1,359
Consultancy Income			681
TOTAL		2,06,696	1,95,614

20.1 The company has filed tariff petition before the Hon'ble CERC for Tehri HEP 2009 -14 tariff period. Pending final tariff determination, sales revenue has been recognized on the basis of provisional AFC determined as per tariff regulations 2009 applicable for the period 2009-14.

The Hon'ble CERC has issued final tariff order dated 16.04.2013 for Tehri HEP for the period 2006-09 . Company filed review petition seeking amendments on various issues. The CERC has disposed the tariff petition vide its order dated 07.01.2014 allowing some of the contentions of the company.

Being aggrieved the company has preferred appeal before the APTEL. Impact of the contentions allowed in the review order amounting to ₹ 3578 Lac has been accounted for as sales revenue after considering AAD of ₹1619 Lac.

20.2 The company has filed tariff application before the CERC seeking tariff fixation of Koteswar HEP for the period 2011-14. The company had claimed cost of common facilities as capital cost along with the GOD of the first generating unit. The CERC has issued tariff order dated 15.05.2014(after the Balance Sheet date) for Koteswar HEP for the period 2011-14 allowing provisional tariff.

The tariff petition with duly audited & certified tariff filing forms had been submitted to Hon'ble CERC on 30.03.2012 following the principles enunciated as per CERC Tariff Regulations, 2009. On commercial operation of project the tariff forms were revised and submitted to CERC on 02.02.2013, duly certified by the Statutory Auditors.

In the said order cost of utility has been apportioned equally among all the four generating units which lowered the tariff by ₹ 22700 Lac for the period 2011-2014 which has been accounted for.

The company has made regulatory liability of ₹ 15192 Lac i.e the difference between the amount collected from the beneficiaries as mutually agreed to during the period 2011-14 and amount allowed by the CERC in the aforesaid order. The said regulatory liability has been adjusted against sundry debtors.

Note :-21

OTHER INCOME

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
Interest			
On Bank Deposits (Includes TDS ₹ 30559.00 Previous year ₹ 27793.00)		26	48
From Employees		348	307
Others		889	4,366
Machine Hire Charges		1	9
Rent Receipts		124	165
Sundry Receipts		355	303
Excess Provision Written Back		276	630
Profit on Sale of Assets		36	55
Late Payment Surcharge		9,846	1,621
TOTAL		11,901	7,504
Less :			
Transferred To EDC	11.1	333	465
TOTAL		11,568	7,039

Note :-22

EMPLOYEE BENEFITS EXPENSES

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
Salaries, Wages, Allowances & Benefits		24,777	23,559
Contribution to Provident & Other Funds		1,697	1,492
Pension Fund		1,397	1,081
Gratuity		1,934	1,807
Welfare Expense		378	703
TOTAL		30,183	28,642
Less :			
Transferred To EDC	11.1	11,329	9,319
TOTAL		18,854	19,323

Note :-23

FINANCE COSTS

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
Finance Costs			
Interest On Loans		54,520	62,214
TOTAL		54,520	62,214
LESS:-			
Transferred And Capitalised With CWIP Account	11.1	1,493	1,704
TOTAL		53,027	60,510



Note :-24

GENERATION ADMINISTRATION AND OTHER EXPENSES

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
Rent			
Rent for office		143	133
Rent for Employees Residence		724	710
Rate and taxes		175	106
Power & Fuel		1,379	1,507
Insurance		1,298	1,113
Communication		345	325
Repair & Maintenance			
Plant & Machinery		1,367	1,383
Consumption of Stores & Spare Parts		617	549
Buildings		680	1,001
Others		1,440	1,664
Travelling & Conveyance		886	886
Vehicle Hire & Running		889	1,019
Security		2,101	1,885
Publicity & Public relation		172	208
Other General Expenses		4,788	1,766
Loss on sale of assets		17	195
Survey And Investigation Expenses		576	806
Research & Development		341	397
Expenses on Consultancy Project/ Contract		35	51
Deferred Revenue Expenditure Written Off		0	10
Expenditure On CSR & S.D. Activities		1,063	1,726
Rebate to Customers		252	173
TOTAL		19,188	17,613
LESS:-			
Transferred To EDC	11.1	3,818	2,425
TOTAL		15,370	15,188

Note :-25

PROVISIONS

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
Provisions For Doubtful Debts, Loans & Advances		0	0
Provisions For Stores & Spares		0	24
TOTAL		0	24
LESS:-			
Transferred To EDC	11.1	0	0
TOTAL		0	24

Note :-26

PRIOR PERIOD INCOME/EXPENDITURE (NET)

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
INCOME			
Misc Receipt		1	1
EXPENDITURE			
Personnel Exp		6	1
Repair and Maintenance		178	0
Other General Expenses		1	0
Depreciation		911	384
Advertisement & Publicity		5	0
Misc- Others		9	41
Sub Total		1,109	426
LESS:-			
Transferred To EDC	11.1	33	4
TOTAL		1,076	422

Note :-27

PROVISION FOR TAXATION

Amount in lac ₹

Particulars	Note No.	For the Year Ended	
		31-Mar-2014	31-Mar-2013
INCOME TAX			
Current Year		13,952	11,953
Sub Total		13,952	11,953
TOTAL		13,952	11,953
WEALTH TAX			
Current Year		42	38
Sub Total		42	38
LESS:-			
Transferred To EDC	11.1	9	6
TOTAL		33	32



28. The Accounting Standards issued by ICAI have been complied with as under:

A.S. NO.	NOMENCLATURE	DESCRIPTION
AS 1	DISCLOSURE OF ACCOUNTING POLICIES.	<ul style="list-style-type: none"> • Significant Accounting Policies adopted in the preparation and presentation of financial statements has been disclosed in the Financial Statements. • During the year company has changed Accounting Policy in relation to Capital Expenditure on Assets not owned by the Company and Policy related to Corporate Social Responsibility & Sustainability Development. Impact of such change has been disclosed vide note no. 29.17.
AS 2	VALUATION OF INVENTORIES.	<ul style="list-style-type: none"> • The company is engaged in generation of hydro electricity power, thus does not hold raw materials/WIP Construction Stores, Spare parts and consumables held for Construction activity /supply and consumption in course of generation process is valued at cost determined on weighed average basis or net realizable value whichever is lower.
AS 3	CASH FLOW STATEMENTS.	<ul style="list-style-type: none"> • Cash Flow statement is being prepared as a part of Financial Statements using indirect method as per para 18 (b) of AS-3 as disclosed in Significant Accounting Policy No. 14.
AS 4	CONTINGENCIES AND EVENTS OCCURRING AFTER THE BALANCE SHEET DATE	<ul style="list-style-type: none"> • CERC has issued Orders dated 15.05.2014 and 05.06.2014 for KHEP and Tehri HPP respectively after the Balance Sheet date but before approval of Accounts. The impact of above orders has been accounted for.
AS 5	NET PROFIT OR LOSS FOR THE PERIOD, PRIOR PERIOD ITEMS AND CHANGE IN ACCOUNTING POLICIES.	<ul style="list-style-type: none"> • There is no extra ordinary income /expenditure for which disclosure is required under AS 5. Prior period items (income / expenditure) have been disclosed in Note 26.
AS 6	DEPRECIATION ACCOUNTING.	<ul style="list-style-type: none"> • Depreciation has been provided as per CERC Regulations as stated in accounting policy no. 8. Necessary disclosures such as Historical Cost, Depreciation for the year, Accumulated Depreciation etc. as required under AS 6 have been disclosed in Note No. 10 – Fixed Assets.
AS 7	ACCOUNTING FOR CONSTRUCTION CONTRACTS.	<ul style="list-style-type: none"> • The company has not undertaken any construction contracts during the reporting period. Thus not applicable.
AS 8	ACCOUNTING FOR RESEARCH AND DEVELOPMENT.	<ul style="list-style-type: none"> • The AS stands withdrawn.
AS 9	REVENUE RECOGNITION.	<ul style="list-style-type: none"> • The Company has been recognising its sales revenue on the basis of final tariff allowed by CERC and AFC (Annual Fixed Cost) determined based on tariff regulation pending final tariff order to be issued by CERC. Significant

A.S. NO.	NOMENCLATURE	DESCRIPTION
		Accounting Policy no. 10(i) to 10(iv) explains sales revenue mechanism followed by Company.
AS 10	ACCOUNTING FOR FIXED ASSETS.	<ul style="list-style-type: none"> • Cost of Fixed Assets, purchased/ self constructed have been accounted for in accordance with AS-10. • Necessary disclosure in respect of Gross/ Net Book Value of Assets at the beginning and end of Accounting Period showing details of additions made, assets discarded/ sold have been disclosed in Financial Statements.
AS 11	ACCOUNTING FOR THE EFFECTS OF CHANGES IN FOREIGN EXCHANGE RATES.	<ul style="list-style-type: none"> • Accounting Policies relating to Foreign Transactions has been disclosed vide Significant Accounting Policies No. 7(i) to 7(iv).
AS 12	ACCOUNTING FOR GOVERNMENT GRANTS.	<ul style="list-style-type: none"> • Company has received consumer contribution from GOUP toward Irrigation Component & PHRD grant from World Bank for VPHEP project, accounting treatment has been given in accordance with AS 12 and disclosed in Significant Accounting policy No. 3.
AS 13	ACCOUNTING FOR INVESTMENTS.	<ul style="list-style-type: none"> • The Company has not made any investment hence this AS is not applicable.
AS 14	ACCOUNTING FOR AMALGAMATIONS	<ul style="list-style-type: none"> • Not Applicable.
AS 15	EMPLOYEE BENEFITS	<ul style="list-style-type: none"> • The Company contributes at a fixed % of Basic and DA as declared by EPFO towards Provident Fund Contribution under Defined Contribution Plan and various benefits such as Gratuity, Leave Salary, Post Retirement Medical facility under Defined benefit Plan. Suitable amounts are provided in books based on actuarial valuation. • Pending approval of Ministry of Power (MOP), 10% of Basic and DA has been provided towards contribution under proposed Superannuation Pension Scheme.
AS 16	BORROWING COSTS.	<ul style="list-style-type: none"> • Company has recognised ₹ 1493 lac as borrowing cost for CWIP during the year. Recognition of borrowing cost has been explained in accounting policy no. 6 (i) & 6(ii).
AS 17	SEGMENT REPORTING.	<ul style="list-style-type: none"> • At present the Company is engaged in Generation of hydro power from Tehri & Koteshwar HEP located in district Tehri Garhwal in the state of Uttarakhand. Hence, segment reporting is not applicable.
AS 18	RELATED PARTY DISCLOSURES.	<ul style="list-style-type: none"> • No related party transaction has been carried out during the year. However details of Remuneration of Key



A.S. NO.	NOMENCLATURE	DESCRIPTION
		Managerial Personnel has been disclosed vide note no. 29.9.
AS 19	LEASES.	<ul style="list-style-type: none"> Company has not entered into any financial lease during the year. Operating lease transactions have been disclosed vide note no. 29.15.
AS 20	EARNINGS PER SHARE.	<ul style="list-style-type: none"> Company has not issued any potential Equity Share, hence EPS both Basic and Diluted remains same and has been disclosed in Statement of Profit & Loss.
AS 21	CONSOLIDATED FINANCIAL STATEMENTS.	<ul style="list-style-type: none"> There is no subsidiary / holding company of THDCIL, thus this AS 21 is not applicable.
AS 22	ACCOUNTING FOR TAXES ON INCOME.	<ul style="list-style-type: none"> During the year 2013-14 Deferred Tax Asset amounting to ₹ 6920 lac has been accounted for.
AS 23	ACCOUNTING FOR INVESTMENTS IN ASSOCIATES IN CONSOLIDATED FINANCIAL STATEMENTS.	<ul style="list-style-type: none"> Company does not have any associates; therefore, this AS is not applicable.
AS 24	DISCONTINUING OPERATIONS.	<ul style="list-style-type: none"> No operation/activities have been discontinued during the year, thus no disclosure is required.
AS 25	INTERIM FINANCIAL REPORTING.	<ul style="list-style-type: none"> The company has been preparing interim Financial Statements as a good governance practice even though not a listed Company.
AS 26	INTANGIBLE ASSETS.	<ul style="list-style-type: none"> Company has been recognising the cost of computer application software as intangible asset and amortise over a period as explained in Significant Accounting Policy no. 8(vi).
AS 27	FINANCIAL REPORTING OF INTERESTS IN JOINT VENTURES	<ul style="list-style-type: none"> Company has no joint venture project. Hence this AS is not applicable.
AS 28	IMPAIRMENT OF ASSETS.	<ul style="list-style-type: none"> There is no impairment of asset during the year.
AS 29	PROVISIONS, CONTINGENT LIABILITIES & CONTINGENT ASSETS.	<ul style="list-style-type: none"> The Company makes best assesment taking into different factors such as possibility/ certainty of financial obligation on Company and probability of cash outflow and provides liability accordingly. Other cases are considered as Contingent Liability.
AS 30	FINANCIAL INSTRUMENTS: RECOGNITION & MEASUREMENT	<ul style="list-style-type: none"> Concerned Standards are in relation to Measurement, Presentation and disclosure of Financial Instruments. Hence these AS are not applicable
AS 31	FINANCIAL INSTRUMENTS PRESENTATION	
AS 32	FINANCIAL INSTRUMENTS: DISCLOSURES	

NOTE NO. 29 OTHER EXPLANATORY NOTES ON ACCOUNTS:

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 328584 lac [Previous year (P.Y. ₹ 178918 lac)].

2. CONTINGENT LIABILITIES

	(₹ Lac)	
	2013-14	2012-13
(i) Claims against the Company, not Acknowledged as debts: Arbitration /Court cases Includes:		
(a) Bank Guarantee ₹ 3778 Lac (P.Y. ₹ 29 lac) Given by company	199281	229245
(b) Decreed against the Company in different Arbitration/ Labour court Cases and deposited by The Company but Disputed in appeals. ₹ 351 Lac (P.Y. ₹ 260 lac)		
(ii) Disputed Income Tax, Trade Tax, Commercial Tax, Entry tax includes ₹ 179 lac (P.Y. ₹ 179 lac) Deposited by Company but disputed in appeal.	180	722
(iii) Others (Contractors claims etc.)	218	207

3. Company has also accepted EMD/Security Deposit in the shape of FDR/CDR amounting to ₹ 1047 lac (P.Y. ₹ 840 lac) besides the "Deposits, Retention money from Contractors" amounting to ₹ 4890 lac (P.Y. ₹ 2951 lac) as disclosed in Note 4 & Note 8.

4. An amount of ₹ 7800 lac is recoverable by the company from the Uttarakhand Govt. towards extra space provided by the company for official premises of the Govt. The District Magistrate raised a demand note of ₹ 8449 lac inclusive of royalty claim of ₹ 3820 lac and balance amount towards interest thereon. ₹ 1900 lac was paid in cash against earlier royalty demand of ₹ 3820 lac and balance amount of ₹ 1920 lac was adjusted against amount recoverable by the company towards cost of extra space provided. The said amount of ₹ 3820 lac had been considered as cost of the capital assets of the project. The District Magistrate raised further demand note of ₹ 17002 lac and ₹ 2829 lac towards royalty payable by the company against aggregates used in construction of Tehri and Koteswar HEP after adjusting the amount already paid and claim made for extra space.

Being aggrieved the company filed writ petitions before the Hon'ble High Court of Uttarakhand with prayer to annul the demands. As per interim order of the Hon'ble High Court BG of ₹ 3749 lac had been submitted and bond of ₹ 16082 lac has been signed in favour of the Uttarakhand Govt. At present the Hon'ble High Court of Uttarakhand vide its order dated 25.05.2014 has disposed of both the writ petitions quashing the entire demands with directives to return the BG/ Bond and refund the amount paid if any. Actions have been initiated to get refund of the amounts paid and return of BG. As the appeal period has not yet been expired, no further accounting adjustment has been made.

5. The amount of borrowing cost capitalized during the year is ₹ 1493 lac (P.Y. ₹ 1704 lac) after adjustment of an amount of ₹ Nil lac (P.Y. ₹ Nil lac) towards interest earned on short term deposits of surplus borrowed funds during the year.



6. With the approval of the Board of Directors for implementing Defined Contribution Pension Scheme 2007, formal proposal has been forwarded to Ministry of Power for seeking approval. Pending receipt of approval, provision for pension fund @ 10% of Basic pay & DA amounting to ₹ 1401 lac has been made in accounts.
7. (i) Pursuant to the Government of India, MOE&F, New Delhi's order no.E.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 Oct., 2002 has issued order for diversion of 338.932 hectare Civil Soyam and Forest land at Kateshwar. Out of 338.932 hectare, lease deed for 337.057 hectare land has been executed and for balance 1.875 hectare forest land is pending for completion of legal formalities. Similarly in VPHEP, 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 which legal formalities are yet to be completed.
- (ii) Private land acquired by the company for reservoir, project work, colonies, misc. etc. including freehold land at various project is 3255.11 Ha. Out of which title deed of land measuring 1389.23 Hac is yet to be entered in the name of the Company.
- (iii) Construction of Tehri Hydro Complex was commenced by the Irrigation Dept. of the then Uttarpradesh State Govt in mid seventies. As the project area is inclusive of forest area, clearance for diversion of forest land for non forest use was sought from the MoEF, Govt. of India. The MoEF, GoI has conveyed clearance for diversion of 2582.9 ha of forest land (2311.4 ha Civil Soyam Land and 271.50 ha reserve forest land) vide their letter No. 8-32/06-FC dated 09th June 1987 addressed to Secretary Forest, Govt of Uttarpradesh for construction of Tehri Dam. The said order was partially modified vide letter No. 8-32/86-FC, dated 24/25th June 2004 of MoEF, Govt of India with directives to the Principal Secretary of Forest, Govt. of Uttaranchal for declaring the non forest land cleared for submergence as Reserve Forest/ Protected Forest U/s.4 or Sec 29 of the Indian Forest Act, 1927 or the State Forest Act. In view of the above facts the aforesaid land cannot be mutated in the name of the company. The said land remains the property of the State Govt. as Reserved Forest/ Protected Forest. Relying upon clearance of the MoEF, dam reservoir water has been allowed to submerge the said area which has been declared as Reserved Forest.
- 44.429 ha of Civil Soyam land subject to Forest Conservation Act on which stores, workshop, staff quarters and other utilities etc were constructed by the Irrigation Dept. of the then UP Govt as basic requirement forming integral part of the Tehri Hydro Project. Relying upon office order vide No. 585/Tehri Dam Project/23-C -4/T-18 dated 29.05.1989 issued by the Irrigation Dept of the then UP Govt. (issued for transferring assets of Irrigation Dept in favour of THDC India Ltd) the company has taken possession of the said assets. Formal communication is awaited.
8. 43 Flats (P.Y. 43 Flats) on the land acquired by the company are in unauthorized occupation of various persons. Freehold land includes 0.458 Hectares located at Sautiyal village encroached by unauthorized occupants.

9. a) Related Parties – Key Management Personnel:

Whole time Directors:

- | | | |
|----|---------------------|------------------------------|
| 1. | Shri R. S. T. Sai | Chairman & Managing Director |
| 2. | Shri D.V.Singh | Director (Technical) |
| 3. | Shri S.K. Biswas | Director (Personnel) |
| 4. | Shri. Sridhar Patra | Director (Finance) |
| 5. | Shri. C. P. Singh | Ex-Director (Finance) |

- b) Summary of transactions with related parties (other than for contractual obligations) – Nil.
- c) Remuneration and allowances, contribution to provident fund, other benefits and expenses to whole time Directors including Chairman & Managing Director and Independent director's fees & expenses is ₹ 248 Lac (FY ₹ 212 Lac).
- d) Joint Venture companies - Nil.

10. Earnings per share (EPS) – Basic & Diluted

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

	2013-14	2012-13
Net profit after tax used as numerator (₹ In lac)	₹ 59632.43	₹ 53137.70
Weighted average no. of equity shares used as denominator	Basic : 34435027 Diluted : 34435027	Basic : 33660524 Diluted : 33660524
Earning per share ₹		
Basic	172.88	157.86
Diluted	172.88	157.86
Face Value per share ₹	1000	1000

11. 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 ₹ 6920 lac (FY ₹ 5372 Lac) has been booked to Profit and Loss Account. The deferred tax assets pertaining to the period up to 31st March 2009 is refundable to the beneficiaries, thereafter, it is a part of the current tax as per CERC Regulations 2009-2014 and not refundable. The item-wise detail of cumulative Deferred Tax Liability/Assets is as under:

₹ in lac

Sl. no	31.03.2014	31.03.2013
	Deferred Tax Liability (A)	
i)	0	0
	Deferred Tax Assets (B)	
ii)	26631	19650
iii)	7309	7859
iv)	166	166
v)	0	0
vi)	4315	3826
	(38421)	(31501)

12. (i) In line with the Guidelines issued by Govt. of India, Company is required to incur expenditure on Corporate Social Responsibility and sustainability Development @ 2% of profit after tax for the year 2012-13 during the year 2013-14. Accordingly ₹ 1063 Lac has been provided for in accounts .
- (ii) In line with the D.P.E. Guidelines issued by Govt. of India, Company is required to incur minimum



expenditure on Research & Development (R&D) 0.5% of Profit after tax for the year 2012-2013 during the year 2013-2014. Provision for unspent amount has been made by way of non lapsable R&D Fund. Accordingly Board had approved R&D plan for the year 2013-14. During the year expenditure of ₹ 266 lac has been booked on R&D activity.

13. There is no outstanding amount as payable to Suppliers/Service providers registered under MSMED Act 2006.
14. The management carried out the construction works of Koteswar HEP through the contractor M/s. PCL Intratech Lenhydro Consortium under Risk & Cost mechanism to expedite project completion. Payment made by the company in excess of amount payable under the contract had been debited to Risk & Cost Account and shown as recoverable from the contractor. The company had levied interest @ 16 % on the yearly outstanding amount of the Risk & Cost Account. The interest so levied was credited to CWIP account. At present the contract has been foreclosed.

The contractor has gone for arbitration. The Arbitral Tribunal has made detailed deliberation in para 207 of the award dated 17.12.2010 and concluded that the interest levied by the company is not maintainable apart from admitting claim of the contractor. The company has filed writ petition before the Hon'ble High Court of New Delhi challenging the award as erroneous and illegal. The award remains in force unless and until the same is set aside by the High Court. In view of the order of the arbitral tribunal the interest as levied in the past years amounting to ₹ 11718 lac has been reversed and Memorandum Account is maintained for the same.

15. 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. Rent/Lease include ₹ 901 lac (PY ₹ 794 lac) towards lease payment (net off recoveries).
16. 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 Family Pension scheme is paid to the appropriate authorities. The contribution of ₹ 129 lac (PY ₹ 133 lac) to the fund for the period is recognized as expense and is charged to statement of Profit & Loss. The obligation of the company is to make such fixed contribution to ensure minimum rate of return to the member as specified by GOI. As per Actuarial valuation the liability due to statutory interest rates guaranteed for provident fund as on 31.03.2014 as per AS-15 (Revised) comes to ₹ 125 lac (PY ₹ 84 lac) as against the revenue surplus of ₹ 103 lac (PY ₹ 79 lac).
- 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 31.03.2014. Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits" for the Financial Year ended 31.03.2014 is given below:

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

Particular	31.03.2014	31.03.2013
Mortality Table	IALM(2006-08)	LIC (1994-96) Duly modified
Discount Rate	8.5%	8%
Future Salary Increase	6.5%	6%

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

₹ in lac

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
PVO at Beginning of year	9611	4267	2027	4594	654
Interest cost	769	341	162	368	52
Past service cost					
Current service cost	555	282	77	245	36
Benefit paid	(479)	(919)	(58)	(76)	(27)
Actuarial (Gain)/loss	593	938	118	(467)	(85)
PVO at end of year	11049	4909	2326	4664	632

Table - 3: Amount Recognized 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	11049	4909	2326	4664	632
Fair Value of Plan Assets at the end of year					
Funded Status	(11049)	(4909)	(2326)	(4664)	(632)
Unrecognised actuarial gain/loss					
Net liability recognized in Balance Sheet	(11049)	(4909)	(2326)	(4664)	(632)

Table - 4: Amount recognized in 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	555	282	77	245	36
Interest Cost	769	342	162	368	52
Past Service Cost					
Expected return on Plan Assets					
Net Actuarial (gain)/loss recognized for the year	593	938	118	(467)	(86)
Expense recognized in Profit & Loss/EDC for the year.	1017	1562	357	146	5



17. Change in Accounting Policy:

Sl.No.	Policy	Impact
01	Policy No. 4(v) Capital Expenditure on Assets not owned by the Company is reflected as distinct item in CWIP till the period of Completion and thereafter in the Fixed Assets.	Decrease in Fixed Assets by ₹ 2615 Lac and decrease in Cumulative depreciation ₹ 2462 lac and Increase in Expenses /EDC by ₹ 153 Lac.
02	Policy no.8(vi) relating to amortization of Capital Expenditure not owned by the Company.	
03	Policy No. 10 (xii) related to CSR, SD and R&D.	Decrease in CSR & SD expenses by ₹ 235 lac and correspondingly increase in Profit before Tax by ₹ 235 lac.

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

19. Payment to Auditors (including service tax)

₹ in lac

		2013-14	2012-13
I.	Statutory Audit Fees	6 *	6
II.	For Taxation matter (Tax Audit)	2	2
III.	For Company Law matter	---	---
IV.	For Management services	---	---
V.	For other Services(Certification)	3	3
VI.	For Reimbursement of expenditure	3	3

*Subject to approval in Annual General Meeting.

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

₹ in lac

	PARTICULARS	2013-14	2012-13
A	Expenditure in Foreign Currency (on cash basis)		
	Travelling	15	11
	Consultancy & Professional Expenditures	5060	2499
	Management/Commitment fee	0	0
	Repayment of loan & Interest	2802	2504
	Import of goods	341	207
	Others (Advances)	2818	128
	Nomination for Conference		2
	Purchase of Software		0
	TOTAL	11036.00	5351.00
B	Earnings in Foreign Currency (on cash Basis)	0	0.00
C	Value of Imports calculated on CIF basis		
i)	Capital Goods	470	265
ii)	Spare parts		
	Total	470.00	265.00
D	Value of Components, Stores & Spare parts Consumed		
i)	Imported (in lacs Rupees)	1	54
	(%)	0.14	9.9
ii)	Indigenous (in lacs Rupees)	617	495
	(%)	99.86	90.1
E	Value of Export	0.00	0.00

Value of spare parts & components consumed:

2013-14	Imported		Indigenous	
	%	₹	%	₹
Tehri O&M	0.16	1.00	99.84	535.00
Rishikesh Main				
Koteshwar			100.00	82.00
VPHEP				
Total		1.00		617.00
2012-13	Imported		Indigenous	
	%	₹	%	₹
Tehri O&M	9.90	54.00	90.10	495.00
Rishikesh Main				
Koteshwar				
VPHEP				
Total		54.00		495.00



21. Licensed and Installed Capacities:-

Sl. No	PARTICULARS	2013-14	2012-13
(i)	Licensed Capacity (M.W)	Not Applicable**	Not Applicable**
(ii)	Installed Capacity (M.W)	1400MW	1400MW
(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	NIL	NIL
	Sales	NIL	NIL
(b)	Commercial period		
	Generation	5582.2641620 MU	4266.03716 MU
	Sales (net of free power to home state, auxiliary consumption and transformation losses)	4887.0780941 MU	3735.06309 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.

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

For and on Behalf of Board of Directors

(S. Q. Ahmad)
Company Secretary

(Sridhar Patra)
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

(Anant Bhatia)
Partner
Membership No.:- 507832

Date : 27.08.2014
Place : New Delhi

INDEPENDENT AUDITOR'S REPORT

To the Members of
THDC INDIA LIMITED

Report on the Financial Statements

1. We have audited the accompanying financial statements of "THDC INDIA LIMITED" which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit & Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with General Circular 15/2013 dated 13th September, 2013 of the Ministry of Corporate Affairs in respect of Section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures

in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

5. In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
 - a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
 - b) in the case of the Statement of Profit and Loss, of the Profit for the year ended on that date; and
 - c) in the case of the Cash Flow Statement, of the cash flow for the year ended on that date.

OTHER MATTERS

6. Without qualifying our report, we draw attention to the following:-
 - a. Note No. 20.1- Regarding accounting of sales being done on provisional basis pending final fixation of tariffs by CERC.
 - b. Note No. 29(7) - Regarding position of land at various projects for which formalities are still pending.



- c. Note No. 29(8) - Regarding unauthorized occupation of 43 Flats (Previous Year-43 Flats) by various persons and unauthorized occupants.
- d. Note No. 29(14) - Regarding adjustment of Advance to Contractors towards the Risk and Cost of KHEP Contractor (M/S PCL) against the security Deposit lying with the Company.
- e) on the basis of written representations received from the Board of Directors as on March 31, 2014, none of the directors is disqualified as on March 31, 2014 in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

7. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said order to the extent applicable to the company.
8. As required by section 227(3) of the Act, we report that:
- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b) in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books.
- c) the Balance Sheet, Statement of Profit and Loss dealt with by this Report are in agreement with the books of account.
- d) in our opinion, the Balance Sheet, Statement of Profit & Loss and the Cash Flow Statement comply with the Accounting Standards referred to in sub-section(3C) of Section, 211 of the Companies Act, 1956;

For Bhatia & Bhatia
Chartered Accountants
FRN: 003202N OF ICAI

(Anant Bhatia) FCA
Partner
Membership No. : 507832

Place : New Delhi
Date : 27.08.2014

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 location 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. In respect of its loans:

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

4. In our opinion and according to the information and explanations given to us, there are adequate internal control systems, Commensurate with the size of company and nature of its business, with regard to purchase of inventory and fixed assets. During the course of our audit we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the underlying internal control systems.
5. Based on the audit process applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need be entered in the register required to be maintained under that Section. The question of reasonableness of transactions ₹ 500000/- or more during the year does not arise.
6. Since the Company has not accepted any deposit from the public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58-A, 58-AA and other relevant provisions of Companies Act, 1956, and rules framed there under, does not arise.
7. The Company has an Internal Audit system wherein external Chartered Accountant Firms are appointed to carry out periodic audits of different units of the Company. In our opinion, the scope and coverage of Internal Audit are commensurate with the size and nature of its business.
8. The Central Government has prescribed maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956. The company is maintaining the required Cost Records. However, the Cost Audit for the year 2013-14 is under progress.
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 31.3.2014 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 Trade Tax dues have not been deposited.

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 utilized the Term Loans drawn for the purpose for which they were raised during the year.

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

Assessment year	Amount (₹ In Lac)	Nature of Dues	Present Status
2007-08	1.02	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.

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

(Anant Bhatia) FCA
Partner
Membership No. : 507832

Place : New Delhi
Date : 27.06.2014



गोपनीय

संख्या: No. MAB-III/Rep/01-68/Acs-THDC/2014-15/1124

भारतीय लेखा एवं लेखापरीक्षा विभाग

कार्यालय

प्रधान निदेशक, वाणिज्यिक लेखा परीक्षा

एवं पदेन सदस्य लेखा परीक्षा बोर्ड-III

नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

OFFICE OF THE

PRINCIPAL DIRECTOR OF COMMERCIAL AUDIT

& EX-OFFICIO MEMBER, AUDIT BOARD-III,

NEW DELHI

दिनांक / Dated 18 September 2014

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,

टीएचडीसी इण्डिया लिमिटेड,

ऋषिकेश

विषय:

31 मार्च 2014 को समाप्त वर्ष के लिये टीएचडीसी इण्डिया लिमिटेड, ऋषिकेश के वार्षिक लेखों पर कम्पनी अधिनियम 1958 की धारा 819(4) के अन्तर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ।

महोदय,

मैं, टीएचडीसी इण्डिया लिमिटेड के 31 मार्च 2014 को समाप्त वर्ष के लेखाओं पर कम्पनी अधिनियम 1958 की धारा 819 (4) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अंग्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न: यथोपरि।

भवदीया,

(तनुजा एस. मित्तल)

प्रधान निदेशक



COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF THE THDC INDIA LIMITED FOR THE YEAR ENDED 31ST MARCH 2014.

The preparation of financial statements of THDC India Limited for the year ended 31st March 2014 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 statement under Section 227 of the Companies Act, 1956 based on independent audit in accordance with the 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 27 August, 2014.

I, on behalf of 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 31st March, 2014. 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

Sd/-
(Tanuja. S. Mittal)
Principal Director of Commercial Audit &
Ex-officio Member, Audit Board – III.
New Delhi

Place : New Delhi

Dated : 18 September 2014



टिहरी बांध के गेटरहित स्पिलवे का परिचालित दृश्य
Operational View of Ungated Spillway of Tehri Dam



टीएचडीसी इंडिया लि.

(भारत सरकार व उत्तर प्रदेश सरकार का संयुक्त उपक्रम)

गंगा भवन, प्रगतिपुरम, बाईपास रोड, ऋषिकेश-249201-(उत्तराखंड)

THDC INDIA LIMITED

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

Ganga Bhawan, Pragtiapuram, By Pass Road, Rishikesh-249201-(Uttarakhand)

Ph. : (0135) 2435842, 2439309 & 2437648 Fax : (0135) 2439442 & 2436761