



THDC INDIA LIMITED



ANNUAL ACCOUNTS FOR THE YEAR 2010-11



SIGNIFICANT ACCOUNTING POLICIES 2010-2011

1. General

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

2. Use of Estimates

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

3. Grants-in-Aid

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

4. Fixed Assets

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

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

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

5. Capital Work-in-Progress

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



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

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

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

6. Borrowing Costs

- 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.

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

Expenditure

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

11. Employees' Benefits

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

12. Miscellaneous Expenditure

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



13. Taxes on income

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

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

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

14. Cash Flow Statement

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





THDC INDIA LIMITED
Balance Sheet as at 31 March, 2011

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



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

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

(S.Q.Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

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

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

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

Date : 31.08.2011
Place : New Delhi



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

Amount in Thousand ₹

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



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

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

(S.Q.Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

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

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

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

Date : 31.08.2011

Place : New Delhi



SCHEDULES - ANNEXED TO THE ACCOUNTS

SCHEDULE - 1

SHARE CAPITAL

Amount In Thousand ₹

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

SCHEDULE - 2

RESERVE & SURPLUS

Amount In Thousand ₹

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



SCHEDULE - 3

DEFERRED REVENUE-ON ACCOUNT OF ADVANCE AGAINST DEPRECIATION

Amount In Thousand ₹

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

SCHEDULE - 4

LOAN FUNDS

Amount In Thousand ₹

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

* Secured Loans includes the following:-

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

Unsecured Loans:-

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



**SCHEDULE - 5
FIXED ASSETS**

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



SCHEDULE - 6

CAPITAL WORK IN PROGRESS

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



SCHEDULE - 7

CONSTRUCTION STORES & CAPITAL ADVANCES

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

SCHEDULE - 8

INVENTORIES

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



SCHEDULE - 9

SUNDRY DEBTORS

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

SCHEDULE - 10

CASH AND BANK BALANCES

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

SCHEDULE - 11

OTHER CURRENT ASSETS

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



**SCHEDULE - 12
LOANS AND ADVANCES**

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



SCHEDULE - 13
CURRENT LIABILITIES

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

SCHEDULE - 14
PROVISIONS

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



SCHEDULE - 15

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

Amount In Thousand ₹

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

SCHEDULE - 16

ENERGY SALES

Amount In Thousand ₹

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

SCHEDULE - 17

OTHER INCOME

Amount In Thousand ₹

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



**SCHEDULE - 18
INCOME FROM CONSULTANCY WORKS**

Amount in Thousand ₹

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

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

Amount in Thousand ₹

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

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

Amount in Thousand ₹

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



SCHEDULE - 21

INTEREST AND FINANCING CHARGES

Amount In Thousand ₹

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

SCHEDULE - 22

PROVISIONS

Amount In Thousand ₹

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

SCHEDULE - 23

PRIOR PERIOD INCOME/EXPENDITURE (NET)

Amount In Thousand ₹

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



SCHEDULE - 24

PROVISION FOR TAXATION

Amount In Thousand ₹

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

SCHEDULE - 25

EXPENDITURE - CONSULTANCY SERVICES

Amount In Thousand ₹

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



SCHEDULE - 26

EXPENDITURE DURING CONSTRUCTION

Amount In Thousand ₹

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



Amount in Thousand ₹

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



SCHEDULE-27

NOTES ON ACCOUNTS

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

2. CONTINGENT LIABILITIES

(₹ Lac)

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

21. Related Party Disclosure:

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

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

Whole time Directors:

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

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

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

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

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

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

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

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

₹ in lac

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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



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

38. The Company has made provision as below.

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

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

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

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

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

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

Table 1: Key Actuarial assumption for Actuarial Valuation as at

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

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

₹ in Lac

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



Table 3: Amount Recognised in Balance Sheet

₹ in Lac

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

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

₹ in Lac

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

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

41. Change in Accounting Policy:-

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

42. Remuneration paid /payable to Directors:-

(₹ in lac)

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

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



43. Payment to Auditors

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

*Subject to approval in Annual General Meeting

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

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

(S.Q. Ahmad)
Company Secretary

(C.P.Singh)
Director (Finance)

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

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

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

Date: 31.08.2011
Place: New Delhi

45. licensed and Installed Capacities:-

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

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

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

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



ANNUAL REPORT

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

Amount in Thousand ₹

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

(S.Q. Ahmad)
Company Secretary

(C.P. Singh)
Director (Finance)

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

Date: 31.08.2011
Place: New Delhi



CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2011

Amount In Thousand ₹
(Figures in Parenthesis Represent Deduction)

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



Amount In Thousand ₹
(Figures in Parenthesis Represent Deduction)

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

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

(S.Q. Ahmad)
Company Secretary

(C.P. Singh)
Director (Finance)

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

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

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

Date: 31.08.2011

Place: New Delhi



AUDITORS' REPORT

To,
The Members,
THDC India Limited

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

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

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

4. Attention is invited to the following:

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

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

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

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

- (a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
- (b) In our opinion, proper books of account as required by law have been kept by the Company, so far as appears from our examination of the books.
- (c) The Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report are in agreement with the books of account.
- (d) In our opinion, the Balance Sheet, Profit and Loss Account and Cash Flow Statement dealt with by this report comply with the Accounting Standards referred to in Sub-Section (3C) of Section 211 of the Companies Act, 1956.



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

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

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

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

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

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

Place : New Delhi
Date : 31st August, 2011





ANNEXURE TO THE AUDITORS' REPORT

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

1. In respect of its Fixed Assets :

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

2. In respect of its Inventories:

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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



टीएचडीसी इंडिया लिमिटेड THDC INDIA LIMITED

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

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

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

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

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

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

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

Place: New Delhi
Date: 31st August, 2011



गोपनीय

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

भारतीय लेखा तथा लेखा परीक्षा विभाग

कार्यालय प्रधान निदेशक, वाणिज्यिक लेखापरीक्षा,

एवं पदेन सदस्य, लेखापरीक्षा बोर्ड-III

नई दिल्ली

INDIAN AUDIT & ACCOUNTS DEPARTMENT

OFFICE OF THE PRINCIPAL DIRECTOR OF COMMERCIAL

AUDIT & EX-OFFICIO MEMBER, AUDIT BOARD-III

NEW DELHI

दिनांक / Dated: 15/9/2011

सेवा में,

अध्यक्ष एवं प्रबन्ध निदेशक,
टीएचडीसी इण्डिया लिमिटेड,
ऋषिकेश

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

महोदय,

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

भवदीय,

(एम.के. विश्वास)

प्रधान निदेशक

संलग्न : यथोपरि।

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



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

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

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

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

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

Place: New Delhi

Dated: 15th September, 2011

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

