



2016-17

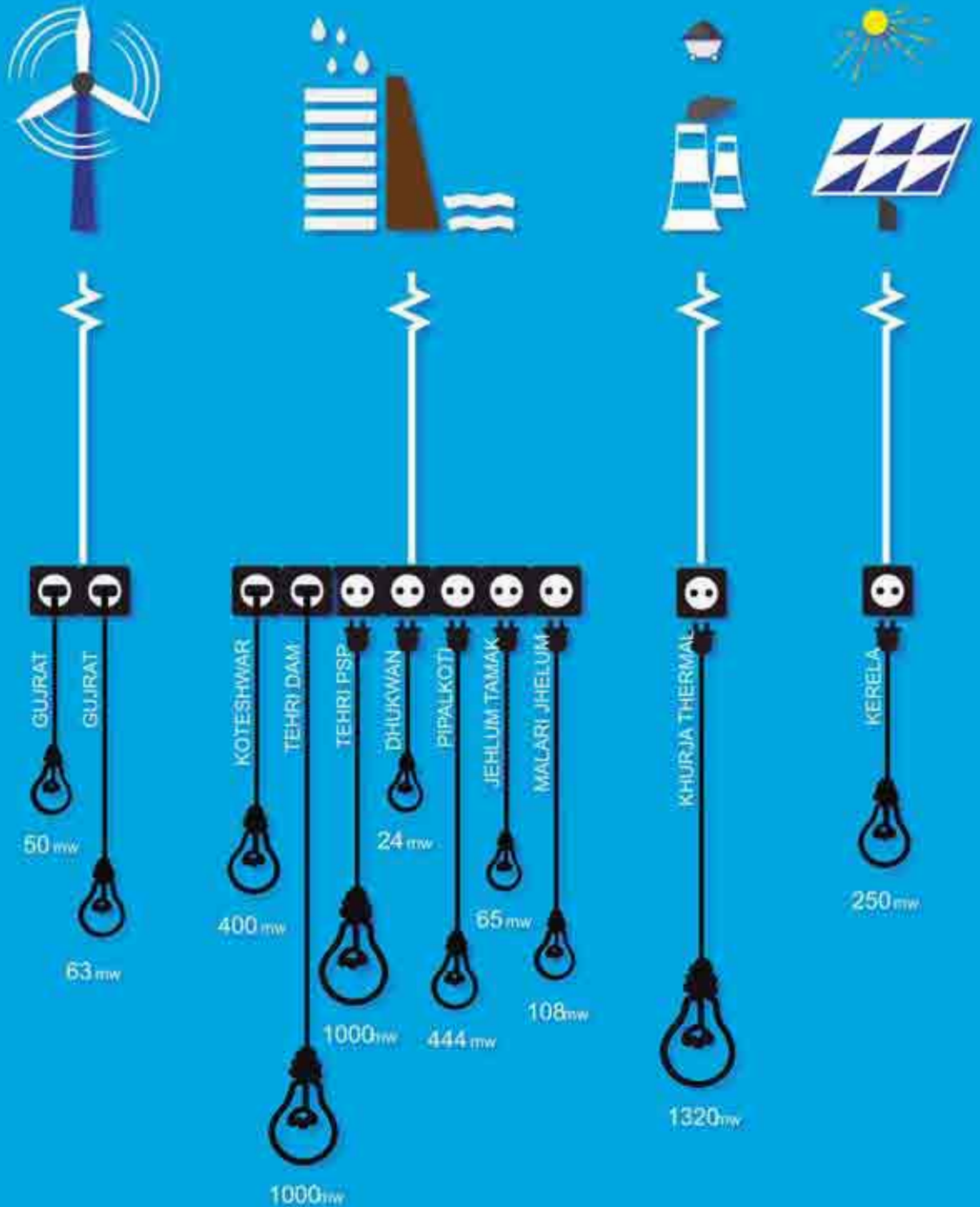
29th

ANNUAL REPORT

2016-17

THDC INDIA LIMITED

POWERING THE NATION





► Our Vision ►

A world class energy entity with commitment to environment and social values.

► Our Mission ►

- To plan, develop and operate energy resources efficiently.
- To adopt state of the art technologies.
- To achieve performance excellence by fostering work ethos of learning and innovation.
- To build sustainable value based relationship with stakeholders through mutual trust.
- To undertake rehabilitation and resettlement of project affected persons with human face.



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BOARD OF DIRECTORS

As on 20th September, 2017



Shri D.V. Singh
Chairman & Managing Director



Shri Raj Pal
Economic Adviser, MoP, Govt. Nominee Director



Shri Suresh Chandra
Principal Secretary (Irrigation), GoUP Govt. Nominee Director



Shri S.K. Biswas
Director (Personnel)



Shri Sridhar Patra
Director (Finance)



Shri Bachi Singh Rawat
Independent Director



Shri Mohan Singh Rawat
Independent Director



Shri Maharaj K. Pandit
Independent Director

REFERENCE INFORMATION

Registered Office

THDC INDIA LIMITED

(A Joint Venture Government of India & Government of U.P.)
 Registered Office : Bhagirathi Bhawan (Top Terrace)
 Bhagirathipuram, Tehri Garhwal - 249001
 Contact No. (0135) 2435842,2439309 &2437646
 Fax: (0135) 2439442& 2436761
 Website: www.thdc.co
 Email: thdccc@yahoo.co.in
 CIN No: U45203UR1988GOI009822

Company Secretary & Compliance Officer

Ms. Rashmi Sharma

Ganga Bhawan , Pragatipuram,
 By-pass Road , Rishikesh-249201
 Contact No. (0135) 2435842,2439309 &2437646
 Fax: (0135) 2439442& 2436761
 Email: rashmi.thdc@gmail.com

Corporate Office

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

Registrar & Share Transfer Agent

Karvy Computershare Private Limited

Karvy Selenium Tower - B, Plot 31-32, Gachibowli,
 Financial District, Nanakramguda, Hyderabad - 500 032
 Tel: +91-40-3321 1000, Email: rakesh.jamwal@karvy.com

Statutory Auditor

M/S P.D. Agrawal & Co.

364 A, Govindpuri , Haridwar - 249403

Cost Auditor

- 1) M/S Chandra Wadhwa & Co.204, Krishna House,
 Daryaganj, 4805/24, Bharat Ram Road,
 New Delhi – 110002
- 2) M/S R.M. Bansal& Co. A-201, Twins Towers Lakhanpur,
 Kanpur,Uttar Pradesh- 208024

Debenture Trustees

VISTRA ITCL INDIA LTD.

A-268, 1ST Floor ,Bhishma Pitamah Marg,
 Defence Colony, New Delhi-110024

Shares Listed at

National Stock Exchange of India Limited
 Bombay Stock Exchange

Depositories

Central Depository Services (India) Limited
 Regd. Office : 17th floor, P J Towers, Dalal Street, Fort,
 Mumbai- 400001

Bankers

1. Punjab National Bank
2. State Bank of India
3. World Bank
4. Jammu and Kashmir bank

Credit Rating Agency

CARE (Credit Analysis & Research Ltd)
 India Ratings

Secretarial Auditor

M/S P.S.R. Murthy
 178 RPS Flats, Sheik Sarai Phase-1, New Delhi -110 017



KEY FINANCIAL PERFORMANCE HIGHLIGHTS

(Amount in ₹ Lac)

		2016-17	2015-16	2014-15*	2013-14*	2012-13*
A.	Revenue					
1	Revenue from Operations	209474	246649	239716	217376	195614
2	Other Income	14123	1481	1077	862	7039
3	TOTAL REVENUE	223597	248130	240793	218238	202653
B.	Exenses					
4	Employees Benefits Expense	25425	22857	22438	18854	19323
5	Generation, Administration & Other Expenses	19513	18003	17855	15370	15188
6	Tariff Adjustment (Regulatory Liability)	0	0	0	15192	
7	Provisions	445	9	12638	0	24
8	Bad Debts written off	0	0	7801	0	0
9	Prior Period			13992	1076	422
10	Extraordinary items	16146	34830			
11	TOTAL EXPENDITURE	61529	75699	74724	50492	34957
12	GROSS MARGIN(PBDIT) (3-11)	162068	172431	166069	167746	167696
13	Depreciation & Amortisation	52557	49663	48386	48122	47435
14	GROSS PROFIT(PBIT) (12-13)	109511	122768	117683	119624	120261
15	Finance Cost	29106	32887	43878	53027	60510
16	Profit Before Tax (14-15)	80405	89881	73805	66597	59751
17	Income Tax	17154	24252	18376	13985	11985
18	Deferred Tax Asset	-8142	-16269	-13686	-6920	-5372
19	Profit for the period from contnuing operations (16-17-18)	71393	81898	69115	59532	53138
20	Other Comprehensive income	-414	-301			
21	Income Tax on OCI- Deferred Tax Assets	144	104			
22	Profit After Tax (19+20+21)	71123	81701	69115	59532	53138
C.	Assets					
23	Tangible and Intangible Assets (Net Block)	780687	752460	795672	843490	879607
24	Capital Work In Progress	303529	239099	167453	111712	78519
25	Long term Loans and Advances	4694	4702	41181	57702	59744
26	Deferred Tax Assets (Net)	70941	62655	45794	32108	25188
27	Other Non- Current Assets	93795	63999	143	162	49
28	Current Assets	227149	232220	257434	190147	238298
29	Total Assets	1480795	1355135	1307677	1235321	1281405
D.	Liabilities					
30	Equity Share Capital	359888	355888	352888	347309	344309
	Other Equity					

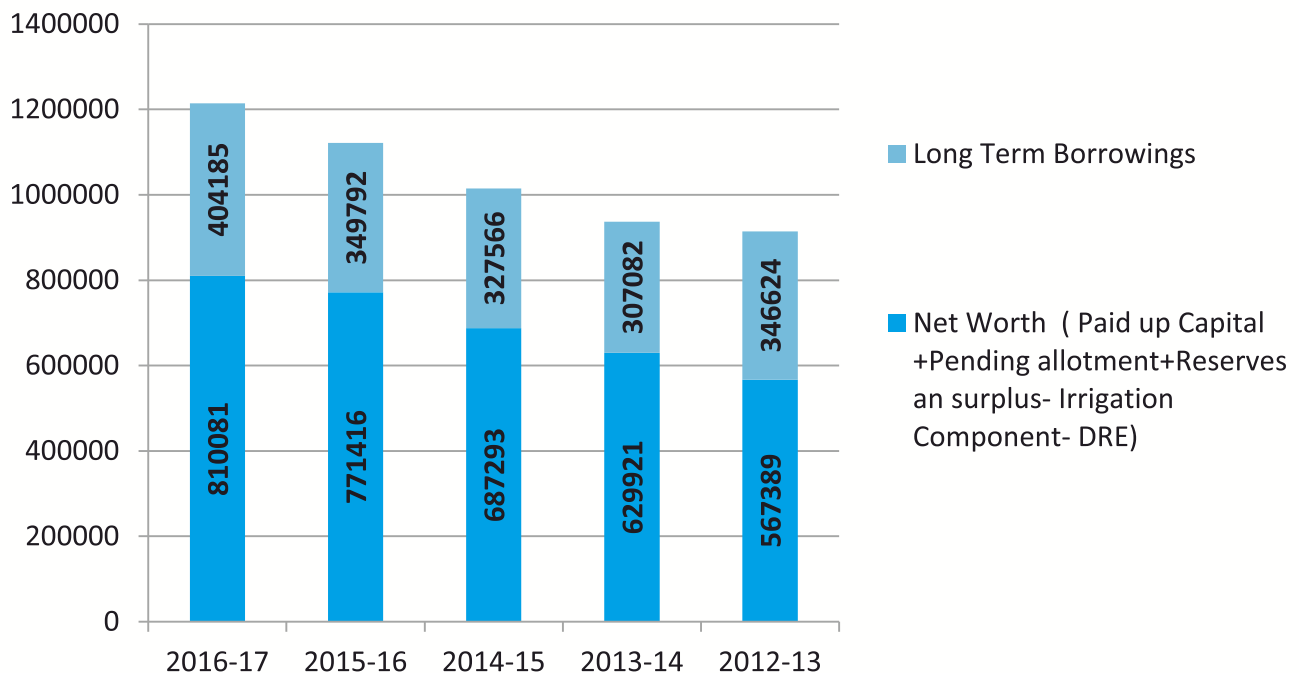
31	Reserves and Surplus	450193	415528	334405	282612	223080
32	Contribution towards Irrigation Component	83458	89989	96538	103203	109760
33	Total Other Equity	533651	505517	430943	385815	332840
34	Long Term Borrowings	404185	349792	327566	307082	346624
35	Other Long Term Liabilities and Provisions	61395	54666	55340	45640	43669
36	Short term Borrowings	38724	3677	43634	63359	128812
37	Other Current Liabilities	82952	85595	97306	86116	85151
38	Total Liabilities	1480795	1355135	1307677	1235321	1281405
		-	-	-	-	-
39	Net Worth (30+31)	810081	771416	687293	629921	567389
40	Capital Employed (39+34-24)	910737	882109	847406	825291	835494
41	Dividend For the year	22100	16200	14000	0	0
E	Ratios					
	Earning per share (Par value of Rs. 1000/- share)	198.85	230.52	197.60	172.88	157.86
	Current Ratio [28 / (36+37)]	1.87	2.60	1.83	1.27	1.11
	Debt to Equity (34 / 39)	0.50	0.45	0.48	0.49	0.61
	Return On capital Employed (PBIT/ Capital Employed) (14 / 40)	12.02%	13.92%	13.89%	14.49%	14.39%

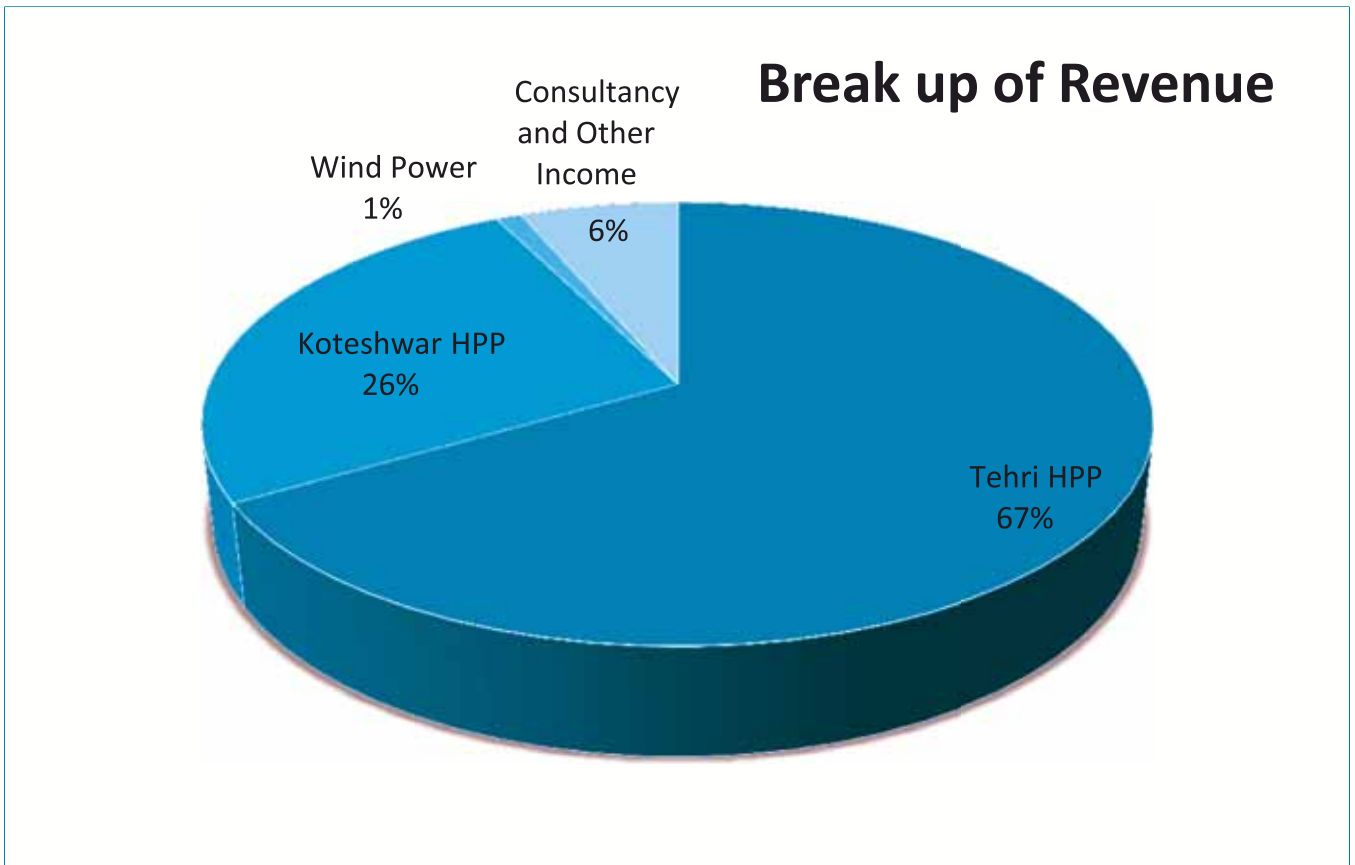
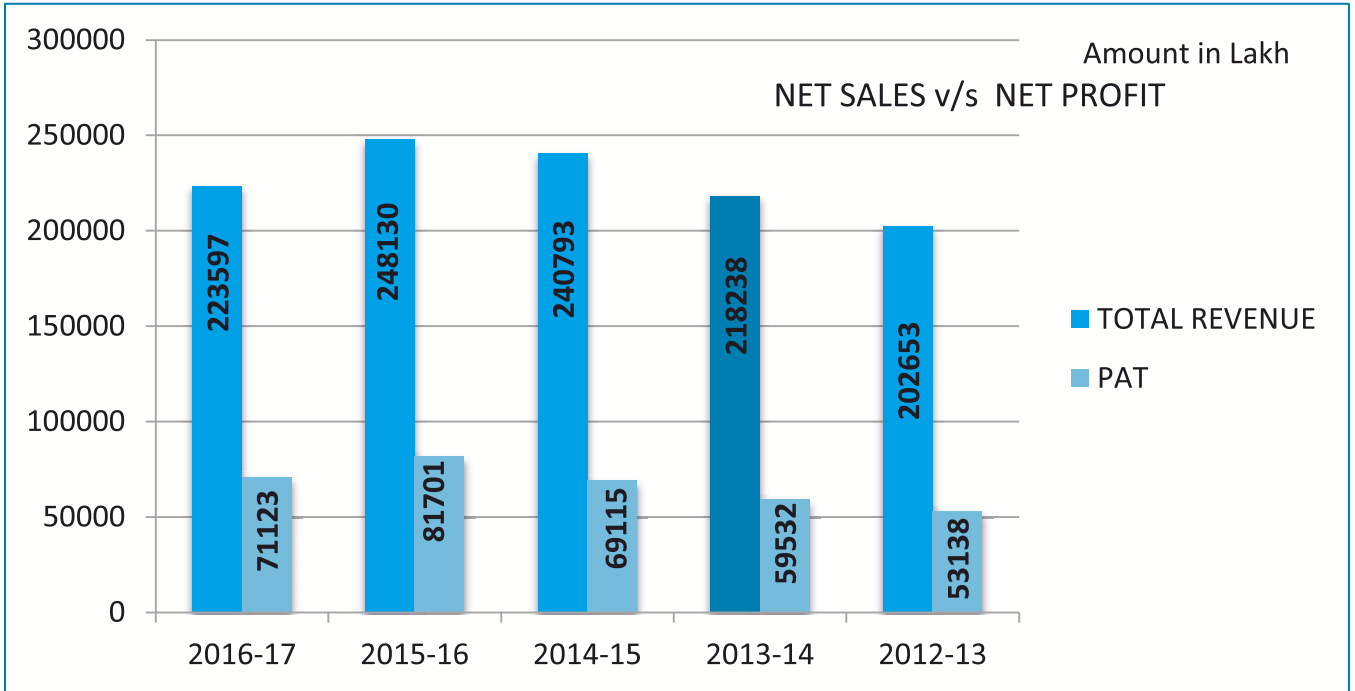
* As per previous GAAP

KEY FINANCIAL PERFORMANCE CHARTS

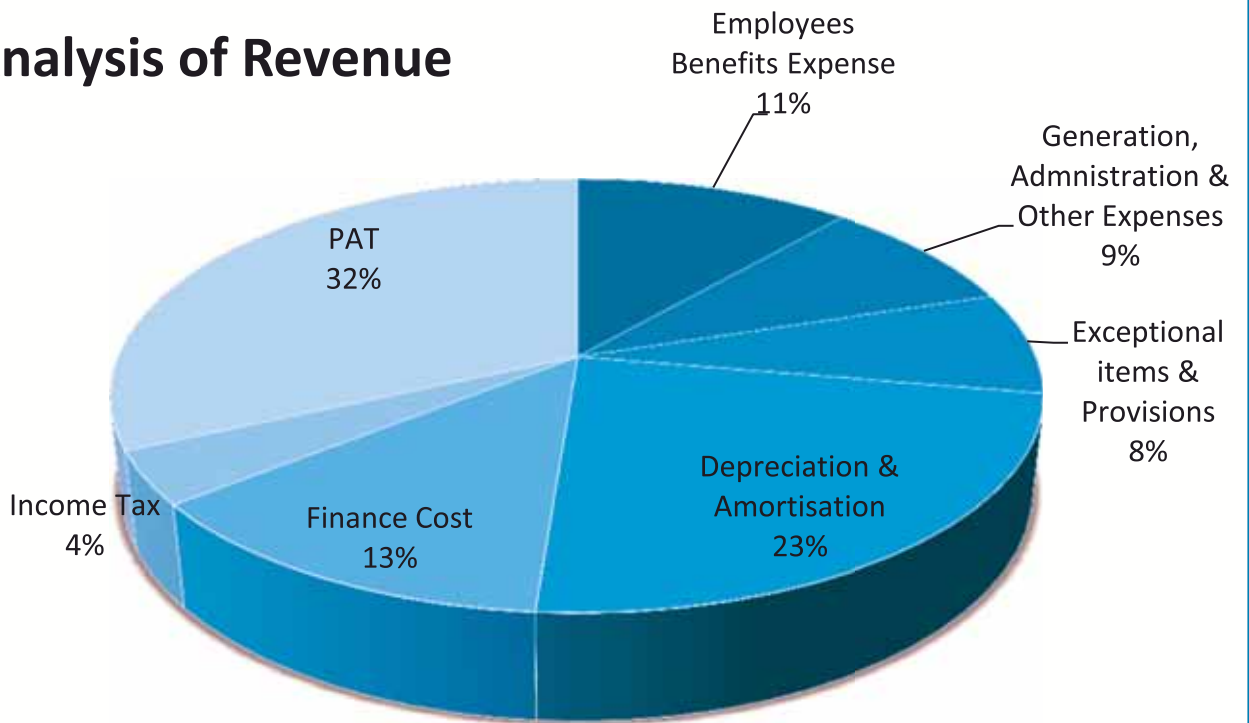
Amount in Lakh

NET WORTH v/s LONG TERM BORROWINGS





Analysis of Revenue





Shri D.V. Singh, CMD, THDCIL handing over Interim Dividend to Shri Piyush Goyal, the then Hon'ble MoS(IC) Power, Coal, Mines & NRE, GoI at MOP, Delhi.



Shri D.V. Singh, CMD, THDCIL handing over Interim Dividend to Shri Sanjay Agarwal, then Principal Secy.(Energy), GoUP at Lucknow.



Shri R.K. Pujari, Secretary(Power), GoI and Shri D.V. Singh, CMD, THDCIL exchanging MoU documents for the year 2017-18



Chairman's Address

Ladies & Gentlemen,

Welcome to the 29th Annual General Meeting of your Company. The Report of the Auditors and Director's Report for the year 2016-17 along with the Annual Audited Accounts are already with you and I would take them as read.

Power is a basic human need as well as an essential requirement for the overall development of a nation. Our Country needs accelerated development of Power. Consequent to Paris Summit in Dec'15 there is commitment of our nation to reduce Carbon emission and to have 40% of the total installed power capacity from the non fossil fuels. There is a commitment of 24X7 power for all by 2019. We are seeing the push on electricity generation from renewable energy resources targeted to be 175 GW by 2022.

I am pleased to inform you that your company is shouldering its responsibility and after commissioning of 50 MW Wind Power at Patan in June'16 another 63 MW Wind Power Plants have been commissioned at Devbhoomi Dwarika during the year 2016-17. With this, the total installed capacity of your company is now 1513 MW.

Out of 250 MW Solar Power Plant planned in phased manner, your company had planned 50 MW during 2016-17 but due to volatile tariff from Solar Power Plant, your company is pursuing with Kerala state for signing Power Sale Agreement so that we award the contract and commission the plant in 2017-18.

Being a responsible Organization your company has a vision to be a world class energy entity with commitment to environment & social values.

Past Year Review

It is my pleasure to apprise that during the year, THDCIL's operational plants, the 1000 MW Tehri HPP and 400 MW Koteshwar HEP continued to perform well. The plants generated 4370 MU against the target of 4189 MU. This is more than 10% increase over their combined design energy which is 3952 MU. Operational efficiency of over 82 % and 71% was achieved for Tehri HPP and Koteshwar HEP respectively which is well above the normative figures of 77% and 68%. Gross sales during the year is ₹2094.8 Cr against ₹2466.5 Cr during 2015-16. The net Profit this year is ₹711.2 Cr against ₹819.0 Cr during previous year. MoU rating

for this year is expected to be 'Very Good'.

For the first time, your company has tapped the Financial Market to Raise Funds through the Private Placement of Bonds. For this the bidding was conducted on 29.09.2016 on E-bidding platform of Bombay Stock Exchange (BSE). Your Company was able to raise Rs. 600 Crore at coupon rate of 7.59%. The issue was oversubscribed 3.5 times.

Projects

For the ongoing 444 MW Vishnugad Palkoti HEP and 1000 MW Tehri PSP, progress of works has been impacted mainly due to cash crunch with contractor, M/s HCC Ltd. However, other reasons

Power Purchase Agreement for Dhukwan Small Hydro Project (24 MW) with Uttar Pradesh Power Corporation Limited (UPPCL) on 5th December 2016 @ 4.87 per unit. A Canal Top Solar Project utilizing the space above open channels is also being explored.

Your Company is strongly concentrating on its maiden Thermal Power Project at 1320 MW STPP Khurja. There has been an encouraging progress during the year. First good news is that for coal requirement, Amelia Coal Mine allotment order for your company has been issued on 17.01.2017. Second good news is that Environment Clearance has been accorded to the Khurja project on 30.03.2017.



Shri D.V. Singh, CMD, THDCIL receiving the NTPC Rajbhasha shield from Shri Piyush Goyal the then Hon'ble MoS(IC) Power, Coal, Mines & NRE, GoI

like local problems and geological surprises also contributed to slow progress. Your company is striving hard to resolve these issues. With the financial arrangements agreed by your Board, these projects are being brought on track so as to commission VPHEP by Nov'2020 and Tehri PSP by Dec'2020.

24 MW Dhukwan SHP in Distt Jhansi, Uttar Pradesh is also expected to be commissioned during 2018-19. Your company entered into the

Your company is now active to put Khurja STPP as well as Amelia Coal Mine works at fast track.

Corporate Social Responsibility & Sustainability

A Company Sponsored Non Govt. Organization (CONGO) named SEWA (Society for Empowerment & Welfare Activities) is working hard to promote sustained livelihood, overall development and well being of target communities in the operational areas of your Company's business. In order to make CSR and sustainable development more effective, your company has developed a CSR communication strategy which

documents ongoing two way communication with the stakeholders with an approach 'do it with us'. For CSR activities the Company has earmarked an amount of 2% of average PAT of previous three year.

Your company has a firm belief that the Business activities and CSR activities should be performed with commitment to environment, ecology and social values.



Shri D.V. Singh, CMD, THDCIL and Shri Vivek Bhardwaj, JS, Ministry of Coal (Nominated Authority, Govt. of India) exchanging Allotment Agreement documents

Sustainability reporting is now a periodical exercise and the 7th Sustainability Report was published based on the guidelines issued by the Ministry of Corporate Affairs. The Sustainability Reports are placed on web site for transparency and feedback for improvement.

Corporate Governance

I am glad to inform that since its inception, Your Company has always achieved 'Excellent' rating for compliance with DPE guidelines on Corporate Governance. Your Company remains committed to maintaining the highest standards of Corporate Governance and would leave no stone unturned for acquiring the trust and welfare of stakeholders. Your Company would continue to work in a transparent and professional manner to create value for all its stakeholders.

Future Outlook

You will agree with me that the need of the hour is to meet the national demand of Electricity generation with optimum use of the resources mitigating the environmental impacts and provide support to the people in need. This inclusive

growth also needs to be fulfilled without project time and cost overruns in the overall benefit of the economy. Your company shall be putting all out efforts to expedite construction in ongoing projects and to take up more renewable energy projects.

Acknowledgment

Ladies & Gentlemen, the honesty and dedication filled with, energy and enthusiasm of about 1937 employees are the driving force to the success of your company. Imparting trainings for acquisition of new skills and knowledge to all the employees is a regular phenomenon of your Company. I would like you to impart each one of them your appreciation that they truly deserve.

I take this opportunity to thank Govt. of India, Ministry of Power and other Ministries of Govt. of India; the Govt. of UP, the Government of Uttarakhand, for extending support. I also thank CEA, CWC, for the immense support and co-operation received.

I also take this opportunity to thank all other Governmental and Non-Governmental agencies for extending their support. I express my gratitude



A view of 29th Annual General Meeting

to all our stakeholders, for keeping trust in us and extending their support. 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 also thank and appreciate my esteemed colleagues on the Board for their guidance and valuable support.

While I thank you all for affording me a patient

hearing, as ever, I seek your encouragement and support for future.

With best wishes,

(D.V. Singh)

Chairman & Managing Director

DIN: 03107819

Date : 20.09.2017

Place : New Delhi

DIRECTORS' PROFILE



Shri Dhirendra Veer Singh assumed charge as Chairman & Managing Director (CMD) of THDC India Ltd on 01.12.2016. Presently, he is also holding the charge of Director(Technical) in THDCIL. Shri Singh is a civil engineering graduate from NIT Rourkela (1983), and has more than three decades of exhaustive experience in underground works, powerhouse works, spillways, contracts, material management, rehabilitation and heavy civil construction. Before joining THDCIL, Mr Singh worked with Larsen & Toubro.

Shri. Singh played a key role in the construction of Tehri powerhouse and was in charge of its planning and construction. He was also actively involved in the construction and planning of the Spillway System of the Tehri Project as well as its associated jobs like contracts and material management, construction of building and roads etc. He was also deeply involved in the relocation and rehabilitation of people displaced by the Project.

Shri Singh is also credited for his leadership in helping turn around of the Koteshwar Hydro-Electric Project (4x100 MW) when it was almost derailed by delays. He introduced several innovations in implementation that helped THDCIL commission the project in a record period of four years. Shri. Singh was also honored with the 'Eminent Engineering Personality' award at national convention of 'Institutions of Engineers' (India) in 2012, at IIT Roorkee. He has also been conferred with "Chartered Engineer" by Institution of Engineers (India) for this project.



Shri Raj Pal has been appointed as Nominee Director, Govt. of India in THDC India Limited w.e.f. 30 August, 2017. An Economic Adviser, Ministry of Power, Shri Raj Pal 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 28 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.



Shri Suresh Chandra has been appointed as Nominee Director, GoP in THDC India Limited w.e.f. 28 September, 2016. He held the different important administrative positions in Uttar Pradesh Government. Presently, Shri Suresh Chandra is holding the post of Principal Secretary(Irrigation) in Govt. of U.P.



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 33 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 (SJVNL) 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 30 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 academicians apart from his professional employment in PSUs.



Bachi Singh Rawat has been appointed as an Independent Director in THDC India Ltd. He is Law Graduate from Lucknow University and has Master's degree in Economics from Agra University. He has been a member of parliament four times from Almora constituency of Uttarakhand. He was Union Minister of State, Department of Science and Technology, Ministry of Science and Technology (1999–2004). He also held the position of Union Minister of State, Defence (Oct – Nov 1999) He also represented various committees of Govt. of India such as Committee on Defence and its Sub-Committee, Committee on Absence of Members from the Sittings of the House and Member, Consultative Committee, Ministry of Information and Broadcasting etc.



Mohan Singh Rawat has been appointed as an Independent Director in THDC India Ltd. He is Science graduate from Meerut University .He started a campaigns for 'Gaon Basao'- Total Development of Villages in 1978. In 1996 he was elected as Vice President of BJP & then Departmental Secretary & National Council Member. For his enormous social and Environmental deeds in the region he honoured by D. Lit. Degree by Gurukul Kangri University, Haridwar in 2001. He was elected as MLA in 1996 from Pauri Assembly and nominated as a Minister of Gram Panchayati Raj, Rural Engineering Services & also elected as Cabinet Minister of Jalagam Management. He conducted several workshops and campaigning for the solution of Weather Change, Disaster Management and Environmental issues & worked as an expert member of National Ganga Basin Authority, Govt. of India, in 2014.



Maharaj K. Pandit has been appointed as an Independent Director in THDC India Ltd. He is a professor at the Department of Environmental Studies and the director of the Centre for Inter-Disciplinary Studies of Mountain & Hill Environment at the University of Delhi. He earned his BSc and PhD from the University of Delhi, where he became a professor after a decade of research at University of Delhi South Campus. He has been a fellow at the National University of Singapore, where he has also served as a visiting senior fellow in the University Scholars Programme and held an adjunct appointment in the Department of Geography. He was also elected to the National Academy of Sciences of India in 2014. He has been a part of Environment Impact Assessment studies and environment management plan for biodiversity studies for JAYPEE Associates, SJVNL, NHPC reliance power etc.

DIRECTORS' REPORT 2016-17

Dear Members,

Your Directors are pleased to present the 29th Annual Report on the performance of your Company along with audited financial statements, Auditors' Report, Report of Secretarial Auditor and review of financial statements by the Comptroller and Auditor General of India for the Financial Year ended 31st March 2017.

KEY PERFORMANCE HIGHLIGHTS

- Power generation increased from 4348.29 MU in 2015-16 to 4370.82 MU in 2016-17.
- Revenue realization from DISCOMs was 100% of the sales figure of the Current Year.
- MoU Rating Company was awarded 'Very Good' for the Year 2015-16.
- Capital Expenditure (CAPEX) during the year was 14638.6 Million INR as against 10905.91 Million INR during 2015-16..
- Two wind power projects were successfully commissioned during the year 2016-17 - 50 MW Wind Power Plant at Patan, Gujarat commissioned on 29th June ,2016 and 63MW

Wind Power Plant at Devbhoomi Dwarka, Gujrat commissioned on 31st March 2017.

- Power Purchase Agreement for Dhukwan Small Hydro Project (24MW) with Uttar Pradesh Power Corporation Limited (UPPCL) on 5th Dec 2016@ 4.87 per unit .
- Amelia Coal Mine allotment order for THDCIL has been issued on 17.01.2017
- Environment clearance has been accorded for Khurja Super Thermal Power Plant on 30.03.2017.
- THDCIL has been conferred SCOPE Excellence Award-2016 on 11.04.2016 and Exceed HR Award 2017 on 17.03.2017.
- Your company has been conferred Award of 'best maintained Project' by Central Board of Irrigation and power (CBIP) on Dec 2016.
- Credit Rating of the Company for the Year 2016-17 is AA+.

FINANCIAL RESULTS

The Financial Results of the operations during the year ending 31st March 2017 are summarized as under :



A view of underground Tehri Power House

(₹ In Million)

PARTICULARS	2016-17 (Ind AS data)	2015-16 (Ind AS data)
Income		
Revenue from operations	20948	24665
Other Income	1412	148
Gross Income (a)	22360	24813
Expenditure		
Employee Benefit Expenses	2542	2286
Finance Costs	2911	3289
Depreciation	5256	4966
Generation, Administration & other expenses	1951	1800
Provisions for doubtful debt, receivable and write-off	45	1
Extraordinary items- (Income)/ Expenses- Net	1615	3483
Total Expenditure (b)	14320	15825
Profit Before Tax (PBT) (c = a-b)	8040	8988
Tax	901	798
Profit For the Period From Continuing Operations (I)	7139	8190
II Other Comprehensive Income		
Actuarial Gain/(Loss) through OCI	(41)	(30)
Income tax relating to items that will not be reclassified to profit or loss- Deferred Tax Assets	14	10
Other Comprehensive Income (II)	(27)	(20)
Total Comprehensive Income (I + II)	7112	8170

FINANCIAL PERFORMANCE

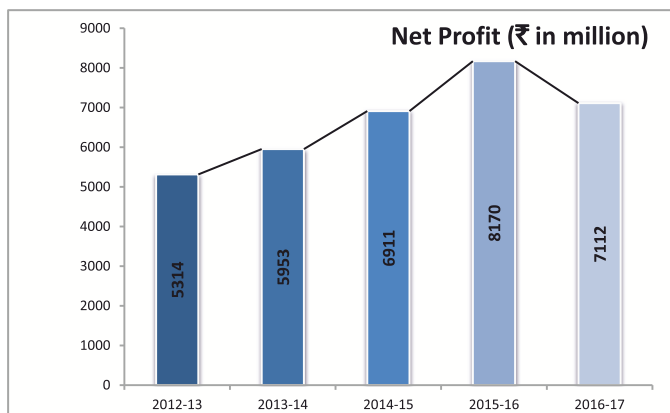
GROSS REVENUE & PROFIT

The position of Gross Revenue, Profit After Tax (PAT) and % change in PAT to Gross Revenue is tabulated below :

(₹ In Million)

Particulars	2016-17	2015-16	Decrease
Gross Revenue	22360	24813	2453
PAT	7112	8170	1058
PAT % to Gross Revenue	31.81%	32.93%	

Graphical Presentation of Net Profit of last five years is shown below:



DIVIDEND

Your Directors have paid Interim Dividend of ₹ 39.43 per Equity Share of par value ₹ 1000/- each, for the year 2016-17. The Interim Dividend Pay Out for the year is ₹ 1418.90 million. The Board of Directors of the Company have proposed a final Dividend of ₹ 791.100 million. Thus the total Dividend for the FY 2016-17 comes to ₹ 2210 million @ ₹ 61.41 per equity share of par value ₹ 1000/- each which represents 6.141% of Paid Up Capital and 31.07% of Profit After Tax (PAT). As per guidelines on Capital Restructuring issued by DIPAM, CPSEs is required to pay dividend @ 30 % of PAT or 5 % of the Net Worth whichever is higher. THDCIL has sought for exemption from payment of Dividend @5% of net worth for F.Y 2016-17 considering the cash outflow for the year 2017-18. The same has been accorded by DIPAM.

CAPITAL STRUCTURE AND NETWORK

The Authorised Share Capital of the Company is ₹ 40000 Million. The Paid-up Share Capital of the Company is ₹ 35989 Million. During the Year Company has allotted equity Shares worth ₹ 400 Million to Govt. of India. Networth of the Company as on 31.03.2017 is ₹ 81008.10 Million.

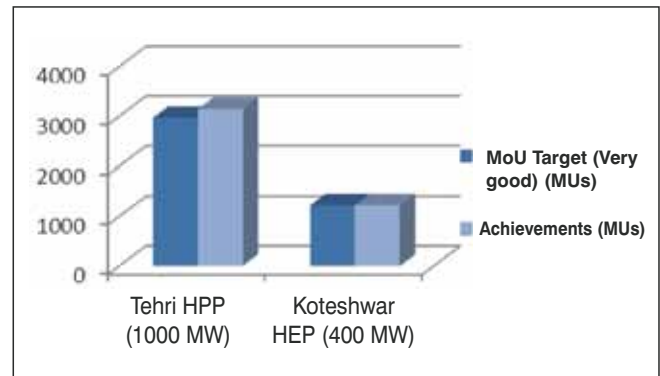
OPERATIONAL PERFORMANCE 2016-17

POWER GENERATION

During the year the installed capacity of your Company has increased to 1513 MW with the commissioning of two units of wind power projects at Patan and Dwarka of 50MW & 63MW Respectively. With the commissioning of these projects, the total number of Operational projects of your Company has increased to 4.

Board is pleased to inform that during the year 2016-17, Tehri HPP has achieved the annual generation of 3146.26 Million Units (MUs) with 82.04% Plant Availability Factor (PAF), as against 2964.82 MUs with 81.4576% PAF in the Memorandum of Understanding (MoU) and

Koteshwar HEP has achieved the annual generation of 1224.56 Million Units (MUs) with 70.887% Plant Availability Factor (PAF), as against 1224.30 MUs with 70.3324%.



• Generation from Tehri and Koteshwar Power Plants

During the financial year 2016-17, the energy generation and Plant Availability Factor (PAF) at Tehri and Koteshwar plants are as follows:

Name of the Plant	Generation in MUs		PAF in %	
	MoU Target (Very Good)	Achievement	MoU Target (Very Good)	Achievement
Tehri HPP (1000MW)	2964.82	3146.26	81.4576	82.048
Koteshwar HEP (400MW)	1224.30	1224.56	70.3324	70.887
Total	4189.12	4370.82	Weighted average	78.279
				78.859

Wind Power Generation

During the financial year 2016-17 wind power generation is as follows:

Name of the Plant	Installed Capacity	Generation in MUs
Patan Wind Power Project	50 MW	59.041
Dwarka Wind Power Project (Commissioned on 31st March 2017)	63 MW	0.1387

COMMERCIAL PERFORMANCE

Your Company believes in rendering best services to the beneficiary DISCOMS. This has been acknowledged by all the beneficiaries expressing their satisfaction with 'Excellent' rating in their Annual Feedback Forms. The Commercial Performance in terms of Revenue from Operations of your company is as under :

(₹ In Million)

Description	2016-17	2015-16
Revenue from Operations	20948	24665
Cash Realisation (%)	100	100

Your Company entered into the Power Purchase Agreements for Wind Power Plants with Gujarat Urja Vikas Nigam Limited (GUVNL), which have come up at Patan, Gujarat for 50 MW on 15th June 2016 and at Dwarka for 63 MW on 3rd January 2017 at Vadodara. At Patan project there are 25 machines of 2 MW each spread in and around village Amrapur with a mast height of 90 meters in Patan Distt,. The Annual Design Energy is approx. 110 MU for the entire Patan wind plant. The agreed tariff for this Project is fixed (Levellised Tariff) at ₹ 4.15/ kWh for the entire 25 years life of the Project. The Patan Project is fully operational since 29th June 2016. The Dwarka plant comprises of 30 machines of 2.1 MW each with mast height of 120 meters. The annual Design Energy of the entire plant is approx. 144 MU. The levellised tariff fixed for this project is ₹ 4.19 /kWh which is applicable for the entire 25 years life of the Project.

Over and above the tariff, these Generating Stations are also entitled to receive Generation

Based Incentive (GBI) @ ₹ 0.50 / kWh subject to capping of ₹ 100 lakh/MW for a maximum period of 10 years.

Your Company also entered into a Power Purchase Agreement for Dhukwan Small Hydro Project (3X8 MW), with Uttar Pradesh Power Corporation Limited (UPPCL) on 5th December 2016 at Lucknow. The tariff for this project is fixed (levellised tariff) at ₹ 4.87 /kWh applicable for the entire 35 years life of the Project. Dhukwan SHP shall generate approx. 100 MUs of electrical energy annually and shall further strengthen the power position of Uttar Pradesh in particular and the Northern Region in general.

PROJECT FINANCING

The Company had made financial tie up of US\$ 648 million with World Bank for VPHEP project, with SBI led consortium for ₹ 15000 million loan and with Societe Generale Euro 83.87 million for Tehri PSP project.

During the year Company has withdrawn loan amounting to US\$ 40.93 million from World Bank for VPHEP Project and ₹ 613.30 million from SBI led consortium for Tehri PSP Project

Corporate Bonds Issue :

During the year Company has issued secured redeemable non convertible bonds of ₹6000 million @ 7.59% to meet out the capital expenditure requirement of upcoming/ ongoing projects on private placement basis. Bonds are listed on National Stock Exchange and Bombay Stock Exchange. Bonds shall be redeemed after 10 years and interest is payable on Annual Basis.

FINANCING DETAILS

Lender name	Loan Amount	Currency	Amount drawn during the Year 2016-17	Loan outstanding as on 31.03.2017
IBRD LOAN FROM WORLD BANK	US\$ 648 million	US \$	₹ 2576.35 million*	₹ 6003.89 million
SBI	₹ 15000 million	₹	₹ 613.30 million	₹ 12276.50 million
SOCIETE GENERALE	Euro 83.87 million	EURO	0.00	0.00
CORPORATE BONDS	₹ 600	₹	N.A.	₹ 600

* Includes exchange rate variation.

PROGRESS AND STATUS OF PROJECTS UNDER CONSTRUCTION

• Tehri PSP(4x250 MW)

The Pumped Storage Plant (PSP) works on the principle of recycling of water. Tehri PSP will have 4 Reversible Units of 250 MW each. It will convert the off-peak energy to peak energy. For pumping operation during off-peak hours, the energy requirement will be of the order of 1651.66 MU. During Peak Hours it will work in Turbine Mode to generate additional peaking power of 1321.82 MU p.a. for the Northern Region.

Subsequent to award of EPC Contract in July, 2011 the company encountered different external factors such as adverse geological conditions, delay in permission for mining of aggregate from Asena Quarry, obstruction in dumping of muck at designated dumping area and cash crisis with civil works contractor M/s HCC Ltd etc. This resulted in

slow progress of works. By persistent persuasion with local Administration and close co-ordination with external agencies, the company has been able to carry out uninterrupted work. Interest bearing working capital finance has been extended to the contractor to expedite works at all possible fronts simultaneously. All access adits and drainage galleries to different structures are almost complete. Presently, excavation in U/s Surge Shaft- 3&4, Butterfly Valve Chamber (BVC), Bus Bar Tunnels, Machine Hall, D/s Surge Shafts and TRTs is in progress. Concreting in Control Room, Bus Bar & TRTs is also under progress. Equipment / Material worth ₹ 267.38 Cr. plus 61.56 million Euro (total approx. INR 663.29 Cr.) has reached at Site. Erection of both EOT cranes at power house has been completed. All 04 nos Generator Step-up (GSU) Transformers have been placed inside Transformer Caverns. Work of GIS & GIB is under progress. Erection of Penstock Steel liner including backfill concrete is in progress.

The details of approved cost of the Project, expenditure incurred and schedule of commissioning are furnished below :

(Amount in ₹ Million.)

Project Cost		Completion Schedule	
Approved (RCE* approval Nov.'11)	Expenditure (up to Jun'17)	Approved (RCE approval Nov.'11)	Anticipated
29788.6 (Apr'10 PL)	22616.4 (75.92%)	Feb-16	Dec-20

***Revised Cost Estimate :** RCE for ₹3939.11 Cr (including IDC & FC for ₹4773.0 Million.) at Jan-17 PL has been submitted on 29.03.2017 to MoP.

Achievement of MoU Targets for 2016-17: Both targets have been achieved:

1. Power house- Machine Hall Service Bay Area-Erection of EOT Crane-2 by Jul-16 has been achieved on 29th Jun-16 under Excellent Rating.
2. Benching of unit area up to penstock floor level El.568.0m by Jan-17 has been achieved on 31st Jun-17 under Very Good Rating.

• Vishnugad Pipalkoti HEP (VPHEP) (4x111 MW)

The VPHEP is a Run-of-the-river Project. It envisages construction of a 65 M high concrete

dam harnessing a gross head of 237 M on River Alaknanda. It will generate 1674 MU of electric energy (90% dependable year).

The Contract for Civil and HM Package was signed with M/s HCC Limited, Mumbai on 17.01.2014 with a completion period of 54 months. Works are in progress at Diversion Tunnel, De-silting Chambers, adits to Intake, Intake tunnels, Gate Operation Chamber (GOC) of HRT, excavation of HRT (by DBM), adit to SFT & SFT-GOC etc. at the Dam Site. At Power House site excavation of Power House, Transformer Hall, Main Access Tunnel, adit to downstream surge shaft bottom, further excavation of downstream surge shaft are in progress. At TBM platform area, development of platform and excavation of TBM launching chamber are in progress. Excavation of TRT is also going on. However, the work progress has suffered due to stoppage / hurdles created by the local residents, Geological Variations, cash flow problem with the civil contractor and inadequate resource deployment by the contractor. Local issues are resolved by continuous dialogue with the local people and with the help of Dist.

Administration. Sometimes intervention is sought from Dist. Court. Interest bearing gap funding support is being provided to the civil contractor to improve the cash flow position in order to expedite the progress of the works.

The Contract for Electro-mechanical works was signed with M/s BHEL, NOIDA on 18.11.2014 with a completion period of 48 months. Power House Station Layout has been approved. Measurement of soil resistivity at different locations of project has been conducted. Crane clearance diagrams of EOT crane for Power house, BFV and GIS Hall, documents of Turbine, generators & auxiliary transformer have been finalized. Balance Design and Engineering is in progress. On dovetailing the Civil-HM Works and EM Works, the project completion was in Dec.'2019. However, now the project is anticipated to be commissioned in Nov.'20 due to delays caused by cash flow problem of the Contractor, intermittent hindrances by locals & geological variations.

The approved cost, expenditure and schedule of commissioning of the Project are tabulated below:

(Amount in ₹ Million)

Project Cost		Completion Schedule	
Approved	Expenditure (up to Jun'17)	Approved	Anticipate
24915.8 (March'08 PL) (As per Investment Approval Aug.'08)	11892.9 (47.7%)	June'2013 (As per Investment Approval Aug.'08)	Nov'20

• 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.

- Excavation in Approach Channel, Intake Area, HRC and Power House is almost complete. Cross Drainage Works in HRC area has been completed. Further concreting in HRC Intake Area, Power Intake area, Power House and Forebay area is in progress.

- Supply of Hydro-Mechanical and Electro-Mechanical equipment at site is under progress. Approval of Design & Drawings is under progress. Erection of DT elbow liner is under progress. Erection of ferrules for penstock is also under progress.
- Power evacuation arrangement has been finalized with UPPTCL. Forest clearance for the same has been applied.

The cost of the Project, expenditure incurred and schedule of commissioning is tabulated below :

(Amount in ₹ Million)

Project Cost		Completion Schedule	
Approved	Expenditure (up to Jun'17)	Approved	Anticipate
2946.0 (July 2016 PL)*	1177.6 (60.26%)	Feb-14	2018-19

- **Malari Jhelum and Jhelum Tamak**

Hon'ble Supreme Court of India, vide its order dated August 13, 2013 has stayed the grant of environment clearance to 24 Hydro Electric Projects in Uttarakhand which include Malari Jhelum and Jhelum Tamak Projects of your company. ₹ 13.76 Cr has been incurred till March 31, 2017. This has been shown under CWIP (Capital Work In Progress) as the matter is sub-judice and pending before Apex Court.

DIVERSIFICATION INTO OTHER ENERGY AREAS

Your Company is diversifying its activities from hydropower to other sources of energy viz. wind, solar and thermal. The activities of the company for establishment of such projects are as under:

- **Wind Power projects :**

A. 50 MW (25 x 2 MW) Patan Wind Farm, distt. Patan, Gujarat

With the commercial operation of 25 numbers of wind turbines on June 29, 2016, contributing 50 MW of renewable power to the national Grid, THDC India Limited has diversified itself in the renewable energy. The wind turbines are installed in the Patan district of Gujarat. In the F. Y. 2016-17 project has generated 59.041 MUs. The project has been

registered with IREDA for availing of Generation Based Incentive (GBI) @ ₹ 0.50 / kWh with a cap of ₹ 1 Crore per MW. The project will receive a total GBI of ₹ 50 Cr under this scheme of MNRE.

B. 63 MW (30x2.1 MW) Distt. Devbhumi Dwarka, Gujarat

Subsequent to commissioning of 50 MW (25 x 2 MW) Wind Power Project at Patan, THDCIL successfully commissioned its 11th Wind Power Project of 63 MW (30x2.1 MW) capacity at distt. Devbhumi Dwarka in Gujarat in a record period of 3 months i.e. 31.03.2017 after obtaining Developer Permission and Transfer Permission from Govt. of Gujarat in December 2016. It also resulted in THDC becoming eligible for grant of Generation Based Incentive (GBI) to the tune of ₹ 630 Million from Ministry of New & Renewable Energy (MNRE).

- **Solar Power project:**

THDCIL & SECI have signed MOU on 13.02.2015 for setting up a total of 250 MW Grid connected Solar Power Projects in a phased manner. Tripartite Agreement was signed on 31.03.15 amongst SECI, KSEB & THDCIL for setting up of 50 MW Solar PV Project in Kerala and Possession of land for setting up of 50 MW Solar PV Project in the Solar Park at Distt. Kasaragod, Kerala has been taken over by SECI.



Tehri Reservoir

Through a prolonged bidding process by SECI the reverse bidding was completed in April 2017. The Contract will be awarded after signing of the Power Supply Agreement (PSA) with KSEB, Kerala the beneficiary state.

THDCIL has followed the best industry practices to have an EPC Contractor through competitive bidding process through SECI in terms of the MOU & Tripartite agreement with KSEB.

• **Thermal Power Project- Khurja Super Thermal Power Plant-(1320 MW).**

The Khurja Super Thermal Power Plant(STPP)-1320 MW is being set up in District Bulandshahar of Uttar Pradesh. Total annual generation from the Plant would be 9828 MU corresponding to 85% Plant Availability Factor (PAF).Water commitment letter for release of 53 cusecs water from Govt. of UP has been issued. The layout and DPR of the project has been revised and also accepted by MoEF, utilizing entire plot of 1,200 acres land for the implementation of 2 units of 660 MW each, with future expansion for 3rd unit of 660 MW.

Approval for incurring expenditure of ₹ 5858.2 Million towards Pre-Investment activities including land acquisition was accorded by GOI on 20.11.15.The status of various activities is as under:

- Physical possession of (1200.843 Acres) including Gram Sabha land obtained. Installation of Pillars including fencing for secured possession of the land is almost complete.
- Work of diversion of roads passing through plant land to adjacent villages is in progress.
- Site office completed and functioning since 1st Oct.'2016. Beside solar power, power supply from UPPCL has also been arranged.
- Construction of Transit Camp / Guest House by M/s UPRNN near Site Office is in progress.
- Amelia Coal block:
Ministry of Coal allocated Amelia Coal Mine to THDCIL on 29.08.16. Allotment order also issued on 17.01.2017.
- Environmental Clearance has been accorded to the project on 30.03.17. The NOC is to be obtained from concerned State Pollution Control Board (SPCB Bulandsahar).
- Draft PIB proposal is being prepared and submitted to MOP by 31.08.2017.
- Camp office of THDCIL has started functioning at Waidhan, Distt: Singrauli,M.P.



Releasing of 'Compendium of Best CSR Practices in THDCIL' by Shri D.V. Singh, CMD, Shri S. K. Biswas, Director(Personnel), Shri Sridhar Patra, Director(Finance) and Shri Mohan Singh Rawat, Independent Director,THDCIL

- A total of 1978.55 Ha. land for Amelia Coal Mine is under various stages of clearances.

Achievement of MoU Targets for 2016-17: Both targets as detailed below have been achieved:

1. 100% payment of Ex-gratia payment for land for 1200 Acre land for power plant by Nov-16 has been achieved in 30th Jun-16 under Excellent Rating.
2. Availability of Coal linkage by 15th Feb-17 has been achieved on 15th Dec-16 under Excellent Rating.

PROJECTS UNDER SURVEY AND INVESTIGATION:

Development of projects in Bhutan

- **Sankosh HEP (8X312.5 MW):**

The proposed project envisages construction of Roller Compacted Concrete Main Dam of 215 m height and two Power Houses (Left bank and Right bank) at the toe of Main Dam with installed capacity of 2500 MW (8X312.5 MW) with energy generation of 5949.05 MU and a Regulating dam on the downstream of Main Dam with installed capacity of 85 MW (3X28.33 MW) with energy generation of 416.34 MU. The total energy

generation of Sankosh HEP, Bhutan is 6365.39 MU and cost of the project at April-2016 PL is Rs 123820.32 Million.

The DPR for Sankosh HEP has been examined and cleared by CEA/CWC. CEA issued the appraisal letter of DPR of Sankosh HEP on 06.06.2017.

- **Bunakha HEP (3X60 MW):**

The proposed project envisages construction of a Storage Dam and Toe Power House with installation of 180 MW (3x60 MW) vertical Francis Turbine with annual energy generation of 707.44 MU. The Construction period for the project is 69 months. During Feb'14, the Cabinet of Royal Govt. of Bhutan (RGoB) conveyed its approval for implementation of Bhunakha HEP. The Inter Governmental (IG) Agreement for implementation has been signed between Gol and RGoB in April' 2014.

The Project was not economically feasible as standalone. CEA/CWC determined funding pattern based on a formula for sharing of cost of Dam by downstream projects. All the stake holders have signed the finalized cost sharing mechanism agreed for Bunakha. Cost estimate as originally prepared at 2013 PL has been revised to ₹16228.5



Independence Day Celebration

Million at April 2015 PL and vetted by CEA. Formation of JV with Bhutanese PSU for implementation of Bhunakha HEP, Bhutan is under discussion with MOP, GOI and RGOB.

REHABILITATION & RESETTLEMENT:

THDCIL has formulated an attractive Resettlement and Rehabilitation Policy for upcoming projects including VPHEP making improvements in provisions of Govt. of India's National Rehabilitation and Resettlement Policy NRR-2007 in consultation with concerned stakeholders. The policy addresses issues of loss of land, houses, other resources and means of livelihood etc. of the Project Affected Families (PAFs) due to project construction. The policy aims to address the concerns of the vulnerable individuals. Major emphasis has been laid upon economic upliftment of the PAFs and provision of sustained livelihood broadly in following ways:

- Capacity-building efforts are being made for PAFs, which aim at skill upgradation through various income generation/restoration, livelihood enhancement & skill development training programmes and schemes; and
- To promote and enhance education in and

around the Project Area with additional efforts for promoting education among Girl & vulnerable children, the project has formulated Scholarship schemes.

- Utmost precaution has been taken by THDCIL to prevent any damage to public and private property due to construction/operation of project.

ENGINEERING CONSULTANCY

Your company has established an Engineering Consultancy Department equipped with latest Design Software and experienced design experts to provide consultancy and advisory services in the field of Hydro Engineering and other civil assignments. Following assignments were undertaken during the previous year:

- Design & Engineering Consultancy work of slope Stabilization of vulnerable zones between Katra and Shri Mata VaishnoDeviji Shrine assigned by Shri Mata Vaishno Devi Shrine Board (SMVDSB), J&K.
- Consultancy for Slope stabilization at Hon'ble Governor's residence, the "Raj Bhawan" in Nainital, Uttarakhand.

- Consultancy for development of underground parking complex at Mussoorie, Uttarakhand.
- Consultancy for the protection of 20 chronic land slide zones on various roads of Uttarakhand under PWD.
- Consultancy services to Shri Amarnath Shrine Board for slope stabilization near holy cave”: Modalities for signing of MoU for providing consultancy services to Shri Amarnath Ji Shrine Board for stabilizing slide prone area near cave are under process.
- Vetting of the 5 locations of slope stabilization DPR to be submitted by M/s WAPCOS to the Government of Uttarakhand. The contract between THDCIL and Programme Implementation Unit (PIU), TA & CBDRM Uttarakhand has been signed on 20.02.17 for vetting of the DPR and tender documents for the slope stabilization of 5 locations in Uttarakhand.



Shri D.V. Singh, CMD, THDCIL exchanging MoU documents with CWC Officials

RESEARCH AND DEVELOPMENT

Your company has established a full fledged Research and Development Centre at Rishikesh. The Projects carried out by the R&D Department in the Year 2016-17 are as under:

- Development of self-compacting concrete for Hydro Power Structures.
- Assessment of Sediment Yield from the Catchment Area of Tehri Reservoir.
- Analysis of dynamic performance of variable speed hydroelectric plants under grid disturbance.
- Earth quake monitoring stations established around Tehri Region.
- Condition Monitoring of EM equipment of Tehri & KHEP.
- Expansion & updation of Micro Seismic Network around Tehri region.

- Vibration Data Analysis of Rotary Machines and auxiliaries for Tehri and Koteshwar.
- Procurement of additional facilities/software for electrical system design & other software /hardware/equipment for R&D Centre. Expenditure on training/seminar/workshops/conferences/books/journals/honorarium/ Member ship of professional & technical institutions// other miscellaneous expenditure including consultancy fees of the experts for carrying out in house R&D Projects etc.
- Stabilization of slopes and re-alignment of TehriKoteshwar road.
- Setting up of satellite based real time inflow forecasting system for catchment area of Tehri Reservoir.
- Early warning system (EWS) in the downstream of Tehri/Koteshwar dam.

The Budget Allocation for the R&D Projects for the F.Y. 2016-17 was proposed as ₹ 56.33 million representing 0.70% of PAT of the year 2015-16. 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 on R&D incurred was ₹ 43.4 Million for the F.Y 2016-17



Shri Sridhar Patra, Director(Finance), THDCIL felicitating the THDCIL team on winning 23rd Inter Central Power Sector Undertakings (ICPSU) Chess Tournament

which is 0.54 % of the PAT of the year 2015-16.

QUALITY ASSURANCE

In the current financial year 2016-17 following management system certifications have been acquired:

- Corporate Office Rishikesh, Tehri HPP, PSP, VPHEP Pipalkoti has acquired certification ISO 9001:2008 (Quality Management System) and ISO 14001:2004 (Environmental Management System), OHSAS 18001:2007 (Occupational Health and Safety Management System). For Koteshwar upgraded ISO 9001:2015 and ISO 14001:2015 has been acquired. For Dhukwan SHP, ISO 9001:2015 has been acquired.
- Corporate IT Department, Rishikesh has acquired the certification of ISMS (Information Security Management System) ISO 27001:2013 in October 2015 for 3 years through STQC (Standardization, Testing and Quality Certification), New Delhi.

ENVIRONMENT MANAGEMENT

Your Company is committed to conservation of natural resources, reducing impact on nature and increasing the service value by use of efficient and safe technology practices. At the survey and

investigation stage of a project, Environment Impact Assessment (EIA) is conducted as per EIA Notification, 2006 of Govt. of India. Accordingly, detail Environment Management Plan (EMP) is prepared.

A five-member Environment & Social panel of internationally recognized experts has been constituted for monitoring and appraisal of environment and social issues involved in the development of Vishnugad Pipalkoti HEP. 3rd visit of E&S panel was concluded in April, 2017. Inspection panel of MoEF&CC, GoI has also visited the VPHEP project site and satisfied with the Environment Protection measures adopted by your company.

M/s Wapcos Ltd., Gurgaon and Indian Council of Forestry Research and Education, Dehradun has been engaged for 3rd party monitoring of implementation of Environment Management Plan and Catchment Area Treatment Plan of VPHEP. Directorate of Coldwater Fisheries Research (DCFR), Bhimtal has been engaged for the development and implementation of Fishery Management at VPEHP.

Your company has also obtained Environment Clearance for 1320 MW Khurja Super Thermal

Power Project in March, 2017. In Khurja STPP, a budget of Rs. 1783 Crore is proposed for Environment Management and Protection. The major activities propose in Environment Management Plan are installation of highly efficient Electrostatic precipitator (ESP) for removal of particulate matter from flue gas., installation of Low NOx Burner and Selective Catalytic Reduction (SCR) Unit for removal of NOx from flue gas, installation of Flue Gas desulphurization (FGD) Unit for removal of SOx from flue gas, plant shall be operated on Zero Effluent Discharge, i.e. no wastewater shall leave the project boundaries, 100% utilization of flyash, creation of Green Belt in more than 400 acres of project land.

To sensitize people, **World Environment Day (WED) is celebrated on 5th June of every year at Corporate office as well as at all project locations.**

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.

IMPLEMENTATION OF RISK MANAGEMENT

Your Company being a Hydro Power Developer is subject to significant sector specific and geographical location 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.

Your Company has constituted Risk Management Committee comprising of officers from Project Site as Risk Officer, Project Finance and Corporate Design (Civil &HM) Deptt. as members for each ongoing construction project.

Detailed information on the Implementation of Risk Management is given separately in the Corporate Governance Report (**Annexure-I**). Major elements

of risk are given in the Management Discussion and Analysis Report at **Annexure-III** of this Report.

INFORMATION TECHNOLOGY AND COMMUNICATION

We make use of information and communication technologies for the execution and management of our projects and power stations. We consider information technology to be a strategic tool for us to improve our overall productivity and efficiency. We have successfully implemented various software solutions to help in optimum utilization of generating assets, accelerated development of construction projects thereby improving quality, productivity and profitability of the organization.

THDC has latest Information Technology and Communication infrastructure. Security policy is also in place to manage the Information Technology (IT) system to ensure optimum and secure utilization of the IT assets owned by THDC. All key business functions viz. Finance, HR, Procurement & Contracts, Inventory, Project Management, Power Plant Operation and Maintenance Energy Sales and Accounting, Quality Assurance etc. have computerized Systems. These computerized systems are web based and are being accessed over internet from all locations viz. Corporate Office, Regional offices, Projects, and Power stations. All locations have dual internet lease lines for uninterrupted access of software applications. Further for the transparency of payments, we have also implemented web based Bill Tracking Software to track the status of bills submitted by vendors/contractors. THDC is also in the process of implementation of Document Management System for the submittal and retrieval of drawing and documents.

THDC has Implemented Cyber Security Policy at Corporate Office Rishikesh from Dec,2015. Company has successfully reduced paper consumption, achieved standardization of data, and accuracy of information to a large extent with well-planned Information Technology facilities. To maintain the cyber hygiene, all the software



Group Photograph of the participants of Motivational Programme with Shri S.K. Biswas, Director(Personnel)

applications and IT infrastructure are being audited regularly by CERT-In empanelled Security Auditors and also cyber security awareness workshops are also conducted regularly to sensitize employees about cyber security. As per Government of India directives, e- procurement (Electronic Tender) System has also been successfully implemented.

AWARDS AND RECOGNITIONS

The excellence performance of your Company has been recognized and appreciated by the Govt. of India and other prestigious organisations & institutions in the form of various awards/ accolades in various categories from time to time.

Your Company has been rated 'Very Good' for its performance for year 2015-16 as per MoU with the Ministry of Power.

THDC endeavors for an all-round growth and the same is reflected in the list of awards and achievements.

- THDCIL has been conferred NTPC Rajbhasha Shield on 18.01.2017 for Promotion of Official Language.
- THDCIL has also received HR Exceed Award on 17.03.2017 for Human Resource Management.
- THDCIL has also received Best Maintained

Project for Tehri HPP by CBIP on 29.12.2016 .

- THDCIL has been conferred Gold Trophy under SCOPE Excellence -2016 on 11.04.2016 in recognition to its pivotal role in for Public Sector Management.

HUMAN RESOURCE DEVELOPMENT

Human resources plays a pivotal role in enabling smooth implementation of key strategic decisions. Your company firmly believes that people are a key resource and endeavours to enable its employees to deliver on business requirements while meeting their career aspirations. Organizational development in your Company has the focus on fostering a successful system that maximizes human resources, as well as optimizes other resources as part of larger business strategies. Your company has a human capital of 1936 as on 31.03.2017 comprising of 830 Executives, 83 Supervisors, 1024 Workmen. Your Company takes pride in its highly motivated and competent human resource that has contributed its best to bring the Company to its present heights.

TRAINING AND DEVELOPMENT

Your Company's endeavor is to unleash the potentials of its employees through strategic HRD

interventions by aligning with the business. Your company has organized 60 In-house dedicated training on Technical, Managerial & Behavioral domains besides, external floated nominations for 5046 Training Man-days which is 26% more than the target of 4000 Man-days. Some of the significant training programs organized during the year are:- Emotional Intelligence for Senior Leaders, Dam Safety aspects, Computer Proficiency, HR for HR professionals and Gender Sensitization etc. Your Company has also addressed specific training needs of Board members for building Leadership in a Disruptive-Hyper connected world and Effective Boards for Sustainable Competitiveness.

Your company has assigned consultancy services to M/s CRISIL for carrying out “Skill Gap Analysis and Initial Diagnostic Study”. Employees have also been sponsored for Technical as well as Managerial programs in various reputed Institutes in India and Abroad.

With a view to improve the work culture & bring enthusiasm and positivity amongst the employees, number of Motivational programs have also been organized through renowned and nationally acclaimed motivational speakers at various locations of THDCIL.

Your company is investing in the Skill Development of its employees as well as various vocational Training initiatives under CSR for the youths from the areas nearby to the operation of the company. A robust training plan as well as Mentoring Scheme has been devised for the newly recruited trainees.

EMPLOYEE RELATIONS

Cordial Employee Relation is the driving force behind sustained stellar performance of the company. The Employee Relation in your company is founded on mutual trust and respect and both employees and management complemented each other efforts in furthering the interest of the company as well as its stakeholders,

signifying and highlighting over-all harmony and cordial employee relations prevalent in the Company.

Employee relations were cordial and harmonious at all THDCIL projects/stations/units during the year. There have been continuous interactions between the management and the apex forum of workmen and executives. Structured meeting were organized during the year wherein issues relating to performance and productivity were extensively discussed. Representatives of workmen were allowed to participate in joint management council where equal number of employees and Management representatives participated in constructive discussion. The Quality Circle team from THDC bagged the Par Excellence Award, and three excellence award, thus proving its mettle in commitment of continuous improvement and content-oriented approach. Your company organized several welfare activities during the year ranging from organizing summer sports, winter sports, inter PSU sports etc. A number of other cultural activities were organized to de- stress the employees, as well as to create better relationship among each other by respective clubs. Celebration of Yoga Day, arrangement of workshops on several health related issues, Medical Check –up camps at different Units and blood donation camps etc. were also an additional feature throughout the year.

Initiatives for SC/ST and Physically challenged persons:

Your company endeavors to comply with the guidelines issued by Govt. of India from time to time on implementation of reservation policy on Direct Recruitment, promotion etc. for SC/ST and Physically challenged candidates. Your company implemented Govt. guidelines on welfare of SC/ST personnel and redressal of their grievances in letter and spirits. Continuous Efforts are made to fill up backlog vacancies through the process of

internal promotion & recruitment through Special recruitment drive for specially abled persons recruited 01 Engineer Trainee-IT and 01 Hindi translator during the year.

In compliance of implementation of United Nations Convention on the Rights of Persons with Disabilities, the Corporation has provided easy accessibility by way of erecting ramps in most buildings of the Corporation. Your company has been nominating employees belonging to Physically Handicapped category to attend special training programmes.

OFFICIAL LANGUAGE IMPLEMENTATION

Your Company has made sustained efforts to enhance the progressive use of Hindi in day to day official working. Your company believes that Hindi language has the power to create bonding and national spirit therefore, your company made vigorous efforts for the propagation and successful implementation of the official Language Policy of the Government of India. Several Hindi workshops and competitions were conducted at projects, units and corporate office during the year to encourage the employees to maximize the use of Hindi in official work. All office orders, formats and circulars were issued in Hindi as well. Important advertisements and house journals were released in bilingual form- in Hindi and in English. Your company was awarded "NTPC Rajbhasha Shield" for excellent contribution in the field of Official Language implementation by Hon'ble Minister of State of Power, Coal, New and renewable Energy (Independent Charge). The Corporate Office was conferred 1st Rajbhasha Vajyanti Award by TOLIC, Haridwar.

During the year 23 numbers of workshops were organized by Rajbhasha section where 519 numbers of employees were imparted training. Hindi Typing training programme was also organized for the employees of Corporate Office, where 19 employees participated in this

programme. 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 "Hasya Kavi Sammelan" was organized during the year 2016. Hindi house journal "PEHEL" is being published.

RIGHT TO INFORMATION

In order to promote transparency and accountability, an appropriate mechanism has been set up across your company in line with '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 Corporation, and all related formats for seeking information, submission of appeal to the first Appellate Authority are available on the THDCIL website.

All the 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 2016-17, total 143 applications were received from the citizens across the country seeking information of various nature and information was made available to them on time.

During the year 18 appeals have been received by First Appellate Authority, all the appeals have been disposed off by the Appellate Authority. 06 Appeals were filed at Central Information Centre (CIC), New Delhi.

WOMEN EMPLOYEE WELFARE

Your Company formed "Internal Complaints Committees" as per Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 reflecting its commitment to provide a safe and caring environment to female



Celebration of 30th Foundation Day

employees. Your company has also constituted WIPS (Women in Public Sector) committee. Several training programmes, health and wellness and workshops were organized for women employees.

DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013

Your Company is committed for the prevention of sexual harassment of women at workplace and takes prompt action in the event of reporting of such incidents. Complaint Committees have been constituted to deal with sexual harassment complaints, if any, and conduct enquiries. There were no complaints of sexual harassment received till date.

PR INITIATIVES/AWARENESS ACTIVITIES

Your Company firmly believes in constructive communication and follows innovative and diversified means for engagement of various stakeholders. The main achievements made during the F.Y.2016-17 are as follows:

- Company has developed active and diverse

Social Media tools viz. Verified Facebook Page, You Tube Channel, Twitter Handle and also these social media tools have been linked with Ministry of Power, PMO, & My Gov. (Citizen Engagement Platform) of Govt. of India. Your company also has developed Electronic Magazine (THDCIL Communication Charter) for interesting, informative content sharing together and Bulk Messaging Service for speedy real-time communication with employees.

- Your company also played an active role in wider publicity of major flagship programmes of Govt. of India such as Demonetization and Cashless Transactions for larger public interest by way of organizing Digital payment Workshops and outdoor publicity through banners.
- For capacity building & institutional Strengthening (CBIS), your company has engaged M/s Perfect Relations Private Limited, Delhi for Consultancy Services as Media Consultant for development & Implementation of Communication Strategy.



Commencement Programme of Vigilance Awareness Week

- Your company has developed a corporate film named THDCIL- A journey towards excellence which sketches 25 years of glorious past of the Company. Your company also made small films/videos on Swachh Bharat Abhiyan, School Level Painting Competition on Energy Conservation.

Corporate Image through Communication Management

Communication management is an important and powerful weapon for building a strong corporate brand identity to strengthen and modify its relationship with the internal and external stakeholders. Your company has been issuing various press communiqué to highlight growth, achievements, and developments with a view to maintain regular interaction with the public.

Communication is not effective unless and until it reaches out to the employee who are the pillar of any organization. To achieve this, your Company deploys various internal communication tools such as monthly newsletters, house journals and regular media updates. Company has prepared a corporate movie to showcase its journey. A company theme song was also prepared for the employees. All these communication tools helped individual in gaining an understanding about the

organization's culture & function and making them a brand ambassador of the company.

VIGILANCE ACTIVITIES

The Vigilance Department of THDCIL is ensuring better Vigilance Administration by emphasizing on systemic improvements as part of preventive vigilance. The steps required to strengthen/improve the systems are being identified and taken up with the management to ensure implementation of the systemic improvements so that there is no room for manipulation in any procedure/system. Strategically the aim of Vigilance Department is to shift priority of vigilance functioning from punitive to preventive and eventually to proactive. Sensitive Posts have been identified. Transfer of Executives from Sensitive Posts is being monitored by CVO on regular basis.

- Vigilance department is conducting regular, surprise and CTE Type of Inspection of Works at all locations of the Corporation. These preventive inspections have effect in preventing various malpractices & irregularities during award and execution of Works.
- The time schedule laid down by the Central Vigilance Commission for conducting enquiries and investigation was by and large adhered to.
- Agreed list in consultation with CMD, THDCIL



Shri H.L. Bharaj, CGM, THDCIL exchanging MoU documents with EESL

and SP, CBI, Dehra Dun, for the year has been reviewed and finalized. List of officers with Doubtful Integrity for the Year has also been finalized.

- Systemic corrections are being raised and intimated to concerned officials for taking suitable action, as and when noted.
- Various Workshops/ Seminars are being carried out by HRD deptt, THDCIL to create awareness amongst the employees regarding vigilance related matter.
- Posters / Banners on Anti -Corruption, Resolution of Govt. of India on PIDPI guidelines relating to whistle blower mechanism and Integrity Pledge etc. were published & distributed to all the offices of THDCIL for display.

Vigilance Awareness Week 2016

- Vigilance Awareness Week- 2016 was observed by THDC India Limited from 31.10.2016 to 05.11.2016 with the theme for this year specified by CVC "Public Participation in promoting Integrity and eradicating Corruption". On this occasion, the Vigilance department of THDCIL published a booklet on

Systemic Improvements undertaken by Vigilance department consequent to observations made during Surprise Checks & Intensive examinations.

CORPORATE GOVERNANCE

Your Company has, endeavored to adopt Good Corporate Governance Practices. In compliance to Securities and Exchange Board of India (LODR) 2015 and Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department of Public Enterprises, a separate section on Corporate Governance is given at **Annexure-I**. A certificate from practicing company secretary regarding compliance of conditions of corporate governance according to DPE guidelines is also obtained from PCS and is enclosed.

The Corporate Governance mechanism in your Company is based on parameters like Transparency and Fairness, Timely and Balanced Disclosures, Integrity in Financial Reporting, Promote Ethical and Responsible Decision Making Obligations towards Environment and protection of Rights and Interests of Stakeholders.

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 –I.**

CORPORATE SOCIAL RESPONSIBILITY (CSR) & SUSTAINABLE DEVELOPMENT (SD)

Your Company is committed to the National and International goals and has greater concern for social and environment sustainability. As required under Companies Act 2013 & CSR Rules, your Company has introduced CSR & Sustainability policy 2015 with the approval of the board. Accordingly, 2% of average net profit of the company over 03 preceding years has been allocated for implementation of CSR.

All CSR Projects are considered by the Below Board Level Committee (BBLC) and approved by the Board Level CSR Committee (BLC). Before implementation of CSR Projects Baseline Survey is done to priorities the activities.

During the Financial year 2016-17 total expenditure on CSR activities is ₹15.35 Cr. which is more than 2% of net average profit of last three years.

THDCIL, Under Swatchh Bharat Abhiyan has launched massive public awareness campaign within THDCIL offices and Colonies at various locations, Schools, Hospitals, work place, streets, roads, markets, railway station, Bus Stations, Bank area of holy River Ganga, Parks and other Public places.

Detailed Report on CSR is attached as **Annexure- II**

PROCUREMENT FROM MICRO & SMALL ENTERPRISES

During the financial year 2016-17 THDC has procured products and services from MSEs constituting 24.42 % of total annual procurement value after excluding the value of items/equipments/services which are either Original Equipment Manufacturers (OEMs) proprietary

equipments and/ or not manufactured/provided by MSEs. Special vendor development program in coordination with Ministry of Micro, Small and Medium Enterprises has also been organized

Annual procurement plan including items to be procured from Micro & Small Enterprises (MSEs) have been uploaded on THDC Website for benefits of MSMEs. Nodal officer on behalf of THDCIL for co-ordination & implementation of procurement policy has been nominated and conveyed to Ministry of Micro, Small and Medium Enterprises & Ministry of Power.

CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

During the financial year 2016-17, the Company has not entered into any material transaction with any of its related party. All the contracts/ arrangements/transactions entered into with related parties were on arm's length basis, intended to further Company's interest. Accordingly, the disclosure of Related Party Transactions as required under section 134(3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars relating to conservation of energy, technology absorption, foreign exchange earnings and outgo, as required to be disclosed under section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 are given at **Annexure-IV.**

BUSINESS RESPONSIBILITY REPORT

As a part of Good Corporate Governance Practice Business Responsibility Report, regarding the disclosures of initiatives taken by the Company on

environmental, social and governance issues is given at **Annexure-V**.

DIRECTORS' RESPONSIBILITY STATEMENT

In compliance to section 134(3)(c) of the Companies Act, 2013, the Directors hereby confirm the following:

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have 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 at the end of the Financial Year and of the profit of the Company for that period;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

OTHER DISCLOSURES

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was observed.

EXTRACT OF ANNUAL RETURN

Extract of annual return of the Company in accordance to section 92(3) of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 is given at **Annexure-VI**.

PARTICULARS OF LOANS & GUARANTEES GIVEN, INVESTMENTS MADE AND SECURITIES PROVIDED

Further, section 186 of the Companies Act, 2013 (except sub-section 1) regarding loans made, guarantees given or securities provided is not applicable to the Companies engaged in the business of providing infrastructure facilities.

Vigil Mechanism

Your Company has a defined and established whistle blower policy (vigil mechanism) for reporting instances of unethical/improper conduct and for taking suitable steps to investigate and correct the same. The whistle blower policy is available on the Company's website at **www.thdc.co.in**. The provisions of this policy are in line with the provisions of section 177(9) of the Companies Act, 2013.

During the year 2016-17, no complaint has been reported under whistle blower policy. Further, no personnel had been denied access to the Audit Committee.

DISINVESTMENT PROCESS

Your company is under consideration for disinvestment process. Various meetings have been conducted by the DIPAM. The company has initiated action for amending the MoA and AoA which is pre-requisite for Disinvestment.

MEETINGS OF THE BOARD

Six meetings of the Board of Directors were held during the year 2016-17. For further details, please refer corporate governance report annexed to this Annual Report.

Declaration by Independent Directors

All the Independent Directors have met the requirements specified under Section 149(6) of the

Companies Act 2013 regarding holding the position of 'Independent Director' and necessary declaration from each Independent Director under Section 149(7) has been received.

Performance Evaluation of Directors

The Independent Directors in their separate meeting has reviewed the work assigned to them under Schedule IV of the Companies Act ,2013, including performance evaluation of Directors and the Board.

Further, the appointment ,tenure and remuneration of Directors is decided by the President of India . Remuneration paid to Chairman & Managing Director and Functional Directors are as per terms and conditions determined by the Department of Public Enterprises, Govt of India. Independent Directors are paid only sitting fee per Board/ Committee meeting attended.

AUDITORS AND AUDITORS' REPORT

Statutory Auditors

Your Company being Government Company, the appointment of Statutory Auditors is made by Comptroller and Auditor General of India under Section 139 of the Companies Act, 2013. M/s P.D. Agrawal & Co., Chartered Accountants, 364 A, Govind Puri, Hardwar-249403, were appointed as Statutory Auditor of the Company by C&AG vide their letter no. CA.V/COY/CENTRAL GOVERNMENT, TEHRIH (I) /558 Dated 22/07/2016 under Section 139 of the Companies Act, 2013.

As required under Section 142 of the said Act, proposal for fixation of the remuneration payable to the Statutory Auditor is being placed in the ensuing Annual General Meeting (AGM) for consideration.

The report of the Statutory Auditor is enclosed.

Management Comments on the Statutory Auditor's report

The Statutory Auditors of the Company have given an unqualified report on the Accounts of the Company for the financial year 2016-17. Hence comments of the Company is "NIL".

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

The Comments of Comptroller & Auditor General of India as supplement to the Statutory Auditors' Report under Section 143(7) of the Companies Act, 2013 on the Accounts of the Company for the year ended March 31, 2017 are enclosed.

The C&AG has issued 'Nil' Comments on the Annual Accounts. Accordingly, the Management reply is 'Nil'.

Cost Auditors

M/s R.M. Bansal & Company, Cost & Management Accountants, Kanpur and M/s Chandra Wadhwa & Company, Cost & Management Accountants, New Delhi have been appointed by the company as Cost Auditors to conduct the Audit of Cost Accounting Records for Koteshwar Unit and Tehri Unit respectively for the Financial Year 2016-17 under Section 148 of the Companies Act, 2013.

Secretarial Audit

Secretarial Audit for the FY 2016-17 has been done by M/s PSR Murthy, a Practising Company Secretary in compliance of Section 204(1) of the Companies Act, 2013. The Company has complied with all the Secretarial Provisions and no case of default is reported. The Report of the Secretarial Auditor is attached as **Annexure VII**.

ACKNOWLEDGEMENT

The Board of Directors of your Company places on record its sincere appreciation for the persistent support and guidance extended by the Ministry of Power, Govt. of India, Central Electricity Regulatory Commission, State Governments and their Ministries, Departments/Boards, Bankers, Financial Institutions, Lenders and Investors. The Board places its special appreciation to our valued customers, State Electricity Boards & discoms and other valuable clients of our consultancy assignments. The board of directors also acknowledge the support and cooperation received from state governments .



The Directors take this opportunity to thank various national and international financial institutions and Banks for continued trust and confidence reposed by them in the company.

Your Directors also wish to place on record its deep gratitude for the co-operation and continued support extended by Statutory Auditors, Secretarial Auditors, Cost Auditors and the Office of the Comptroller and Auditor General of India. Last but not the least, the Board wishes to place on record its deep gratitude to all employees whose

enthusiasm, team efforts, devotion and sense of belongingness has made your Company proud.

For and on behalf of Board of Directors.

(D.V. Singh)
Chairman & Managing Director
DIN: 03107819

Date : 20.09.2017

Place : New Delhi

REPORT ON CORPORATE GOVERNANCE



REPORT ON CORPORATE GOVERNANCE

To

The Members

Corporate Governance is about promoting Fairness , Transparency and accountability in best interest of various stake holders of the company. Your Directors are pleased to present the Company’s Report on Corporate Governance for the Financial year 2016-17. 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 with all the Corporate Governance Guidelines issued by DPE. The Company has got ‘Excellent’ by DPE for Compliance with Guidelines on Corporate Governance for the year 2015-16. Based on the grading reports submitted to DPE the company expects the same, for the year 2016-17 also.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

THDC INDIA LIMITED has an established framework of corporate governance which emphasizes on commitment towards ethical and efficient conduct of affairs of the Company. It helps in maximizing the value for all its stakeholders at large and to build an environment of trust and confidence among all the constituents. At THDC, management is taking all possible steps to fulfill its commitment in a judicious, fair and transparent manner.

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.

The Board of Director of THDCIL comprises Chairman and Managing Director, Functional Directors, Govt. Nominee Directors and Non Official Part Time Directors (Independent Directors).The Powers delegated by Board of Directors to CMD are further Sub Delegated to various executives with the concept, intent and purpose that it will effectively contribute to the smooth, expeditious and efficient implementation of corporation’s laid down goals and targets within set policy framework. THDCIL has also prepared and implemented standard Policies and Procedures for procurement of Goods and services with a view to make procedures more systematic, transparent and easy to administer with major thrust on expeditious and decentralized decision making coupled with accountability and responsibility.

Systes are in place for Strategic Planning, Risk Management, Financial Plans and Budgets, Integrity of Internal Controls and Reporting, Communications Policy with emphasis on transparency and full disclosure on the various facets of the Company’s operations, its functioning and its financials and total compliance with all statutory/regulatory requirements not only in the letter of the law but also in its spirit.

The Board has also constituted several committee

viz. Audit Committee, Remuneration Committee, CSR Committee etc. to have better and more focused Governance.

Besides adhering to provisions of Listing Agreement, THDCIL also follows the Guidelines on Corporate Governance issued by Department of Public Enterprises, Government of India. The compliance of the company with the conditions of the Corporate Governance and the disclosure requirements of the Year 2016-17 are given below :

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 THE BOARD

The Board of Directors has an ideal combination of executive and non executive Directors and is in conformity with the provisions of Companies Act, 2013 which inter alia stipulates that the Board should have an optimum combination of Executive and Non-executive Directors with at least one Woman Director. Presently, the Board comprises of the Chairman and Managing Director, Functional Directors, Government Nominee Directors and Independent Directors. THDCIL Board comprises of four Functional Directors including Chairman, One Government of India Nominee

Director, two GoUP Nominee Director and three Independent Directors. The Directors bring to the Board wide range of experience and skills. Brief profile of the Directors is set out in the Annual Report.

2.3 AGE LIMIT AND TENURE OF DIRECTORS

The age limit of Chairman & Managing Director and Whole Time Directors is 60 years. The Chairman & Managing 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 ceasing to be an official of that Ministry/Administrative Department. Independent Directors are appointed by Government of India usually for tenure of three years.

2.4 BOARD MEETINGS AND ATTENDANCE

The Board meetings are convened by giving appropriate advance notice, after obtaining approval of the Chairman of the Board. Detailed agenda, management reports and other explanatory statements are circulated well in advance, normally 7 days, for facilitating meaningful, informed and focused decisions at the meetings. The maximum time interval between any two meetings did not exceed 120 days.

Six Board Meetings were held during the financial year 2016-17. Details of Dates of Meeting, strength of Board and No. of Directors Present are given in **Table 1:**

Table 1: Details of Board Meetings during the year 2016-17

Sr. No.	Date of Board Meetings	Strength of Board	No of Directors Present
1.	May 19, 2016	9	6
2.	August 26, 2016	9	7
3.	September 26, 2016	10	7
4.	November 28, 2016	10	9
5.	January 2, 2017	9	7
6.	March 27, 2017	9	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 2016-17 are placed in **Table 2** :

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

Sr. No.	Directors	Number of Board meetings attended	Attendance at last AGM	Other Directorships held	Other Positions	
					Chairmen	Member
FUNCTIONAL DIRECTORS						
1.	Shri D.V. Singh (Chairman & Managing Director) with Additional charge of Director(Technical)	6	Attended	-	-	1
2.	Shri R.S.T.Sai Chairman & Managing Director (Upto 30.11.2016)	4	Attended	-	-	-
3.	Shri S. K. Biswas Director (Personnel)	6	Attended	-	-	-
4.	Shri Sridhar Patra Director (Finance)	6	Attended	-	-	-
GOVERNMENT NOMINEE DIRECTORS						
5.	Shri Suresh Chandra (w.e.f. 28.09.2016)	Nil	Not Attended	2	-	2
6.	Shri Suresh sharma (w.e.f. 26.09.2016)	2	Not Attended	1	-	1
7.	Shri Deepak Singhal, Principal Secretary (Irrigation), Govt. of UP. (up to 27.09.2016)	Nil	Not Attended	-	-	-
8.	Shri. Sanjay Agarwal, Principal Secretary (Energy), Govt. of UP(up to 20.4.2017)	Nil	Not Attended	-	-	-

Sr. No.	Directors	Number of Board meetings attended	Attendance at last AGM	Other Director-ships held	Other Positions	
					Chairmen	Member
9.	Smt .Anju Bhalla, JS (Hydro)(w.e.f. 01.7.2015)	4	Not Attended	1	-	1
INDEPENDENT DIRECTORS						
10.	Shri Bachi Singh Rawat (w.e.f. 22.12. 2015)	6	Attended	-	-	-
11.	Shri Mohan Singh Rawat (w.e.f. 22.12.2015)	6	Attended	-	-	-
12.	Prof. Maharaj K. Pandit (w.e.f. 22.12.2015)	4	Attended	-	-	1

2.5 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 @ ₹ 20,000 per sitting for meetings of Board as well as Committee meetings (sitting fee is fixed by Board as per Rule 4 of companies (Appointment and Remuneration of Managerial Personel) Rules, 2014 read with section 197 of Companies Act ,2013.

The Details of payments made towards sitting fees to Independent Directors during the year 2016-17 are given in **Table 3:**

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

Name of Independent Directors	Sitting Fees (in ₹)				Total (in ₹)
	Board Meeting and AGM	Audit Comittee Meetings	Remuneration Comittee Meeting	CSR & Sustainability Development Committee	
Shri Bachi Singh Rawat	1,20,000	1,00,000	20,000	40,000	2,80,000
Shri Mohan Singh Rawat	1,20,000	1,00,000	NIL	40,000	2,60,000
Prof. Maharaj K .Pandit	80,000	60,000	20,000	NIL	1,60,000

Table 4: Remuneration of Whole-time Directors

THDCIL being a Government Company, the appointment, tenure and remuneration of Directors is decided by the Government. Remuneration paid to whole time directors during FY 2016-17 was as per terms and conditions of their appointment.

Details of remuneration of Whole-time Functional Directors and Company Secretary of the company paid for F.Y. 2016-17 are given below:

(Amount in ₹)

Directors	Designation	Salary/ Allowances	Bonus Commission*	Performance Related Pay (PRP)	Gross Total
Sh. D.V. Singh	Chairman & Managing Director with Additional Charge of Director-Technical.	2689047	-	1407120	4096167
Sh R.S.T. Sai	Ex-Chairman & Managing Director	3688755		2303524	5992279
Sh. S.K. Biswas	Director(Personnel)	3633680	-	1428197	5061877
Sh. Sridhar Patra	Director(Finance)	2649245	-	2057803	4707048
Ms. Rashmi Sharma	Company Secretary	886521	-	83011	969532

2.6 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 THDCIL has designated following key managerial personnel.

1. Shri D.V.Singh, Chairman & Managing Director
2. Shri Sridhar Patra, Director (Finance)
3. Ms. Rashmi Sharma, Company Secretary

2.7 BOARD MEETING PROCEDURES :

i) Decision making Process:

The Company has laid down a set of guidelines and follow secretarial standard

for the meetings of the Board of Directors with a view to professionalizing all corporate affairs. These guidelines seek to systematize the decision making process in Board meetings in an informed and efficient manner.

ii) Scheduling and selection of agenda items for Board meetings:

- The meetings are convened by giving appropriate notice after obtaining the approval of the Chairman of the Board. Detailed agenda notes, management reports and other explanatory statements are circulated in advance, normally 7 days, among the members to facilitate meaningful, informed and focused decisions during the meeting.
- When urgent issues need to be addressed, meetings are called at shorter notice or

resolutions are passed by circulation.

- Wherever it is not practical to attach 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 to provide additional inputs to the items being discussed by the Board, as and when necessary.

iii) **Recording of minutes of the Board/Committee meetings:**

The draft Minutes of the proceedings of each Board/Committee Meeting are duly circulated to all members for their comments within fifteen days of the conclusion of the Meeting. The Directors communicate their comments on the draft Minutes within seven days from the date of circulation thereof. A comparative sheet of all comments received from Directors are placed before the Chairman & Managing Director/Chairman of respective Committees for consideration and approval thereof. The approved minutes of proceedings of each Board/Committee Meeting are duly recorded in the minutes book.

iv) **Follow-up mechanism :**

Based on the directions issued by the Board, an action-taken on the decisions of the Board is regularly placed before the Board which helps in effective reporting on follow-up and review of decisions.

v) **Compliance :**

It is our endeavor to ensure compliance of all applicable provisions of the law, rules and guidelines. The company ensures compliance of all applicable provisions of the Companies Act, 2013 (to the extent these are applicable), SEBI Regulations & Guidelines, Listing Agreement and other statutory requirements under different laws. The Board of Directors review the legal compliance report placed before it from time to time.

vi) **Information to be placed before Board of Directors :**

- Annual operating plans, budgets and related updates.
- Capital budgets and related updates.
- Quarterly/annual financial results of the Company.
- Minutes of meetings of audit committee and other committees of the Board.
- Major investments, formation of subsidiaries, joint ventures and strategic alliances.
- Quarterly information with respect to purchases/works/contracts awarded on nomination basis.
- Status of Progress report of projects
- Quarterly report on compliance of various laws

- Disclosure of interest by directors about their directorships.
- Significant capital investment proposals or award of large contracts.
- Status of arbitration cases. Changes in significant accounting policies and practices along with reasons thereof.
- Any other information required to be presented to the board either for information or approval as per the requirement of applicable laws.

3. COMMITTEES OF BOARD OF DIRECTORS:

Presently, the company has three Board Level Committees which are as under:

- Audit Committee.
- Remuneration Committee.
- CSR & Sustainability Committee.

The Company Secretary serves as the Secretary to Board Level Committees.

3.1 AUDIT COMMITTEE

The Company has constituted Audit

Committee as per Section 177 of the Company Act, 2013. 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 in accordance with DPE Guidelines on Corporate Governance and Companies Act, 2013.

3.1.1 COMPOSITION OF AUDIT COMMITTEE

As per Companies Act, 2013 and 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 31.03.2017 is given in **Table 5:**

Table 5: Name of Members of Audit Committee and their Categories

S.No.	Name of Members	Category of Members
1.	Shri Bachi Singh Rawat	Independent Director - Chairman
2.	Shri Mohan Singh Rawat	Independent Director - Member
3.	Prof. Maharaj Krishan Pandit	Independent Director - Member
4.	Shri S.K. Biswas	Director (Personnel) - 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:

- Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- Recommending for remuneration and terms of appointment of auditors of the company.
- Approval of payment to statutory auditors for any other services rendered by the statutory auditors.

- Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to :
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with legal requirements relating to financial statements;
 - Disclosure of any related party transactions; and
 - Qualifications in the draft audit report.
 - Reviewing, with the management, the quarterly financial statements before submission to the Board for approval. Reviewing, with the management, performance of statutory auditors, internal auditors and adequacy of the internal control systems.
 - Review and monitor the auditor's independence and performance, and effectiveness of audit process.
 - Approval or any subsequent modification of transactions of the company with related parties.
 - Scrutiny of inter- corporate loans and investments.
 - Valuation of undertaking or assets of the company, wherever it is necessary.
 - Evaluation of internal financial controls and risk management systems.
 - Discussion with internal auditors and/or auditors any significant findings and follow up there on.
- Reviewing the findings of any internal investigations by the internal auditors/auditors/agencies 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. .
- To look into the reasons for substantial defaults in the payment
- To review the functioning of the Whistle Blower Mechanism.
- To review the follow up action on the audit observations of the C&AG audit.
- Review and pre-approve all related party transactions in the company.
- Review with the independent auditor the co-ordination of audit efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of all audit resources
- Consider and review the following with the independent auditor and the management:
 - The adequacy of internal controls including computerized information system controls and security, and
 - Related findings and recommendations of the independent auditor and internal auditor, together with the management responses.
 - Consider and review the following with the management, internal auditor and the independent auditor :
 - Significant findings during the year, including the status of previous audit recommendations.
 - Any difficulties encountered during audit work including any restrictions on the scope of activities or access to required information.

Powers of Audit Committee:

Commensurate with its role, the Audit Committee shall exercise powers, which include the following:

- The Audit Committee shall have authority to investigate into any matter specified above or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company.
- To seek information on and from any employee.
- To obtain outside legal or other professional advice, if necessary.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.
- The recommendations of the Audit Committee on any matter shall be considered by the Board.

Review of Information by Audit Committee

The Audit Committee shall review the following information:

- Management discussion and analysis of financial condition and results of operations;
- Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- Management letters / letters of internal control weaknesses issued by the statutory auditors;
- Internal audit reports relating to internal control weaknesses;

3.1.3 MEETINGS AND ATTENDANCE

Five Meetings of Audit Committee was held in the year 2016-17. Details of Meeting held is given in **Table 6:**

Table 6: Details of Audit Committee meeting held during the year 2016-17.

S. No.	Date of Audit Committee Meeting	Members Strength	No. of Members Present
1.	May 19, 2016	4	3
2.	August 26, 2016	4	3
3.	September 26, 2016	4	4
4.	November 28, 2016	4	4
5.	March 27, 2017	4	4

The details of the meetings of Audit-Committee attended by the members for the year 2016-17 are given in **Table 7.**

Table 7: Details of Audit Committee meeting attended by the members:

S. No.	Name of Members of Audit Committee	No. of Meetings held during his tenure	No. of Meetings attended
1.	Shri Bachi Singh Rawat	5	5
2.	Shri Mohan Singh Rawat	5	5
3.	Prof. Maharaj K. Pandit	5	3

S. No.	Name of Members of Audit Committee	No. of Meetings held during his tenure	No. of Meetings attended
4.	Shri D.V. Singh (on assumption of charge of CMD, THDCIL , he ceased to be a member of Audit Committee from 02.01 .2017 to avoid any conflict of interest in working of Board and the Audit Committee)	4	4
5.	Shri S.K. Biswas (member from 02.01.2017)	1	1

The Director (Finance) and Chief Audit Officer invariably attended the Audit Committee meeting as Special Invitees.

3.2 REMUNERATION COMMITTEE

As per the DPE Guidelines on Corporate Governance, Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Remuneration Committee was constituted to decide the annual bonus/variable pay pool and policy for its distribution across the executives and non-unionized supervisors, within the prescribed limits. The Remuneration Committee comprises of three members. Name of members and their category are placed in **Table 8**.

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

S.No.	Name of Members	Category of Member
1.	Shri Bachi Singh Rawat	Independent Director - Chairman
2.	Prof. Maharaj Krishan Pandit	Independent Director - Member
3.	Smt. Anju Bhalla	Govt. Nominee Director, Gol - Member

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

3.2.2 MEETINGS AND ATTENDANCE

One meeting of the Remuneration Committee was held during the financial year 2016-17 on March 27, 2017. The details of the meeting of Remuneration Committee attended by the members are as under:

Table 9: Name of members of Remuneration Committee and their attendance:

S.No	Member of Remuneration Committee	Category of Members	Meeting held during his tenure	Meeting attended
1.	Shri Bachi Singh Rawat	Chairman	1	1
2.	Prof. Maharaj Krishan Pandit	Member	1	1
3.	Smt. Anju Bhalla	Member	1	1

Director (Personnel) attended the meeting as Special Invitee.

3.3 CSR & SUSTAINABILITY COMMITTEE

As per Section 135 of the Companies Act, 2013 and CSR & Sustainability Policy-2015 the Board has constituted the Board Level CSR & Sustainability Committee for effective implementation of CSR Activities of your company.

3.3.1 COMPOSITION

The composition of the CSR & Sustainability Committee as on 31.03.2017 is given in **Table 10**:

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

S.No.	Name of Members	Category of Members
1.	Shri Mohan Singh Rawat	Independent Director – Chairman
2.	Shri Bachi Singh Rawat	Independent Director – Member
3.	Shri D.V. Singh	Functional Director – Member
4.	Shri Sridhar Patra	Functional Director – Member

General Manager (S&E), being the Nodal Officer is the permanent Special Invitee to the Committee.

3.3.2 MEETINGS AND ATTENDANCE

Two meeting of the CSR & Sustainability Committee was held in the FY 2016-17. Detail of Meeting held is given in **Table 11**:

Table 11: Meeting of CSR& Sustainability Committee and attendance:

S. No.	Date of CSR & Sustainability Committee meeting	Members Strength	No. of Members Present
1.	May 19, 2016	4	4
2.	January 2, 2017	4	4

Functions of CSR & Sustainability Committee

The Board Level CSR & Sustainability Committee steers the Implementation and Monitoring of the CSR-SD Programs/ 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 deemed necessary etc.

4. GENERAL BODY MEETINGS

Date, time and location where the last three Annual General Meetings were held are given in **Table 12**.

Table 12: Details of Last three Annual General Meetings:

Annual General Meetings	28 th Annual General Meeting held on 26 th September, 2016	27 th Annual General Meeting held on 22 nd September, 2015	26 th Annual General Meeting held on 27 th September, 2014
Time	12:30 PM	05.00 PM	05.00 PM
Venue	THDC INDIA LIMITED, Rishikesh	THDC INDIA LIMITED, 1 st Floor, East Tower, NBCC Place, Bhishma Pitamah Marg, New Delhi	THDC INDIA LIMITED, 1 st Floor, East Tower, NBCC Place, Bhishma Pitamah Marg, New Delhi
Special Business	<ul style="list-style-type: none"> To fix Remuneration of Cost Auditors for the F.Y. 2016-17. Issue of Secured Non- Convertible Non- Cumulative Bonds on Private Placement Basis. 	<ul style="list-style-type: none"> To fix Remuneration of Cost Auditors for the F.Y. 2015-16. To Borrow ₹2500 Cr. through issue of Secured Bonds. 	<ul style="list-style-type: none"> To fix Remuneration of Cost Auditors for the F.Y. 2014-15. To Approve the Borrowing powers of the Board in excess of Paid up Capital & Free Reserve.

5. DISCLOSURES

5.1 VIGIL MECHANISM

The Company has separate Vigilance Department which deals with fraud or suspected fraud involving employees/ representatives of suppliers, contractors, consultants, service providers or any other party doing business with THDCIL. Whistle Blower Policy has been approved by the Board of Directors and implemented in the company and the same has been on the website of THDCIL.

5.2 RELATED PARTY TRANSACTIONS:

There was no transaction of material nature

with Promoters, Directors or Management, having potential conflict with the interest of company at large. The details of related party disclosures are included in Notes on Accounts.

5.3 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and DPE Guidelines on Corporate Governance:

The company has complied with the requirements of the Listing Agreement with Stock Exchange & Guidelines on Corporate Governance for Central Public Sector Enterprises issued by Department

of Public Enterprises. There were no penalties or strictures imposed on the company by any statutory authorities for non-compliance during the year.

5.4 Accounting Treatment: In view of the management, all applicable accounting standards are being followed for preparation of Financial Statements.

5.5 SEPARATE MEETINGS OF INDEPENDENT DIRECTORS:

THDCIL Board has three Independent Directors as on date. During the Financial Year 2016-17 one meeting of Independent Directors was held on March 27, 2017, in

which all Independent Directors were present.

5.6 FAMILIARIZATION OF DIRECTORS

The company familiarizes the Independent Directors with the Company, their roles, rights, responsibilities in the company, nature of the industry in which the company operates, business model of the company, etc, through various programmes/ presentations. The details of such familiarization is disclosed on the Company's website.

5.7 INFORMATION FOR INVESTORS

5.7.1 Listing on Stock Exchanges

THDC INDIA LIMITED Corporate Bonds are listed on the following stock exchanges:

BSE Limited	National Stock Exchange of India Limited
Address: PhirozeJeejeebhoy Towers, Dalal Street, Mumbai – 400001	Address: Exchange Plaza, Plot No. C/1, G Block, Bandra (East), Mumbai - 400051
ISIN: INE812V07013	ISIN: INE812V07013

The annual listing fee for the financial year 2016-17 has been paid to both Stock Exchanges before 30th April 2016.

5.7.2 REGISTRAR AND TRANSFER AGENTS

Karvy Computershare Private Limited
Karvy Selenium Tower B, Plot 31-32
Gachibowli, Financial District,
Nanakramguda, Hyderabad-500 032

5.7.3 DEBENTURE TRUSTEE

VISTRA ITCL (INDIA) LIMITED

A-268, 1ST Floor,
Bishma Pitamah Marg, New Delhi-110014.
Mobile: +919619105439
E-Mail- Sanjay.Dodti@vistra.com

5.7.4 INVESTOR GRIEVANCES :

During the Financial year ending 31st March 2017, the company has no received any investors' grievances.

5.7.5 Centralized web based redressal system- SCORES

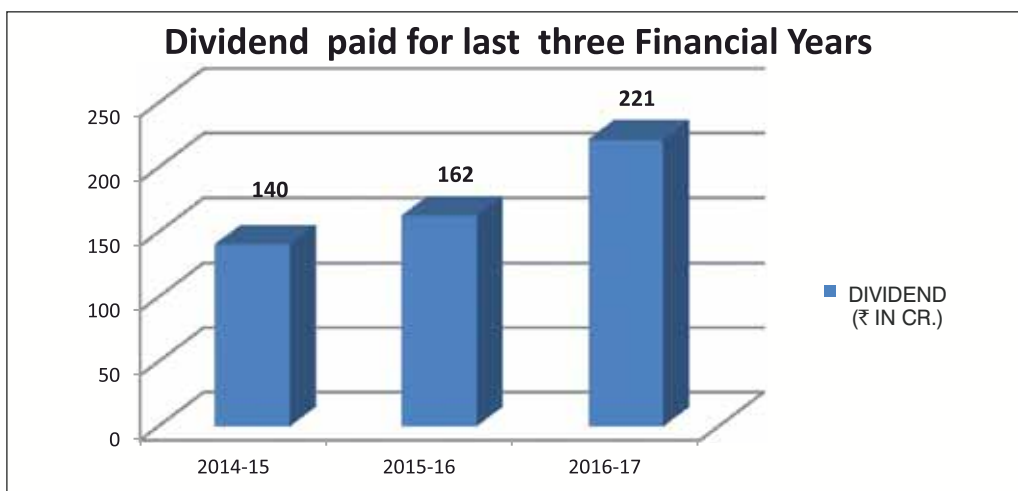
The centralized web based Complaint Redressal System of SEBI I.E. scores (SEBI Complaints Redress System) is used in the company. Through SCORES, Bondholders can register their complaints against the Company for redressal. Status of every complaint lodged can also be viewed online. SEBI disposes off the complaints if it is satisfied that the complaints have been redressed adequately.

5.7.6 NAME AND DESIGNATION OF COMPLIANCE OFFICER

Ms. Rashmi Sharma, Company Secretary is the Compliance Officer in terms of Clause 6 of the Listing Agreement.

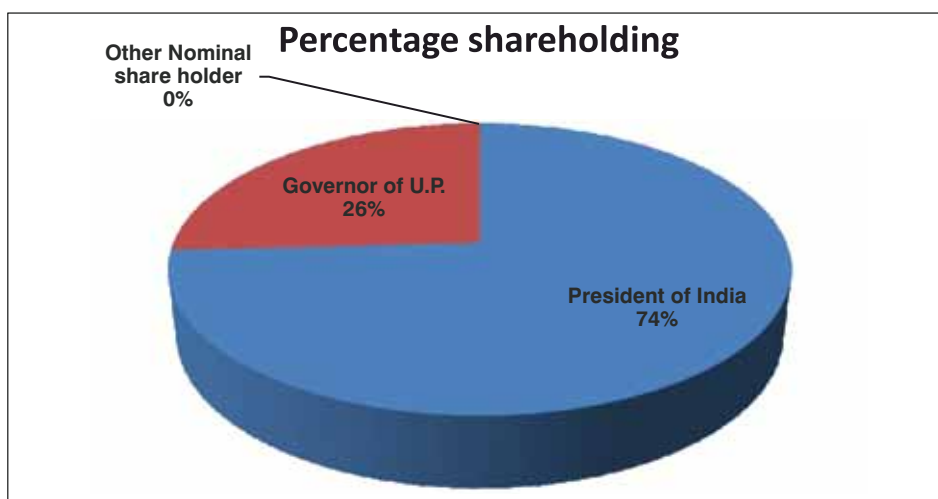
6. PAYMENT OF DIVIDEND :

Year	Total Amount of Dividend Paid for the Financial Year (in Crore)	Date of AGM in which dividend was declared
2014-15	140	22nd September, 2015
2015-16	162	26th September, 2016
2016-17	221	20th September 2017 (scheduled)



SHAREHOLDING PATTERN :

S.No.	Category	Total Shares	% To Equity
1	President of India	26880717	74.1943974
2	Governor of U.P	9349400	25.80560
3	Other Nominal share holders	10	0



7. WHISTLE BLOWER POLICY

THDC has a well defined Whistle Blower Policy for reporting the instances of unethical/improper conduct and taking suitable steps to investigate and take remedial action. No personnel have been denied access to the Audit Committee. The mechanism for prevention of frauds is also included in the policy.

- 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.
- Company for ensuring transparency.

8. GRIEVANCE REDRESSAL MECHANISM

The Grievance Redressal Committee has been constituted in line with the DPE Guidelines with an objective to provide an easily accessible mechanism for expeditious settlement of employee grievances leading to increased job satisfaction and improvement in productivity and efficiency of the organization.

9. RISK MANAGEMENT:

The Company has adopted 'Risk Management Manual' in June, 2012. The Manual is intended to maintain a uniform Risk Management System in the Corporation at various Hydro Power Projects at different stages of implementation. As per the Manual the Risk Management Committee comprising of members from Finance, Planning, Design, and Projects etc. was constituted to develop and implement a 'Risk Management Plan'. Committee meetings are being held regularly with suggestions to improve the effectiveness of risk management plan.

In line with the Manual, risk management plan was carried out. Each department has opened a Risk Register and nominated their Nodal Risk Officer for coordinating risk activities as mentioned in 'Risk Management Manual'. In case of occurrence of any risk the same shall

be recorded in 'Risk Experience Register' about the Risk occurred and action taken to mitigate it for future reference. The Risk Management of the company is being reviewed periodically by the company. Board also review the Risk Management on a regular basis. No significant incidence of risk has occurred during the year.

10. RECORD MANAGEMENT SYSTEM

THDC has adopted Record Management Manual in line with guidelines of National Archives of India. Chief Record Officer has been appointed to oversee the Record Management System of the company. Separate Record Office has been created in Rishikesh with all required facilities as per the Guidelines of National Archives of India.

11. MEANS OF COMMUNICATION

The Company communicates with its shareholders through its Annual Report, General Meeting, Newspapers and disclosure through website. Periodical financial results of the company are announced within the time specified in Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These results are published in the national and local dailies. The company has maintained its official web site with extensive material available for public at large as well as employees. All the material information about the company have been hosted at the Website. The Office Website named **www.thdc.co.in**.

12. COMPTROLLER AND AUDITOR GENERAL OF INDIA :

Your Company being a PSU comes under jurisdiction of Comptroller and Auditor General of India and is also subject to parliamentary oversight under Section 139 of Companies Act, 2013.

The Statutory Auditors of the company are appointed by the Comptroller and Auditor General of India, who gives the directions to

the Auditors on the manner in which the audit should be conducted by them. The Comptroller and Auditor General of India is also empowered to Comment upon the Audit Reports of the Statutory Auditors. In addition, the Comptroller and Auditor General of India conducts a test audit of the accounts of your company and submit reports. The Audited Accounts of the Company is placed before both the Houses of Parliament within a prescribed time limit.

13. CORPORATE ETHICS POLICY

The Board of Directors of your company has adopted 'Corporate Ethics Policy' as a part of Corporate Governance initiative. The Policy will serve to guide the Employees of the Company to observe highest standard of

Professional Ethics, Good Governance, Probity, Integrity and Impartiality while discharging official duties.

14. CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT

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.

Annual Affirmation is obtained regarding Compliance of Code of Business Conduct and Ethics from Board Members and Senior Management of the Company upto the level of AGM.

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, 2017.'

(D.V. Singh)
Chairman & Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

The Certificate on Corporate Governance has been obtained from practicing company secretary as per DPE Guidelines.

15. ADDRESS FOR CORRESPONDENCE

THDC INDIA LIMITED
Pragatipuram By Pass Road ,
Rishikesh- 249201
Uttarakhand.

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

Company Secretary	Ms. Rashmi Sharma
Office Contact Nos.	0135-2439309 , Fax- 0135-2439442
E-Mail	rashmi.thdc@gmail.com
For Public Grievances	Sh. R.N. Singh, AGM(SP)/ Director of Public Grievances
Contact	0120-2776490, Fax No.0120-2776433
E-Mail	rnsingh@thdc.co.in

P.S.R MURTHY
PRACTICING COMPANY SECRETARY
C.P. 13090

CORPORATE GOVERNANCE CERTIFICATE

To,
The Members,
THDC India Limited
Tehri Garhwal,
Tehri - 249 001

1. I have examined the compliance conditions of Corporate Governance by **THDC India Limited (the “company”)** CIN.U45203UR1988GOI009822 in accordance with the provisions of the Companies Act 2013 read with Guidelines issued by the Department of Public Enterprises for Central Public Sector Undertakings in May 2010. THDC India Limited is listed for debt securities and is a Government of India Enterprise with equity participation from Government of India and Government of Uttar Pradesh.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. My 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 my opinion and to the best of my information and according to the explanations given to me, I certify that the Company complied with the conditions of Corporate Governance.
4. I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or the effectiveness with which the management has conducted the affairs of the Company.

Sd/-
(P.S.R. Murthy)
Practicing Company Secretary

Place: New Delhi

Dated: 09th September 2017

CORPORATE SOCIAL RESPONSIBILITY REPORT





Plantation by CMD & Director(Finance) on World Environment Day

ANNEXURE-II to the Directors' Report

CORPORATE SOCIAL RESPONSIBILITY REPORT

Brief Outline of the Company's CSR Policy

As required under Companies Act 2013 & CSR Rules, all companies covered under the eligibility criteria based on threshold limit of net worth, turn over or profit shall formulate a CSR policy for undertaking activities as specified in Schedule VII of the Companies Act, 2013. Accordingly, your company has CSR & Sustainability policy 2015 duly approved by the Board. The CSR vision of your company is "Socially responsible corporate, continuously enhancing value creation in society and community and promoting sustainable development."

Planning and Selection of CSR & Sustainability Activity

- Planning and selection of CSR projects is done in accordance to CSR rules and the activities as specified in Schedule VII of the Companies Act, 2013.
- CSR activities is undertaken in project/ programme mode, which entails planning the stages of execution in advance by fixing targets, resources required within the allocated budget, and having a definite time span for achieving desired outcomes.
- THDCIL may collaborate with other companies/ CPSEs for undertaking CSR projects or programs or activities.
- CSR & Sustainability programmes which can be aligned with business policies and strategies of the Company are preferred.
- Only such CSR activities / projects are selected which can be better implemented / monitored through in-house expertise.
- Baseline/ need assessment survey is preferred prior to the selection of any CSR activity
- The Budget and Annual CSR and Sustainability

Plan is approved by the Board on the recommendation of the CSR Committee.

- Our CSR projects / programmes ensure inclusive growth and uplifting of the marginalized and under-privileged sections of the society.

THDCIL's CSR Communication Strategy

Computer Centre for Women Empowerment

'THDCIL's CSR Communication Strategy' approved by the Board envisages ongoing communication with the key stake holders to ascertain their views and suggestions regarding the CSR and sustainability initiatives under taken or to be under taken by the Company. However, the final decision in selection and implementation of CSR activities is taken by Board level CSR Committee.

CSR Projects/Activities

CSR works being undertaken by THDCIL are based on priority of the stakeholders directly impacted by its operations and activities. To bring positive sustainable changes, THDCIL focuses on holistic development of the targeted communities rather than addressing sporadic needs in piecemeal which result in less or no impact in long run. The areas addressed in holistic development

are women empowerment to reduce women drudgery, income generation through intervention in agriculture and horticulture activities, income generation through revolving fund among SHGs, revival/ promotion of traditional ecological knowledge by construction/rejuvenation of Chal-Khals (ponds); promotion of water harvesting structures; modernizing traditional water mills for enhanced efficiency, plantation of fuel, fodder & medicinal plants; health services; providing safe drinking water; sanitation facilities; promoting education (among economically weaker section; SC/ST and OBC); skill training in computer & tailoring and generation of employment including assistance to local ITI's; ensuring environmental sustainability; ecological balance, etc.

Stakeholders are being continuously engaged through various meetings, seminars and krishakgosthies. The benefits accrued from our CSR projects are visible. People especially from the project affected area are now reasonably aware of the projects/programmes/activities being under taken by SEWA-THDC in their areas under Corporate Social Responsibility and are associating themselves actively for implementation of the various CSR works taken up by SEWA-THDC.

According to the policy, about 65% of the CSR fund is being utilized in neighborhood of operational area and balance is being utilized in the broad geographical areas where our business extends.

The Major CSR activities undertaken during the year is broadly categorised under following heads:

- THDC Jagriti- Educational Development
- THDC Niramaya- Health & Sanitation
- THDC Prakriti- Environment Management
- THDC Utthan (Rural Development)
- THDC Samarth- Women Empowerment

SEWA-THDC also published Compendium of Best CSR Practices of THDCIL on 10th March 2017.

Detailed CSR Activities are given at **Appendix-I**

CSR Budget

As per the Companies Act, 2013 the company shall spend at least two percent of its average net profit of last three years . Accordingly, CSR Budget for the year 2016-17 comes out to ₹ 15.28 Cr. THDC sponsored societies SEWA-THDC and THDC Education Society have been entrusted with the task of implementation of the CSR projects. CSR budget has been utilized mostly in the vicinity of THDCIL's Operating stations and at various project locations /business area as per the CSR & Sustainability policy 2015 of THDCIL. CSR and Sustainability Programmes of the Company are steered through Below Board Level (BBLC) & Board Level (BLC) CSR Committees.

Implementation Mechanism

The implementation of CSR projects/ programmes/ activities is done through company sponsored Societies namely SEWA-THDC and THDC Education Society (TES) in association with the partner NGOs, Societies, Trusts, Government Agencies, & Universities etc.

Monitoring, Evaluation & Impact Assessment

- a) Monitoring of the Programmes/Activities is carried out periodically with the help of Identified Key Performance Indicators, the periodicity being determined largely by the nature of performance indicators and Project Cycle. Monitoring is done in project mode with continuous feedback mechanism, and recourse is always available for Mid-Course Correction in implementation, whenever required.
- b) Periodic monitoring is carried out at different levels using the following indicative medium:
 - i. Monthly Progress Report
 - ii. Quarterly Progress Report
 - iii. Video Conferencing
 - iv. Site Visits
 - v. Documentary evidence including photographs, films and videos

- vi. Other in – house monitoring mechanisms, as determined by the CSR Committee
- c) The CSR Projects having value of ₹ 5.0 lac or more are being evaluated by Independent External Agencies/ Experts on the prescribed parameters. Based on the impact assessment future CSR activities are planned.

AUDIT OF CSR PROJECTS

The Annual Accounts of SEWA-THDC and THDC Education Society (TES), the implementing agencies, are annually audited by Practicing Chartered Accountant as per Bye-laws of the respective agencies.

Below Board Level Committee (BBLC) and Board Level CSR Committee (BLC)

The Company has constituted Board Level CSR Committee(BLC) comprising Independent Directors and functional Directors in line with

Companies Act, 2013. The Chairman of the BLC is an Independent Director. Regular meetings of the Board Level CSR Committee are convened to consider Annual CSR Budget, review of CSR Activities, implementation mechanism etc.

Besides this, Below Board Level CSR Committee (BBLC) has also been constituted with members from Senior Officers of the company and external experts for effective implementation of CSR Programmes.

The composition of Board Level CSR Committee is as follows:

- Shri Mohan Singh Rawat, Independent Director - Chairman
- Shri D.V Singh, Functional Director - Member
- Shri Bachi singh Rawat, Independent Director- Member
- Shri Sridhar Patra, Director(Finance)-Member

Average net profit of the company during the last three financial years : ₹ 763.94 Cr.

Prescribed CSR Expenditure (2% percent of Average net profit) : 2% of Average Net Profit of Previous Three Years i.e ₹ 15.28 Cr.

Detail of CSR amount spent during the financial year :

- (a) Total amount spent for financial year. : ₹ 15.35 Cr. which is more than 2% of Average Net Profit of preceding three years.
- (b) Amount unspent, If any. : Nil.
- (c) Manner in which the amount spent during the financial year : As per **Appendix –I**

In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount in its Board report. : THDCIL has spent more than 2% of Average Net Profit of preceding three years on CSR for the FY 2016-17.

A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and policy of the company.

Sd/- (Chairman & Managing Director)	Sd/- (Chairman CSR Committee)
--	----------------------------------

VARIOUS CSR ACTIVITIES DURING F.Y 2016-17

THDC JAGRITI- EDUCATIONAL DEVELOPMENT

Considering education and skill development as an important aspect of employment generation, various steps taken up are as follows:

- **Education through Schools at Rishikesh & Tehri**

As a responsible corporate citizen THDCIL strives to contribute and promote education among needy external stakeholders by running two schools, one at Bhagirathipuram, Tehri offering education from 6th to 12th standards and another school at Pragatipuram, Rishikesh offering education from 1st to 10th standards under THDC Education Society (TES) for economically weaker sections including backward and SC/ST. Free of cost dress, books & stationary, bus service etc. are being provided to students including **Mid Day Meal under "Naivedyam" scheme.**

During the year students participated in different curricular activities i.e. debate, essay writing competition, cultural events and took part in Swachh Bharat Abhiyan.

- **Jr. High School Koteshwarpuram**

In addition to above, one English Medium Jr. High School is also being run at Koteshwar, Tehri with grant provided by SEWA-THDC to an NGO i.e. Omkaranand Saraswati Public School Education Society to provide quality education to children of project affected families of KHEP. Qualified Teaching staff has been appointed to provide better education and exposure to co-curricular activities to the



Free Health Check-up Camp for VPHEP Project Area Villagers

children. Total 140 no students are enrolled in the school to keep up with the latest education.

- **THDC Institute of Hydropower Engineering and Technology**

An Engineering College in Bhagirathipuram (near Tehri Dam and HPP), Tehri has been established by THDCIL under CSR initiatives to meet out the future requirements of skilled manpower/ technical graduates in sustainable manner. The institute has state of art infrastructural facilities such as Administrative Block, Academic Blocks, Laboratories, Workshop, Library, Canteen and Hostel for boys and girls. Well furnished infrastructure has been provided for students in five disciplines i.e. Civil, Mechanical, Electrical, Electronics & Communication and Computer Science. The Institute is a constituent college of Uttarakhand Technical University (UTU), Dehradun. Engineering College is operational since academic year 2011-12. 02 Boys and 02 Girls hostels have been established. Out of the two; 01 Girl's

Hostel has been established in 2015-16 by joint CSR contribution from Rural Electrification Corporation Limited (RECL) & THDCIL and inaugurated jointly by CMD THDCIL & CMD RECL in the month of Feb 2016.

Students of far flung areas of Uttarakhand mainly from tribal belt of the state covering district Pithoragadh, Chamoli, Tehri, Uttarkashi etc. are being benefitted and getting higher technical education. Moreover, Tehri Dam project affected families are also being benefitted by opening of the institute close to their homes. For benefit of the Project Affected Families; 5% seats are reserved in the Institute for their wards. Presence of THDC-IHET has increased the income level of the local community. It has generated direct / indirect employment. Local communities / vendors engaged in various livelihood activities viz milk supply, news paper/magazines, Book shops, fruits and vegetables, medical shops, canteen, laundry etc. are largely benefitted. Local agencies are operating canteens, transport facilities etc.. Grocery and other local needs of the students and staff are also being managed by local shopkeepers and residents of the area. Local people / labours of this area are happy with the presence of THDC-IHET.

Support to other Educational intitutions

- Different Govts Schools of project affected area were strengthened by constructing additional class rooms, toilets and by providing computers, furniture, study material, school bags, uniforms, water filters, books etc.
- Computer training was provided through 12 centres to educate the youth of minorities and weaker sections in project affected areas in district Dehradun, Tehri & Utterkashi. More than 450 beneficiaries imparted training through this programme. The main objective

of this programme was to upgrade their computer skills to make them employable.

- Job oriented skill development trainings in various trades viz. hotel management, BPO, hospitality etc. were provided through expert agencies/Institutions. More than 100 youths were benefitted through these programmes.
- Various trainings/workshops have been organized for inside and outside stakeholder on "Sensitization on CSR & Sustainability and THDCIL's CSR Communication Strategy".

THDC NIRAMAYA- HEALTH & SANITATION

Promoting health care including preventive health care and sanitation, drinking water etc is included in this initiative.

- Allopathic Dispensary with a team of MBBS Doctor, Pharmasist, Nurse and Medical Assisstant has been established at Deen Gaon, a very remote area in Tehri is operational since the year 2013-14. Average yearly OPD is More than 12000 with surrounding 20 beneficiary villages. The dispensary is equipped with minor OT and basic diagnostic facilities i.e. Pathology Lab, X-ray, ECG etc. and also has on call ambulance facility. Medicines are provided free of cost.
- Total 27 Multispeciality Medical Health Camps were organised through Nirmal Eye Institute, Rishikesh and THDCIL's own Doctors in the project affected villages and rehabilaion colonies attending over 5000 patients with more than 200 cataract operations with no cost to patients even for surgeries.
- Four Homeopathic Dispensaries catering around 20 Tehri reservoir rim area villages have been running effectively at Pokhri, Dhontri, Koteswarand Rishikesh since 2010-11. On an average, 150 patients (OPD) are availing free of cost consultations and medicines per day. More than 60000 OPDs are being done every year.



Placement linked Skilled Development Training for the Youth by SEWA-THDC

- Construction of individual toilets (Especially for weaker sections) in project affected area of Tehri dam.
- Under Swatchh Bharat Abhiyan, massive public awareness campaign is being done within THDCIL offices and Colonies at various locations, Schools, Hospitals, work place, streets, roads, markets, railway station, Bus Stations, Bank area of holy River Ganga, Parks and other Public places. As per need cleaning was done in local areas and dustbins were provided at different locations with consultation of Nagar Palika Rishikesh & New Tehri.
- Provided 5 hydraulic Tippers to Municipal bodies & more than 20 Dust Bins placed at different location in Tehri & Rishikesh under Swachh Bhart Abhiyan.
- 04 Government schools have been adopted for cleaning and maintenance.
- A Generic Medicine shop has been opened near Govt. Hospital New Tehri to provide cheap medicines to public .

THDC PRAKRITI- ENVIRONMENT MANAGEMENT

To achieve Environmental Sustainability and Ecological Balance, following efforts have been taken up:

- More than 15000 plants of different fruit, fodder, fuel and medicinal species have been planted at various locations in project affected villages.
- Environment day has been celebrated on 5th June 2016 at Pashulok rehabilitation area. Independent Director, THDCIL officials, Forest department and rehabilities participated in the programme. Various competitions programs were organised among school children in presence of leading achievers of environment field. An MOU has been signed between SEWA-THDC & EESL to install high mast and street solar lights in three district of UP & Uttarakhand. Approx. 375 solar street lights and 170 hight mast light are being fixed in the area which will provide additional illumination for safty to people and also play an important role in energy conservation.

THDC UTTHAN (RURAL DEVELOPMENT)

The company in association with HNB Garhwal University, Kirorimal College (Delhi University), Project Directorate for Farming System Research, Modipuram and Veer Chandra Singh Garhwali Uttarakhand University of Horticulture & Forestry through Ranichauri Campus is working for holistic development of around 60 remote project affected villages on long term basis since 2009.

The main activities carried out are creation of Farmer SHGs, helping these SHGs with seed money to initiate small activities of their own, establishment of Custom Hiring Centre (CHC), computer & stitching centres, vocational trainings, plantation of fruit, fodder & medicinal species, health & hygiene activities, farmer centric agriculture interventions which include technical know-how to the farmers through experts by organizing kissan gosthies, exposure visits to agriculture Universities/ institutes, demonstration of farm plots, promotion of off seasonal vegetables viz mushroom production, promotion of organic

farming by constructing vermin compost pits, construction of poly houses and livestock management etc to improve the productivity through crops and mulching animals.

Training of mushroom cultivation in association with Krishi Vibhaag, Haridwar has been given to Project Affected Families and villagers of Rehab Colony at Pathri, Haridwar to improve their income and livelihood.

A drain has been constructed to discharge flood water from Pashulok rehabilitation area which was affecting the crops and houses of the villagers. Yatri shed have been constructed for the villagers. Community centres are provided to villages of the area for conducting meeting and celebrating their social programme.

Benefits through these projects:

- Agriculture programmes have raised the confidence level among the farmers and has motivated the youth to take up agriculture as a source of sustainable livelihood.
- The level of income and standard of living has increased over the past years.
- The level of participation of rural community has increased.
- Agriculture development programmes have increased the capacity of farmers considerably.
- The program is able to merge advance technological innovations along with their local traditional wisdom.
- These programmes have directly helped in checking out migration, resource management and surrounding environment.
- Plantation as flood mitigation measures etc.



Promotion of Women Empowerment

has protected earth from erosion during rainy season.

- National development goals of rural development through welfare of farming community are met in totality.

THDC SAMARTH- WOMEN EMPOWERMENT

- Various Tailoring & Knitting, production and beautician centres were established for women, especially from weaker sections, in order to strengthen their livelihood. These programmes are strong channel of empowerment to the women, growth and development. The centres are run free of cost. Approximately, 240 women have been benefitted from these centres.
- Credit society has been established in memory of famous social reformer “Deepa Mai” and registered as “**Deepa Mai Mahila Credit Cooperative Swayatt Society**” in October, 2016. More than 65 female members joined and run the society. Training on cultivation of professional agriculture produce has been provided to the member through G.B. Pant Agriculture University.



Initiative for Swachh Bharat Abhiyan

DETAILS & EXPENDITURE ON CSR ACTIVITIES OF F.Y. 2016-17

1	2	3	4	5	6	7
Sl. No	CSR projects or activities identified	Sector in which the project is covered	Local area or other	Approved Budget	Amount spent (Amount in ₹Lac)	Amount spent: Direct or through implementing agency
1.	Construction of toilets under "Swachh Vidhyalaya Abhiyan", Individual toilets for under privilege people, various works under Swachh Bharat Abhiyan, Running of four homoeopathic & one allopathic dispensaries, Multi Specialty medical camps, Water supply schemes & distribution of water purifiers etc	Item Number (i) of Schedule VII of the Companies Act, 2013 health care & Sanitation	Project affected area	1528.00	165.11	SEWA-THDC
2.	Running of three schools at Tehri, Koteshwar & Rishikesh, Construction of THDC- Institute of Hydro Engineering & Technology, Providing infrastructure to schools, Computer Training programs, Hotel Management & IT training etc.	Item Number (ii) of Schedule VII of the Companies Act, 2013 Promoting Education,			633.38	SEWA-THDC & THDC Education Society
3.	Setting up of Tailoring & Stitching centres for women Empowerment	Item Number (iii) of Schedule VII of the Companies Act, 2013 Promoting Gender Equality, Empowering women etc			14.89	SEWA-THDC
4.	Plantation & Nursery Development & installation of Solar Lights	Item Number (iv) of Schedule VII of the Companies Act, 2013 Ensuring Environmental Sustainability,			153.07	SEWA-THDC
5.	Promotion and development of traditional Art & Culture	Item Number (v) of Schedule VII of the Companies Act, 2013 Protection of National Heritage, Art & Culture etc			31.00	SEWA-THDC
6.	Promotion of sports	Item Number (vii) of schedule VII of the Companies Act, 2013 Training to promote rural, sports, nationally recognized sports and olympic sports.			2.05	SEWA-THDC

1	2	3	4	5	6	7
SI. No	CSR projects or activities identified	Sector in which the project is covered	Local area or other	Approved Budget	Amount spent (Amount in ₹Lac)	Amount spent: Direct or through implementing agency
7.	Emergency needs for taking up permitted CSR programmes during natural calamities / disasters (5% of the annual CSR Budget)	Item Number (viii) of Schedule VII of the Companies Act, 2013 Contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government etc			1.24	SEWA-THDC
8.	Construction of Shamshan Ghats, Pathways, Yatri Sheds, Village Community Centres, Livelihood development programs in Project affected area, works, Establishment of custom hiring centre etc.	Item Number (x) of Schedule VII of the Companies Act, 2013 le; Rural Development Projects			495.18	SEWA-THDC
9.	Administrative overheads, capacity building, base line / need assessment survey, impact assessment etc. (should not be more than 5% of yearly budget)				37.34	SEWA-THDC
	Total			1528.00	1534.85	

MANAGEMENT DISCUSSION AND ANALYSIS REPORT



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

BACKGROUND:

Electricity is basic requirement for the economic and social development of any Country. In India, to meet the needs of growing population and industrial development there is need to develop Power Sector using all the available energy resources.

Our Country needs accelerated development of power sector. After Paris summit in Dec 2015, our nation is committed to reduce carbon emission intensity – emission per unit of GDP by 33-35 % from 2005 levels over 15 years. It aims at providing 40% of its installed electricity capacity by 2030 from fossil fuels. Govt. of India is also targeting 24*7 power for all by 2019 and to reach installed capacity of 175 GW by 2022 from renewable sources. There is very slow progress in Hydro Power Sector due to opposition of the projects and cumbersome process and environmental and forest clearance. Per capita energy consumption in India is 1070 units as against global average of 3000 Units. while Govt. is aiming sustainable development it largely focuses on renewable energy.

THDCIL 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 in a sustainable manner.

With installed Capacity of 1513 MW, THDCIL is now a multi project organization with various power projects at different stages of implementation. At Present the Company has 14 Projects which installed capacity of 5719 MW under various stages of development.

The Company has Authorized Capital of ₹ 4000 Cr. and Paid up Capital of ₹ 3598.88 Cr. as on 31.03.2017 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. The focus of the company is on Sustainable Development as reflected from its vision statement “A world class energy entity with commitment to environment and social values”.

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 830 Executives, 83 Supervisors and 1024 Workmen.

- **Sound financial position:**

The Company is a consistently earning profit since FY 2006-07 making organization with sound financial base. Having Reserves and surplus more than Paid up Capital places the company in a robust platform to leverage it for future capacity addition.

b) Weaknesses

- 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, enhancement of wind power projects which cannot generate throughout the day, peak power shortages will require further push on developing Hydro Power.

An important benefit of hydropower 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.

- **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.

- Other conventional/nonconventional energy resources provide potential for diversification.

Strategic diversification

Your Company has expanded its objects to include development of power in all its aspects through conventional and non-conventional sources in India and abroad. Your Company is at the initial stages of development of thermal project and already set up wind power project as part of renewable energy to its operation. The key is not to add capacity alone but to see that the capacity which has been added is financially viable and also does not become stranded.

➤ Thermal Power

THDCIL is implementing Khurja Super Thermal Power Plant of 1320 MW in Bulandshahar District of Uttar Pradesh. Total annual generation from the Plant would be 9828 MU.

➤ Solar Energy

There is huge potential for growth of Solar Energy in the Country. THDCIL has signed MoU with Solar Energy Corporation of India (SECI) in Feb., 2015 for setting up grid connected Solar Power Projects up to 250 MW capacities in phased manner, of which it is proposed to initially take up 50 MW.

Tripartite Agreement was signed on 31.03.15 amongst SECI, KSEB & THDCIL for setting up of 50 MW Solar PV Project in Kerala and Possession of land for setting up of 50 MW Solar PV Project in the Solar Park at Distt. Kasaragod, Kerala has been taken over by SECI.

Through a prolonged bidding process by SECI the reverse bidding was completed in April 2017. The Contract will be awarded after signing of the Power Supply Agreement (PSA) with KSEB, Kerala the beneficiary state.

THDCIL has followed the best industry practices to have an EPC Contractor through competitive bidding process through SECI in terms of the MOU & Tripartite agreement with KSEB.

Wind Energy

The Company has also diversified in the field of renewable energy by entering into Wind Energy sector.

With the commissioning of 50 MW Wind Power Project at Patan wind farm, on 29th June 2016 and 63 MW Wind Power Project at Dwarika on 31.03.2017, both in Gujrat THDC has added 113 MW renewable energy to the grid.

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 hydropower projects.

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 by NGO's and other agencies 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 overruns.

- **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.

- **Poor financial condition of the civil contractors**

- **Regulatory Risks**

Possibility that the Regulatory Authority may not consider the total cost of the Project for tariff. Further, changes in tariff regulations may affect cash flows operational results.

FUTURE OUTLOOK:

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.

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 Solar and Wind power as well as thermal 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.

ANNEXURE-IV to the Directors' Report

Energy Conservation Measures- Technology Adoption and Foreign exchange Earnings and outgo

A. ENERGY CONSERVATION MEASURES

Energy conservation and demand side management measures can reduce peak and average demand of energy. Conserve energy is important because it helps safeguard the environment and its resources. Investment in energy conservation at the margin provides a better return than investment in energy supply.

With the stabilization of the irrigation in the Command area in U.P. from the regulated flow of river water from Tehri & Koteshwar Dam there is substantial reduction in the use of energy requirement for pumping water for irrigation. This has helped in reduction in consumption of diesel & electricity and reduced carbon emission.

THDCIL believes in efficient use of electricity as a way to reduce demand. THDCIL is focusing on energy efficiency programs, within the company.

The following actions have been taken towards conservation of energy in F.Y 2016-17:-

- (i) 67 nos. occupancy mode and vacancy mode lighting management through Switch sensors have been done in the common area of the Nonresidential complex including Guest Houses.
- (ii) 50 nos. Solar LED lights have been installed in the Township area as well as in non residential complex.
- (iii) Work of replacement of Old bulbs including street light has been completed in all THDCIL project units of THDCIL, however 50% work completed in our Tehri and Koteshwar project being located in remote and hilly terrain area.
- (iv) 500 KW roof top solar power plant has been installed on the roof top of non residential buildings which is supplementing internal requirement and also exporting power to grid during non working days.

- (v) All new non-residential complex have provision of LED Lights.
- (vi) Maintenance /renovation work of electrical distribution system for nonresidential buildings have been taken up with LED lights.
- (vii) Ceiling fans in non residential as well as residential building are provided with five star rated.
- (viii) Non residential building have been provided with star rated Air conditioners and 52 nos. air conditioners were changed from non star rated to five star rated.

Approximately 396 ACs are running in the office complex and guest houses out of which 261 nos. ACs has been changed with the star rated ACs to increase the energy efficiency. Balance ACs are also planned to be replaced with star rated ACs within next six months as per guidelines from MOP.

Park area lighting and fencing of office and residential area has been done through Solar system. All the new buildings are equipped with day light provision to use day light properly. Automatic Power factor controller has been installed to improve Power supply system and to reduce the losses.

Implementation of above measures has caused the Consumption of units reduced to 10-13%. The company is using and promoting use of LED Lamps and efficient use of energy in all its business Installations.

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

CONDITION MONITORING OF EM EQUIPMENT OF TEHRI AND KOTESHWAR HEP

To improve availability, reliability, life of machines and performance of plant, condition monitoring and Diagnosis of Electro-mechanical equipment of Tehri and Koteshwar HEP is being carried out by M/s Central Power Research Institute, Bangalore

since 2011-12. THDCIL has carried out the condition monitoring work in F.Y. 2016-17 for the Tehri and Koteshwar HEP.

UP- GRADATION OF EXISTING HMI TO THE LATEST INDUSTRIALIT 800XA TECHNOLOGY FOR COMPUTERIZED CONTROL SYSTEM OF TEHRI HPP

Due to advancement of technology in respect of SCADA system, obsolescence of window NT and associated hardware and avoid the risk of non-availability of support, Control and Monitoring system of Tehri HPP has been upgraded with latest 800xA operating station.

UP- GRADATION OF EXISTING EMS (ENERGY MANAGEMENT SYSTEM) AT TEHRI HPP

Existing EMS system installed at Tehri HPP has been upgraded in Compliance of operational and digitisation requirement as per latest power scenario. The new system has the capability to compute the actual deviation charges as per new mechanism to achieve maximum UI. Further, the calculation of station auxiliary consumption through 11KV incomers and DG set has also been featured in the new system.

- **IMPLEMENTATION OF SPS (SPECIAL PROTECTION SCHEME)**

Due to outage of fixed series compensation in one of the Koteshwar-Meerut feeders, the probability of occurrence of oscillation during any contingency may increase. Hence, the implementation of SPS

at Tehri complex was envisaged. The SPS at Tehri complex has been deployed in a very cost effective manner within the stipulated time in coordination with PGCIL. Special protection schemes (SPS) are adopted globally as an effective tool designed to detect abnormal system conditions, typically contingency related, and initiate predetermined, corrective action (other than the isolation of faulty element) to mitigate the consequence of the abnormal condition and provide the stability of Grid.

- **INSTALLATION OF MICRO SEISMIC AND STRONG MOTION**

ACCELEROGRAPH (SMAS)

(i) Micro seismic Network

The objective of the seismological network is to collect long-term data of micro earthquake activity in the region around Tehri Dam and to collect earthquake data. At present twelve recording stations of the network are in operation. Out of these, nine stations are radio-linked to a Central Recording Station (CRS) at New Tehri (NTT) and three stations are operating in independent mode.

(ii) Strong Motion Accelerograph

Strong Motion Accelerograph (SMAs) are installed with an objective to collect strong ground motion records in the body of Tehri Dam and Koteshwar Dam and monitor their response during earthquakes. Total 10 SMAs are installed in Tehri HPP.

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in lakh)

PARTICULARS		2016- 17	2015-16
A	Expenditure in Foreign Currency (on cash basis)		
	Travelling	14	27
	Consultancy & Professional Expenditures	293	249
	Management/Commitment fee	125	308
	Repayment of loan & Interest	0	0
	Import of goods	12517	8781
	Others		3746
	TOTAL	12949	13111

(₹ in lakh)

PARTICULARS		2016- 17	2015-16
B	Earnings in Foreign Currency (on cash Basis)	0	0
C	Value of Imports calculated on CIF basis		
	i) Capital Goods	13087	8809
	ii) Spare parts		
	Total	13087	8809
D	Value of Components, Stores & Spare parts Consumed		
	i) Imported (in lac Rupees)	68	51
	(%)	14	6
	ii) Indigenous (in lac Rupees)	444	749
	(%)	86	94
E	Value of Export	0.00	0.00

BUSINESS RESPONSIBILITY REPORT- 2016-17



ANNEXURE - V to the Directors' Report

BUSINESS RESPONSIBILITY REPORT- 2016-17**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.co.in
5. **E-mail id** : cmd@thdc.co.in
6. **Financial Year reported** : 2016-17

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.

*As per classification under National Industrial Classification, Central Statistical Organization, 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. Wind Power
- iii. Engineering Consultancy

9. Total number of locations where business activity is undertaken by the Company

i. Number of International Locations-1 (Bunakha HEP (180 MW), Bhutan).

ii. Number of National Locations – 18

S.N.	Name of Office/ Location	District	State	Projects undertaken / activity
1 .	Corporate Office, Rishikesh	Dehradun	Uttarakhand	All projects of THDC India Limited.
2 .	NCR Office, Kaushambi	Ghaziabad	Uttar Pradesh	Thermal Design and Liaison with Ministry of Power.



S.N.	Name of Office/ Location	District	State	Projects undertaken / activity
3.	Registered Office, Bhagirathipuram	Tehri Garhwal	Uttarakhand	Tehri HPP (1000 MW), Tehri PSP (1000 MW) and Koteshwar HEP (400 MW)
4.	Project Office, Koteshwarpuram	Tehri Garhwal	Uttarakhand	Koteshwar HEP (400 MW)
5.	New Projects Office, New Tehri Town (NTT)	Tehri Garhwal	Uttarakhand	New Projects- Jhelam Tamak HEP (108 MW), Bokang Bailing HEP (330 MW) and Gohana Tal HEP (50 MW).
6.	Project Office, Alaknanda Puram	Chamoli	Uttarakhand	Vishnugad Pipalkoti HEP (444 MW)
7.	Liaison Office, Dehradun	Dehradun	Uttarakhand	Liaison With State Government and R&R related work
8.	Project Office, Khurja	Bulandshah	Uttar Pradesh	Khurja STPP (1320 MW)
9.	Project Office, Joshimath	Chamoli	Uttarakhand	Malari Jhelam HEP (65 MW) and Jhelam Tamak HEP (108 MW)
10.	Project Office, Dharchula	Pithoragarh	Uttarakhand	Bokang Bailing HEP (330 MW)
11.	Liaison Office, Panchkula	Panchkula	Haryana	Liaison with Chandigarh, Punjab and Haryana
12.	Liaison Office, Nainital	Nainital	Uttarakhand	Judicial issues at Hon'ble High Court, Uttarakhand
13.	Liaison Office, Lucknow	Lucknow	Uttar Pradesh	Dhukwan SHP (24 MW) and Liaison with GoUP

S.N.	Name of Office/ Location	District	State	Projects undertaken / activity
14.	Project Office, Babina	Jhansi	Uttar Pradesh	Dhukwan SHP (24 MW)
15.	Project Office, Radhanpur	Patan	Gujarat	Patan Wind Power Farm (50 MW)
16.	Project Office, Devbhumi Dwarika	Devbhumi Dwarika	Gujarat	Devbhumi Dwarika Wind Power Farm (63 MW)
17.	Transit Camp, NBCC Tower	New Delhi	New Delhi	Liaison with Ministry and Renewable Energy Projects
18.	Consultancy Office, Katra	Reasi	J&K	Consultancy for Slope Stabilization between Katra and Vaishno Devi.
19.	Amelia Coal Mine Project Office	Singrauli	M.P	Management of Amelia Coal Mine

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
- x) Gujarat

Section B: Financial Details of the Company

1. Paid up Capital	:	₹ 3598.88 Cr.
2. Total Turnover (Gross Income)	:	₹ 2235.97 Cr.
3. Total Profit After Taxes (PAT)	:	₹ 711.23 Cr.

4. Total Spending on Corporate Social Responsibility (CSR) as percentage of Profit After Tax (%) :

As per Companies Act, 2013, 2% of average net profit of immediately preceding three years is taken as CSR budget for implementation of various CSR activities of the company. Accordingly, the CSR budget for the year 2016-17 comes to Rs. 15.28 Cr. Actual Expenditure incurred on CSR during 2016-17 is Rs 15.35 Cr.

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

The company has broadly incurred CSR expenditure during the FY 2016-17 on the following major heads, which is in line with the schedule-VII of the companies Act, 2013.

1	2	3	4	5	6	7
S. No.	CSR Project or Activity	Sector	Local Area & District	Approved Budget (₹ in Lac)	Amount Spent (₹ in Lac)	Amount Spent: Direct or through Implementing Agency.
1	Health & Sanitation etc.	Health	Project Affected Area Uttarakhand	1528.00	165.11	SEWA-THDC
2	Education & Employment Enhancing Vocational Skill etc.	Education			633.38	SEWA-THDC
3	Women Empowerment	Women Empowerment			14.57	SEWA-THDC
4	Environment Sustainability etc.	Environment			153.07	SEWA-THDC
5	Promotion of National Heritage Art Culture	Welfare			31.0	SEWA-THDC
6	Promotion of Sports	Sports			2.05	SEWA-THDC
7	Prime Minister's National Relief Fund/ Calamity/Disaster	Disaster Management			1.24	SEWA-THDC
8	Rural Development program	Social		495.18	SEWA-THDC	
9	Office Expenses of executing agency (SEWA-THDC)/ Base line survey/ Expert visits etc.				37.34	SEWA-THDC
	Total			1528.00	1534.85	

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** - 03107819
- **Name** - Shri D.V. Singh
- **Designation** - Chairman & Managing Director

Details of BR head**1. Individual Director(s) responsible for implementation of the BR policy/policies**

Principle No.	Description	Policy / Policies	Director(s) Responsible
Principle 1 (P1)	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 • Corporate Ethics Policy • Code of Business Conduct and Ethics • Whistle Blower Policy • Integrity Pact 	Director (Technical) Director (Personnel) Director (Finance)
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 OHSAS 18001:2007	Director (Technical)

Principle No.	Description	Policy / Policies	Director(s) Responsible
Principle 3 (P3)	Businesses should promote the well being 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 Vision & Mission	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 ISO 14001:2004 (EMS)	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	Customer Feedback Mechanism	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	Y	Y	No	Y	Y	Y	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	*	
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	

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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	

*** Environment Policy is available on:**

http://thdc.co.in/English/Scripts/Environment_Policy.aspx

***R&R Policy is available on:**

http://thdc.co.in/writereaddata/English/PDF/NEW_R&R_%20POLICY_OF_%20THDC.pdf

*** CSR & Sustainability Policy is available on:**

<http://thdc.co.in/writereaddata/english/pdf/CSR-CD-policy28.05.13.pdf>

*** CSR Communication strategy of THDCIL is available on:**

http://thdc.co.in/writereaddata/english/pdf/CSR_CommStrategy.pdf

*** Corporate Ethics Policy is available on:**

<http://thdc.co.in/writereaddata/english/pdf/corporteETHICSPolicy.pdf>

*** Whistle Blower Policy is available on:**

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

*** Code of Business Conduct and Ethics is available on:**

<http://thdc.co.in/writereaddata/english/pdf/BusinessConductandEthics.pdf>

*** R&D Policy is available on:**

http://thdc.co.in/writereaddata/english/pdf/R&D_Policy-Publish.pdf

*** Safety Policy is available on:**

<http://thdc.co.in/writereaddata/english/pdf/safetymanual.pdf>

2. 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 electricity to the bulk customers, 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 for hydro power plants of THDCIL is determined by Central Electricity Regulatory Commission (CERC) engaging all stakeholders.
- Tariff for renewable energy projects is decided on the mutual agreement of THDCIL and Beneficiaries States.
- Issues, if any, are discussed and resolved in common forums like Northern Regional Power Committee (NRPC), 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 <http://thdc.co.in>.

Business Responsibility Report is integral part of THDCIL's Annual Report.

Section E: Principle-wise performance

Principle 1 (Businesses should conduct and govern themselves with Ethics, Transparency and Accountability)

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 has endeavoured to adopt best practices of Corporate Governance required under Companies Act/DPE guidelines. Governance calls on the accountability of all the company's personal 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.

Construction of large power projects include contracts of substantial value considering the nature of activities. Integrity Pact is mandatorily signed for all major work contracts (estimated value more than Rs,1000.00 Million) and for supply and services contracts (estimated value more than Rs. 500.00 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 stakeholders 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. No complaint was received during the period 01.04.2016 to 31.03.2017 under Whistle Blower Policy.

Principle 2 (Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle)

- 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 and Wind 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 four projects namely Tehri HPP, Koteshwar HEP, Tehri PSP and Vishnugad Pipalkoti HEP. Third party monitoring is also invoked for effective implementation of the Environment Management Plan.

In 444 MW VPHEP, 12 Km Head Race Tunnel shall be constructed using Tunnel Boring Machine which is environment friendly.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):**

- a. **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?**

- THDCIL is generating electricity through hydro and wind power. Hydro projects generate electricity by non-consumptive use of water and the said water is released for drinking and irrigation purpose. The Wind Power is generated only by using speed of wind and again no consumption / reduction of resource.

- 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 Hydro Electricity and Speed of Wind Power as used for generation of Wind Power, both come from natural sources and their quantity and quality are not affected in the process of generation of electricity.

- 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?**

All Procurements of goods/works/services are being carried out through e-tendering process. For wide publicity NIT is also being

published in News Papers. All tenders are open for all vendors including local vendors.

To encourage local & small vendors/contractors participation, following steps have been taken:

- Local/small vendors are being sensitized to participate in e-tendering. Vendors are assisted through “Suvidha Kendras” opened by THDCIL for registration and uploading of tender through electronic mode.
 - Tenders valued upto ₹2.0 Crore are published only in local/regional news papers. The tenders valued more than ₹2.0 Crore in addition to leading national dailies are also published in local news papers so as to enable maximum participation from local and small producers.
 - Small works related to infrastructural / maintenance works in townships are awarded to local contractors.
 - Services like hiring of vehicle for the Projects / Business Installations, cleaning of office complex, horticulture works are also got done through local vendors/agencies.
 - The main works contractors engaged in specialised works are also encouraged to hire services of local contractors/vendors.
 - In order to encourage procurements from micro, small and medium enterprises concessions such as waving of tender cost and payment of EMD are also being given.
 - A separate MSME Corner has been provided in the THDCIL Website wherein details of the procurement to be made for any financial year are being uploaded. This has been done for effective implementation of Public Procurement Polict for MSME.
- 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.

THDCIL has also established Bio-Gas Plant at Rishikesh Township for productive use of Solid Waste of Township, Canteens and Horticulture Waste. The plant capacity is 500 kg/day. The biogas generated from the plant is utilized for thermal application in the kitchen at canteens / guesthouses while the manure is used for in-house horticultural activities. For treatment of sewage from THDCIL’s Rishikesh Township, THDCIL has established Sewage Treatment Plant at its township.

Principle 3 (Businesses should promote the wellbeing of all employees)

- 1. Please indicate the Total number of employees: 1936 (as on 31.03.17)**
- 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

Business Module of the company provides for outsourcing of various activities viz. Construction, Erection, Specialized Consultancy Services, which generates huge indirect employment opportunities. Only 06 Doctors have been engaged on contractual basis.

- 3. Please indicate the Number of permanent women employees.**

117

- 4. Please indicate the Number of permanent employees with disabilities.**

33

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

There are following Associations/Unions in THDCIL:

- THDC Officers Association
- THDC Diploma Engineer Association
- THDC Supervisor Association
- THDC Chalak/Helper Karmachari Union
- THDC Kamgar Union
- THDC Shramik Sangh
- THDC Workers Union
- THDC ITI Takniki Karmachari Sangh

- Tehri Jal Vikas Nigam Limited Karmachari Sangh
- THDC Employees Union

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

At present 1736 (87.94%) Permanent employees are member of recognized employees association.

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 on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil	NA
2.	Sexual harassment	Nil	NA
3.	Discriminatory employment	Nil	NA

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year? (2016-17)

	No. of Employees trained		Percentage of Employees trained	
	Safety Training	Skill Upgradation	Safety Training	Skill Upgradation
Permanent Employees (Total No. 1936)	110	77	5.68% (110/1936*100)	3.97% (77/1936*100)
Permanent Women Employees (total No. 117)	0	12	-	10.25% (12/117*100)
Employees with Disabilities (Total No. 33)	-	1	-	3.03%

Principle 4 (Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized)

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 (Businesses should respect and promote human rights)

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 include 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.

Principle 6 (Business should respect, protect, and make efforts to restore the environment)

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.

Periodic training programmes on sustainable development awareness are conducted for employees.

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://thdc.co.in/English/Scripts/Environment_Policy.aspx

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

Yes. Detailed Environment Impact assessment is done at Project Preparation Stage. Environment Management Plan is prepared and implemented. For under construction Vishnugad Pipalkoti HE Project (444 MW) in Uttarakhand, International Panel of Expert has been constituted to review the efforts and apply best practices. Learnings are applied in other projects also.

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. THDCIL has executed two Wind projects of 50 MW and 63 MW at Patan and Devbhumi Dwarka, Gujarat respectively in year 2016-17. A 500 kW solar roof top has also been developed at corporate office Rishikesh. Small Hydro Project of 24 MW in Dhukwan, Jhansi, UP is under construction and is scheduled to be commissioned in 2018-19. Development of 50 MW Solar Plant with Solar Energy Corporation of India (SECI) in Kasargod, Kerala is also under progress.

- 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.**

No show cause/ legal notice was received from CPCB/ SPCB during the reporting period.

Principle 7 (Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner)

- 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:**
- All India Management Association (AIMA)
 - 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 are 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 (Businesses should support inclusive growth and equitable development)

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

Since, year 2009, THDCIL focus of CSR program has been on holistic development of the targeted communities, which itself is a larger perspective of inclusive growth as well as equitable development. Accordingly, 03 major long term projects have been devised and being implemented in Tehri project affected areas. They are as under:

- Empowerment and Enhancement of Livelihood of 30 Rim Area Villages of Tehri Dam Reservoir in Pratapnagar Block by Integrated Development Approach through HNB Gharwal University, Srinagar.
- Ecological Restoration and Socio-economic Empowerment of Rural Communities for Sustainable Livelihood and Resource Management in 10 villages of Upari Ramoli, Pratapnagar Block of Tehri Garhwal through Kirorimal College, Delhi University.

c) Livelihood security programme in 20 villages through College of Forestry, Ranichauri under Veer Chandra Singh Garhwali Horticulture & Forestry University in Koteshwar area and Bhilangana Block of district Tehri Garhwal from 2015-16.

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

Almost all the CSR Programmes/ projects are being undertaken through the company sponsored NGOs, "SEWA-THDC" and "THDC Educational Society (TES)".

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

THDCIL gets evaluation/impact assessment of its CSR projects done through expert agencies empanelled by Indian Institute of Corporate Affairs, such as Tata Institute of Social Sciences (TISS) Mumbai, IIT Roorkee, SR Asia and Govt. Universities. Work award for Evaluation/impact assessment of 2016-17 projects is under process.

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

THDCIL devised its CSR programs keeping in view holistic development of stakeholders giving priority to farmers of the remote villages with due care to marginalized and under privileged sections.

Innovative idea of holistic development :

THDCIL focuses on holistic development of the targeted communities rather than addressing sporadic needs in piecemeal which result in less or no impact in long run. The areas addressed in holistic development are women empowerment, income generation through intervention in agriculture and horticulture activities, income generation through revolving fund among SHGs, revival/ promotion of traditional ecological knowledge by construction/rejuvenation of Chal-Khals

(ponds); promotion of water harvesting structures; modernizing traditional water mills for enhanced efficiency, plantation of fuel, fodder & medicinal plants; health services; providing safe drinking water; sanitation facilities; promoting education (among economically weaker section; SC/ST and OBC); skill training in computer & tailoring and generation of employment including assistance to local ITI's; ensuring environmental sustainability; ecological balance, etc.

The details of major projects undertaken for community development are given in **Annexure –II** to Directors' Report

Around ₹5.00 Cr. are spent on Rural Development Programmes During 2016-17

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, THDCIL's focus remains on implementation of projects with effective participation of the targeted beneficiaries so that they should also have sense of ownership and they can also multiply the activity of their own even after the project is over. This is also indicated in Evaluation/Impact Assessment Reports of last years. Every year, the projects are framed as per the needs of the stakeholders following communication strategy. Some of the socio-economic activities are implemented through Farmer Self Help Groups (FSHGs) by helping them with initial seed money which is revolved on need basis to other FSHGs. It has been observed that some of the FSHGs have developed the habit of savings and doing well.

Another example of community participation is that small/marginal farmers of Pathri Rehab area in Haridwar district have created a 'Adarsh Kissan Club' for pooling farm equipments amounting to ₹10.00 lac. The club was supported for 40% cost by UK State Agricultural Deptt., 40% by THDCIL and rest by farmers. Equipment pooling is running successfully and reasonable amount is



charged for hiring the equipment for O&M purposes. The success of the project is inspiring other farmers to replicate the same.

A Women Cooperative Credit Society has been formed & registered under society Act. A financial grant of ₹10 Lac has been provided to the society. Members of society have also contributed their contribution. Around 70 women farmer members have joined the society. The collected funds shall be disbursed to the needy members as a loan for some individual or collective activity. The loan shall be recovered with workable interest. At present the society is under process of loan disbursement.

Principle 9 (Businesses should engage with and provide value to their customers and consumers in a responsible manner)

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

of financial year.

Zero percentage as no customer complaint was received.

2. 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.

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

Yes, Customer Surveys are carried out and the feedback is received from the customers on a 5 point scale. The feedbacks are analysed to meet the expectations of the Customers. All the beneficiaries have been consistently expressing their satisfaction with 'Excellent' rating in the Annual Feedback Form.

ANNEXURE –VI to the Directors' Report

Form No. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31st March 2017

[Pursuant to section 92(3) of the Companies Act 2013, and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

i. CIN	: U45203UR1988GOI009822
ii. Registration Date	: 12 th July, 1988
iii. Name of the Company	: THDC INDIA LIMITED
iv. Category / Sub category of the Company	: Government Company
v. Address of the Registered office	: Bhagirath Bhawan, Top Terrace, Bhagrathipuram, Tehri Garhwal, Uttarakhand (249001)
vi. Contact Details	: Company Secretary THDC INDIA LIMITED Bye Pass Road, Pragatipuram Ganga Bhawan Rishikesh- 249201 Ph: - 0135-2439309
vii. Whether listed company	: Yes - Debt Listed

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY ;

All the business contributing 10% or more of the total turnover of the company shall be stated :

S. No.	Name and Description of Main products/Services	NIC Code of the Product / Service	% to total turnover of the Company
1	Generation of Electricity	3501	100%

III.SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)
(i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year		
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares
A. PROMOTERS						
(1) Indian						
a) Individual	10	10		10	10	
b) Central Govt.	26239417	26239417	73.73%	26639417	26639417	74.02
c) State Govt(s)	9349400	9349400	26.27%	9349400	9349400	25.98
Sub-Total (A)(1) :-	35588817	35588817	100%	35988817	35988817	100%
(2) Foreign						
a) NRIs-Individuals	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corp.	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks /FI	Nil	Nil	Nil	Nil	Nil	Nil
e) Any other	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (A)(2) :-	Nil	Nil	Nil	Nil	Nil	Nil
Total Shareholding of Promoter						
(A) = (A)(1) + (A)(2)	35588817	35588817	100%	35988817	35988817	100%

Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year		
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares
B. PUBLIC SHAREHOLDING						
(1) Institutions						
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks /FI	Nil	Nil	Nil	Nil	Nil	Nil
c) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil
d) State Govt (s)	Nil	Nil	Nil	Nil	Nil	Nil
e) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil
f) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil
g) FIs	Nil	Nil	Nil	Nil	Nil	Nil
h) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil
i) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil
Sub-Total (B)(1) :-	Nil	Nil	Nil	Nil	Nil	Nil
(2) Non-Institutions						
a) Bodies Corp.						
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas						
b) Individuals	Nil	Nil	Nil	Nil	Nil	Nil



Category of Shareholders	No. of Shares held at the beginning of the year			No. of Shares held at the end of the year		
	Physical	Total	% of Total Shares	Physical	Total	% of Total Shares
i) Individual Shareholders holding Nominal share Capital upto ₹ 1lakh	Nil	Nil	Nil	Nil	Nil	Nil
ii) Individual Shareholders holding Nominal share Capital in excess of ₹ 1 lakh	Nil	Nil	Nil	Nil	Nil	Nil
c) Others (specify)	Nil	Nil	Nil	Nil	Nil	Nil
Sub-total (B)(2) :- Total Public Shareholding						
(B) = (B)(1) + (B)(2)	Nil	Nil	Nil	Nil	Nil	Nil
C. SHARES HELD BY CUSTODIAN FOR GDRS & ADRs	Nil			Nil		
GRAND TOTAL (A+B+C)	35588817			35988817		

(ii) Shareholding of Promoters

S. No	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	% change in shareholding during the year
1	President of India	26239417	73.73	Nil	26639417	74.02	Nil	%
2	Governor of U.P	9349400	26.27	Nil	9349400	25.98	Nil	-
	Total	35588817	100	-	35988817	100	-	

(iii) Change in Promoter's Shareholding

S. No	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	President of India				
A	At the beginning of the year	26239417	73.73%	26239417	73.73%
B	Allotment of Shares on 26 th August 2016	227160		26466577	
	Allotment of Shares on 28 th November 2016	125000		26591577	
	Allotment of Shares on 27 th March 2017	47840		26639417	
C	At the End of the year (A+B) = C		74.02%	26639417	74.02%
2)	Governor of U.P.				
A	At the beginning of the year	9349400	26.27%	9349400	26.27%
B	No allotment/ transfer	Nil	00.00%	Nil	00.00%
C	At the End of the year (A+B) = C	9349400	25.98%	9349400	25.98%

(iv) Shareholding Pattern of top ten Shareholders**(other than Directors, Promoters and Holders of GDRs and ADRs) - NIL**

(v) Shareholding of Directors and Key Managerial Personnel

S. No.	Particulars of Directors and Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Shri D.V Singh	1	Nil	1	Nil
2.	Shri S.K.Biswas	1	Nil	1	Nil
3.	Shri Shridhar Patra	1	Nil	1	Nil
4.	Shri Raj Pal	2	Nil	0	Nil
5.	Shri Suresh Chandra	2	Nil	2	Nil
6.	Shri Suresh Kumar Sharma	2	Nil	2	Nil
7.	Shri Bachi Singh Rawat	0	Nil	0	Nil
8.	Shri Mohan Singh Rawat	0	Nil	0	Nil
9.	Prof. Maharaj K. Pandit	0	Nil	0	Nil

IV. INDEBTEDNESS

Indebtedness of the Company including interest outstanding / accrued but not due for payment

(Amount in ₹)

	Secured loans excluding deposits	Unsecured loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount*	35762520017	3427541039	0	39190061056
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	460712857	13709748	0	474422605
Total (i + ii + iii)	36223232874	3441250787		39664483661
Change in Indebtedness during the Financial year				
• Addition	10117973296	2576349970	0	12694323266
• Reduction	3843088052	0	0	3483088052
Net Change	6274885244	257634997	0	8851235214
Indebtedness at the end of the financial year				
i) Principal Amount*	42037405261	6003891009		48041296270
ii) Interest due but not paid	-	-	0	-
iii) Interest accrued but not due	629241807	36804857		666046664
Total (i+ii+iii)	42666647068	6040695866	0	48707342934

V. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and / or Manager:****(Amount in Lakh ₹)**

S. No.	Particulars of Remuneration				
		Sh. D.V.Singh	Sh. S.K. Biswas	Sh. Sridhar Patra	Total Amount
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the income –tax Act, 1961	26.89	36.33	26.49	89.71
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961	0	0	0	0
	(c) Profits in lieu of salary under section 17(3) Income-tax Act,1961	14.07	14.28	20.57	48.92
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission				
	- As % of profit	Nil	Nil	Nil	Nil
	- Others, specify....	Nil	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	40.96	50.61	47.06	138.63
	Ceiling as per the Act	NA	NA	NA	NA

B. Remuneration to other Directors :
(Amount in Lakh ₹)

S. No.	Particulars of Remuneration	Name of the Directors			
		Shri Bachi Singh Rawat	Shri Mohan Singh Rawat	Prof. Maharaj K. Pandit	
1.	Independent Directors				
	• Fee for attending board committee meetings	280000	260000	160000	700000
	• Commission	Nil	Nil	Nil	0
	• Others, please specify	Nil	Nil	Nil	0
	Total(1)	280000	260000	160000	700000
		Smt Anju Bhalla	Sh. Suresh Chandra	Sh Suresh Kumar Chandra	
2.	Other Non-Executive Directors				
	• Fee for attending board committee meetings	Nil	Nil	Nil	-
	• Commission	Nil	Nil	Nil	-
	• Others, please specify	Nil	Nil	Nil	-
	Total(2)	Nil	Nil	Nil	-
	Total (B)= (1+2)	280000	260000	160000	700000
	Total Managerial Remuneration				
	Overall Ceiling as per the Act	100000	100000	100000	100000

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD
(Amount in Lakh ₹)

S. No.	Particulars of Remuneration	Total Amount	
		Company Secretary	Total
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the income –tax Act, 1961	8.85	8.85
	(b) Value of perquisites u/s 17(2) Income-tax Act,1961		
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act,1961	0.83	0.83
2.	Stock Option	Nil	
3.	Sweat Equity	Nil	
4.	Commision - As % of profit - Others, specify....	Nil	
5.	Others, please specify	Nil	
	Total	9.69	9.69

VI. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT	Appeal made, if any (Give Details)
A. COMPANY					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
B. DIRECTORS					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	Nil	Nil	Nil	Nil
Punishment	Nil	Nil	Nil	Nil	Nil
Compounding	Nil	Nil	Nil	Nil	Nil

ANNEXURE –VII to the Directors' Report

P.S.R. MURTHY
PRACTICING COMPANY SECRETARY
C.P. 13090

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2017

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
THDC India Limited
Tehri Garhwal,
Tehri – 249 001

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **THDC India Limited (the “company”)** CIN No.U45203UR1988GOI009822. THDC India Limited is an unlisted Government of India Enterprise with equity participation from Government of India and Government of Uttar Pradesh.

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 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 2017 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 THDC India Limited for the financial year ended on 31st March 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (iii) Depositories Act 1996 and the Regulations and Bye-Laws framed thereunder;
The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
- (iv) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations 2008;
- (v) The Securities and Exchange Bank of India (Registrars to an Issue and Share Transfer Agents) Regulations 1993 regarding the Companies Act and dealing with the Client
- (vi) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015
- (vii) Other applicable Laws, namely,
 - 1. Indian Electricity Act 2003
 - 2. Environmental (Protection) Act 1986
 - 3. Forest (Conservation) Act 1981
 - 4. Income Tax Act 1961
 - 5. Service Tax Act 1994
 - 6. Right to Information Act 2005
 - 7. The Industrial and Labour Laws consisting of
 - a) Contract Labour (Regulation and Abolition) Act 1970
 - b) The Minimum Wages Act 1948
 - c) Payment of Wages Act 1936
 - d) Maternity Benefit Act 1961
 - e) Sexual Harassment of women at work places (Prevention, Prohibition and Redressal) Act 2013
 - f) Employees Provident Fund and Misc. Prov. Act 1952
 - g) Payment of Gratuity Act 1972

I have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review and based on the assurances, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

I further report that

The Board of Directors of the Company, at the end of the financial year stands constituted with Executive Directors, Non-Executive Directors comprising independent directors and other directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

The decisions in the Board are unanimous and there were no dissenting views in the Minutes of the Board Meeting during the period under Report.

I further report that based on the compliance mechanism followed by the Company and on the basis of compliance report placed before the Board periodically which has been taken on record by the Board, I am of the opinion that there are systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period the company had passed special resolution approving the issue of Secured Non-convertible non-cumulative bonds on private placement to the extent of Rs.600 crore to meet the funding needs of the on-going Projects having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

Sd/-
(P.S.R. Murthy)

Place: NewDelhi

This Report is to be read with our letter of even date which is annexed as Annexure A and forms integral part of this Report.

P.S.R. MURTHY
PRACTICING COMPANY SECRETARY
C.P. 13090

Annexure - A

The Members

THDC India Limited

Tehri Garhwal- 249 001

My Report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

(P.S.R. Murthy)

ACS-5880

C P No-13090

Place: New Delhi

ANNUAL ACCOUNTS

2016 - 17



Significant Accounting Policies 2016-17

1 General

The accompanying financial statements have been prepared in conformity with the statutory provisions of the Companies Act, 2013, provisions of Electricity Act 2013, applicable CERC Regulations and the Statements, Standards and Guidance Notes issued by the Institute of Chartered Accountants of India from time to time. Ind AS have been made mandatory w.e.f 01st April 2016 for certain prescribed companies. Financial Statements of THDCIL have been prepared in compliance with the Ind AS.

2 Estimates & Assumptions

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 Property Plant & Equipment

- 3.1 Property, Plant and Equipment up to March 31, 2015 were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail exemption as granted by the Ind AS 101- First time adoption of Ind Ass. to regard these amounts as deemed cost at the date of the transition to Ind AS (i.e. as on April 1, 2015) for the purpose of fair value as prescribed in the Ind AS.
- 3.2 PPE are initially measured at cost of acquisition/construction including decommissioning or restoration cost wherever required. Assets and systems

common to more than one generating unit are capitalized on the basis of engineering estimates/ assessments. The cost includes expenditure that is directly attributable to the acquisition/construction of the asset. In cases where final settlement of bills with contractors is pending, but the asset is complete and ready for use, capitalization is done on provisional basis subject to necessary adjustments, in the year of final settlement.

- 3.3 Spares parts procured along with the Plant & Machinery or subsequently meeting the recognition criteria are capitalized and added in the carrying amount of such item. The carrying amount of those spare parts that are replaced is derecognized when no future economic benefits are expected from their use or upon disposal. Other machinery spares are treated as "Stores & Spares" forming part of the inventory.
- 3.4 If the cost of the replaced part or earlier major inspection is not available, the estimated cost of similar new parts/major inspection is used as an indication to arrive at cost of the existing part/inspection component at the time it was acquired or inspection carried out.
- 3.5 An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the Statement of Profit and Loss for the year in which the asset is derecognised.
- 3.6 PP&E created on land not belonging to the Company, but under the control and possession of the Company, are included in PP&E.
- 3.7 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. Payments made/liabilities created provisionally towards compensation, rehabilitation of the outsees and other expenses relating to land in possession are treated as cost of land.

4 Capital work in progress

- 4.1 Expenditure incurred on assets under construction (including a project) is carried at cost under Capital work in Progress. Such costs comprises purchase price of asset including import duties, non-refundable taxes(after deducting trade discounts and rebates)and costs that are directly attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- 4.2 Capital Expenditure incurred for creation of facilities, over which the Company does not have control but the creation of which is essential principally for construction of the project is carried under Capital work in progress and subsequently allocated on systematic basis. Expenditure of such nature incurred after completion of the project, is charged to Profit or Loss.
- 4.3 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 there-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 (Rehabilitation). The said asset is capitalized as Land unclassified from the date of commercial operation.

- 4.4 Deposit works are accounted for on the basis of statements of account received from the Agencies concerned.
- 4.5 In respect of supply-cum-erection contracts, the value of supplies received at site is treated as Capital-Work-in-Progress.
- 4.6 Claims for price variation in case of contracts are accounted for on acceptance.
- 4.7 Cost directly attributable to projects under construction include costs of employee benefits, expenditure in relation to survey and investigation activities of the projects, cost of site preparation, initial delivery and handling charges, installation and assembly costs, professional fees, expenditure on maintenance and up-gradation etc. of common public facilities, depreciation on assets used in construction of project, and other costs including administrative and general overhead costs if attributable to construction of projects. Such costs are allocated on systematic basis over Construction projects/Capital Work in Progress.

5 Intangible Assets

- 5.1 Upto March 31, 2015, Intangible assets were carried in the Balance Sheet in accordance with Indian GAAP. The Company has elected to avail the exemption granted under Ind AS 101, "First time adoption of Ind ASs" to regard those amounts as deemed cost at the date of the transition to Ind AS (i.e. as on April 1, 2015).
- 5.2 Intangible assets acquired separately are measured on initial recognition at cost. After initial recognition, intangible assets are

carried at cost less any accumulated amortisation and accumulated impairment losses.

- 5.3 Software (not being an integral part of the related hardware) acquired for internal use, is stated at cost of acquisition less accumulated amortisation and impairment losses if any.
- 5.4 An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are recognised in the Statement of Profit and Loss of the year in when the asset is derecognised.

6 Foreign Currency Transactions

- 6.1 The Company has elected to avail the exemption available under Ind AS 101, First time adoption of Ind AS with regard to continuation of policy for accounting of exchange differences arising from translation of long term foreign currency monetary liabilities.
- 6.2 Transactions in foreign currency are initially recorded at exchange rate prevailing on the date of transaction. 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.
- 6.3 Exchange differences arising on translation or settlement of monetary items are recognised as income or expenses in the period in which they arise in Statement of Profit & Loss for the operational power stations and added to the carrying amount of capital work in progress in case of projects under construction.

7 Fair Value Measurement

- 7.1 Fair value is the price that would be received

to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Normally at initial recognition, the transaction price is the best evidence of fair value.

- 7.2 However, when the Company determines that transaction price does not represent the fair value, it uses inter-alia valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

- 7.3 All financial assets and financial liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy. This categorisation is based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

- 7.4 Financial assets and financial liabilities are recognised at fair value on a recurring basis. The Company reviews the fair value techniques as to be adopted at the end of each reporting period and determines the fair value accordingly applying any of the levels specified above deemed suitable.

8 Financial assets other than investment in subsidiaries and joint ventures.

- 8.1 A financial asset includes inter-alia any asset

that is cash, contractual obligation to receive cash or another financial assets or to exchange financial asset or financial liability under condition that are potentially favourable to the Company. A financial asset is recognized under the circumstances when the Company becomes a party to the contractual provisions of the instrument.

8.2 Financial assets of the Company comprise cash and cash equivalents, Bank Balances, Advances to employees, security deposit, claims recoverable etc.

8.3 Based on existing business model of the company and contractual cash flow characteristics of the financial assets, classifications have been made as follows:

- 1.) Financial Assets at amortised cost,
- 2.) Financial Assets at fair value through other comprehensive income, and
- 3.) Financial Assets at fair value through Profit / Loss

8.4 **Initial recognition and measurement:-**All financial assets except trade receivables are recognised initially at fair value including the transaction costs that are attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in Statement of Profit or Loss. Where transaction price is not the measure of fair value and fair value is determined using a valuation method that uses data from observable market, the difference between transaction price and fair value is recognized in Statement of Profit or Loss and in other cases spread over life of the financial instrument using EIR (Effective Interest Rate) method.

8.5 The company measures the trade receivables at their transaction price as it do not contain a significant financing component.

8.6 **Subsequent measurement:-**After initial measurement, financial assets classified at amortised cost are subsequently measured at amortised cost using EIR method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss.

8.7 **De-recognition:-** A financial asset is derecognized when all the cash flows associated with the said financial asset has been realized or such rights have expired.

9 Inventories

9.1 Inventories mainly comprise stores and spare parts to be used for maintenance of Property, Plant and Equipments and are valued at costs or net realizable value (NRV) whichever is lower. The cost is determined using weighted average cost formula and NRV is the estimated selling price in the ordinary course of business, less the selling costs necessary to make the sale.

9.2 Carrying amount of inventory is assessed on each reporting date to reflect the same at NRV (Net Realisable Value). In case reduction of the carrying amount, suitable adjustment is made by reducing the carrying amount of the inventory to recognize at NRV and such amount reduced is also recognized as expenses in the Profit Loss Statement. Subsequent to reduction in the inventory value in case the NRV increases (upto the original cost), value of inventory is enhanced to recognize at NRV and incremental amount is recognized as income in the Profit Loss Statement. All inventory losses occur in natural course of business is recognized as expenses in the Profit Loss Statement.

10 Financial liabilities

10.1 Financial liabilities of the Company are

contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Company.

10.2 The Company's financial liabilities include loans & borrowings, trade and other payables.

10.3 Classification, initial recognition and measurement

10.3.1 Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities and subsequently measured at amortized cost. Difference arising if any, between the proceeds (net of transaction costs) and the fair value at initial recognition is recognised in the Statement of Profit and Loss or in the "Expenditure Attributable to Construction" if another standard permits inclusion of such cost in the carrying amount of an asset over the period of the borrowings using the effective rate of interest.

10.3.2 Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

10.4 Subsequent measurement

10.4.1 After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process.

10.4.2 Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

10.5 **De-recognition** A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

11 Government Grants

11.1 Grants-in-Aid received from the Central/ State Government/ other authorities towards capital expenditure inclusive of contribution received from the Uttar Pradesh Govt 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.

12 Provisions, Contingent Liabilities and Contingent Assets

12.1 Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Such provisions are determined based on management estimate of the amount required to settle the obligation at the balance sheet date.

12.2 Contingent liabilities are disclosed on the basis of judgment of management/ independent experts. These are reviewed at each balance sheet date and reflected in the financial statements using current estimates made by the management.

12.3 Contingent assets are disclosed in the financial statements when inflow of economic benefits is probable.

13 Revenue Recognition and Other Income

13.1 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.

- 13.2 Adjustments arising out of finalization of Regional Energy Account (REA) , which may not be material, are effected in the year of respective finalisation.
- 13.3 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.
- 13.4 Advance against depreciation being considered as deferred income up to 31st March 2009 is recognised as sales on straight line basis over balance useful life of 23 years after completion of 12 years from the date of commercial operation of the project, considering the total useful life of the project as 35 years.
- 13.5 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.
- 13.6 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.

- 13.7 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.
- 13.8 Value of scrap is accounted for at the time of sale.
- 13.9 Compensation from third parties including from insurance companies for items of property, plant and equipment or for other items that were impaired, lost or given up and other claims is included in profit or loss on the basis of certainty of their realization. Impairments or losses of items, related claims for payments of compensation from third parties including insurance companies and any subsequent purchase or construction of assets/inventory are standalone economic events and are accounted for separately.

14 Expenditure

- 14.1 Cost of stores and spares used on repairs and maintenance are charged to the Repairs and Maintenance Account.
- 14.2 Prepaid expenses and prior period expenses/income of items of Rs.5,00,000/- or below in each case, are accounted for in their natural heads of accounts.
- 14.3 Net income/expenditure prior to Commercial operation is adjusted directly in the cost of related assets and systems.
- 14.4 Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.
- 14.5 Amount at appropriate % of profit of previous year as prescribed under DPE guideline is set aside as non-lapsable fund for Research & Development.
- 14.6 Expenditure on CSR activities shall be made as per the provisions of Section 135 of the

Companies Act 2013. Any unspent amount shall be set aside as non-lapsable fund as per DPE guidelines.

- 14.7 Provision for doubtful debts / advances / claims outstanding over three years (except Government dues) is made unless the amount is considered recoverable as per management estimate. However, Debts / advances / claims shall be written off on case to case basis when unreliability is finally established.

15 Employee benefits

- 15.1 The company has established a separate Trust for administration of Provident Fund and employees defined contribution superannuation scheme for providing pension benefit. The company's contribution to the Funds is charged to expenditure. The liability of the company in respect of shortfall (if any) in interest on investments made by PF Trust is ascertained and provided annually on actuarial valuation at the year end.
- 15.2 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 Ind AS-19 is accounted for on accrual basis based on actuarial valuation determined as at the year end.
- 15.3 Re-measurements comprising of actuarial gains and losses, the effect of the asset ceiling, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the OCI in the period in which they occur. Re-measurements are not reclassified to profit or loss in subsequent periods.

16 Borrowing Cost

- 16.1 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.
- 16.2 Borrowing costs in respect of funds borrowed generally and used for the purpose of obtaining a qualifying asset but not directly relatable to specific PP&E 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.

17 Depreciation & Amortisation

- 17.1 Depreciation on additions to /deductions from Property, Plant & Equipment during the year is charged on pro-rata basis from / up to the date on which the asset is ready for use / disposal.
- 17.2 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.
- 17.3 Laptops provided to employees under Laptop scheme for official purpose are being written off over a period of four year with nil salvage value. The Depreciation on these items is charged @25% pa on straight line basis.

- 17.4 Temporary erections are depreciated fully (100%) in the year of acquisition/capitalization by retaining Re. 1/- as WDV.
- 17.5 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.
- 17.6 Low value items costing up to Rs.1500/-, which are in the nature of assets are not capitalized and charged to revenue.
- 17.7 Cost of Leasehold Land is amortized over the lease period.
- 17.8 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.
- 17.9 Spares parts procured along with the Plant & Machinery or subsequently which are capitalized and added in the carrying amount of such item are depreciated over the residual useful life of the related plant and machinery at the rates and methodology notified by CERC.

18 Impairment of non-financial assets other than inventories

- 18.1 The asset is treated as impaired, when carrying cost of assets exceeds its recoverable amount. An impaired loss is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting periods is reversed if there is a change in the estimate of the recoverable amount.

19 Income taxes

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also

recognised directly in equity or in other comprehensive income.

- 19.1 **Current income tax** The current tax is based on taxable profit for the year under the Income Tax Act, 1961. Taxable profit differs from profit as reported in the Statement of Profit and Loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible (permanent differences). The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in India where the Company operates and generates taxable income.

19.2 Deferred Tax

- 19.2.1 Deferred tax is recognised based upon balance sheet approach. Differences between the carrying amounts of assets and liabilities in the company's financial statements and the corresponding tax bases used in the computation of taxable profit are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of an asset or liability in the instances where the transaction affects neither the taxable profit or loss nor the accounting profit or loss.

- 19.2.2 The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer

probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

19.2.3 Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities, and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Deferred tax recovery adjustment account is credited/ debited to the extent the deferred tax for the current period which forms part of current tax in the subsequent periods and affects the computation of return on equity (ROE), a component of tariff.

20 Statement of Cash Flows

20.1 Statement of cash flows is prepared in accordance with the indirect method prescribed in the Ind AS 7. Cash and cash equivalents for the purpose of cash flow statement is inclusive of cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. However for

Balance Sheet presentation, Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

21 Current versus non-current classification- The Company presents assets and liabilities in the Balance Sheet based on current/non-current classification.

21.1 An asset is considered as current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

21.2 A liability is considered as current when it is :

- Expected to be settled in the normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- Having no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

21.3 Deferred tax assets and liabilities are classified as non-current assets and liabilities.

22 Rate Regulated Activities

22.1 Ind AS 114 specifies the accounting for regulatory deferral account balances that arise from rate regulated activities. This standard is available only to first-time adopters who recognised regulatory deferral account balances under their previous GAAP. Ind AS permits eligible first-time



adopters to continue their previous GAAP rate regulated accounting policies, with limited changes, & required separate presentation of regulatory deferral account balances in the statement of financial position & statement of Profit or loss and other comprehensive income. Same has been adhered.

23 Dividend Distribution

23.1 Dividend distribution to the Company's

shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are approved by the Company's shareholders.

24 Segment Reporting

24.1 Electricity generation is the principal business activity of the company. Project Management and Consultancy works do not form a reportable segment as per the Ind AS - 108 - 'Operating Segments'.

BALANCE SHEET AS AT 31-March-2017

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
ASSETS							
Non-Current Assets							
(a) Property, Plant and Equipment	1		7,80,642		7,52,398		7,97,518
(b) Capital work-in- progress	2		3,03,496		2,39,066		1,67,420
(c) Other Intangible Assets	1		45		62		79
(d) Intangible Assets Under Development	2		33		33		33
(e) Financial Assets							
(i) Long Term Loans and Advances	3	4,694		4,702		4,741	
(ii) Other Non- Current Financial Assets	4	1,881	6,575	2,177	6,879	2,119	6,860
(f) Deferred Tax Assets (Net)	5		70,941		62,655		45,795
(g) Other Non-Current Assets	6		91,914		61,822		32,354
Current Assets							
(a) Inventories	7		3,264		3,190		3,168
(b) Financial Assets							
(i) Trade Receivables	8	1,73,228		2,07,198		2,38,719	
(ii) Cash and Cash Equivalents	9	6,707		7,558		4,098	
(iii) Bank Balances other than (iii) above	10	25,037		37		37	
(iv) Short Term Loans and Advances	11	4,305		4,421		4,136	
(v) Other Current Financial Assets	12	179	2,09,456	204	2,19,418	186	2,47,176
(c) Current Tax Assets (Net)	13		8,107		4,039		2,446
(d) Other Current Assets	14		6,322		5,573		4,828
Total			14,80,795		13,55,135		13,07,677
EQUITY AND LIABILITIES							
Equity							
(a) Equity Share Capital	15	3,59,888		3,55,888		3,52,888	
(b) Other Equity		5,33,651	8,93,539	5,05,517	8,61,405	4,47,793	8,00,681
Non-Current Liabilities							
(a) Financial Liabilities							
(i) Long Term Borrowings	16	4,04,185		3,49,792		3,27,566	
(ii) Non current Financial Liabilities	17	934		498		168	

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
(iii) Other Non current Financial Liabilities	18	220	4,05,339	164	3,50,454	97	3,27,831
(b) Other Non Current Liabilities	19		21,271		21,271		21,271
(c) Long Term Provisions	20		38,970		32,733		32,246
Current Liabilities							
(a) Financial Liabilities							
(i) Short Term Borrowings	21	38,724		3,677		43,634	
(ii) Trade Payables	22	41		49		72	
(iii) Other Current Financial Liabilities	23	68,815	1,07,580	61,376	65,102	58,385	1,02,091
(b) Other Current Liabilities	24		3,749		3,587		3,360
(c) Short Term Provisions	25		10,347		20,583		18,085
(d) Current Tax Liabilities (Net)	26		0		0		2,112
TOTAL			14,80,795		13,55,135		13,07,677

Significant Accounting Policies and the accompanying Notes form an integral part to these Financial Statement.

For and on Behalf of Board of Directors

(Rashmi Sharma)
 Company Secretary
 Membership No. 26692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D.V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached
 For **P.D. AGRAWAL & CO.**
 Chartered Accountants
 FRN 001049C of ICAI

(Ashish Kumar Agarwal)
 Partner
 Membership No. :- 077178

Date : 31.08.2017
Place: Rishikesh

STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED 31-March-2017

Amount in lac ₹

Particulars	Note No.	For The Period Ended 31-Mar-2017		For The Period Ended 31-Mar-2016	
INCOME					
Revenue from Operations	27		2,09,474		2,46,649
Other Income	28		14,123		1,481
Total Revenue			2,23,597		2,48,130
EXPENSES					
Employee Benefits Expense	29		25,425		22,857
Finance Costs	30		29,106		32,887
Depreciation & Amortisation	1		52,557		49,663
Generation Administration and Other Expenses	31		19,513		18,003
Provision for Bad & Doubtful Debts and Stores & Spares	32		445		9
Total Expenses			1,27,046		1,23,419
Profit Before Exceptional items and Tax			96,551		1,24,711
Exceptional Items- (Income)/ Expenses- Net			16,146		34,830
Profit Before Tax			80,405		89,881
Tax Expenses	33				
Current Tax					
Income Tax		17,154		24,252	
Wealth Tax		0	17,154	0	24,252
Deferred tax- Asset		(8,142)	(8,142)	(16,269)	(16,269)
I Profit For The Period from continuing operations			71,393		81,898
II OTHER COMPREHENSIVE INCOME					
(i) Items that will not be classified to Profit or Loss:					
Acturial Gain/ (Loss) through OCI	34		(414)		(301)
Income tax relating to items that will not be reclassified to profit or loss- Deferred Tax Asset			144		104

Amount in lac ₹

Particulars	Note No.	For The Period Ended 31-Mar-2017	For The Period Ended 31-Mar-2016
Other Comprehensive Income		(270)	(197)
Total Comprehensive Income (I+II)		71,123	81,701
Earning per Equity Share (for continuing operations)			
Basic (₹)		198.85	230.52
Diluted (₹)		198.85	230.52

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

For and on Behalf of Board of Directors

(Rashmi Sharma)
Company Secretary
Membership No. 26692

(Sridhar Patra)
Director (Finance)
DIN: 06500954

(D.V. Singh)
Chairman & Managing Director
DIN: 03107819

As per our Report of Even Date Attached
For **P.D. AGRAWAL & CO.**
Chartered Accountants
FRN 001049C of ICAI

(Ashish Kumar Agarwal)
Partner
Membership No. :- 077178

Date : 31.08.2017

Place: Rishikesh

CASH FLOW STATEMENT FOR THE YEAR ENDED 31-March-2017

Amount in lac ₹
(Figures In Parenthesis Represent Deduction)

Particulars	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax, Prior Period adjustments and Extraordinary items		96,551		1,24,711
Adjustments for:-				
Depreciation (including Prior Period Depreciation)	52,574		50,721	
Provisions	445		9	
Bad Debts Written Off	-		-	
Interest on loans	29,106		32,887	
Other Comprehensive Income (OCI)	(414)		(301)	
Prior Period Adjustments through SOCIE	117		(1,065)	
Exceptional Items	(16,146)	65,682	(34,830)	47,421
Operating profit Before Working Capital Changes				
Adjustment For :-		1,62,233		1,72,132
Inventories	(76)		(26)	
Trade Receivables	33,970		31,521	
Other Assets	(428)		(821)	
Loans and Advances (Current + Non Current)	(4,387)		(1,845)	
Trade Payable and Liabilities	9,013		6,485	
Provisions (Current + Non Current)	(3,999)	34,093	2,985	38,299
Cash Generated From Operations		1,96,326		2,10,431
Corporate Tax		(17,154)		(24,252)
Net Cash From Operations (A)		1,79,172		1,86,179
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in:-				
Fixed Assets and CWIP	(1,51,762)		(83,778)	
Construction Stores	-		-	
Capital Advances	(30,092)		(29,468)	
Net Cash Flow From Investing Activities (B)		(1,81,854)		(1,13,246)

Amount in lac ₹

(Figures In Parenthesis Represent Deduction)

Particulars	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
C. CASH FLOW FROM FINANCING ACTIVITIES				
Share Capital (Including Pending Allotment)	4,000		3,000	
Borrowings	53,465		17,221	
Interest on loans	(29,106)		(32,887)	
Dividend & Tax on Dividend	(36,575)		(16,850)	
Net Cash Flow From Financing Activities (C)		(8,216)		(29,516)
D. NET CASH FLOW DURING THE YEAR (A+B+C)		(10,898)		43,417
E. OPENING CASH & CASH EQUIVALENTS		3,918		(39,499)
F. CLOSING CASH & CASH EQUIVALENTS(D+E)		(6,980)		3,918

Note:

1. Cash and Cash Equivalents includes Balance with Banks of ₹ 25037Lac (Previous year ₹ 37 Lac) which is not available for use by the Corporation.
2. Previous year's figures have been Regrouped / Rearranged / Recast wherever necessary.
3. Reconciliation of Cash & cash Equivalents has been made in Note No 37.19

For and on Behalf of Board of Directors

(Rashmi Sharma)
 Company Secretary
 Membership No. 26692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D.V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached
 For **P.D. AGRAWAL & CO.**
 Chartered Accountants
 FRN 001049C of ICAI

(Ashish Kumar Agarwal)
 Partner
 Membership No. :- 077178

Date : 31.08.2017

Place: Rishikesh

STATEMENT OF CHANGES IN EQUITY -**A. Equity Share Capital For The Year Ended 31-March-2017**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017
		Amount
Balance at the beginning of reporting period		3,55,888
Changes in equity share capital during the period		4,000
Closing Balance at the end of the reporting period		3,59,888

B. Other Equity For The Year Ended 31-March-2017

Amount in lac ₹

Particulars	Note No.	Share Application Money Pending Allotment	Reserve & Surplus 01-Apr-2016 To 31-Mar-2017			Other Comprehensive Income	Total
			Contribution Received From GOUP towards Irrigation sector	Retained Earnings	Debenture Redemption Reserve & Others	Actuarial Gain/ (Loss)	
Opening Balance		0	1,44,118	4,15,725	0	(197)	5,59,646
Irrigation Component written off upto Previous Year			54,129				54,129
Net Opening Balance		0	89,989	4,15,725	0	(197)	5,05,517
Changes in accounting policy or prior period (income)/ expenses	35			(117)			(117)
Restated Opening Balance (I)		0	89,989	4,15,842	0	(197)	5,05,634
Profit For The Year				71,393			71,393
Other Comprehensive Income						(270)	(270)
Total Comprehensive Income				71,393		(270)	71,123
Dividend				30,389			30,389
Tax On Dividend				6,186			6,186
Transfer to Retained Earnings (II)				34,818			34,548
Transferred to Debenture Redemption Reserve (III)				(1,500)			(1,500)
Adjustment Towards Depreciation - Irrigation Sector (IV)			6,531				6,531
Debenture Redemption Reserve Addition/ (Utilised) during the year (V)					1,500		1,500
Closing Balance (I+II+III-IV+V)		0	83,458	4,49,160	1,500	(467)	5,33,651

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

For and on Behalf of Board of Directors

(Rashmi Sharma)
Company Secretary
Membership No. 26692

(Sridhar Patra)
Director (Finance)
DIN: 06500954

(D.V. Singh)
Chairman & Managing Director
DIN: 03107819

As per our Report of Even Date Attached
For **P.D. AGRAWAL & CO.**
Chartered Accountants
FRN 001049C of ICAI

(Ashish Kumar Agarwal)
Partner
Membership No. :- 077178

Date : 31.08.2017

Place: Rishikesh

A. Equity Share Capital For The Year Ended 31.03.2016

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2016
		Amount
Balance at the beginning of reporting period		3,52,888
Changes in equity share capital during the period		3,000
Closing Balance at the end of the reporting period		3,55,888

B. Other Equity For The Year Ended 31.03.2016

Amount in lac ₹

Particulars	Note No.	Share Application Money Pending Allotment	Reserve & Surplus 01-Apr-2015 To 31-Mar-2016			Other Comprehensive Income	Total
			Contribution Received From GOUP towards Irrigation sector	Retained Earnings	Debenture Redemption Reserve & Others	Actuarial Gain/ (Loss)	
Opening Balance		0	1,44,118	3,51,255	0	0	4,95,373
Irrigation Component written off upto Previous Year			47,580				47,580
Net Opening Balance		0	96,538	3,51,255	0	0	4,47,793
Changes in accounting policy or prior period (income)/ expenses	35			1,065			1,065
Opening Ind As Adjustment				487			487
Restated Opening Balance (I)		0	96,538	3,50,677	0	0	4,47,215
Profit For The Year				81,898			81,898
Other Comprehensive Income						(197)	(197)
Total Comprehensive Income				81,898		(197)	81,701
Dividend				14,000			14,000
Tax On Dividend				2,850			2,850
Transfer to Retained Earnings (II)				65,048			64,851
Adjustment Towards Depreciation - Irrigation Sector (IV)			6,549				6,549
Closing Balance (I+II+III-IV)		0	89,989	4,15,725	0	(197)	5,05,517

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

For and on Behalf of Board of Directors

(Rashmi Sharma)
 Company Secretary
 Membership No. 26692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D.V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached
 For **P.D. AGRAWAL & CO.**
 Chartered Accountants
 FRN 001049C of ICAI

(Ashish Kumar Agarwal)
 Partner
 Membership No. :- 077178

Date : 31.08.2017
 Place: Rishikesh

Note :-1 PROPERTY PLANT & EQUIPMENT & INTANGIBLE ASSETS

Particulars	Gross Block			Depreciation			Net Block	
	As at 01-Apr-2016	Addition During the Period	Sales / Adjustment During the Period	As at 31-Mar-2017	For the Period 01-Apr-2016 To 31-Mar-2017	Sales / Adjustment During the Period	As at 31-Mar-2017	As at 31-Mar-2017
A. Property Plant & Equipment								
Lease Hold Assets								
1. Land Lease Hold	600	3,305	-	3,905	106	-	196	3,709
Other Assets								
2.Land Free Hold	3,913	-	(100)	3,813	-	-	-	3,813
3. Land Unclassified	1,57,043	3,582	-	1,60,625	5,580	-	48,165	1,12,460
4. Buildings	82,233	1,114	(49)	83,298	2,865	4	17,670	65,628
5. Building Temp. Structures	1,123	30	-	1,153	30	-	1,153	-
6. Road, Bridge & Culverts	13,715	193	-	13,908	489	5	2,749	11,159
7. Drainage, Sewerage & Water Supply	1,500	41	-	1,541	75	-	576	965
8. Construction Plant & Machinery	2,231	3	(120)	2,114	59	(100)	1,234	880
9. Generation Plant & Machinery	2,33,535	71,867	(423)	3,04,979	13,978	(359)	1,00,210	2,04,769
10. EDP Machines	1,355	88	(31)	1,412	102	(6)	950	462
11. Electrical Installations	890	3,276	-	4,166	135	-	428	3,738
12. Transmission Lines	2,404	32	-	2,436	126	-	915	1,521
13. Office & Other Equipment	4,895	406	(8)	5,293	312	(2)	2,252	3,041
14. Furniture & Fixtures	2,104	217	(8)	2,313	146	(6)	928	1,385
15. Vehicles	1,387	49	(29)	1,407	81	(20)	689	718
16. Railway Sidings	122	-	-	122	5	-	37	85
17. Hydraulic Works- Dam & Spillways	5,10,598	4,132	-	5,14,730	28,292	-	2,22,889	2,91,841
18. Hydraulic Works- Tunnel, Penstock, Canals etc	1,39,878	-	-	1,39,878	7,436	-	65,443	74,435
19. Unservisable/ Obsolete Assets at net book value or netrealisable value whichever is lower.	23	-	10	33	-	-	-	33
Sub Total	11,59,549	88,335	(758)	12,47,126	59,817	(484)	4,66,484	7,80,642
Figures For Previous Year	11,46,825	13,111	(387)	11,59,549	56,889	955	4,07,151	7,52,398
B. Intangible Assets								
1. Intangible Assets- Software	393	2	-	395	19	-	350	45
Sub Total	393	2	-	395	19	-	350	45
Figures For Previous Year	376	17	-	393	35	-	331	62
Detail of Depreciation								
Depreciation transferred to EDC						Previous Year		
Depreciation transferred to P&L account						712		
Depreciation adjusted in Capital Reserve- Irrigation Contribution from GOUP						49,663	56,924	
Fixed Assets Costing More Than ₹ 1500.00 But Less Than ₹ 5000.00 Procured and Depreciated Fully During The Year						6,549		
						18		

1.1 The Land measuring 14.37 acres transferred free of cost by Govt. of Uttarakhand for construction of Koteshwar Hydro Electric Project (4x100 MW) to the Company has been accounted for at notional value of ₹1/-.

1.2 Addition of ₹126 lakh has been made in Generation Plant & Machinery due to capitalisation of spare parts meeting the criteria of PP&E as per Ind AS16.

Note:-2

CAPITAL WORK IN PROGRESS & INTANGIBLE ASSETS UNDER DEVELOPMENT

Amount in lac ₹

Particulars	Note No.	As at 01-Apr-2016	For the Period Ended 31-Mar-2017			As at 31-Mar-2017
			Addition During The Period 01-Apr-2016 To 31-Mar-2017	Adjustment During the Period 01-Apr-2016 To 31-Mar-2017	Capitalisation During The Period 01-Apr-2016 To 31-Mar-2017	
A. Construction Work In Progress						
Building & Other Civil Works		5,253	1,712	135	(734)	6,366
Roads, Bridges & Culverts		990	251	-	(180)	1,061
Water Supply, Sewerage & Drainage		47	265	(14)	(23)	275
Generation Plant And Machinery		76,504	22,327	(1)	(384)	98,446
Hydraulic Works, Dam, Spillway, Water Channels, Weirs, Service Gate & Other Hydraulic Works		1,34,850	50,485	(1,689)	(3,862)	1,79,784
Afforestation Catchment Area		901	22	-	-	923
Electrical Installation & Sub-Station Equipments		2,711	608	(22)	(3,260)	37
Others		3,058	71,472	-	(74,427)	103
Expenditure Pending Allocation						
Survey & Development Expenses		9,794	1	-	(23)	9,772
Expenditure During Construction	26.1	854	2,370	(854)		2,370
Rehabilitation						
Rehabilitation Expenses (Net Of Recoveries Towards Token Cost And Rent)		4,104	810	(48)	(507)	4,359
Total		2,39,066	1,50,323	(2,493)	(83,400)	3,03,496
Previous Year Figure		1,67,420	81,874	(2,141)	(8,087)	2,39,066
B. InTangible Assets Under Development						
Intangible asset Under Development		33	0	0	0	33
Sub Total		33	0	0	0	33
Previous Year Figure		33	0	0	0	33

Note:-3

LONG TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Loans To Employees							
Secured		2,690		2,755		2,803	
Unsecured		1,072		1,521		1,631	
Interest Accrued On Loans To Employees							
Secured		2,580		2,354		2,238	
Un secured		232		248		184	
Total Loans to Employees		6,574		6,878		6,856	
Less: Fair valuation Adjustment		1,881	4,693	2,177	4,701	2,118	4,738
Loans To Directors							
Secured		0		0		1	
Unsecured		0		0		0	
Interest Accrued On Loans To Directors							
Secured		1		1		3	
Unsecured		0		0		0	
Total Loans to Directors		1		1		4	
Less: Fair valuation Adjustment		0	1	0	1	1	3
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)							
To Employees		0		0		0	
To Others		0	0	0	0	0	0
Deposits							
Other Deposit		0	0	0	0	0	0
SUB-TOTAL			4,694		4,702		4,741
LESS:- Provision For Bad & Doubtful Advances			0		0		0
SUB TOTAL - ADVANCES			4,694		4,702		4,741
TOTAL LOANS AND ADVANCES			4,694		4,702		4,741
Note :- Due From Directors							
Principal		0		0		1	
Interest		1		2		3	
TOTAL		1		2		4	
Less: Fair Valuation Adjustment		0	1	0	2	1	3
Note :- Due From Officers							
Principal		5		3		4	
Interest		9		5		5	
TOTAL		14		8		9	
Less: Fair Valuation Adjustment		2	12	2	6	3	6

Note:- 4
OTHER NON CURRENT FINANCIAL ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Others							
Deferred Employee Cost due to Fair Valuation			1,881		2,177		2,119
TOTAL			1,881		2,177		2,119

Note:- 5
DEFERRED TAX ASSET

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Deferred Tax Liability		(2,975)		(2,975)		(2,975)	
Deferred Tax Asset		80,229	77,254	71,943	68,968	55,083	52,108
Deferred Tax Adjustment			(6,313)		(6,313)		(6,313)
Total			70,941		62,655		45,795

Note:- 6
OTHER NON CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Prepaid Expenses		40		40		40	
Interest Accrued but not due		0	40	0	40	0	40
Sub Total			40		40		40
Capital Advances							
Unsecured							
i) Against Bank Guarantee		44,532		28,842		17,871	
ii) Rehabilitation & Resettlement (Govt. of Uttarakhand / SLAO)		29,981		18,947		6,626	
iii) Others		29,790		26,281		20,214	
iv) Accrued Interest On Advances		63	1,04,366	67	74,137	179	44,890
Less: Provision for Doubtful Advances			12,492		12,355		12,576
SUB TOTAL - CAPITAL ADVANCES			91,874		61,782		32,314
Other Advances (Un Secured)							
TOTAL			91,914		61,822		32,354

Note:- 7
INVENTORIES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Inventories (At Cost Determined On Weighted Average Basis or Net Realizable Value Whichever is Lower)							
Other Civil And Building Material		297		388		722	
Mechanical and Electrical Stores & Spares		2,772		2,579		2,457	
Others (including Stores & Spares)		217		229		300	
Material Under Inspection (Valued At Cost)		0	3,286	40	3,236	0	3,479
Less: Provision For other stores			22		46		311
TOTAL			3,264		3,190		3,168

7.1 Mechanical and Electrical Store & Spare of ₹126 lakh has been capitalised as PP&E as they meet the criteria of PP&E as per Ind AS16.

Note:- 8
TRADE RECEIVABLES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
(i) Debts Outstanding Over Six Months (Net)							
Unsecured, Considered Good		1,02,886		1,25,259		2,35,575	
Considered Doubtful		20,776	1,23,662	20,774	1,46,033	0	2,35,575
Less:- Provision For Bad And Doubtful Debts			20,776		20,774		0
(ii) Other Debts (Net)							
Unsecured, Considered Good		40,199		70,269		0	
Considered Doubtful		0	40,199	1,882	72,151	0	0
Less:- Provision For Bad And Doubtful Debts			0		1,882		0
(iii) Regulatory Asset Debtors (Net)							
Unsecured, Considered Good		30,143		11,670		3,144	
Considered Doubtful		2,201	32,344	2,201	13,871	0	3,144
Less:- Provision For Bad And Doubtful Debts			2,201		2,201		0
TOTAL			1,73,228		2,07,198		2,38,719

8.1 Trade Receivable includes Net Regulatory Asset Debtors of ₹32344 Lacs (Regulatory Assets ₹61866 Lacs and Regulatory Liabilities ₹29522 Lacs) [P.Y. ₹13871 Lacs (Regulatory Assets ₹46125 Lacs and Regulatory Liabilities ₹32254 Lacs)]



Note:- 9
CASH AND BANK BALANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Cash & Cash Equivalents							
Balances With Banks (Including Auto sweep, Flexi Deposit with Banks)			6,700		7,553		4,095
Cheques, Drafts, Stamps on hand			7		1		0
Cash on Hand			0		4		3
TOTAL			6,707		7,558		4,098

Note:- 10
OTHER BANK BALANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Other Bank Balances							
Others (Balance with Bank under Lien not available for use by the company)			25,037		37		37
TOTAL			25,037		37		37

Note:- 11
SHORT TERM LOANS AND ADVANCES

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Loans To Employees							
Secured		774		766		742	
Unsecured		315		276		241	
Interest Accrued On Loans To Employees							
Secured		138		199		156	
Un secured		1		1		3	
Total loan to Employees		1,228		1,242		1,142	
Less: Fair valuation Adjustment		178	1,050	204	1,038	186	956
Loans To Directors							
Secured		0		1		3	
Unsecured		0		0		0	
Interest Accrued On Loans To Directors							
Secured		0		1		0	
Unsecured		0		0		0	
Total loan to Directors		0		2		3	
Less: Fair valuation Adjustment		0	0	0	2	0	3
Others							
Unsecured, considered good		2	2	2	2	0	0
Other Advances (Un Secured) (Advances Recoverable In Cash or In Kind or For Value To Be Received)							
To Employees		273		299		300	
To Others		35	308	35	334	35	335
Deposits							
Security Deposit		412		367		356	
Deposit with Govt/Court		2,534		2,684		2,493	
Other Deposit		7	2,953	2	3,053	1	2,850
SUB-TOTAL			4,313		4,429		4,144
LESS:- Provision For Bad & Doubtful Advances			8		8		8
TOTAL ADVANCES			4,305		4,421		4,136
TOTAL LOANS AND ADVANCES			4,305		4,421		4,136
Note :- Due From Directors							
Principal		0		1		3	
Interest		0		2		1	
TOTAL		0		3		4	
Less: fair Valuation Adjustment		0	0	0	3	0	4
Note :- Due From Officers							
Principal		1		1		2	
Interest		1		1		1	
TOTAL		2		2		3	
Less: fair Valuation Adjustment		0	2	1	1	1	2

Note:- 12
OTHER CURRENT FINANCIAL ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Others							
Deferred Employee Cost due to Fair Valuation			179		204		186
TOTAL			179		204		186

Note:- 13
CURRENT TAX ASSETS (NET)

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Tax Deposited			8,107		4,039		2,446
TOTAL			8,107		4,039		2,446

Note:- 14
OTHER CURRENT ASSETS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Prepaid Expenses			3,027		2,209		1,863
Interest Accrued			22		27		15
SUB-TOTAL			3,049		2,236		1,878
Other Advances (Un Secured)							
To Employees			7		14		27
For Purchases			1,591		1,443		1,178
To Others			1,675		1,880		1,745
SUB TOTAL -OTHER ADVANCES			3,273		3,337		2,950
TOTAL			6,322		5,573		4,828

**Note:-15
SHARE CAPITAL**

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
		Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Authorised							
Equity Shares of ₹ 1000 / = each		4,00,00,000	4,00,000.00	4,00,00,000	4,00,000.00	4,00,00,000	4,00,000.00
Issued Subscribed & Paid-up		3,59,88,817	3,59,888	3,55,88,817	3,55,888	3,52,88,817	3,52,888
Equity Shares of ₹ 1000 / = each Fully Paid up							
TOTAL		3,59,88,817	3,59,888	3,55,88,817	3,55,888	3,52,88,817	3,52,888

During the year, the Company has paid final dividend of ₹16200 lakh for the FY 2015-16 @ ₹45.52 (P.Y. ₹ 39.67) per equity share of par value ₹ 1000/- each.

The Company has paid Interim Dividend of ₹ 14189 lacs during the year for the F.Y. 2016-17 and the Board of Directors of the Company have proposed a final dividend of ₹ 7911 lakh for the F.Y. 2016-17. Thus the total Dividend for the F.Y. 2016-17 comes to ₹ 22100 lakh @ ₹ 61.41 (P.Y. @ ₹ 45.52) per equity share of par value ₹ 1000/- each.

Note:- 15.1
DETAILS OF SHAREHOLDERS HOLDING MORE THAN 5% SHARES IN THE COMPANY

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
		Number of Shares	%	Number of Shares	%	Number of Shares	%
Share holding more than 5 %							
I. GOI		2,66,39,417	74.02	2,62,39,417	73.73	2,59,39,417	73.51
II. GOUP		93,49,400	25.98	93,49,400	26.27	93,49,400	26.49
TOTAL		3,59,88,817	100	3,55,88,817	100	3,52,88,817	100

Note:- 15.2
RECONCILIATION OF NO. OF SHARES & SHARE CAPITAL OUTSTANDING

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
		Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount
Opening		3,55,88,817	3,55,888	3,52,88,817	3,52,888	3,47,30,917	3,47,309
Issued		4,00,000	4,000	3,00,000	3,000	5,57,900	5,579
Closing		3,59,88,817	3,59,888	3,55,88,817	3,55,888	3,52,88,817	3,52,888

Note:- 16
LONG TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
A. BONDS				
BOND ISSUE SERIES-I- SECURED* (7.59% p.a. 10 Years Secured Redeemable Non- Convertible Bonds of ₹ 1000000/- each). (Date of redemption 03.10.2026)		60,000	0	0
TOTAL (A)		60,000	0	0
B. SECURED				
POWER FINANCE CORPORATION Ltd. (PFC)-78302003 (For Tehri HPP) ** (Repayable within 15 years on Quarterly instalment from 15th october 2008 to 15th July 2023, presently carrying floating interest rate @12.50%)		49,653	58,681	67,708
POWER FINANCE CORPORATION Ltd. (PFC) -78302002 (For KHEP) # (Repayable within 10 years on Quarterly instalment from 15th January2012 to 15th october 2021, presently carrying floating interest rate @12.50 % p.a.)		43,875	55,575	67,275
Rural Electrification Corporation Ltd. (REC) (For KHEP)# (UA-GE-PSU-033-2010-3754) (Repayable within 10 years on Quarterly instalment from 30th September 2012 to 30 June 2022, carrying floating interest rate ranging from @11.40 to @ 12.25% p.a.)		29,781	36,789	43,796
Rural Electrification Corporation Ltd. (REC)-330001-(For Tehri HPP)* (Repayable within 15 years on Quarterly instalment from September 2007 to March 2022, carrying floating interest rate ranging from @ 11.5% to @ 12.25% p.a.)		38,072	47,840	58,536

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017	As at 31-Mar-2016	As at 01-Apr-2015
State Bank of India (SBI)-32677052247 (For Tehri PSP) ## State Bank of India (Repayable within 10 years on Quarterly Installments from August 2016 to May 2026 Prsesently carrying Floating Interest rate @ MCLR rate + 1.2% p.a. i.e. 10.4 %)		1,22,765	1,16,632	73,999
TOTAL (B)		2,84,146	3,15,517	3,11,314
C. UNSECURED				
Foreign currency Loans (Guaranteed by Govt. of India) World Bank Loan -8078-IN (For VPHEP)\$ (repayable within 23 years on half yearly instalment from 15th Nov. 2017 to 15th May 2040 , carrying interest rate @LIBOR +variable spread.p.a. i.e. 1.87%)		60,039	34,275	16,252
TOTAL (C)		60,039	34,275	16,252
TOTAL (A+B+C)		4,04,185	3,49,792	3,27,566

** 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.

* The Bonds are secured by a first/ paripassu first charge on the existing assets of Tehri HPP Stage-I

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

Note:- 17**NON CURRENT FINANCIAL LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Liabilities							
For Expenditure							
For Micro And Small Enterprises.		0		0		0	
For Others		0	0	0	0	0	0
Deposits, Retention Money From Contractor etc.		1,154		662		265	
Less: Fair Value Adjustment- Security Deposit/ Retention Money		220	934	164	498	97	168
TOTAL			934		498		168

Note:- 18**OTHER NON CURRENT FINANCIAL LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Deferred Fair Valuation Gain- Security Deposit/ Retention Money			220		164		97
TOTAL			220		164		97

Note:- 19**OTHER NON CURRENT LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Deferred Revenue On Account of Advance Against Depreciation							
As Per Last Balance Sheet		21,271		21,271		21,271	
Add:-Revenue Deferred During The year		0		0		0	
Less:- Adjusted During The Year		0	21,271	0	21,271	0	21,271
Other Liabilities			0		0		0
TOTAL			21,271		21,271		21,271

Note:- 20
LONG TERM PROVISIONS

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

Particulars	Note No.	For the Period Ended 31-Mar-2017				
		As at 01-Apr-2016	Addition	Adjustment	Utilisation	As at 31-Mar-2017
I. Employee Related		32,245	6,986	(494)	(82)	38,655
II. Others		488	(108)	0	(65)	315
TOTAL		32,733	6,878	(494)	(147)	38,970
Figure for Previous Year		32,246	9,060	(5,712)	(2,861)	32,733

Disclosure required by AS-15 on employee benefit has been made in Note No 37.15

Note:- 21
SHORT TERM BORROWINGS

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Short term Loan From Banks and Financial Institutions							
A. Secured loans:							
Over Draft (OD) From Banks							
Punjab National Bank (Carrying Floating Interest Rate @ Base Rate i.e.9.6%)			38,724		3,677		43,634
TOTAL			38,724		3,677		43,634

* O.D. amounting to ₹38724 Lac is secured by way of 2nd Charge on Block of Assets of Tehri Stage-1 and Koteshwar HEP including machinery spares, tools & accessories, fuel stock, spares & material at project site.

Note:- 22
TRADE PAYABLE

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Trade Payable -MSMED			0		0		0
Trade Payable -Other than MSMED			41		49		72
TOTAL			41		49		72

Note:- 23**OTHER CURRENT FINANCIAL LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Current maturity of Long Term Debt							
A.SECURED *			37,503		38,431		43,436
(Indian Currency Loan)							
TOTAL			37,503		38,431		43,436
Liabilities							
For Expenditure							
For Micro And Small Enterprises.		1		37		0	
For Others		19,419	19,420	14,219	14,256	6,167	6,167
Deposits, Retention Money From Contractors etc.		5,232		3,945		3,912	
Less: Fair Value Adjustment- Security Deposit/ Retention Money		0	5,232	0	3,945	0	3,912
Deferred Fair Valuation Gain- Security Deposit/ Retention Money			0		0		0
Interest Accrued But Not Due							
Financial Institutions		6,660		4,744		4,870	
Other Liabilities		0	6,660	0	4,744	0	4,870
TOTAL			31,312		22,945		14,949
TOTAL LIABILITIES			68,815		61,376		58,385

* Detail in respect of Rate of Interest and Terms of repayment of Current Maturity of Secured and unsecured Long Term Debt indicated above are disclosed in Note-16.

Note:- 24**OTHER CURRENT LIABILITIES**

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
Liabilities							
Other Liabilities			3,749		3,587		3,360
TOTAL			3,749		3,587		3,360

Note:- 25
SHORT TERM PROVISIONS

Amount in lac ₹
(Figures in Parenthesis Represent Deduction)

Particulars	Note No.	For the Period Ended 31-Mar-2017				As at 31-Mar-2017
		As at 01-Apr-2016	Addition	Adjustment	Utilisation	
I. Works		489	77	(71)	(90)	405
II. Employee Related		8,342	4,946	(249)	(4,531)	8,508
III. Others		11,752	5,009	(14,695)	(632)	1,434
TOTAL		20,583	10,032	(15,015)	(5,253)	10,347
Figure for Previous Year		18,085	16,903	(3,595)	(10,810)	20,583

Disclosure required by AS-15 on Employee Benefits has been made in Note No 37.15

Note:- 26
CURRENT TAX LIABILITIES (NET)

Amount in lac ₹

Particulars	Note No.	As at 31-Mar-2017		As at 31-Mar-2016		As at 01-Apr-2015	
INCOME TAX							
Opening Balance			0		2,112		0
Addition during the period			15,156		23,998		11,292
Adjustment during the period			(6,330)		(5,323)		(192)
Utilised during the period			(8,826)		(20,787)		(8,988)
Closing Balance			0		0		2,112

Note :-26.1

EXPENDITURE DURING CONSTRUCTION

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
EXPENDITURE					
EMPLOYEE BENEFITS EXPENSES	29				
Salaries, Wages, Allowances & Benefits		10,917		8,657	
Contribution to Provident & Other Funds		633		557	
Pension Fund		541		435	
Gratuity		1,659		262	
Welfare		134		66	
Amortisation Expenses of Deferred Employee Cost		44	13,928	21	9,998
OTHER EXPENSES	31				
Rent					
Rent for office		72		78	
Rent for Employee Residence		295	367	236	314
Rate and taxes			28		2
Power & Fuel			576		601
Insurance			35		8
Communication			80		120
Repair & Maintenance					
Plant & Machinery		3		2	
Consumption of Stores & Spare Parts		0		0	
Buildings		29		300	
Others		140	172	314	616
Travelling & Conveyance			241		297
Vehicle Hire & Running			358		364
Security			98		228
Publicity & Public relation			46		33
Other General Expenses			929		672
Loss on sale of assets			3		2
Interest on Security deposit/ Retention money on account of Effective Interest Rate		89		19	
DEPRECIATION	1		748		712
TOTAL EXPENDITURE (A)			17,698		13,986
RECEIPTS					
OTHER INCOME	28				
Interest					
From Bank Deposit		5		1	
From Employees		114		102	
Employee Loans & Advances- Adjustment on Account of Effective Interest		44		21	
From Others		3	166	9	133

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Machine Hire Charges			15		11
Rent Receipts			49		58
Sundry Receipts			50		291
Excess Provision Written Back			22		74
Profit on Sale of Assets			1		0
Fair Value Gain- Security Deposit/ Retention Money			89		19
TOTAL RECEIPTS (B)			392		586
NET EXPENDITURE BEFORE TAXATION			17,306		13,400
PROVISION FOR TAXATION	33				
NET EXPENDITURE INCLUDING TAXATION			17,306		13,400
Change in Accounting policy and Prior Period Items	35		(73)		1
Actuarial Gain/ (Loss) through OCI	34		(131)		(122)
Balance Brought Forward From Last Year			854		2,105
TOTAL EDC			18,218		15,628
Less:-					
EDC Allocated To CWIP / Asset		15,358		14,045	
EDC Of Projects Under Approval Charged To Profit & Loss Account		490	15,848	729	14,774
Balance Carried Forward To CWIP			2,370		854

Note :-27**REVENUE FROM OPERATIONS**

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Income from Beneficiaries against Sale of Power		2,07,903		2,45,083	
Less :					
Advance Against Depreciation- Deferred		0	2,07,903	0	2,45,083
Deviation Settlement/ Congestion Charges			1,419		1,481
Consultancy Income			152		85
TOTAL			2,09,474		2,46,649

27.1 The company has received orders from the Hon'ble CERC dated 20.03.2017 (2009-14 Truing up order) and dated 29.03.2017 (2014-19 Tariff order) for Tehri HEP . Based on AFC allowed by CERC, revenue for the current financial year 2016-17 has been recognized.

Impact of the said orders for the past years amounting to (-) ₹ 16147 Lakh has been accounted for during the current financial year as extraordinary/ exceptional items.

Sales revenue for Koteshwar HPP has been recognized based on AFC claimed in the tariff petition as submitted before CERC pending receipt of order from CERC following significant accounting policy.

Sales revenue of ₹ 2328.41 Lakhs as per power supplied from two newly commissioned (50 MW + 63 MW) wind power project has also been recognized as sales during the current financial year.

Note :-28**OTHER INCOME**

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Interest					
On Bank Deposits (Includes TDS ₹ 10087.00 Previous year ₹ 3494.00)		255		55	
From Employees		395		412	
Employee Loans & Advances- Adjustment on Account of Effective Interest		426		172	
Others		326	1,402	32	671
Machine Hire Charges			15		13
Rent Receipts			117		141
Sundry Receipts			569		698
Excess Provision Written Back			12,297		469
Profit on Sale of Assets			7		42
Fair Value Gain- Security Deposit/ Retention Money			108		33
TOTAL			14,515		2,067
Less :					
Transferred To EDC	26.1		392		586
TOTAL			14,123		1,481

28.1 Excess Provision withdrawn includes provision related to water tax and green energy cess of ₹ 9977 Lakhs.

Note :-29
EMPLOYEE BENEFITS EXPENSES

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Salaries, Wages, Allowances & Benefits			31,506		27,236
Contribution to Provident & Other Funds			2,056		1,682
Pension Fund			1,770		1,460
Gratuity			3,100		1,777
Welfare Expense			495		528
Amortisation Expenses of Deferred Employee Cost			426		172
TOTAL			39,353		32,855
Less :					
Transferred To EDC	26.1		13,928		9,998
TOTAL			25,425		22,857

Note :-30
FINANCE COSTS

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Finance Costs					
Interest On Bond Issue Series-I			2,246		0
Interest On Loans			40,358		45,003
TOTAL			42,604		45,003
LESS:-					
Transferred And Capitalised With CWIP Account			13,498		12,116
TOTAL			29,106		32,887

Note :-31

GENERATION ADMINISTRATION AND OTHER EXPENSES

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Rent					
Rent for office		174		163	
Rent for Employees Residence		698	872	699	862
Rate and taxes			187		141
Power & Fuel			1,745		1,573
Insurance			2,056		2,240
Communication			363		369
Repair & Maintenance					
Plant & Machinery		1,529		1,540	
Consumption of Stores & Spare Parts		519		800	
Buildings		1,105		1,096	
Others		2,265	5,418	2,422	5,858
Travelling & Conveyance			632		999
Vehicle Hire & Running			1,211		1,024
Security			3,264		2,824
Publicity & Public relation			303		298
Other General Expenses			3,383		2,253
Loss on sale of assets			72		25
Survey And Investigation Expenses			490		729
Research & Development			434		345
Expenses on Consultancy Project/ Contract			84		30
Expenditure On CSR & S.D. Activities			1,528		1,335
Rebate to Customers			385		341
Interest on Security deposit/ Retention money on account of Effective Interest Rate			108		33
TOTAL			22,535		21,279
LESS:-					
Transferred To EDC	26.1		3,022		3,276
TOTAL			19,513		18,003

Note :-32
PROVISIONS

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Provisions For Doubtful Debts, Loans & Advances			443		6
Provisions For Stores & Spares			2		3
TOTAL			445		9
LESS:-					
Transferred To EDC	26.1		0		0
TOTAL			445		9

Note :-33
PROVISION FOR TAXATION

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
INCOME TAX					
Current Year			17,154		24,252
Sub Total			17,154		24,252
TOTAL			17,154		24,252
WEALTH TAX					
Current Year			0		0
Sub Total			0		0
LESS:-					
Transferred To EDC	26.1		0		0
TOTAL			0		0

Note :-34
ACTUARIAL GAIN/ (LOSS) THROUGH OCI

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
Actuarial Gain/ (Loss) through OCI			(545)		(423)
Sub Total			(545)		(423)
LESS:-					
Transferred To EDC	26.1		(131)		(122)
TOTAL			(414)		(301)

Note :-35

CHANGES IN ACCOUNTING POLICY AND PRIOR PERIOD ITEMS

Amount in lac ₹

Particulars	Note No.	For the Period Ended 31-Mar-2017		For the Period Ended 31-Mar-2016	
PRIOR PERIOD INCOME					
Misc Receipt		3	3	6	6
PRIOR PERIOD EXPENDITURE					
Repair and Maintenance		(215)		12	
Depreciation		28		1,058	
Rent Rate & Taxes		0		2	
Misc- Others		0	(187)	0	1,072
Sub Total			(190)		1,066
LESS:-					
Transferred To EDC	26.1		(73)		1
TOTAL			(117)		1,065

36. The Ind AS as notified by MCA have been complied with as under:

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 1	Presentation of Financial Statements	<ul style="list-style-type: none"> Financial statements have been prepared following Ind AS compliant Schedule – III All information including Significant Accounting Policies, basis adopted for preparation of financial statement have been disclosed. Information not presented elsewhere but relevant for understanding the financial statements have also been disclosed.
Ind AS 2	Inventories	The company is engaged in generation and sale of renewable power inclusive of hydro, wind and solar, Thus it does not have any raw material or WIP. However construction stores, spare parts and consumables held for construction activity / supply and consumption in course of generation process is valued at cost determined on weighted average basis or net realizable value whichever is lower.
Ind AS 7	Statement of Cash Flow	Cash Flow Statement is being prepared as an integral part of the financial statements using Indirect method as defined in para 18(b) of Ind AS 7 as disclosed in Significant Accounting Policy No 20.

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 8	Accounting Policies, Changes in Accounting Estimates & Errors	<ul style="list-style-type: none"> Impact owing to changes in Accounting Policies and errors are recognized with retrospective effect except circumstances where it is impracticable. Impact due to change in estimate is accounted for prospectively. Exceptional items/ Expenditure and prior Period Items (Income / Expenditure) have been disclosed in the statement of changes in equity and its related notes.
Ind AS 10	Events after Reporting Period	<p>There are no such major reportable events occurring after Balance Sheet date.</p> <p>Dividend has been accounted for in accordance with Ind AS 10 in the year of payment.</p>
Ind AS 11	Construction Contracts	The company is neither into construction business nor has undertaken any construction contracts during the reporting period. Thus the standard is not applicable.
Ind AS 12	Income Taxes	<ul style="list-style-type: none"> Deferred Tax has been calculated as per Balance Sheet Approach in compliance with Ind AS provisions. During the year 2016-17 Deferred Tax Assets of ₹ 8286 Lakh has been accounted for.
Ind AS 16	Property, Plant & Equipment	<ul style="list-style-type: none"> The company has availed exemption as allowed under Ind AS101. Carrying value of the assets constituting Property, Plant & Equipment on the date of transition to Ind AS has been considered as fair value assuming the same as deemed carrying cost in compliance with Ind AS101.
Ind AS 17	Leases	<ul style="list-style-type: none"> The company does not have any assets constituting financial lease. Operating lease transactions have been disclosed and treated as expenses.

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 18	Revenue	The company has been recognizing sales revenue on the basis of final tariff allowed by CERC and AFC (Annual Fixed Cost) determined as per prevailing tariff regulations pending final tariff order issued by the CERC. Significant accounting policy No 13.1 to 13.9 explain revenue recognition mechanism as followed by the company.
Ind AS 19	Employee Benefits	<ul style="list-style-type: none"> The Company has been contributing towards CPF (Contributory Provident Fund) and Superannuation Pension Fund under Defined Contribution Plan. In addition to above, the Company has also been paying towards Gratuity/ Earned Leave/PRMB (Post Retirement Medical Benefits)/ Post Retirement Baggage Allowance under Defined Benefit Plan. Actuarial valuation of the employee benefits have been made and accounted for in accordance with provisions of Ind AS19.
Ind AS 20	Accounting for Government Grants and Disclosure of Government Assistance	Amount as received from the GoUP towards Irrigation Component has been recognized in the books in accordance with Ind AS 20. Details have been disclosed vide Significant Accounting Policy No 11
Ind AS 21	The Effects of Changes in Foreign Exchange Rates	Accounting Policies relating to foreign exchange transactions have been disclosed vide Significant Accounting Policy No. 6.1 to 6.3
Ind AS 23	Borrowing Cost	The Company has been capitalizing the borrowing cost on long term assets as permitted under the Ind AS 23. Details explained vide Significant Accounting Policy Nos. 16.1 and 16.2
Ind AS 24	Related Party Disclosure	Payment to SEWA-THDC for undertaking CSR activities and remuneration to Directors have been disclosed in accordance with Ind AS 24.
Ind AS 27	Separate Financial Statements	The Company does not have any Holding / Subsidiary company. Hence not applicable.

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 28	Investment in Associates & Joint Ventures	The Company does not have any investment in Associate / JV Companies. Hence not applicable.
Ind AS 29	Financial Reporting in Hyperinflationary Economics	Not applicable
Ind AS 32	Financial Instruments Presentation	<ul style="list-style-type: none"> • All the assets and liabilities have been segregated into financial and non financial. • Financial assets and financial liabilities have been measured at amortised cost. • Wherever applicable, the financial assets and liabilities have been fair valued using the effective interest rate. • Fair value gain/losses have been amortised over the assets' life.
Ind AS 33	Earnings per Share	Company has not issued potential Equity Share. Hence both the Basic and Diluted EPS remains same and suitable disclosure made in the Statement of Profit & Loss.
Ind AS 34	Interim Financial Reporting	The Company has raised funds through private placement basis and listed with stock exchange. As per LODR, half yearly interim financial statements are to be prepared. However as a good governance, THDCIL has been preparing quarterly interim financial statements.
Ind AS 36	Impairment of Assets	No impairment of asset has been carried out during the year.
Ind AS 37	Provisions, Contingent Liabilities and Assets	<p>Suitable liabilities have been provided based on management estimates, certainty of cash outflow and probability of occurring of the events.</p> <p>In other cases contingent liabilities has been disclosed.</p> <p>No contingent asset has arisen during the year.</p>

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 38	Intangible Assets	Company has been recognizing the cost of computer application softwares as intangible assets and cost is being amortised over its useful life as explained in the Significant Accounting Policy No.5.1 to 5.4
Ind AS 40	Investment Property	The Company does not have any asset meeting the criteria of Investment Property. Hence the standard is not applicable.
Ind AS 41	Agriculture	Not applicable.
Ind AS 101	First time Adoption of Indian Accounting Standards	<ul style="list-style-type: none"> • The financial statements have been prepared following the principles and guidelines prescribed under Ind AS 101. • The Company has opted to avail the following exemptions (for not giving retrospective effect) which are available under Ind AS 101. <ul style="list-style-type: none"> a. Classification and measurement of financial assets b. Impairment of financial assets. c. Estimates d. Deemed Cost e. Designation of previously recognized financial instruments. f. Fair value measurement of financial assets and financial liabilities at initial recognition. g. Decommissioning liabilities included in the cost of Property, Plant & Equipment. h. Borrowing Cost
Ind AS 102	Share Based Payments	Not applicable
Ind AS 103	Business Combinations	Not applicable

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 104	Insurance Contracts	Not applicable
Ind AS 105	Non Current Assets Held for Sale and Discontinued Operations	No operation / activities have been discontinued during the year. Thus no disclosure is required .
Ind AS 106	Exploration for and Evaluation of Mineral Resources	Not applicable.
Ind AS 107	Financial Instruments Disclosure	Information as prescribed has been disclosed suitably.
Ind AS 108	Operating Segments	The company is mainly engaged in generation and sale of hydro power constituting almost 98 % of the total sales revenue. The company has recently moved into wind energy. The same does not meet the criteria prescribed under para 13 of the Ind AS 108. Hence the financial statements have been prepared as a single segment.
Ind AS 109	Financial Instruments	Financial assets and financial liabilities have been measured at amortised cost as both the financial assets and financial liabilities meet the criteria prescribed under the standard. Details have been explained in the Significant Accounting Policy No. 8 & 10
Ind AS 110	Consolidated Financial Statements	Not applicable
Ind AS 111	Joint Agreements	Not applicable
Ind AS 112	Disclosure of Interest in Other Entities	Not applicable

Ind AS No	NOMENCLATURE	DESCRIPTION
Ind AS 113	Fair Value Measurement	The Company has adopted fair value measurement of all financial assets and financial liabilities using the criteria prescribed under the Ind AS as explained in the Significant Accounting Policy 7.1 to 7.4
Ind AS 114	Regulatory Deferral Accounts	As permitted under Ind AS 114 , the Company has been continuing the previous GAAP rate regulated accounting policies . Details have been explained in the Significant Accounting Policy No. 22.1

NOTE NO. 37 OTHER EXPLANATORY NOTES ON ACCOUNTS:

1. Transition to Ind-AS:

These are the company's first set of financial statements which have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the company had prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

Accordingly, the company has prepared financial statements which comply with Ind AS applicable for the year ending on March 31, 2017, together with the comparative period data as at and for the year ended March 31, 2016, as described in the summary of significant accounting policies. In preparing these financial statements, the company's opening balance sheet was prepared as at April 01, 2015, the company's date of transition to Ind AS. This note explains the principal adjustments made by the company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2015 and the financial statements as at and for the year ended March 31, 2016.

A. Exemptions and exceptions availed :- Set out below are the applicable Ind AS 101 exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

Optional Exemptions:

a) Deemed cost for Property, Plant and Equipment, Investment property and Intangible Assets :

Since there is no change in functional currency, the company (INR is the functional currency) has availed exemption under paragraph D7AA of appendix C to Ind AS 101 which permits a first time adopter to continue with the carrying value of its Property, Plant & Equipment and Intangible Assets as at the date of transition to Ind AS measured at their previous GAAP carrying value.

b) Long term foreign currency monetary items : Paragraph D13AA of appendix C to Ind AS 101 permits a first time adopter to continue the policy adopted for exchange differences arising from translation of long term foreign currency monetary items recognized in the financial statements for the period ended immediately before the first Ind AS financial reporting period as per previous GAAP. The Company has availed the exemption under paragraph D13AA and has continued to apply the accounting policy earlier adopted for accounting of exchange differences arising on restatement of long term foreign currency monetary items recognized till 31.03.2016.

B. Reconciliation between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The Following table represent the reconciliation's from previous GAAP to Ind AS.

1. Reconciliation of total equity between Ind AS and previous Indian GAAP for earlier periods and as at 31st March,2016

(₹ Lakh)

Sr. No.	Nature of Adjustments	Note	Other Equity	
			As at 31 Mar-2016	As at 01.04.2015
	Total Equity as per Previous Indian GAAP		841,686	783,831
1	Change in accounting Policy & Prior Period Items & Others	III	-1065	-
2	Fair Valuation for Financial Assets	I	799	-
3	Deferred Tax	II	487	-
4.	Dividend (net of DDT)	IV	19,498	16,850
	Total		861,405	800,681
	Total Equity as per Ind AS		861,405	800,681

2. Reconciliation of total profit between Ind AS and previous Indian GAAP for the year ended as at 31st March, 2016

(₹ Lakh)

Sr. No.	Nature of Adjustments	Note	Profit reconciliation
			Year Ended 31 Mar-16
	Net Profit(PAT) / Other Equity as per Previous Indian GAAP		80,902
1	Change in accounting Policy & Prior Period Items & Others	III	1,065
2	Fair Valuation for Financial Assets	I	315
3	Deferred Tax	II	-104
4	Others	V	-280
	Total		81,898
	Net profit (PAT) before OCI / Other Equity as per Ind AS		81,898

1. Reconciliation of Cash flow statement between Ind AS and previous Indian GAAP for year ended 31st March,2016

(₹ Lakh)

Sr. No.	Nature of Adjustments	Note	Cash & Cash Equivalents reconciliation
			Year ended 31-Mar-16
	Cash & Cash Equivalents as per Balance Sheet		7595
1	Overdraft balance	VI	(3677)
	Total		3918
	Cash & Cash Equivalents as per Cash Flow statement as per Ind AS		3918

Notes to reconciliation on first time adoption

Major differences impacting such change of accounting policy are in the following areas :

- I. **Fair valuation for Financial Assets:** The Company has valued financial assets and Financial Liabilities at fair value based on the effective interest rate. Impact of fair value changes as on the date of transition, is recognised in opening reserves and changes thereafter are recognized in Profit and Loss Account or Other Comprehensive Income, as the case may be.
- II. **Deferred Tax:** The impact of transition adjustments together with Ind-AS mandate of using balance sheet approach (against profit and loss approach in the previous GAAP) for computation of deferred taxes has resulted in charge to the Reserves, on the date of transition, with consequential impact to the Profit and Loss Account for the subsequent periods.
- III. **Prior period items :** As a requirement of Ind AS-8, it is mandated to not to book any prior year expense into current year items. The same are to be adjusted through prior year reserves. The impact of the same is also adjusted through reserves in the year 2016.
- IV. **Events after the reporting period- Dividend Accounting :** As a requirement of Ind AS -10, the dividends which are provided for based on management decision are not to be accounted in the current year as the same are not yet approved by the year end. Those are to be now only disclosed in the Notes wherein the previous year dividends which are paid in the current year are to be accounted for. The impact of the same is also adjusted in the year 2016.
- V. **Others: Other adjustments primarily comprise of :**
 - a. **Attributing time value of money to Assets Retirement Obligation:** Under Ind-AS, such obligation is recognised and measured at present value. Under previous Indian GAAP it was recorded at cost. The impact for the periods subsequent to the date of transition is reflected in the Profit and Loss Account.
 - b. Other changes are majorly on account of re-grouping and other adjustments to comply with the requirements of Ind AS compliant schedule III.
- VI. **Impact of Ind AS adoption on the cash flows for the year ended March,31, 2016:** Under the previous GAAP, all Bank Balances were part of Cash & Cash equivalents. However under Ind AS overdraft Balances are to be considered as a part of cash and cash equivalents and hence there shall

be a difference between the cash and cash equivalents reported in the balance sheet and the cash flow statements and the same are reported accordingly.

2. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 253459 Lakh (Previous year ₹ 289750 Lakh and as at 01.04.2015 ₹ 336836 Lakh).

3. CONTINGENT LIABILITIES -

(₹ Lakh)

	2016-17	2015-16	01.04.2015
(i) Claims against the Company, not Acknowledged as debts: Arbitration /Court cases			
Principal			
Govt./CPSE	49925	28701	2421
Others	101587	103551	104423
(A)	151512	132252	106844
Interest			
Govt./CPSE	10365	11990	218
Others	161304	147716	96070
(B)	171669	159706	96288
Grand Total:	(A+B) 323181	291958	203132
(a) Bank Guarantee Given by company	25470	371	371
(b) Decreed against the Company in different Arbitration/ Labour court /District Court Cases and deposited by the Company but disputed in appeals.	351	351	351
(ii) Disputed Income Tax, Trade Tax, Commercial Tax, Entry tax etc includes ₹ 173 Lakh (Previous Year ₹ 323 Lakh and as at 01.04.15 ₹ 173 Lakh) deposited by Company but disputed in appeal	639	572	186
(iii) Others - (Contractors claims etc.)	115	411	232

4. Company has been receiving FDRs/ CDRs with right to present before bank / financial institutions for claiming face value only against EMD/ SD. The company has FDRs/ CDRs amounting to ₹ 141 Lakh and ₹ 1033 Lakh. (Previous Year ₹ 69 Lakh and ₹ 1184 and as at 01.04.2015 ₹ 36 Lakh and ₹ 1203) towards EMD and security deposit respectively besides this deposits money from contractors amounting to ₹ 6386 Lakh (Previous Year ₹ 4607 Lakh and as at 01.04.2015 ₹ 4177 Lakh) as disclosed in Note 17 & Note 23. The same have been fair valued on the basis of effective interest rate and accounted well.

5. The amount of borrowing cost capitalized during the year is ₹ 13498 Lakh (P.Y. ₹ 12116 Lakh) after adjustment of an amount of ₹ 10 Lakh (P.Y. ₹ 4 Lakh) towards interest earned on short term deposit of surplus borrowed funds during the year.
6. (i) Pursuant to the Government of India, MOE&F, New Delhi's order no.F.No.8-3/89-FC dated 17/23rd Oct., 2002- the Government of Uttarakhand vide its office order no. GI-186/7-1-2002-300(459)/88 dated 30 Oct., 2002 has issued order for diversion of 338.932 hectare Civil Soyam and Forest land at Koteshwar. 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.
- (ii) Initially land was acquired by the then UP Irrigation Dept. and land records were in the name of Tehri Dam. Subsequent to formation of the Tehri Hydro Development Corporation of India Ltd, land was acquired in the name of the company. Consequent upon change in the name of the company as THDC India Ltd, process of converting all the land records in the present name of the company is under process. Out of total land of 2547.83 Hac. (P.Y. 2497.53 Hac.) acquired by the company, title has been changed in the present name of the company for 1937.30 Hac. Change of title for the balance land of 610.35 Hac is under process.
- (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, Gol 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.
7. 27 Flats (Previous Year 28 Flats, and as at 01.04.2015 30 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.
8. a. THDCIL has executed loan agreement with SBI led consortium to avail long term loan of ₹1,50,000 Lakh for funding its ongoing Tehri PSP. The project was scheduled for commissioning by February 2016. Completion of the project has been rescheduled and efforts made to expedite completion at the earliest possible time. As per terms of the original loan agreement entire loan amount was scheduled to be drawn by February 2016 and repayment was scheduled to commence from August 2016. As the entire sanctioned amount has not been drawn and commissioning period has also been rescheduled, THDCIL has requested to the lending institutions seeking formal confirmation for extending the disbursement period upto February 2018 and accordingly repayment schedule. Considering request

of THDCIL funds have also been released by the lender. Pending receipt of formal communication entire loan drawl amount has been recognized as long term borrowings as no repayment has become due.

- b. The financial agreement as executed with the World Bank to avail US\$ 648 Million for funding ongoing VPHEP (Vishnugad Pipalkoti Hydro Electric Project) bears loan disbursement schedule as 2012 to 2017. Till date THDCIL has withdrawn US\$ 92.6 Million as on 31st March 2017. Due to slow progress of the project the disbursement schedule needs to be extended upto 2020 (i.e 2012 to 2020).

The said agreement bears repayment by way of 46 half yearly equated installment, first installment being payable from November 2017. Consequent upon extension of disbursement schedule, deferment of repayment till Nov 2020 is required.

THDCIL has requested to the World Bank for extending the disbursement schedule and deferment of the repayment schedule as stated above. The matter was also appraised during visit of the World Bank team to the project. Pending receipt of formal communication, entire loan drawl amount has been considered as long term borrowings.

- c. Company has raised Corporate Bonds on private placement basis of ₹ 60000 Lakh. The unspent amount of ₹ 25037 Lakh have been set aside in a separate bank account.

9. Related Parties Disclosures :

'Related Party Disclosures' as required by Ind AS-24 is given as under:

a) List of Related Parties:

i) Key Managerial Personnel:

1. Shri R. S. T. Sai*	Chairman & Managing Director
2. Shri D. V. Singh**	Chairman & Managing Director
3. Shri D. V. Singh*	Director (Technical)
3. Shri S. K. Biswas	Director (Personnel)
4. Shri. Sridhar Patra	Director (Finance)
5. Shri S.Q.Ahmed	Company Secretary
6. Ms. Rashmi Sharma#	Company Secretary

ii) Others

(*) up to 30.11.2016

(**) w.e.f.01.12.2016

(#) w.e.f. 27.04.2017

SEWA-THDC, a Company Sponsored Non Profit making Society, registered under Societies Act 1860, to undertake THDCIL's CSR obligation U/s 135 of Companies Act 2013.

- b) Summary of transactions with related parties (other than for contractual obligations) – ₹ 1528 Lakh disbursed to SEWA-THDC for CSR activities
- c) Remuneration and allowances, other benefits and expenses to key managerial personnel including Independent director's fees & expenses are ₹ 246 Lakh (PY ₹ 273 Lakh).
- 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:

Net profit after tax used as numerator (₹ In Lakh)	₹ 71123	₹ 81701
Weighted average no. of equity shares used as denominator	Basic : 35767611.74 Diluted : 35767611.74	Basic : 35442531.17 Diluted: 35442531.17
Earning per share ₹ Basic Diluted	₹ 198.85 ₹ 198.85	₹ 230.52 ₹ 230.52
Face Value per share ₹	₹ 1000	₹ 1000

11. In compliance to the Ind AS 12 “Income Taxes” issued by the Institute of Chartered Accountants of India, The net increase in the deferred tax assets of ₹ 8286 Lakh (Previous Year ₹ 16860 Lakh and as at 01.04.2015 ₹ 13686 Lakh) has been booked to Statement of Profit & Loss. 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 Lakh)

S. No		31.03.2017	31.03.2016	01.04.2015
Deferred Tax Assets (A)				
i)	Difference of Book Depreciation and Tax Depreciation	51988	44693	37216
ii)	Opening Ind As adjustment	487	487	
iii)	Act.Gain/loss classified to OCI	143		
iv)	Advance against Depreciation to be considered as income in tax computation	6837	6837	6837
v)	Provision for Doubtful Debts & Stores	12453	13064	4460
vi)	Provision for employee benefit schemes	8321	6862	6570
Total Deferred Tax Assets (A)		80229	71943	55083
Deferred Tax Liability (B)				
i)	Difference of Book Depreciation and Tax Depreciation	3572	3572	3572
ii)	Advance against Depreciation to be considered as income in tax computation	-472	-472	-472
iii)	Provision for Doubtful Debts & Stores	-1	-1	-1
iv)	Provision for employee benefit schemes	-124	-124	-124
Total Deferred Tax Liability(B)		2975	2975	2975
Net Deferred Tax (Liability)/Assets(A)-(B)		77254	68968	52108

12. (i) Disclosure related to Corporate Social Responsibility (CSR)

a. The breakup of CSR expenditure incurred through SEWA-THDC, a Company Sponsored Non Profit making Society, registered under Societies Act 1860, to undertake THDCIL's CSR obligation U/s 135 of Companies Act 2013.

SI.No.	Heads of Expenses constituting CSR expenses	₹ in Lakh
01	Sanitation, Health Care & Drinking Water	166
02	Education & Skill Development	633
03	Social Welfare	15
04	Forest & Environment, animal welfare etc.	153
05	Art & Culture, Public libraries	31
06	Rural Development Projects	495
07	Others	42
	Total	1535

**Expenditure incurred by SEWA out of THDCIL's contribution of ₹ 1528 Lakh and interest income earned during the year amounting to ₹ 7 Lakh

b. The company has incurred an amount of ₹ 1528 Lakh (PY ₹ 1335 Lakh) towards CSR expenditure during the current financial year 2016-17 as against Rs.1528 Lakh (PY ₹ 1335 Lakh) calculated as per prescribed limit equivalent to 2% of average net profit of preceding three Financial years in terms of Section 135 of the Companies Act 2013.

c. (i) Details of expenditure during FY 2016-17 in cash and yet to be paid in cash by Company to SEWA-THDC along with the nature of expenditure (capital or revenue) is as under:

(₹ in Lakh)

	In cash	Yet to be paid	Total
(i) Const./Acquisition of any assets		0	
(ii) On purpose other than (i)	1528	0	1528

(ii) Disclosure related to Research & Development Expenditure

The Company has incurred an amount of ₹ 434 Lakh (PY ₹ 345 Lakh) towards Research & Development expenditure during the current financial year 2016-17 as per the R&D plan approved by the Board for the FY 2016-17.

13. Principal amount remaining unpaid to suppliers/service providers registered under MSMED Act 2006 ₹ 1 Lakh. (Previous Year ₹ 37 Lakh and as at 01.04.2015 ₹ Nil Lakh).

14. 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 ₹ 890 Lakh (P.Y. ₹ 879 Lakh) towards lease payment (net off recoveries)

15. i) Company has been paying Employer's Share of Provident Fund inclusive of Family Pension at fixed % as declared by EPFO from time to time under Defined Contribution Scheme. Based on actuarial valuation ₹. Nil (As the fair Value of Plan Assets exceeds the Present Value of Obligations by ₹ 208 Lakh (Previous Year ₹ 13 lakh Shortfall), there is no shortfall / deficiency warranting any extra provision) (P.Y. ₹ 13 Lakh.) has been provided in the books.

ii) Disclosure under the provisions of Ind AS-19 on “Employees Benefits”.

Provision for employee benefits has been made for the current period using the Actuarial Valuation done as at 31.03.2017. Accordingly, disclosure under the provision of Ind AS 19 on “Employee Benefits” for the Financial Year ended 31.03.2017 is given below:

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

Particular	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Mortality Table	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)	LIC (1994-96) Duly modified
Discount Rate	7.50%	7.75%	8.0%	8.50%	8.0%
Future Salary Increase	8.00%	8.00%	8.0%	6.50%	6.0%

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

₹ in Lakh

(Figures in Parenthesis Represent in Negative Balance)

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
PVO at Beginning of year	14638 {13741}	3714 {5875}	4598 {3692}	10330 {9382}	735 {632}
Interest cost	1134 {1099}	288 {470}	356 {295}	801 {751}	59 {53}
Service cost	1941 {703}	307 {216}	168 {135}	573 {492}	47 {43}
Benefit paid	(574) {(701)}	(579) {(3683)}	(127) {(141)}	176 {293}	(48) {(58)}
Actuarial (Gain)/loss	(137) {205}	1668 {835}	643 {616}	861 {(1)}	12 {64}
PVO at end of year	17003 {14638}	5398 {3714}	5639 {4598}	12388 {10330}	805 {735}

Table – 3: Amount Recognised in Balance Sheet

₹ in Lakh

(Figures in Parenthesis Represent in Negative Balance)

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
PVO at end of year	17003 {14638}	5398 {3714}	5639 {4598}	12388 {10330}	862 {805}
Fair Value of Plan Assets at the end of year					
UNfunded Laib./Prov	17003 {14638}	5398 {3714}	5639 {4598}	12388 {10330}	862 {805}
Unrecognised actuarial gain/loss					
Net liability recognized in Balance Sheet	(17003 {14638}	5398 {3714}	5639 {4598}	12388 {10330}	862 {805}

Table – 4: Amount recognized Statement of Profit & Loss , OCI & EDC .

₹ in Lakh

(Figures in Parenthesis Represent in Negative Balance)

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	Baggage allowance/ Retirement award/FBS
Service Cost	1941 {703}	307 {216}	168 {135}	573 {492}	50 {47}
Interest Cost	1134 {1099}	288 {470}	356 {295}	801 {751}	62 {59}
Net Actuarial (gain)/loss recognized for the year in OCI	(137) {205}	1668 {835}	643 {616}	861 {(1)}	38 {12}
Expense recognized Statement in Profit & Loss/EDC for the year.	3076 {1802}	2263 {1521}	1168 {1047}	2234 {1242}	217 {153}

Other disclosure:

Gratuity	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	17003	14638	13741	11049	9611
Actuarial (Gain)/loss			2266	593	598
Actuarial (Gain)/loss recognized through Statement of OCI	(137)	(205)			
Expense recognized in Statement of Profit & Loss/EDC for the year	3076	1597	3880	1917	1765

PRMB	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	5639	4598	3692	2326	2027
Actuarial (Gain)/loss	643	616	1118	118	89
Actuarial (Gain)/loss recognized through Statement of OCI	643	616	-	-	-
Expense recognized in Statement of Profit & Loss/EDC for the year	525	1047	1433	357	300

LEAVE	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	5398	3714	5875	4909	4266
Actuarial (Gain)/loss	1668	835	2131	938	740
Expense recognized in Statement of Profit & Loss/EDC for the year	2263	1521	2876	1562	1308

SICK LEAVE	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	12388	10330	9382	4664	4594
Actuarial (Gain)/loss	861	(1)	4288	(467)	176
Expense recognized in Statement of Profit & Loss/EDC for the year	2234	1242	5147	146	736

Baggage Allowance / Retirement Award/FBS	31.03.2017	31.03.2016	31.03.2015	31.03.2014	31.03.2013
Present value of obligation at end of the year	862	805	735	632	654
Actuarial (Gain)/loss	38	12	64	(86)	125
Actuarial (Gain)/loss recognized through Statement of OCI	38	12			
Expense recognized in Statement of Profit & Loss/EDC for the year	112	149	118	5	211

16. Payment to Auditors (including service tax)

(₹ in lakh)

		2016-17	2015-16
I.	Statutory Audit Fees	10*	10 *
II.	For Taxation matter (Tax Audit)	2	2
III.	For Company Law matter	-	-
IV.	For Management services	-	-
V.	For other Services(Certification)	1	6
VI.	For Reimbursement of expenditure	2	2

*Subject to approval in Annual General Meeting.

17. Additional information required as per Schedule III of the Companies Act 2013 is as under

(₹ in lakh)

	PARTICULARS	2016-17	2015-16
A	Expenditure in Foreign Currency (on cash basis)		
	Travelling	14	27
	Consultancy & Professional Expenditures	293	249
	Management/Commitment fee	125	308
	Repayment of loan & Interest		0
	Import of goods	12517	8781
	Others (Advance)		0
	Nomination for Conference		
	Purchase of Software		
	Others		3746
	TOTAL	12949	13111
B	Earnings in Foreign Currency (on cash Basis)	0	0
C	Value of Imports calculated on CIF basis		
	i) Capital Goods	13087	8809
	ii) Spare parts		
	Total	13087	8809
D	Value of Components, Stores & Spare parts Consumed		
	i) Imported (in lacs Rupees)	68	51
	(%)	14	6
	ii) Indigenous (in lacs Rupees)	444	749
	(%)	86	94
E	Value of Export	0	0

18. Licensed and Installed Capacities:

SI. No	Particulars	2016-2017	2015-2016
(i)	Licensed Capacity (M.W)	Not Applicable**	Not Applicable**
(ii)	Installed Capacity (M.W)	1513 MW	1400 MW
(iii)	Approved Capacity(M.W)- Based on investment approval by CCEA	2981 MW	2868 MW
(iv)	Quantitative information in respect of Generation and sale of Electricity (In Million Units)		
	Commercial Productions		
	Generation Total	4430.000424	4348.29007
	Sales (net of free power to home state, auxiliary consumption and transformation losses)	3890.65028	3812.82617

** 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.

19. Reconciliation of Cash & Cash Equivalents between Cash Flow Statement and Balance Sheet is as under:

(₹ in lakh)

Particulars	Note No.	31.03.2017	31.03.2016
Cash And Cash Equivalents	9	6707	7558
Bank Balances under Lien	10	25037	37
Over Draft Balance	21	-38724	-3677
Cash & Cash Equivalent as per Cash Flow Statement		-6980	3918

20. During the year, the company had specified bank notes or other denomination note as defined in the MCA notification GSR 308(E) dated March 30, 2017 on the details of Specified Bank Note (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

(₹)

	SBNs (₹)	Other denomination notes (₹)	Total (₹)
Closing cash in hand as on 08.11.2016	296500.00	117475.00	413975.00
(+) Permitted receipts	0.00	522421.00	522421.00
(-) Permitted payments	500.00	264203.00	264703.00
(-) Amount deposited in Banks	296000.00	84407.00	380407.00
Closing cash in hand as on 30.12.2016	0.00	291286.00	291286.00

Explanation: For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8th November, 2016."

21. 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

(Rashmi Sharma)
 Company Secretary
 Membership No. 026692

(Sridhar Patra)
 Director (Finance)
 DIN: 06500954

(D. V. Singh)
 Chairman & Managing Director
 DIN: 03107819

As per our Report of Even Date Attached
 For **P.D. AGRAWAL & CO.**
 Chartered Accountants
 FRN 001049C of ICAI

(ASHISH KUMAR AGARWAL)
 Partner
 Membership No. :- 077178

Date : 31.08.2017

Place: Rishikesh

INDEPENDENT AUDITOR'S REPORT

To,
The Members of
THDC INDIA LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of THDC India Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, cash flows including Other Comprehensive Income and Changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act, read with relevant rules issued there under.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit of the Ind AS Financial Statements in accordance with the Standards on Auditing specified under section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give true and fair view 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 Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS 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 including the Ind AS:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2017;
- b) in the case of the Statement of Profit and Loss including Other Comprehensive Income, of the profit for the year ended on that date;
- c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.
- d) in the case of Statement of Changes in Equity, Changes in Equity for the year ended on that date

Emphasis of Matter

We draw attention to the following matters in the Notes to the Ind As financial statements:

- a) Accounting Policy No.13.1 on Revenue Recognition and Other Income read with Note No. 27.1 of Ind AS Financial Statement in respect of accounting on sales. Sales has been recognized based on provisionally approved tariff for 2014-19 period.
- b) Para 3 of Notes No. 37 of the Ind AS Financial Statement regarding contingent liability which describes the uncertainty related to outcome of the claims/arbitration proceedings and cases filed in courts by/against the company on/by contractors and others.
- c) Confirmation of Outstanding balances as on 31.03.2017 have been received by us through THDC India Ltd. to the extent of 90% of balances.

Our opinion is not modified in respect of these matters.

Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in term of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "**Annexure A**" a statement on the matters specified in the paragraphs 3 and 4 of the Order, to the extent applicable.
2. The Comptroller & Auditor-General of India has issued directions indicating the areas to be examined in terms of sub-section (5) of section 143 of the Companies Act 2013, the compliance of which is set out in "**Annexure B**".
3. As required by section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive Income), Statement of Cash Flows and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e) In terms of Notification No. G.S.R. 463E dated 05th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of Section 164 (2) of the Act regarding disqualification of directors, are not

applicable to the Company.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure C”; and
- g) With respect to the other matters included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us
- i. The Company has disclosed the probable impact of pending litigations on in its financial statements – Refer Note 37.3 to the Ind AS Financial Statements.
- ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The company has provided requisite disclosures in the Ind AS financial statements as to holding as well as dealings in Specified Bank Notes during the period from 8th November 2016 to 30th December 2016, on the basis of information available with the company. Based on audit procedures and relying on management’s representations , we report that disclosures are in accordance with books of accounts maintained by the company and as produced to us by the management. Refer Note No. 37.20.

For P.D. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001049C

(Ashish Kumar Agarwal)
M. No.: 077178

Place: Rishikesh
Dated: 31.08.2017

FORMING PART OF THE AUDITORS' REPORT OF THDC INDIA LTD

(Annexure-A referred to in paragraph I under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

We report that:-

- i. (a) The Company has maintained records of Property, Plant and Equipments showing full particulars including quantitative details and situation of Property, Plant and Equipments. The records for movement of the assets have been properly maintained.
- (b) The Property, Plant and Equipments have been physically verified by Independent Firms of Chartered Accountants during the year and no material discrepancies were noticed during Physical Verification of Property, Plant and Equipments. In our opinion, frequency of verification is reasonable having regard to the size of the Company and the nature of its business.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, Freehold land and Lease hold land acquired prior to change in name of company as THDC India Ltd. are either in the name of Tehri Dam Project or Tehri Hydro Development Corporation. Action has been initiated for changing old name to new name in title deeds w.r.t. Freehold land measuring 610.35 Hac. and Leasehold land 1.875 Hac. as disclosed vide note no.37.6 (ii) & (i)
- ii. Physical Verification of Inventory has been conducted by Independent Firms of Chartered Accountants. In our opinion frequency of physical verification is reasonable. No material discrepancies were noticed during physical verification of Inventories.
- iii. The company has not granted any loans, secured or unsecured to Companies, Firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause (iii) (a), (b) and (c) of paragraph 3 of the Order is not applicable.
- iv. In our opinion and according to information and explanation given to us the company has in respect of loans, investments, guarantees, and security, complied with the provision of section 185 and 186 of the Companies Act, 2013.
- v. Since the Company has not accepted any deposits from the public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 of Companies Act 2013, and rules framed there under, does not arise.
- vi. The Central Government has prescribed maintenance of Cost Records under Section 148(1) of the Companies Act, 2013. The company is maintaining the required Cost Records. Cost Audit for the F.Y. 2016-17 is under process.
- vii. (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, Service Tax, other statutory dues applicable to the company and that there are no undisputed statutory dues were outstanding as at March 31, 2017 for a period of more than six months from the date of becoming payable. As informed,

the provisions of the Employees State Insurance Act are not applicable to the Company.

(b) According to the information and explanation given to us, following disputed service tax dues have not been deposited.

Financial Year	Amount (₹ in Lacs)	Nature of Dues	Present Status
2012-13 to 2014-15	14.86	Service Tax	THDCIL has filed appeal against the demand to Tribunal.

- viii. On the basis of audit procedures adopted by us and according to the records and as per the information and explanation given to us by the management, the company has not defaulted in repayment of loans and borrowings to any financial institution, bank.
- ix. In our opinion and as per the information and explanation given to us by the management, the Company has applied the money raised during the year by way of term loans including funds raised through bonds for the purposes for which they were raised.
- x. 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 by the company or on the company by its officers or employees, nor any such cases have been noticed or reported by the management during the year.
- xi. In view of exemption given vide in terms of notification No. G.S.R. 463(E) dated 5th June, 2015 issued by the Ministry of Corporate Affairs, the provisions of section 197 read with schedule V of the Act regarding managerial remuneration, are not applicable to the company.
- xii. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion and as per the information and explanation given to us, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details of such transactions have been disclosed in the Notes to the Ind AS Financial Statements as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provisions of clause 3 (xiv) of the Order are not applicable to the Company.
- xv. In our opinion and as per the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with them. Therefore, the provisions of clause 3 (xv) of the Order are not applicable to the Company.
- xvi. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company.

For P.D. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001049C

Place : Rishikesh
Dated : 31.08.2017

(Ashish Kumar Agarwal)
M. No.: 077178

"ANNEXURE-B"

FORMING PART OF THE AUDITORS' REPORT OF THDC INDIA LTD

(Annexure-B referred to in paragraph 2 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

Sl.	Directions	Auditor's comments	Action taken by management	Impact on Financial Statements
1	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not, please state the area of freehold and leasehold land for which title/lease deeds are not available.	Freehold land and Lease hold land acquired prior to change in name of company as THDC India Ltd. are either in the name of Tehri Dam Project or Tehri Hydro Development Corporation. Action has been initiated for changing old name to new name in title deeds w.r.t. Freehold land measuring 610.35 Hac. and Leasehold land 1.875 Hac. as disclosed vide note no.37.6 (ii) & (i)	Matter has been taken up with revenue authorities for change of old name to new name.	Nil
2	Whether there are any cases of waiver/write off of debts/loans/interest etc. If yes, the reasons thereof and amount involved.	According to the information and explanations given to us, there are no cases of waiver/write off of debts /loans/interest etc.	N.A.	Nil
3	Whether proper records are maintained for inventories lying with third parties and assets received as gift/grant(s) from the Government or other authorities.	As per information and explanations given to us, the company is maintaining proper records for inventories lying with third parties. As informed, the company has not received any assets as gift/grant(s) from government or other authorities.	Proper records are maintained.	Nil

For P.D. Agrawal & Co.

Chartered Accountants

Firm Reg. No. 001049C

(Ashish Kumar Agarwal)

M. No.: 077178

Place: Rishikesh

Dated: 31.08.2017

FORMING PART OF THE AUDITORS' REPORT OF THDC INDIA LTD

(Annexure-C referred to in paragraph 3(f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date)

Report on the Internal Financial Controls under Clause(i) of sub section 3 of Section 143 of the Companies Act, 2013("the Act")

We have audited the internal financial controls over financial reporting of **THDC INDIA LTD. ("the Company")** as of 31st March, 2017 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Reporting issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the

Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on financial statements.

Inherent Limitations of Internal Controls over Financial Reporting

Because of the inherent limitations financial controls over financial reporting including the possibility of collusion or improper management

override of controls material misstatements due to error or fraud may occur and not to be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the company has in all material respects an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Reporting issued by the ICAI.

For P.D. Agrawal & Co.
Chartered Accountants
Firm Reg. No. 001049C

(Ashish Kumar Agarwal)
M. No.: 077178

Place: Rishikesh
Dated: 31.08.2017

No. MAB-III/Rep/01-98/A/cs-THDC/2017-18/Vol.-III/784

भारतीय लेखापरीक्षा और लेखा 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: 13/09/2017

सेवा में,

अध्यक्ष एवं प्रबंध निदेशक,
टीएचडीसी इंडिया लिमिटेड,
ऋषिकेश।

विषय: 31 मार्च 2017 को समाप्त वर्ष के लिए टीएचडीसी इंडिया लिमिटेड, ऋषिकेश के वार्षिक लेखाओं पर कंपनी अधिनियम 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक-महालेखा परीक्षक की टिप्पणियाँ।

महोदय,

मैं टीएचडीसी इंडिया लिमिटेड, ऋषिकेश के 31 मार्च 2017 को समाप्त वर्ष के लेखाओं पर कंपनी अधिनियम, 2013 की धारा 143(6)(b) के अंतर्गत भारत के नियंत्रक-महालेखापरीक्षक की टिप्पणियाँ अग्रेषित कर रही हूँ। कृपया इस पत्र की संलग्नकों सहित प्राप्ति की पावती भेजी जाए।

संलग्न : यथोपरि

भवदीया,
ह. / -
(रितिका भाटिया)
प्रधान निदेशक

छठा एवं सातवाँ तल, सी.ए.जी., भवन एनेक्सी, 10, बहादुरशाह ज़फर मार्ग, नई दिल्ली-110002
6th & 7th Floor, C.A.G. Building, Annexe, 10, Bahadurshah Zafar Marg, New Delhi -110 002
Tel.: 011-23239213, 23239235, Fax: 011-23239211; E-mail: mabnewdelhi3@cag.gov.in

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6)(b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF THDC INDIA LIMITED FOR THE YEAR ENDED 31 MARCH 2017

The preparation of financial statements of THDC India Limited for the year ended 31 March 2017 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 (Act) is the responsibility of the management of the Company. The statutory auditor appointed by the Comptroller and Auditor General of India under Section 139(5) of the Act is responsible for expressing opinion on the financial statements under Section 143 of the Act based on independent audit in accordance with the standards on auditing prescribed under Section 143(10) of the Act. This is stated to have been done by them vide their Audit Report dated 31 August, 2017.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under Section 143 (6) (a) of the Act of the financial statements of THDC India Limited for the year ended 31 March 2017. This supplementary audit has been carried out independently without access to the working papers of the statutory auditor and is limited primarily to inquiries of the statutory auditor 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.

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

Sd/-
(Ritika Bhatia)
Principal Director of Commercial Audit
& Ex-officio Member, Audit Board-III,
New Delhi

Place : New Delhi

Dated : 13 September, 2017

Notes

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Notes

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टिहरी डैम झील में वाटर स्पोर्ट्स का विहंगम दृश्य
A panoramic view of Water Sports in Terhri Dam Lake



टीएचडीसी इंडिया लिमिटेड THDC INDIA LIMITED

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

CIN : U45203UR1988GOI009822

Corporate Office: Ganga Bhawan, Pragatipuram, Bye-Pass Road, Rishikesh - 249201