



Significant Accounting Policies 2009-2010

1. General

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

2. Use of Estimates

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

3. Grants-In-Aid

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

4. Fixed Assets.

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

buildings and infrastructural facilities of the Company. Cost of land acquired through SLAO is capitalized on the basis of compensation paid through SLAO or directly by the Company. Expenditure on rehabilitation of the oustees of such land is not considered in arriving at the cost. Leasehold land is capitalized on the basis of lease amount paid.

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

5. Capital Work-in-Progress.

- i. Cost incurred towards lease amount and rent on lease hold land and compensation for land and properties etc. used for submergence and other purposes (such as re-settlement of oustees, construction of new Township, afforestation, expenses on maintenance and other facilities in the resettlement colonies until takeover of the same by the local authorities etc) and where construction of such alternative facilities is a specific pre condition for the acquisition of the land for the purpose of the project, is carried forward in the Capital Work in Progress of Rehabilitation. On the commercial operation of the project the same shall be capitalized as Land-unclassified.
- ii. Deposit works are accounted for on the basis of statements of account received from the Agencies concerned.
- iii. In respect of supply-cum-erection contracts, the value of supplies received at site is treated as Capital-Work-in-Progress.
- iv. Claims for price variation in case of contracts are accounted for on acceptance.
- v. Administration and General overhead expenses of Corporate office /Service centers attributable to Construction of Fixed assets are identified and allocated on a systematic basis to Construction projects.
Expenditure during Construction (net) including



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

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

6. Borrowing Costs.

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

7. Foreign Currency Transactions

- i. Transactions dealt with in foreign currency are recorded at the rates at which transacted.
- ii. At the balance sheet date, foreign currency monetary items are reported using the closing rate. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling at the date of transaction.
- iii. Exchange differences in respect of loans / deposits / liabilities relating to fixed assets/ capital work-in-progress arising out of transaction entered into prior to 01/04/2004 is adjusted to the carrying cost of respective fixed asset/capital work-in-progress. However, Exchange differences arising out of transaction contracted on or after 01/04/2004 shall be accounted for in accordance with AS-11 (Revised 2003) 'The Effects of Changes in Foreign Exchange Rates'.
- iv. Other exchange differences are recognized as income & expenses in the period in which they arise.

8. Depreciation

- i. Depreciation is charged on straight-line method following the rates notified by the Central Electricity Regulatory Commission (CERC) for

the purpose of fixation of tariff. In respect of assets, where rate has not been notified by CERC, depreciation is provided on straight line method as per rates prescribed under the Companies Act, 1956.

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

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

9. Stores & Spares.

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

10. Income & Expenditure

Income Recognition.

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

Expenditure

- vii. Cost of stores and spares used on repairs and maintenance are charged to the Repairs and Maintenance Account.
- viii. Prepaid expenses and prior period expenses / income of items of ₹ 10,000/- or below in each case, are charged off to the natural heads of accounts.
- ix. Net income/expenditure prior to Commercial operation is adjusted directly in the cost of related assets and systems.



- x. Preliminary expenses on account of new projects incurred prior to approval of feasibility report are charged to revenue.
- xi. A specified percentage of Net Profit Before Tax of previous year is set aside for creation of non-lapsable fund for incurring expenditure towards Corporate Social Responsibility. The unspent amount is carried forward.

11. Employees' Benefits.

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

12. Miscellaneous Expenditure

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

13. Taxes on income

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

Deferred tax is recognized on timing differences between the accounting income and taxable income for the year and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date. Deferred tax assets are recognized and carried forward to the extent there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred Tax Recovery Adjustment Account is credited/debited to the extent tax expense is chargeable from the Beneficiaries in future years on actual payment basis.

14. Cash Flow Statement.

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



*Statement
of Accounts
2009-2010*

THDC India Limited
(Formerly Known as Tehri Hydro Development Corporation Ltd.)
Balance Sheet as at 31 March 2010

Particulars	Schedule No	Amount In Thousands			
		As at 31-Mar-2010		As at 31-Mar-2009	
		₹	₹	₹	₹
SOURCES OF FUNDS					
SHARE HOLDERS FUNDS	1				
a) Share Capital		3,29,75,817		3,29,75,817	
b) Share Capital Contribution					
Pending Allotment		0	3,29,75,817	0	3,29,75,817
RESERVE & SURPLUS	2		2,15,29,823		1,86,80,982
DEFERRED REVENUE					
-ON ACCOUNT OF ADVANCE					
AGAINST DEPRECIATION	3		28,33,089		24,41,592
LOAN FUNDS	4				
Secured Loans		4,52,60,173		4,23,00,072	
Unsecured Loans		8,17,326	4,60,77,499	11,42,298	4,34,42,370
TOTAL			10,34,16,228		9,75,40,761
APPLICATION OF FUNDS					
FIXED CAPITAL EXPENDITURE					
FIXED ASSETS	5				
Gross Block		8,52,27,799		8,44,58,659	
Less: Depreciation		97,70,864		54,97,339	
Net Block			7,54,56,935		7,89,61,320
CAPITAL WORK IN PROGRESS	6		2,05,33,633		1,47,00,960
CONSTRUCTION STORES & CAPITAL ADVANCES	7		25,38,094		22,08,537
INVESTMENTS			0		0
DEFERRED TAX ASSET (NET)		13,81,563		6,31,296	
LESS:- REFUNDABLE		6,31,296	7,50,267	6,31,296	0
CURRENT ASSETS, LOANS & ADVANCES					
Inventories	8	1,70,206		1,51,765	
Sundry Debtors	9	75,76,681		37,44,181	
Cash and Bank Balances	10	2,30,870		5,88,117	
Other Current Assets	11	16,188		19,178	
Loans and Advances	12	12,99,989		12,54,304	
(A)		92,93,934		57,57,545	



Amount In Thousands

Particulars	Schedule No	As at 31-Mar-2010		As at 31-Mar-2009	
		₹	₹	₹	₹
LESS :CURRENT LIABILITIES & PROVISIONS					
Current Liabilities	13	14,80,365		16,55,689	
Provisions	14	36,79,870		24,36,738	
(B)		51,60,235		40,92,427	
NET CURRENT ASSETS (A-B)			41,33,699		16,65,118
MISCELLANEOUS EXPENDITURE (To the extent not written off or adjusted)	15		3,600		4,826
NOTES ON THE ACCOUNTS	25				
TOTAL			10,34,16,228		9,75,40,761

Schedules 1 to 25 and Statement of Significant Accounting Policies form an integral part of the accounts.

(S.Q.Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

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

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

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

Date : 13.08.2010
Place : New Delhi



Profit & Loss Account for the Year Ended 31 March, 2010

Amount In Thousands

Particulars	Schedule No	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
		₹	₹	₹	₹
INCOME					
Energy Sales	16		1,41,67,032		1,06,49,993
Other Income	17		72,034		44,293
TOTAL INCOME- A			1,42,39,066		1,06,94,286
EXPENDITURE					
Employee's Remuneration & Benefits	18		7,91,955		9,03,477
Generation, Administration & Other Expenses	19		8,63,752		6,58,658
Interest And Financing Charges	20		41,83,911		38,18,961
Depreciation			34,58,339		16,14,626
Provisions	21		22,107		674
TOTAL EXPENDITURE - B			93,20,064		69,96,396
PROFIT BEFORE TAX AND PRIOR PERIOD ADJUSTMENT A-B			49,19,002		36,97,890
LESS:- PRIOR PERIOD INCOME/ EXPENDITURE (NET)	22		12,393		25,359
NET PROFIT BEFORE TAXATION			49,06,609		36,72,531
PROVISION FOR TAXATION	23				
Income Tax		8,55,572		4,15,812	
Fringe Benefit Tax		0		3,266	
Wealth Tax		1,792	8,57,364	1,391	4,20,469
Deferred Tax Asset		(7,50,267)		(6,74,098)	
LESS: Refundable		0	(7,50,267)	(6,74,098)	0
PROFIT AFTER CURRENT YEAR'S TAX			47,99,512		32,52,062
Surplus Balance in Profit & Loss Account B/F			53,75,380		32,69,869
BALANCE AVAILABLE FOR APPROPRIATION			1,01,74,892		65,21,931



Amount In Thousands

Particulars	Schedule No	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
		₹	₹	₹	₹
DIVIDEND					
Interim Dividend		6,00,000		7,00,000	
Proposed Dividend		8,50,000	14,50,000	2,80,000	9,80,000
TAX ON DIVIDEND					
Dividend Distribution Tax-Interim		1,01,970		1,18,965	
Dividend Distribution Tax-Proposed		1,44,458	2,46,428	47,586	1,66,551
BALANCE CARRIED TO BALANCE SHEET			84,78,464		53,75,380
Expenditure During Construction:-	24				
Earning Per Share (Equity Share of Rs. 1000 each)					
Basic (Rs.)			145.55		98.98
Diluted (Rs.)			145.55		98.98

Schedules 1 to 25 and Statement of Significant Accounting Policies form an integral part of the accounts.

(S.Q.Ahmad)
Company Secretary

(C.P.Singh)
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Chairman & Managing Director

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

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

Date : 13.08.2010
Place : New Delhi

Schedules - Annexed to the Accounts

SCHEDULE - 1 SHARE CAPITAL

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Authorised Capital				
40000000 Equity Shares of Rs. 1000 /=- each		4,00,00,000		4,00,00,000
Issued, Subscribed & Paidup Capital				
32975817 [(Previous Year 32975817)Fully Paid up Equity Shares of Rs 1000/= Each. Out of the above shares 7078600 shares (Previous year 7078600) are allotted as fully paid for consideration other than cash.]		3,29,75,817		3,29,75,817
TOTAL		3,29,75,817		3,29,75,817

SCHEDULE - 2 RESERVE & SURPLUS

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
CAPITAL RESERVE				
Contribution Due From Government of Uttar Pradesh Towards Irrigation Sector	1,44,13,380		1,44,13,380	
LESS:- Contribution In Arrear	1,542		4,54,942	
Contribution Received	1,44,11,838		1,39,58,438	
LESS:- Adjustment Towards Depreciation	14,03,603	1,30,08,235	6,95,836	1,32,62,602
Other Capital Reserve				
PHRD Grant from World Bank (For VPHEP Projects)		43,124		43,000
Surplus In Profit & Loss Account				
Surplus Balance of Profit & Loss Account		84,78,464		53,75,380
TOTAL		2,15,29,823		1,86,80,982

SCHEDULE - 3 DEFERRED REVENUE-ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
As Per Last Balance Sheet	24,41,592		12,41,066	
Revenue Deferred During The Year	3,91,497		12,00,526	
LESS:- Revenue Recognised During The Year	0	28,33,089	0	24,41,592
TOTAL		28,33,089		24,41,592



Schedules - Annexed to the Accounts

**SCHEDULE - 4
LOAN FUNDS**

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Secured Loans*				
Long term Loans				
i) Loans From Financial Institutions	4,37,22,586		4,23,00,072	
Cash Credit With Bank	15,37,587		0	
Sub Total	4,52,60,173		4,23,00,072	
Unsecured loans				
Foreign Currency Loans: (Guaranteed By Govt. Of India)				
Term Loans From Financial Institution- KFW, Germany @	8,17,326		11,42,298	
Sub Total	8,17,326		11,42,298	
Grand Total	4,60,77,499		4,34,42,370	
Loans Due For Repayment Within Next One Year	38,77,640		36,04,667	

* Secured Loans includes the following:-

- Rs. 3198.38 Crore Secured by first Charge on Pari Passu basis on Assets of Tehri Stage-I i.e. Dam, Power House civil construction, Power house Electrical & Mechanical equipments not covered under other borrowings and project Township of Tehri Dam and HPP together with all rights on loan and interest appertaining there on.
- Rs. 1113.88 Crore for Koteshwar Project is secured by first charge on assets of Koteshwar HEP.
- Rs. 60.00 Crore on which the first charge on pari passu basis on assets of Tehri Stage-I shall be created and registered with ROC in favour of REC on receipt of NOC from PFC.
- Cash Credit With Bank is secured by 2nd charge on Block of Assets of the Company.
@ Unsecured Loans :-
With negative lien on the equipments financed under the respective loan ranking pari-passu.

Schedules - Annexed to the Accounts

**SCHEDULE - 5
FIXED ASSETS**

Particulars	Gross Block				Depreciation				Net Block	
	As at 01-Apr-2009	Additions During 01-Apr-2009 to 31-Mar-2010	Sales/Adjustment 01-Apr-2009 to 31-Mar-2010	As at 31-Mar-2010	As at 01-Apr-2009	For the Period from 01-Apr-2009 to 31-Mar-2010	Adjustment 01-Apr-2009 to 31-Mar-2010	As at 31-Mar-2010	As at 31-Mar-2010	As at 31-Mar-2009
1. Land Free Hold	1,84,916	3,749	-	1,88,665	-	-	-	1,88,665	1,84,916	1,84,916
2. Land Lease Hold	21,800	4,519	-	26,319	1,913	876	-	23,530	19,887	19,887
3. Land Unclassified	1,27,85,538	3,49,129	(2,395)	1,31,32,272	8,47,532	4,31,314	-	1,27,00,958	1,19,38,006	1,19,38,006
4. Buildings	8,46,871	2,67,353	(384)	11,13,840	95,843	36,089	468	1,32,400	9,81,440	7,51,028
5. Building Temp. Structures	10,381	30,008	-	40,389	2,829	37,541	19	40,389	7,552	7,552
6. Road, Bridge & culverts	2,78,154	1,09,092	-	3,87,246	24,066	11,979	36	36,081	3,51,165	2,54,088
7. Drainage, Sewerage & Water Supply	1,35,664	1,800	-	1,37,464	24,219	6,296	-	30,515	1,06,949	1,11,445
8. Construction plant & Machinery	1,50,746	15,946	-	1,66,692	1,20,968	3,847	102	1,24,917	41,775	29,778
9. Generation Plant & Machinery	1,60,03,271	1,10,839	(3,01,185)	1,58,12,925	9,87,503	8,48,040	(17,518)	18,18,025	1,39,94,900	1,50,15,768
10. EDP Machines	82,383	2,486	(1,249)	83,620	42,470	9,288	(1,160)	50,578	33,042	39,913
11. Electrical Installations	52,350	22,521	-	74,871	12,953	3,223	-	16,176	58,695	39,397
12. Transmission Lines	1,02,880	32,518	-	1,35,398	18,863	7,610	925	27,398	1,08,000	84,017
13. Office & Other Equipment	2,05,138	45,987	(118)	2,51,007	57,607	15,453	(133)	72,927	1,78,080	1,47,531
14. Furniture & Fixtures	72,009	22,077	(347)	93,739	24,787	6,096	(314)	30,569	63,170	47,222
15. Vehicles	75,989	15,526	(3,170)	88,345	52,835	4,040	(2,718)	54,157	34,188	23,154
16. Railway Sidings	12,189	-	-	12,189	394	407	-	801	11,388	11,795
17. Intangible Assets - Software	18,972	1,161	-	20,133	7,295	3,272	-	10,567	9,566	11,677
18. Hydraulic Works - Dam & Spillways	4,00,85,561	12,201	(22,884)	4,00,74,878	17,88,121	21,15,513	(515)	39,03,119	3,61,71,759	13,82,97,440
19. Hydraulic Works - Tunnel, Penstock, Canals etc.	1,31,01,418	47,714	(14,736)	1,31,34,396	12,72,305	7,07,975	(222)	19,80,058	1,11,64,338	1,18,29,113
20. Unservisable / Obsolete Assets at net book value or net realisable value whichever is lower.	510	-	15,952	16,462	-	-	-	-	16,462	510
21. Capital Expenditure on Assets not owned by the company.	2,31,919	5,030	-	2,36,949	1,14,836	45,716	-	1,60,552	76,397	1,17,083
Total	8,44,58,659	10,99,656	(3,30,516)	8,52,27,799	54,97,339	42,94,555	(21,030)	97,70,864	7,54,56,935	7,89,61,320
Figures For Previous Year	8,14,78,633	29,93,938	(13,912)	8,44,58,659	34,45,905	20,23,872	27,562	54,97,339	7,89,61,320	7,80,32,728
Details of Depreciation					Current Year					
Depreciation transferred to EDC					1,28,449					
Depreciation transferred to P&L account					34,58,339					
Depreciation adjusted in Capital Reserve					7,07,767					
-Irrigation Contribution from GOUP					42,94,555					
								Previous Year		
								1,08,080		
								16,14,626		
								3,01,166		
								20,23,872		



Schedules - Annexed to the Accounts

SCHEDULE - 6

CAPITAL WORK IN PROGRESS

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Construction Work In Progress				
Building & Other Civil Works	3,84,514		2,30,112	
Roads, Bridges & Culverts	2,75,072		1,56,991	
Water Supply, Sewerage & Drainage	9,112		0	
Generation Plant And Machinery	49,44,564		32,58,375	
Hydraulic Works, Dam, Spillway, Water Channels, Weirs, Service Gate & Other Hydraulic Works	1,37,55,078		1,00,86,943	
Afforestation Catchment Area	80,025		80,025	
Electrical Installation & Sub-Station Equipments	30,898		28,889	
Intangible Assets-Software	0		405	
Capital Expenditure On Assets Not Owned By Company	23,853		27,691	
Others	8,381	1,95,11,497	0	1,38,69,431
Generation Plant And Machinery In Transit		70,916		1,16,938
Expenditure Pending Allocation				
Survey & Development Expenses	5,18,664		4,25,264	
Expenditure During Construction	24	17,691	5,36,355	17,790
Rehabilitation				
Rehabilitation Expenses (Net Of Recoveries Towards Token Cost And Rent)		4,14,865		2,71,537
TOTAL		2,05,33,633		1,47,00,960



Schedules - Annexed to the Accounts

SCHEDULE - 7

CONSTRUCTION STORES & CAPITAL ADVANCES

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Construction Stores(At Cost, As Certified By Management)				
Other civil and building material	6,725		9,758	
Others	39,008		37,129	
Material in Transit (Valued At Cost)	211		0	
Material Under inspection (Valued At Cost)	2,431		1,779	
	48,375		48,666	
Less: Provision For Stores And Spares	25,246	23,129	25,246	23,420
Capital Advances				
For Capital Expenditure				
Unsecured				
i) Against Bank Guarantee	1,46,339		2,22,678	
ii) Rehabilitation & Resettlement (Govt. of Uttarakhand / SLAO)	4,12,189		7,02,125	
iii) Others	16,61,827		11,01,047	
iv) Accrued Interest On Advances	2,94,610		1,59,267	
	25,14,965		21,85,117	
Less:- Provision For Bad & Doubtful Advances	0		0	
		25,14,965		21,85,117
TOTAL		25,38,094		22,08,537
Capital Advances				
Considered Good (Unsecured)		25,14,965		21,85,117
Considered Doubtful And Provided For		0		0
Total Capital Advances		25,14,965		21,85,117

SCHEDULE - 8

INVENTORIES

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
(At Cost, As Certified By Management)				
Other Civil And Building Material	21,932		18,807	
Others	1,59,205		1,28,658	
Material In Transit (Valued At Cost)	367		0	
Material Under Inspection (Valued At Cost)	4,157		4,300	
	1,85,661		1,51,765	
Less: Provision For Inventories	15,455	1,70,206	0	1,51,765
TOTAL		1,70,206		1,51,765



Schedules - Annexed to the Accounts

SCHEDULE - 9 SUNDRY DEBTORS

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Debts Outstanding Over Six Months				
Unsecured, Considered Good	22,91,402		22,23,566	
Considered Doubtful	0	22,91,402	0	22,23,566
Other Debts				
Unsecured, Considered Good	52,91,874		15,20,615	
Considered Doubtful	0	52,91,874	0	15,20,615
less:- Provision For Bad And Doubtful Debts		6,595		0
TOTAL		75,76,681		37,44,181

SCHEDULE - 10 CASH AND BANK BALANCES

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Cash And Bank Balances				
Cash, Cheques, Demand Draft & Stamps In hand		571		398
Balances With Scheduled Banks :-				
Current Account (Including Auto-Sweep, Flexi Deposits With Scheduled Banks)	2,30,299		5,87,719	
		2,30,299		5,87,719
TOTAL		2,30,870		5,88,117

SCHEDULE - 11 OUTER CURRENT ASSETS

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Other Current Assets				
Interest Accrued		60		2,582
Prepaid Expenses		16,128		16,596
TOTAL		16,188		19,178



Schedules - Annexed to the Accounts

SCHEDULE - 12 LOANS & ADVANCES

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Loans				
To Employees:				
Secured	2,57,077		2,67,320	
Un secured	27,068	2,84,145	28,629	2,95,949
Interest Accrued On Loans To Employees:				
Secured	1,50,161		1,22,423	
Un secured	18,788	1,68,949	30,726	1,53,149
Others		0		61
		4,53,094		4,49,159
Advances (Advances Recoverable In Cash or In Kind or For Value To Be Received)				
To Employees:				
Un secured	15,911		18,067	
For Purchases	16,009		35,412	
To Others:	7,41,421	7,73,341	6,80,342	7,33,821
Deposits				
Security Deposits	19,798		12,318	
Tax Deposited	4,950		16,431	
Deposits With Govt./ Court	50,177		47,794	
Other Deposits	114	75,039	1,282	77,825
SUB-TOTAL		13,01,474		12,60,805
LESS:- Provision For Bad & Doubtful Advances		1,485		6,501
TOTAL		12,99,989		12,54,304
Note :- Due From Directors [Maximum Amount Due During The Year ₹ 64932.00 (Previous Year ₹ 76992.00)]				
Principal		0		37
Interest		0		0
TOTAL		0		37
Note :- Due From Officers [Maximum Amount Due During The Year ₹ 915908.00 (Previous Year ₹ 963662.00)]				
Principal		324		400
Interest		516		488
TOTAL		840		888
Particulars Of Loans & Advances				
Considered Good				
Loans & Advances (Secured)	4,07,014		3,89,743	
Loans & Advances (Unsecured)	8,92,975	12,99,989	8,64,561	12,54,304
Considered Bad And Doubtful and Provided For		1,485		6,501
TOTAL		13,01,474		12,60,805



Schedules - Annexed to the Accounts

SCHEDULE - 13

CURRENT LIABILITIES

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Sundry Creditors				
For Capital Expenditure	4,14,714		4,69,041	
For Micro And Small Enterprises.	0		0	
For Others	1,16,941	5,31,655	1,26,450	5,95,491
Deposits, Retention Money From Contractor etc.		1,39,852		1,57,032
Interest Accrued But Not Due				
Financial Institutions	7,30,961		7,17,511	
		7,30,961		7,17,511
Other Liabilities		77,897		1,85,655
TOTAL		14,80,365		16,55,689

SCHEDULE - 14

PROVISIONS

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
I. Works				
Opening Balance	3,99,032		1,36,337	
Addition During The Year	3,26,484		7,12,416	
Used / Adjusted During The Year	(3,55,225)	3,70,291	(4,49,721)	3,99,032
II. Employee Related				
Opening Balance	16,68,374		9,17,507	
Addition During The Year	4,35,811		8,32,880	
Used / Adjusted During The Year	(1,10,501)	19,93,684	(82,013)	16,68,374
III. Proposed Dividend				
Opening Balance	2,80,000		40,000	
Addition During The Year	8,50,000		2,80,000	
Used / Adjusted During The Year	(2,80,000)	8,50,000	(40,000)	2,80,000
IV. Tax on Interim Dividend				
Opening Balance	0		1,58,903	
Addition During The Year	1,01,970		0	
Used / Adjusted During The Year	(1,01,970)	0	(1,58,903)	0
V. Tax on Proposed Dividend				
Opening Balance	47,586		6,798	
Addition During The Year	1,44,458		47,586	
Used / Adjusted During The Year	(47,586)	1,44,458	(6,798)	47,586
VI. Others				
Opening Balance	41,746		16,783	
Addition During The Year	3,68,919		46,103	
Used / Adjusted During The Year	(89,228)	3,21,437	(21,140)	41,746
TOTAL		36,79,870		24,36,738



Schedules - Annexed to the Accounts

SCHEDULE - 15

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

Amount In Thousands

Particulars	As at 31-Mar-2010		As at 31-Mar-2009	
	₹	₹	₹	₹
Deferred Revenue Expenditure	3,415		4,634	
Shortage Pending Investigation	185	3,600	192	4,826
TOTAL		3,600		4,826

SCHEDULE - 16

ENERGY SALES

Amount In Thousands

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	₹	₹	₹	₹
Energy Sales	1,43,29,193		1,11,34,939	
LESS:-				
Advance Against Depreciation- Deferred	3,91,497	1,39,37,696	12,00,526	99,34,413
Income Tax Recovery From Beneficiaries		0		4,17,894
FERV Recovery From Beneficiaries		47,550		61,453
U.I. / Congestion Charges		1,81,786		2,36,233
TOTAL		1,41,67,032		1,06,49,993

SCHEDULE - 17

OTHER INCOME

Amount In Thousands

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	₹	₹	₹	₹
Interest				
On Bank Deposits (Includes TDS ₹ 90495.00 Previous year ₹ 528455.00)	5,660		33,174	
From Employees	23,229		24,323	
Others	3,028	31,917	1,272	58,769
Machine Hire Charges		373		176
Rent Receipts		2,946		2,032
Sundry Receipts		16,729		12,393
Excess Provision Written Back		321		630
Profit On Sale Of Assets		36,278		4,533
Late Payment Surcharge		6,247		7,368
TOTAL		94,811		85,901
LESS:-				
Transferred To EDC Schedule		22,777		41,608
TOTAL		72,034		44,293



Schedules - Annexed to the Accounts

SCHEDULE - 18

EMPLOYEE'S REMUNERATION & BENEFITS

Amount In Thousands

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	₹	₹	₹	₹
Salaries, Wages, Allowances & Benefits		13,87,012		16,24,555
Contribution to Provident & Other Funds		1,68,500		1,19,629
Gratuity		1,50,978		2,24,583
Welfare		49,650		51,425
TOTAL		17,56,140		20,20,192
LESS:-				
Transferred To EDC Schedule		9,64,185		11,16,715
TOTAL		7,91,955		9,03,477

SCHEDULE - 19

GENERATION ADMINISTRATION & OTHER EXPENSES

Amount In Thousands

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	₹	₹	₹	₹
Rent, Rates & Taxes				
Rent for office	14,849		12,274	
Rent For Employee Residence	26,537		20,277	
Rates & Taxes	13,670	55,056	19,130	51,681
Power & Fuel		97,457		1,69,902
Insurance		39,039		45,476
Communication		16,701		15,287
Repair & Maintenance				
Plant & Machinery	83,672		1,02,658	
Buildings	85,941		55,918	
Others	1,35,030	3,04,643	1,34,403	2,92,979
Travelling & Conveyance		92,959		85,327
Vehicle Hire & Running		79,074		66,091
Security		1,23,718		1,19,453
Publicity & Public relation		30,913		25,915
Other General Expenses		1,69,623		1,54,483
Loss On Assets		1,27,245		813
Survey And Investigation Expenses		30,636		49,179
Deferred Revenue Expenditure Written Off		1,219		1,220
Expenditure On Corporate Social Activities		1,04,031		6,405
TOTAL		12,72,314		10,84,211
LESS:-				
Transferred To EDC Schedule		4,08,562		4,25,553
TOTAL		8,63,752		6,58,658



Schedules - Annexed to the Accounts

SCHEDULE - 20

INTEREST AND FINANCING CHARGES

Amount In Thousands

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	₹	₹	₹	₹
Interest On Loans		50,70,875		41,98,813
Rebate To Customers		1,14,701		1,35,680
TOTAL		51,85,576		43,34,493
LESS:-				
Transferred And Capitalised With CWIP Account		10,01,665		5,15,532
TOTAL		41,83,911		38,18,961

SCHEDULE - 21

PROVISIONS

Amount In Thousands

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	₹	₹	₹	₹
Provisions For Doubtful Debts, Loans & Advances		6,652		631
Provisions For Stores & Spares		15,455		56
TOTAL		22,107		687
LESS:-				
Transferred To EDC Schedule		0		13
TOTAL		22,107		674

SCHEDULE - 22

PRIOR PERIOD INCOME/EXPENDITURE (NET)

Amount In Thousands

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	₹	₹	₹	₹
INCOME				
Sales	0		10,225	
Other	2,945		0	
Misc. Receipt	0	2,945	71	10,296
EXPENDITURE				
Personnel Expenses	1,282		45	
Power & Fuel	886		(1,660)	
Repair and Maintenance	0		1,264	
Other General Expenses	414		118	
Depreciation	617		36,220	
Security	17,667		0	
Rent Rate & Taxes	55		0	
Misc- Others	917	21,838	0	35,987
TOTAL		18,893		25,691
LESS:-				
Transferred To EDC Schedule		6,500		332
TOTAL		12,393		25,359



Schedules - Annexed to the Accounts

SCHEDULE - 23 PROVISION FOR TAXATION

Amount In Thousands

Particulars	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
	₹	₹	₹	₹
INCOME TAX				
Current Year		8,55,572		4,15,812
TOTAL		8,55,572		4,15,812
LESS:-				
Transferred To EDC Schedule		0		0
TOTAL		8,55,572		4,15,812
FRINGE BENEFIT TAX				
Current Year		0		18,476
TOTAL		0		18,476
LESS:-				
Transferred To EDC Schedule		0		15,210
TOTAL		0		3,266
WEALTH TAX				
Current Year		3,879		3,042
TOTAL		3,879		3,042
LESS:-				
Transferred To EDC Schedule		2,087		1,651
TOTAL		1,792		1,391



Schedules - Annexed to the Accounts

SCHEDULE - 24 EXPENDITURE DURING CONSTRUCTION

Amount In Thousands

Particulars	Schedule No.	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
		₹	₹	₹	₹
EXPENDITURE					
EMPLOYEE'S REMUNERATION & BENEFITS	18				
Salaries, Wages, Allowances & Benefits		7,80,618		9,02,547	
Contribution to Provident & Other Funds		86,495		68,475	
Gratuity		76,897		1,20,410	
Welfare		20,175	9,64,185	25,283	11,16,715
ADMINISTRATION & OTHER EXPENSES	19				
Rent, Rates & Taxes					
Rent For Office		13,396		11,098	
Rent for Employee Residence		19,489		15,939	
Rates & Taxes		1,290	34,175	1,813	28,850
Power & Fuel			30,819		54,085
Insurance			1,169		1,140
Communication			9,796		10,973
Repair & Maintenance:					
Plant & Machinery		396		798	
Buildings		20,271		31,445	
Others		46,680	67,347	49,957	82,200
Traveling & Conveyance			63,048		55,276
Vehicle Hire & Running			43,771		33,987
Security			37,787		45,894
Publicity & Public Relation			15,508		16,292
Other General Expenses			1,04,659		92,433
Loss On Assets			81		670
Survey and Investigation Exp			144		0
Deferred Revenue Expenditure Written Off			258		270
Expenditure On Corporate Social Activities			0		3,483
PROVISIONS	21				
Provisions For Stores & Spares		0	0	13	13
DEPRECIATION			1,28,449		1,08,080
TOTAL EXPENDITURE (A)			15,01,196		16,50,361



Schedules - Annexed to the Accounts

Amount In Thousands

Particulars	Schedule No.	Year ended 31-Mar-2010		Year ended 31-Mar-2009	
		₹	₹	₹	₹
RECEIPTS					
OTHER INCOME	17				
Interest		3,432		21,500	
From Employees		11,626		12,551	
Others		1,800	16,858	738	34,789
Machine Hire Charges			215		45
Rent Receipts			1,994		1,247
Sundry Receipts			3,270		2,677
Excess Provision Written Back			73		602
Profit On Sale of Assets			367		2,248
TOTAL RECEIPTS (B)			22,777		41,608
PRIOR PERIOD ADJUSTMENTS	22		6,500		332
NET EXPENDITURE BEFORE TAXATION			14,84,919		16,09,085
PROVISION FOR TAXATION	23				
Fringe Benefit Tax		0		15,210	
Wealth Tax		2,087	2,087	1,651	16,861
NET EXPENDITURE INCLUDING TAXATION			14,87,006		16,25,946
Balance Brought Forward From Last Year			17,789		2,223
TOTAL EDC			15,04,795		16,28,169
LESS:-					
EDC Allocated To CWIP / Asset			14,67,389		15,72,429
EDC Of Projects Under Approval Charged To Profit & Loss Account			19,715		37,950
Balance Carried Forward To CWIP			17,691		17,790

SCHEDULE - 25 NOTES ON ACCOUNTS

1. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 21969.79 lac [Previous year (P.Y.) ₹ 44482.90 lac].

2. CONTINGENT LIABILITIES

	(₹ Lac)	
	2009-10	2008-09
(i) Claims against the Company, not Acknowledged as debts: Arbitration/Court cases [Includes ₹ 219.22 lac (P.Y. ₹ 258.47 lac) decreed against the Company in different arbitration/ Labour court cases and deposited by the Company but disputed in appeals.]	124046.16	129974.14
(ii) Disputed Income Tax, Trade Tax, Commercial Tax, Entry tax includes ₹ 254.96 lac (P.Y. ₹ 191.88 lac) deposited by Company but disputed in appeal.	746.46	1042.74
(iii) Others (Contractors claims etc.)	12977.95	49332.14
(iv) Amount of liability, if any, in respect of claims/court cases filed by the employees/ oustees and others is not ascertainable.		

3. Company has also accepted EMD/Security Deposit in the shape of FDR/CDR amounting to ₹ 739.28 lac (P.Y. ₹ 580.82 lac) besides the "Deposits, Retention money from Contractors" amounting to ₹ 1398.52 lac (P.Y. ₹ 1570.32 lac) as disclosed in Schedule - 13.

4. The Company is holding confirmed letters of credit (LCs) from various beneficiaries of power as backup security for payment amounting to ₹ 1907.38 lac (P.Y. ₹ 1984.75 Lac).

5. An amount of ₹ 7800.00 lac was spent for providing extra space to Govt./Semi Govt. Deptt. in New Tehri Town and the same was recoverable from Government of Uttarakhand (GOUK). As per the approval of Government of India (GOI), the term loan of ₹ 7800.00 lac was raised from Punjab National Bank in the year 2005-06 on behalf of GOUK. The amount along with interest is to be recovered from GOUK from their share of 12% free power from Tehri HEP Stage-I. In the meeting held on 27.03.2009 under chairmanship of secretary (power), MOP it was mutually settled that GOUK shall reimburse the expenditure of ₹ 7800.00 lac due on account of extra space provided by THDC for residential / non-residential buildings after adjusting the amount due from THDC towards royalty on clay/shell material used in construction of Dam. Further it was agreed that being a mutual settlement neither GOUK nor THDC shall charge interest on the amounts due to each other. Accordingly, interest of ₹ 1857.42 lac recoverable from GOUK has been adjusted. It was further decided that the amount of royalty charges shall be worked out on the basis of actual quantities as provided by THDC. Royalty has been calculated which comes to ₹ 3820.00 lac. The balance amount of ₹ 1920.00 lac after deducting deposited amount of ₹ 1900.00 lac with D.M. has been adjusted against ₹ 7800.00 lac and balance amount of ₹ 5880.00 lac has been shown as recoverable from GOUK in Schedule-12. The matter was further discussed in the meeting held on 11.05.2010 Chaired by JS (Hydro) wherein representative of GOUK assured that the matter will be taken up with the State Finance Department for early release of amount.

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



to the Company's affidavit filed as per the Minutes. The decision of Hon' able High Court Nainital on this matter is still awaited. However, necessary adjustments stand incorporated in the Books of Accounts.

6. (i) The total interest on Borrowed funds for the year is ₹ 50114.46 lac (P.Y. ₹ 42155.41 lac). The amount of borrowing cost capitalized during the year is ₹ 10016.65 lac (P.Y. ₹ 5155.32 lac) after adjustment of an amount of ₹ 9.06. lac (P.Y. ₹ 11.78 lac) towards interest earned on short term deposit of surplus borrowed funds during the year.
- (ii) The amount of foreign exchange fluctuation during the year ₹ 963.89 lac (P.Y. ₹ 932.79 lac) is adjusted to the Capital Work In Progress/Assets.
7. Diversion Tunnel in Koteshwar Project was capitalized on 28th December 2003. The amortization of Diversion Tunnel has been charged on straight line method over the expected useful life of the Tunnel since its use shall cease after the commercial operation of 1st Unit of the Project. The anticipated scheduled date of commercial operation of 1st Unit got revised to 31st December 2010. Accordingly the rate of amortization has been worked out as 7.89% (P.Y. 11.05%.) However, scheduled date of commercial operation of the station is 31st October 2011.
8. (i) Pay revision of the employees of Company is due w.e.f. 01.01.2007. Pending implementation of pay revision, provision amounting to ₹ 4669.88 lac (P.Y. ₹ 3126.29 lac) has been made towards wage revision on estimated basis having regard to the guidelines issued from time to time by Department of Public Enterprises (DPE), GOI
- (ii) THDC Education Management Board (EMB), registered under the Societies Registration Act, 1860, is a separate entity. THDCIL is responsible for reimbursement of amount spent on Pay, Allowances and Gratuity etc. Revision of pay scale of employees working in EMB is yet to be finalized by EMB. Since the financial impact due to revision of pay scale could not be ascertained and informed by EMB, provision on this account has not been made in the books of Account.
9. Pending completion of legal formalities, title deeds of freehold land measuring 114.22 acres amounting to ₹ 70.18 lac (P.Y. 107.05 acres amounting to ₹ 63.49 lac) are yet to be registered in the name of the Company.
10. (i) Rehabilitation Expenses under Capital-Work-in-Progress include ₹ 460.63 lac (P.Y. ₹ 437.71 lac) towards cost of 608.77 acres (P.Y. 600.086 acres) of land acquired for rehabilitation of oustees / execution of project works. Further, Rehabilitation CWIP and EDC thereon relating to Tehri HPP stage-I amounting to ₹ 3467.34 lac (P.Y. ₹ 5720.60 lac) have been capitalized during the year 2009-10 which include ₹ 177.84 lac (P.Y. ₹ 74.46 lac) towards cost of Nil acres (P.Y. 29.12 acres) of land acquired for rehabilitation.
- (ii) Registration of property allotted to the oustees at the new locations for resettlement is in process and is being looked after by Govt. of Uttarakhand who has been assigned the responsibility of rehabilitation & resettlement of Dam Ousteers.
- (iii) Pursuant to the Government of India, MOE&F, New Delhi's order No. F.No.8-3/89-FC dated 17/23rd Oct., 2002- the Government of Uttarakhand vide its office order no. GI-186/7-1-2002-300(459)/88 dated 30 Oct., 2002 has issued order for diversion of 338.932 hectare Civil Soyam and Forest land on lease for a period of 30 years in favour of the Company, for the purpose of construction of Koteshwar Dam Project (4x100 MW). The lease deed for 337.057 hectare land has been executed w.e.f. 01.01.2003 with Govt. of Uttarakhand. The lease deed for 1.875 hectare Forest land, for which payment has been made, is pending for completion of legal formalities and has been shown as lease hold Land. Out of 338.932 hectare, 218.307 hectare is below submergence area and is shown under rehabilitation to be capitalized on completion of Dam. The amount of ₹ 67.84 lac against 120.625 hectare land above submergence area is being amortized in 30 years.
- (iv) The Land measuring 14.37 acres transferred free of cost by Govt. of Uttarakhand for construction of Koteshwar Dam Project (4x100 MW) to the Company has been accounted for at notional value of ₹ 1/-.
- (v) MOE&F, Government of India vide order no. 08B/UCP/06/306/2006/FC/ 2013, 967,963 and 08B/UCP/06/312/2006/FC/144 & 08B/UCP/06/303/2008/FC/1585 dated 07.03.07, 27.09.07, 29.04.08 and

29.12.2008 respectively has sanctioned 19.883 hectare of forest land on lease for a period of 30 years in favour of the Company for construction of roads at Vishnugad Pipalkoti project for which lease premium has been paid. The same has been shown as leasehold land. However, legal formalities are yet to be completed.

11. (i) Discrepancies found during physical verification of fixed assets, which are not significant in nature are being examined and reconciled. Necessary adjustment shall be made on final reconciliation.
- (ii) In the absence of actual cost, certain assets, found in excess during physical verification, have been recorded at a notional value of ₹ 1/- each.
12. Balances shown under advances, debtors, creditors and materials in transit / lying with contractors are subject to confirmation / reconciliation and consequent adjustments, if any.
13. Balance with banks includes ₹ 136.78 lac (P.Y. ₹ 136.78 lac) on which lien has been exercised by the concerned Authorities for recovery on account of Royalty, Spillway Escalation.
14. Losses / Shortages pending investigation ₹ 1.85 lac (Previous year ₹ 1.92 lac) represents shortages. Pending the approval of the competent authority, adjustment for the same is yet to be made.
15. The Company has received the confirmation of the Ministry of Corporate Affairs, Government of India vide no. 40/2/2008-CL-III dated 17.12.2008 for reduction of share capital by ₹ 277.87 lac by cancellation of 27787 equity shares of ₹ 1000/- each allotted to the Govt. of India. Necessary entry for the same has been passed in the year 2008-09. The reduction represents the part purchase consideration towards the transfer of Transmission Lines and associated sub stations to Power Grid Corporation of India Limited. Thus total reduction in share capital on this account comes to ₹ 1118.87 lac including earlier reduction of ₹ 841.00 lac done in 1998-99.
16. (i) 35 flats (P.Y. 75 flats) on the land acquired by the Company are in the unauthorized occupation of various persons. The Government of India has appointed Estate Officers for necessary action in the matter. Further, the possibilities of legal action are being explored.
- (ii) Transit camp constructed in THDC complex at 26, E.C. Road, Dehradun having value of ₹ 20.10 lac is being used by THDC and various departments of Govt. of Uttarakhand who are responsible for Rehabilitation works of Tehri Dam Project. However, after completion of rehabilitation activities such assets will remain in the possession of the Company.
- (iii) Freehold land includes 0.458 hectares, located at Sautiyal Village encroached by unauthorized occupants
17. As per the Articles of Association, the cost of Irrigation Component of the 1000 MW Tehri HPP Project which is 20% of the total cost has to be borne by GOUP as Consumer's contribution. Total cost incurred on the project upto 31.03.2010 works out to ₹ 839245.05 lac (P.Y. ₹ 839245.05 lac) out of which, as per the formula, cost of Irrigation Component works out to ₹ 144133.80 lac (P.Y. ₹ 144133.80 lac). The Government of Uttar Pradesh has contributed ₹ 144118.38 lac as on 31.03.2010 (P.Y. ₹ 139584.38 lac).
18. As per clause no 61(B) of the Articles of Association, maintenance charges payable by GOUP towards the maintenance of irrigation sector are to be mutually agreed by the Company and Govt. of U.P. Pending mutual agreement, the same has not been shown as recoverable from Govt. of U.P.
19. Commercial operation of Tehri HPP-I, Generating Station has been declared during the year 2007-08. The management is of the opinion that in respect of Cash Generating Unit (CGU) represented by Tehri HPP-I, there has been no impairment in the value of assets during the year in terms of Accounting Standard (AS) 28 "Impairment of Assets".
20. (i) Electricity generation is the business activity of the Company. Therefore, there is no other reportable segment as per the Accounting Standard – 17 on Segment Reporting issued by the Institute of Chartered Accountants of India.
- (ii) The Company has power stations located within the country and therefore, geographical segments are not applicable.



21. Related Party Disclosure:

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

a) Related Parties – Key Management Personnel:

Whole time Directors:

- | | |
|----------------------|------------------------------|
| 1. Shri R. S. T. Sai | Chairman & Managing Director |
| 2. Shri A. S. Bisht | Director (Personnel) |
| 3. Shri S. K. Shukla | Director (Technical) * |
| 4. Shri C. P. Singh | Director (Finance) |

*Superannuated on 31st December, 2009.

- b) Summary of transactions with related parties (other than for contractual obligations) - Nil.
c) Remuneration to whole time Directors including Chairman & Managing Director is disclosed in Note No.42.
d) THDCIL, NPCIL Joint Venture to be formed as disclosed in note No 28(i).

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

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

	2009-10	2008-09
Net profit after tax used as numerator (₹ In lac)	47995.12	32520.62
Weighted average no. of equity shares used as denominator	32975817	32855009
Earning per share ₹ Basic	145.55	98.98
Diluted	145.55	98.98
Face Value per share ₹	1000	1000

23. In compliance to the Accounting Standard 22 on “Accounting for Taxes on Income” issued by the Institute of Chartered Accountants of India, the net increase in the deferred tax assets of ₹ 7502.67 lac (P.Y. decrease in Deferred tax liability ₹ 6740.98 lac) has been booked to Profit and Loss Account. The deferred tax assets pertaining to the period upto 31st March, 2009 is refundable to the beneficiaries, thereafter, it is a part of the current tax as per CERC regulation 2009-2014 and not refundable. The item-wise detail of cumulative Deferred Tax Liability/Assets is as under:

S.No.		(₹ in Lac)	
		31.03.2010	31.03.2009
	Deferred Tax Liability (A)		
i)	Difference of Book Depreciation and Tax Depreciation	0	4109.32
	Deferred Tax Assets (B)		
ii)	Difference of Book Depreciation and Tax Depreciation	1410.32	0
iii)	Advance against Depreciation to be considered as income in tax computation	9625.04	8294.35
iv)	Provision for doubtful debts	81.14	5.99
v)	Provision for employee benefit schemes	2699.13	2121.94
	Net Deferred Tax Liability/(Assets) (A-B)	(13815.63)	(6312.96)

24. In line with the Guidelines issued by Govt. of India, Company is required to incur expenditure on Corporate Social Responsibility (CSR) activities @ 1% of Profit Before Tax of 2007-2008 during the year 2008-2009 and 2% of Profit Before Tax of 2008-2009 during the year 2009-2010. Provision for unspent amount has been made by way of non-lapsable CSR fund.



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

26. a) Based on the information available with the company, there are no suppliers/service providers who are registered as micro, small or medium enterprises under “The Micro, Small and Medium Enterprises Development Act, 2006” as on 31st March 2010.

b) No payment is due for more than 30 days as at 31st March, 2010 in respect of purchases/services made from small scale/ancillary industries.

27. Value of spare parts & components consumed :

	%	Current Year (₹ in lac)	%	Previous Year (₹ in lac)
Imported	0	Nil	0	Nil
Indigenous	100%	33.81	100	56.91

28. i) The Govt. of Maharashtra vide letter no. MIS-1207/(126/2007)/HP dated 21.04.2008 has entrusted two Pumped Storage Schemes (PSS) for Survey & Investigation of Maishej Ghat (600 MW) on river Kalu (Distt. Pune) and Humbarli (400 MW) on upstream of Koyna Project (Distt. Satara) in Maharashtra State to the Joint Venture of THDC and NPCIL which is to be incorporated. An agreement has been signed between THDC & NPCIL in August, 2008 and the works of Survey and Investigation have been taken up and an amount of ₹ 253.52 lac (P.Y. ₹ 28.79 lac) has been spent by THDC upto 31st March 2010 which is shown as recoverable from Joint Venture.

ii) Govt. of India vide D.O. no.11/01/2008-BBMB dated 22.07.2008 has entrusted the updation work of the DPRs of Sankosh Project (4060 MW) and Bunakha HEP (180 MW) in Bhutan to THDCIL. Accordingly work of updation of DPR has been taken up by THDC India Ltd.

The agreements for updation of DPRs of these projects have been signed between THDC India Ltd. and Royal Govt. of Bhutan on 23.03.10 and 24.06.10 respectively. According to these agreements an amount of ₹ 1682.075 Lacs and ₹ 1378.75 Lacs for updation of DPR of Sankosh HE Project and Bunakha HE Project respectively, shall be payable to THDC India Ltd. by Royal Govt. of Bhutan.

The Company has spent ₹ 602.15 Lacs up to 31.03.10 (P.Y. ₹ 294.25 Lacs) on Sankosh & Bunakha Projects and shown the same as recoverable.

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

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

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

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



33. i) Recoveries from M/s KCT & Bros C.S. Ltd (KCT) towards rebate against quantity variation as per Contract provision of Power House has been contested by the Company in the Nainital High Court. As per court order these cases were referred to Arbitration. The matter is still pending before Arbitral Tribunal. The value of assets created under these contracts will vary depending upon finalization of case.
- (ii) Advance to contractors include ₹ 13182.43 lac (Principal ₹ 10983.72 lac and interest @ 16% ₹ 2198.71 lac) [P.Y. ₹ 7621.00 lac (Principal ₹ 6674.35 lac & interest @ 16% ₹ 946.65 lac)] towards the works executed at the risk and cost of the KHEP contractor (M/s PCL). The value of security (performance guarantee/cash) available with THDC upto 31.03.2010 is amounting to ₹ 5628.71 lac (P.Y. ₹ 4095.987 lac) only.
34. The Central Electricity Regulatory Commission (CERC) had notified in March, 2004 the regulations called the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2004. These regulations came into force on 01.04.2004, and remained in force for a period of 5 years. Company filed the petition before CERC for fixation of provisional tariff following the principles enunciated by the CERC in Regulations, 2004. CERC had issued provisional Tariff Order dated 28th December 2006 stating that the tariff approved is an interim measure, and is in derogation of Annual Fixed Charges claimed in the petition and accordingly, there shall not be any computation of secondary energy & capacity index for the period upto 31.03.2007. Aggrieved by the impugned order, Company filed appeal before the Hon'ble Appellate Tribunal for Electricity which in its Order dt. 02.07.2007 stated that Commission while determining the final tariff will consider all the relevant contentions of the parties involved.
- During the year 2007-08 last Unit i.e Unit-I of Tehri Stage-I Generating Station had been declared under commercial operation on 08.07.2007 and the petition was updated based on audited and certified expenditure upto 07.07.2007. Later on CERC vide its order dated 14.03.2008 communicated that the date of commercial operation of the last Unit i.e Unit-I of the Generating Station shall be reckoned w.e.f 00.00 hours of 09.07.2007 and accordingly Company shall be entitled for IDC and associated costs upto 08.07.2007.
- Pending Government approval of Revised Cost Estimate, expenditure upto cut off date i.e., 31.03.2009, considering the date of commercial operation of the last unit i.e., Unit - I as on 09.07.2007, the audited & certified AFC has been considered in the Accounts for FY 2009-2010. Further AFC for the year 2009-2010 has been worked out following the principles enunciated by the CERC in Regulations, 2009 and got certified from the statutory auditors. Accordingly, Company has billed sales for ₹ 143291.92 lac including secondary energy charges of ₹ 2250.99 (P.Y. ₹ 111349.39 lac including secondary energy charges of ₹ 523.93 lac). Sales during the year includes ₹ 5221.42 lac and ₹ 2250.99 lac relating to energy charges and secondary energy charges respectively for earlier years consequent upon revision of AFC based on expenditure upto cut of date and revision of design energy. Advance against Depreciation (AAD) for ₹ 3914.97 lac pertains to earlier years. The revenue for the year has been provisionally recognised pending determination of tariff by CERC. Debtors include ₹ 56825.35 Lac on account of differential billing between AFC calculated as per CERC regulation and provisional rate allowed by CERC pending finalization of tariff.
35. During the year the company has provided depreciation at the rates notified by Central Electricity Regulatory Commission (A body constituted under erstwhile Electricity Regulatory Commission Act, 1998 and recognized under the Electricity Act, 2003) for the purposes of tariff, which are different from the rates specified under Companies Act, 1956. The MoP - Gol had notified Tariff policy which provides that the rates of depreciation notified by CERC would be applicable for the purpose of tariff as well as accounting. Pending formalization of norms by CERC in accordance with the Tariff Policy, the rates notified under present Tariff Regulation 2009-2014 are considered appropriate for charging depreciation for the year.
36. Advance against Depreciation allowed as component of tariff under CERC Regulation 2004-2009 was reduced from sales and considered as deferred revenue to be adjusted in sales of subsequent years. As per CERC Regulation 2009-2014 the same has been abolished w.e.f. 01.04.2009.



37. The Company has taken on lease/rent premises for employees / offices / Guest Houses/Transit camps & vehicles. These lease arrangements are usually renewable on mutually agreed terms but are not cancellable. Rent rate and taxes include ₹ 402.72 lac (P.Y. ₹ 335.26 lac) towards lease payment (net off recoveries).
38. The Company has made provision as below:-

₹ In Lac					
Sl.No.	Particulars	Opening Balance	Additions	Used/ Adjusted	Closing Balance
1	Works	3990.32	3264.84	3552.25	3702.91
2	Employees Related	16683.74	4358.11	1105.01	19936.84
3	Proposed Dividend	2800.00	8500.00	2800.00	8500.00
4	Tax on Interim Dividend	0.00	1019.70	1019.70	0.00
5	Tax on proposed Dividend	475.86	1444.58	475.86	1444.58
6	Others	417.46	3689.19	892.28	3214.37
	Total	24367.38	22276.42	9845.1	36798.70

The above table shows that provisions have been made for works, employees, proposed dividend, tax on interim dividend, tax on proposed dividend and others. Works include mainly for un-measured works as on 31.3.2010. Employee's provision includes leave encashment, gratuity, post retirement medical benefits, funeral, baggage allowance in line with the Accounting Policy No. 11(i) and pay arrear etc. Others includes provision for Income tax, Wealth tax, Rehabilitation & Resettlement, Corporate Social Responsibility etc.

39. i) Company pays fixed contribution to provident fund at pre-determined rates to a separate trust, which invests the funds in permitted securities. The contribution to the fund for the period is recognized as expense and is charged to profit & loss account. The trust is required to pay a minimum rate of interest on contributions to the members as specified by Ministry of Labor, GOI. However, the obligation of the company is limited to such fixed contribution and shortfall in meeting the interest obligation by the trust. Accordingly, as per Actuarial valuation the liability due to statutory interest rates guaranteed for provident fund as on 31.03.2010 as per AS-15 (Revised) comes to ₹ 320.00 lac (P.Y. ₹ 211.22 lac) as against the revenue surplus of ₹ 219.97 lac (P.Y. ₹ 254.79 lac) available with the trust as on the Balance Sheet date. Therefore, liability of differential amount of ₹ 100.03 Lac (P.Y. Nil) has been provided in the accounts.
- ii) Disclosure under the provisions of AS-15 on "Employees Benefits". Provision for employee benefits has been made for the current period using the Actuarial Valuation done as at 31.03.2010. Accordingly, disclosure under the provision of Accounting Standard 15 on "Employee Benefits" for the Financial Year ended 31.03.2010 is given below:

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

₹ in Lac		
Particular	31.03.2010	31.03.2009
Mortality Table	LIC (1994-96) Duly modified	LIC (1994-96) Duly modified
Discount Rate	7.5%	7%
Future Salary Increase	5%	4.5%



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

₹ in Lac

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	LTC	Baggage allowance/ Retirement award
PVO at Beginning of year	5592.76	3042.82	1349.40	2468.60	433.86	541.81
Interest cost	419.46	228.21	101.21	185.14	32.54	40.64
Past service cost	--	--	--	--	--	--
Current service cost	451.40	184.31	59.45	185.24	227.79	52.43
Benefit paid	(198.85)	(946.84)	(15.82)	(57.15)	(304.75)	(50.97)
Actuarial (Gain)/loss	794.81	221.14	19.75	198.43	60.60	(88.06)
PVO at end of year	6985.46	2729.64	1513.99	2980.27	450.04	495.85

Table - 3: Amount Recognised in Balance Sheet

₹ in Lac

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	LTC	Baggage allowance/ Retirement award
PVO at end of year	6985.46	2729.64	1513.99	2980.27	450.04	495.85
Fair Value of Plan Assets at the end of year	--	--	--	--	--	--
Funded Status	(6985.46)	(2729.64)	(1513.99)	(2980.27)	(450.04)	(495.85)
Unrecognised actuarial gain/loss	--	--	--	--	--	--
Net liability recognized in Balance Sheet	6985.46	2729.64	1513.99	2980.27	450.04	495.85

Table - 4: Amount recognized in profit & loss Account/EDC Account.

₹ in Lac

Particular	Gratuity	Leave Encashment	Post retirement medical benefit	Sick Leave	LTC	Baggage allowance/ Retirement award
Current Service Cost	451.40	184.31	59.45	185.24	227.79	52.43
Interest Cost	419.46	228.21	101.21	185.14	32.54	40.64
Past Service Cost	--	--	--	--	--	--
Expected return on Plan Assets	--	--	--	--	--	--
Net Actuarial (gain)/loss recognized for the year	794.81	221.14	19.75	198.43	60.60	(88.06)
Expense recognized in Profit & Loss/EDC for the year	1591.55	633.66	180.40	568.82	320.93	5.01

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

41. Change in Accounting Policy:-

SL NO.	POLICY	IMPACT
1	Modification in accounting policy no. 5(i) relating to Land Unclassified. The words "and to be amortised over the useful life of the project which is taken as 35 years from the date of commercial operation" has been deleted in view of separate depreciation rate provided in CERC Regulation 2009-2014.	Increase in Depreciation by ₹ 581.17 lac & corresponding decrease in Net block by ₹ 581.17 lac.
2	Modification in accounting policy no. 8(iii) relating to assets costing upto ₹ 5000.00. The words "but not more than ₹ 1500.00" (excluding immovable assets) have been added. Further new accounting policy no. 8(ii) for low value items costing upto ₹ 1500.00 which are in nature of assets are not capitalized and charged to revenue has been introduced.	Decrease in Gross Block of Fixed Assets by ₹ 6.17 lac & corresponding decrease in accumulated depreciation by ₹ 6.17 lac. Therefore no change in net block. Increase in other expenditure by ₹ 6.17 lac corresponding decrease in depreciation by ₹ 6.17 lac. Therefore no change in expenditure.
3	Modification in accounting policy no. 8(vi) relating to capital expenditure on assets not owned by the Company has been made.	No impact as the change has been made for elaboration and better clarity.
4	Modification in accounting policy no 10(i) relating to income reorganization has been made the word "And recovery towards Income Tax" has been deleted as per CERC Regulation 2009-2014.	No impact as the Income Tax recovery has been included in Return on Equity which is one of the component of tariff.
5	Accounting policy no 10(iii) relating to Advance Against Depreciation has been deleted as per CERC Regulation 2009-2014.	No impact on profit as AAD was deducted from sales and shown as deferred income in earlier years.
6	Accounting policy no 10(vi) relating to accounting of insurance claim has been modified.	Decrease in insurance claims receivable by ₹ 66.12 lac with corresponding decrease in insurance claim suspense account.
7	New accounting policy no. 9(xi) Corporate Social Responsibility has been introduced.	Increase in provision for ₹ 752.78 lac and Increase in expenditure of ₹ 752.78 lac
8	Accounting policy no 13 relating to Taxes on Income has been modified in line with CERC Regulation 2009-2014.	No impact as the Income Tax recovery has been included in Return on Equity which is one of the component of tariff

42. Remuneration paid /payable to Directors:-

	(₹ in lac)	
	2009-10	2008-09
(i) Salaries and allowances	46.38	65.78
(ii) Contribution to Provident Fund	5.32	7.55
(iii) Other Benefits	28.74	47.43
(iv) Directors Fees	3.60	2.30
(v) Directors Traveling Expenses.	7.21	23.72



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

43. Payment to Auditors (₹ in lac)

	2009-10	2008-09
Audit Fee (including service tax)	3.03.*	3.03
In other capacity	8.16	2.08
Out of pocket expenses	4.48	2.72

*Subject to approval in Annual General Meeting

44. Expenditure incurred in foreign Currency (on cash basis)

PARTICULARS	2009-2010	2008-09
Travelling	36.3	38.11
Consultancy & Professional charges	230.8	1291.24
Management/Commitment fee	0	0.15
Repayment of loan & Interest	2660.35	3180.85
Import of goods	66.77	179.33
Others (Handling Charges)	6.68	47.33
TOTAL	3000.91	4737.01

45. i) Value of Imports Calculated on CIF basis.

	2009-2010	2008-09
Capital Goods	180.37	207.31
ii) Value of Export during the year	Nil	Nil

46. Licensed and Installed Capacities:-

SL. NO.	PARTICULARS	2009-10	2008-09
(i)	Licensed Capacity (M.W)	Not Applicable**	Not Applicable**
(ii)	Installed Capacity (M.W)	1000MW	1000MW
(iii)	Approved Capacity(M.W)- Based on investment approval by CCEA)	2400MW	2400 MW
(iv)	Quantitative information in respect of Generation and sale of Electricity (In Million Units)		
	(a) Pre-Commercial period		
	Generation	NIL	NIL
	Sales	NIL	NIL
	(b) Commercial period		
	Generation	2116.791811 MU	3164.234384 MU
	Sales (net of free power to home state, auxiliary consumption and transformation losses)	1840.412391 MU	2751.111857 MU

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



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

48. Schedule '1' to '25' form an integral part of the accounts.

(S.Q. Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

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

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

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

Date: 13.08.2010

Place: New Delhi



Annual Report

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

Amount In Thousands

Balance Sheet Abstract and Company's General Business Profile	
i) Registration Details	
Registration No.	0 0 0 0 9 8 2 2
State Code	0 0 0 0 0 2 0
Balance Sheet Date	31-MAR-2010
ii) Capital raised during the year	
Amount in Thousands	
Public issue	NIL
Right issue	NIL
Private Placement:-a	
(I) Shares issued to Government of India (Nos.) [Net]	NIL
(ii) Shares issued to Government of Uttar Pradesh (Nos)	NIL
Share Capital Contribution Pending Allotment to	
Government of India	NIL
Government of Uttar Pradesh	NIL
Bonus issue	NIL
iii) Position of mobilisation and deployment of funds	
Total Liabilities	10,85,76,463
Total Assets	10,85,76,463
Source of funds	
Paid up capital	3,29,75,817
Capital Pending Allotment	NIL
Reserves And Surplus Including Contribution From GOUP	2,15,29,823
Secured Loans	4,52,60,173
Unsecured Loans	8,17,326
Deferred Revenue -on Account of Advance against Depreciation	28,33,089
Application of Funds	
Net Fixed Assets	7,54,56,935
Capital Work-In-Progress Including Construction Stores And Advances	2,30,71,727
Investments	-
Deferred Tax Asset [Net]	7,50,267
Net Current Assets	41,33,699
Miscellaneous Expenditure	3,600

Amount In Thousands

iv) Performance of Company	
Turnover (Including Other Income)	1,42,39,066
Total Expenditure	93,32,457
Profit / loss before Tax	49,06,609
Profit / loss after tax	47,99,512
Earning per share (₹)	145.55
Dividend Rate (%)	4.397
v) Generic names of Principal product / Service of company	
Item Code No	NOT APPLICABLE
Product Description	Generation of Electricity

(S.Q. Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

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

Date: 13.08.2010

Place: New Delhi



Cash Flow Statement for the Year 31 March, 2010

Amount In Thousands
(Figures in Parenthesis Represent Deduction)

Particulars	Year Ended 31-Mar-2010		Year Ended 31-Mar-2009	
	₹	₹	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit before tax and Prior Period adjustments		49,19,002		36,97,890
Adjustments for:-				
Depreciation	34,58,440		16,50,592	
Provisions	22,107		674	
Advance Against Depreciation- Deferred	3,91,497		12,00,526	
Interest on loans	40,69,210		36,83,281	
Rebate to Customers	1,14,701		1,35,680	
Prior Period Adjustments	(12,393)	80,43,562	(25,359)	66,45,394
Operating profit Before Working Capital Changes		1,29,62,564		1,03,43,284
Adjustment For Change In Working Capital				
Inventories	(18,441)		(36,709)	
Sundry Debtors	(38,32,500)		9,08,596	
Other Current Assets	2,990		4,287	
Loans and Advances	(52,337)		5,95,396	
Current Liabilities	(1,75,324)		(6,95,873)	
Provisions	12,43,132	(28,32,480)	11,60,410	19,36,107
Cash Generated From Operations		1,01,30,084		1,22,79,391
Direct Tax Paid		(8,57,364)		(4,20,469)
Net Cash From Operations (A)		92,72,720		1,18,58,922
B. CASH FLOW FROM INVESTING ACTIVITIES				
Change in:-				
Fixed Assets and CWIP	(64,94,495)		(71,75,448)	
Construction Stores	(15,164)		3,574	
Capital Advances	(3,29,848)		(7,54,807)	
Miscellaneous Expenditure (To the extent not adjusted)	1,226		1,319	
Net Cash Flow From Investing Activities (B)		(68,38,281)		(79,25,362)



Cash Flow Statement for the Year 31 March, 2010

Amount In Thousands
(Figures in Parenthesis Represent Deduction)

Particulars	Year Ended 31-Mar-2010		Year Ended 31-Mar-2009	
	₹	₹	₹	₹
C. CASH FLOW FROM FINANCING ACTIVITIES				
Share Capital	-		(27,787)	
Irrigation Contribution	4,53,400		8,87,199	
Other Capital Reserve	124		20,400	
Loans	26,35,129		(3,12,219)	
Interest on loans	(40,69,210)		(36,83,281)	
Rebate to Customers	(1,14,701)		(1,35,680)	
Dividend & Tax on Dividend	(16,96,428)		(11,46,551)	
Net Cash Flow From Financing Activities (C)		(27,91,686)		(43,97,919)
D. NET CASH FLOW DURING THE YEAR (A+B+C)		(3,57,247)		(4,64,359)
E. OPENING CASH & CASH EQUIVALENTS		5,88,117		10,52,476
F. CLOSING CASH & CASH EQUIVALENTS(D+E)		2,30,870		5,88,117

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

(S.Q. Ahmad)
Company Secretary

(C.P. Singh)
Director (Finance)

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

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

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

Date: 13.08.2010
Place: New Delhi



Auditor's Report

To,
The Members,
THDC India Limited

1. We have audited the attached Balance Sheet of THDC India Limited as at March 31, 2010, and the Profit and Loss Account and also the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003, read with Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of section 227 (4A) of the Companies Act, 1956, and on the basis of such checks as we considered appropriate and according to the information and explanation given to us, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order to the extent applicable to the company.
4. Attention is invited to the following: -
 - a) Note no 5 of schedule 25 - Regarding balance amount due from Govt. of Uttarakhand amounting to ₹ 5880.00 Lacs on account of extra space as remaining due on 31.03.2010, after adjustment of dues towards Royalty, are yet to be recovered.

- b) Note No.10 (i) of Schedule 25 - Rehabilitation expenditure of ₹ 3467.34 Lacs capitalized in accounts under the head 'Unclassified Land' has been booked in accounts on the basis of account statements received from Uttarakhand Government/Govt. Authorities and thus not subject to verification by us.
 - c) Note No. 12 of Schedule 25 - The balances for Sundry Debtors, Sundry Creditors, Security Deposits/ Earnest Money Deposits, Loans & Advances are subject to confirmation and reconciliation.
 - d) Note No.16 (i) of Schedule 25 - Relating to unauthorized occupation of 35 flats (previous year 75 flats) by various persons on the land acquired by the Corporation.
 - e) Note No.34 of Schedule 25 - Accounting of sales is being done on provisional basis pending final fixation of tariff by CERC.
5. Further to our comments in the annexure referred to in paragraph 3, and read with other items on which attention is drawn vide paragraph 4 above, we report that:
 - a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
 - c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.
 - e) In pursuance to the notification No. GSR 829(E)

dated 17.7.2003, issued by the Department of Company Affairs; clause (g) of sub-section (1) of section 274 of Companies Act, 1956 pertaining to disqualification of Directors is not applicable to a Government Company.

6. In our opinion and to the best of our information and according to the explanations given to us, the said accounts read together with the Significant Accounting Policies and notes thereon attached thereto give in the prescribed manner, the information required by the Companies Act 1956, in the manner so required, and give a true & fair view in conformity with the Accounting principles generally accepted in India:
 - a) in the case of Balance Sheet, of the state of affairs of the company as 31st March 2010,

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

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

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

Place : New Delhi
Date : 13/08/2010



Annexure to the Auditors' Report

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

1. In respect of its Fixed Assets:

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

2. In respect of its Inventories:

- The inventory has been physically verified by the management at reasonable intervals.
 - The procedures of physical verification of inventory, followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - The Company has maintained proper records of inventory.
- The Company has neither granted nor taken any loans, secured or unsecured to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, Clause (iii) of paragraph 4 of the Order is not applicable.
 - In our opinion and according to the information and explanations given to us, there are adequate, internal control systems, commensurate with the size of company and nature of its business, with regard to purchase of inventory and fixed assets. During the course of our audit we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the underlying internal control systems.

- Based on the audit process applied by us, to the best of our knowledge and belief and according to the information and explanations given to us, there were no contracts or arrangements referred to in section 301 of the Companies Act, 1956 that need be entered in the register required to be maintained under that Section. The question of reasonableness of transactions ₹ 500000/- or more during the year does not arise.
- Since the Company has not accepted any deposit from the public, the question of compliance with the directives issued by the Reserve Bank of India and the provisions of section 58-A, 58-AA and other relevant provisions of Companies Act, 1956, and rules framed there under, does not arise.
- The Company has an Internal Audit system wherein external Chartered Accountant Firms are appointed to carry out periodic audits of different units of the Corporation. In our opinion, the scope and coverage of Internal Audit are commensurate with the size and nature of its business.
- The Central Government has prescribed maintenance of Cost Records under Section 209 (1)(d) of the Companies Act, 1956. The company is maintaining the required Cost Records. However, the Cost Audit for the year 2009-10 has not been conducted.
- According to the information and explanation given to us, the Company is regular in depositing undisputed statutory dues with appropriate authorities including Provident Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, custom duty, excise duty and other statutory dues applicable to the Company and that there are no undisputed statutory dues outstanding as on 31.3.2010 for a period of more than six months from the date they became payable. As informed, the provisions of the Employees State Insurance Act are not applicable to the Company.
 - According to information and explanation given to us, following disputed income tax / trade tax / entry tax dues have not been deposited.

Assessment Year	Amount (₹ in Lacs)	Nature of Dues	Present Status
1986-87	45.30	Trade Tax	Against the amount or the interest imposed by Assessing Authority, the case had been remanded back by Dy. Commissioner (Appeal), Dehradun and re-assessed by Assessing Authority with the same amount. THDC filed an appeal with JC (Appeals) against the order of A.O and JC (Appeals) has granted the stay order.
1989-90	0.36	Trade Tax	Commercial Tax deptt. has filed an Appeal before High Court Nainital against the decision of Tribunal for relief of Tax on Right to use.
1993-94	0.33	Trade Tax	The Trade / Commercial Tax deptt has filed an appeal before High Court Nainital against decision of Tribunal for the interest amount imposed by Assessing Authority.
1993-94	0.39	Trade Tax	Commercial Tax deptt has filed an Appeal before High Court Nainital against the decision of Tribunal for relief of Tax on Right to use.
1994-95	0.88	Trade Tax	The Trade/ Commercial Tax deptt. has filed an appeal before High Court Nainital against decision of Tribunal for the interest amount imposed by Assessing Authority.
1994-95	1.10	Trade Tax	Commercial Tax deptt. has filed an Appeal before High Court Nainital against the decision of Tribunal for relief of Tax on Right to use.
1997-98	0.60	Trade Tax	Commercial Tax deptt. has filed an Appeal before High Court Nainital against the decision of Tribunal for relief of Tax on Right to use.
2000-01 Interest for 113 months	136.35 308.15	Entry Tax	The Entry Tax case is pending before Add Commissioner (Appeal), Dehradun.

- The Company does not have accumulated losses at the end of financial year and has not incurred any cash loss in the financial year under audit, and also in the immediately preceding financial year.
 - In the case of ongoing projects of the company which are under construction stage, this clause of accumulated losses is not applicable.
- On the basis of audit procedures adopted by us and according to the records, the Company has not defaulted in repayment of dues to any Financial Institution or bank.
- According to the information and explanations given to us, the company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- The company is not a chit fund or nidhi/mutual benefit fund/society. Accordingly, Clause xiii of paragraph 4 of the Order is not applicable.
- In our opinion and as per the information and explanations given to us, the Company is not dealing in or trading in shares, debentures, and other investments. Accordingly, Clause xiv of paragraph 4 of the Order is not applicable.



15. As informed to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
16. In our opinion, and according to the information and explanations given to us, the company has applied the term loans for the purpose, they were raised during the year.
17. In our opinion, on an overall basis, and according to the information and explanation given to us, the company has not used the funds raised on short term basis for long term investment.
18. The Company has not made any preferential allotment of shares to parties and Companies covered in the register maintained under section 301 of the Act during the year.
19. The Company has not issued any debentures during the year and therefore the question of creating security or charge in respect, thereof does not arise.
20. The Company has not made any public issue of any securities during the year and therefore the question of disclosing the end use of money raised by any public issues does not rise.
21. During the course of our examination of books and records of the company for the year, carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instances of fraud on or by the company, nor have we been informed of such cases by the Management.

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

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

Place : New Delhi
Date : 13/08/2010



गोपनीय

संख्या/एमएबी-II/डीएल/3-20/2009-10/233

भारतीय लेखा तथा लेखा परीक्षा विभाग
कार्यालय प्रधान निदेशक, वाणिज्यिक लेखापरीक्षा,
एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-II
नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT
OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL
AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-II
NEW DELHI

दिनांक / Dated: 27 / 8 / 2010

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
टी.एच.डी.सी. इण्डिया लिमिटेड,
भागीरथीपूरम, टिहरी गढ़वाल,
उत्तरांचल-249001

विषय: कंपनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च, 2010 को समाप्त वर्ष के लिए
टीएचडीसी इण्डिया लिमिटेड के लेखाओं पर भारत के नियंत्रक महालेखा परीक्षक की
टिप्पणियां।

महोदय,

मैं कंपनी अधिनियम 1956 की धारा 619 (4) के अधीन 31 मार्च, 2010 को समाप्त वर्ष के लिए टीएचडीसी इण्डिया
लिमिटेड के लेखाओं पर भारत के नियंत्रक एवं महालेखा परीक्षक की शून्य टिप्पणियां अंग्रेषित करती हूँ। इन टिप्पणियों
को कम्पनी की वार्षिक रिपोर्ट में प्रकाशित किया जाए।

भवदीया,

(नयना अ. कुमार)

प्रधान निदेशक वाणिज्यिक लेखा परीक्षा
एवं पदेन सदस्य, लेखा परीक्षा बोर्ड-II
नई दिल्ली

संलग्न : उपरोक्तानुसार

चौथा और पांचवा तल, एनेक्सी बिल्डिंग, सीएजी आफिस, 10, बहादुर शाह जफर मार्ग, नई दिल्ली-110002
टेलीफोन 011-23239450 फैक्स 011-23239433 ई-मेल : mab2@nad.vsnl.net, mabnewdelhi2@cag.gov.in



**COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL
OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT,
1956 ON THE ACCOUNTS OF THDC INDIA LIMITED, RISHIKESH
FOR THE YEAR ENDED 31 MARCH 2010.**

The preparation of financial statements of THDC India Limited, Rishikesh for the year ended 31 March 2010 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is responsibility of the management of the Company. The Statutory Auditor appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 is responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 13 August 2010.

I, on behalf of the Comptroller and Auditor General of India, have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of THDC India Limited, Rishikesh for the year ended 31 March, 2010. 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 under section 619(4) of the Companies Act, 1956.

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

(Naina A. Kumar)
**Principal Director of Commercial Audit
& Ex-officio Member Audit Board - II,
New Delhi**

Place : New Delhi

Dated : 27.08.2010